

FRANCE

EFFORTS TO OBTAIN RATIFICATION OF DEBT AGREEMENT BETWEEN THE UNITED STATES AND FRANCE, SIGNED APRIL 29, 1926¹

800.51 W 89France/280a : Telegram

The Secretary of State to the Chargé in France (Whitehouse)

WASHINGTON, March 31, 1926—6 p. m.

81. Finance Minister Peret is quoted in Associated Press despatch from Paris dated March 30 to the effect that "France can make no settlement of the interallied debts that is not based in some measure on reparation payments from Germany," and "these terms should include a safeguarding clause that would give France protection should Germany at any time default." Foregoing statement reported to have been made in the course of his speech opening the debate on the financial measures yesterday.

Please cable exact words used by the Minister of Finance.

KELLOGG

800.51 W 89France/281 : Telegram

The Chargé in France (Whitehouse) to the Secretary of State

PARIS, April 1, 1926—11 a. m.

[Received April 1—9:03 a. m.]

127. Your 81, March 31, 6 p. m. According to the *Journal Officiel* following is the statement of the Minister of Finance:

"As to interallied debts it goes without saying that we are not going to discuss them at this moment. The negotiations with the United States, with England, continue, in a spirit of friendliness on the part of these two countries, with a very great desire for conciliation on the side of France.

As for myself, [Gentlemen,] I shall do my utmost to have this thesis prevail, that French payments should be fixed equitably in proportion to those that she will receive from Germany."²

Mailed to London, Rome, Brussels, and Berlin. Copy to European Information Center.

WHITEHOUSE

¹ For previous correspondence concerning negotiations on behalf of the World War Foreign Debt Commission for the settlement of debts owed the United States by France, see *Foreign Relations*, 1925, vol. I, pp. 132 ff. For text of agreement, see *Combined Annual Reports of the World War Foreign Debt Commission, 1922-1926* (Washington, Government Printing Office, 1927), p. 257.

² *Journal Officiel de la République Française, Débats Parlementaires: Chambre des Députés, Séance du 30 Mars 1926* (Paris), p. 1628.

800.51 W 89France/292 : Telegram

The Secretary of State to the Ambassador in France (Herrick)

WASHINGTON, April 29, 1926—9 p. m.

108. For your own information only. Debt agreement reached today providing for settlement of total debt amounting to \$4,025,000,000, of which \$3,340,000 represents principal and remainder interest accrued at four and one fourth percent to December 15, 1922, and three percent thereafter to June 15, 1925. Agreement provides for annuities commencing with \$30,000,000 in the first year and reaching \$125,000,000 in the seventeenth, and thereafter at latter figure to the sixty-second year. No interest for 5 years; one percent for next 10 years; two percent succeeding 10 years; two and one half percent succeeding 8 years; three percent succeeding 7 years, and three and one half percent for remaining 22 years. Present value calculated at four and one fourth percent is approximately \$2,000,000,000, or fifty percent of debt funded. Settlement contains no safeguard clause.

KELLOGG

800.51W 89France/296 : Telegram

The Ambassador in France (Herrick) to the Secretary of State

[Paraphrase]

PARIS, May 5, 1926—1 p. m.

[Received May 5—10:45 a. m.]

173. It is alleged in press despatches that Congress intends to await French Parliament's ratification before any action is taken on the debt agreement. I hope that this is not the case, since in my opinion prior ratification by the American Congress will facilitate ratification in France. Ever since the time of the Treaty of Versailles the French have been somewhat skeptical in regard to action by the Senate, and opponents of the agreement could use as an argument the possibility that it would not be ratified by the United States. French ratification will not be easy to obtain, and everything possible to facilitate the task of the French Government should be done.

HERRICK

800.51 W 89France/297 : Telegram

The Ambassador in France (Herrick) to the Secretary of State

PARIS, May 6, 1926—6 p. m.

[Received May 6—2:55 p. m.]

178. After sending my 173, May 5th, I met Briand,⁸ who, without any remark on my part, raised this very point that prior ratification by us would facilitate his task and said that in view of the ratification of the other agreements he hoped our Senate would act quickly on the French one.

HERRICK

800.51 W 89France/310b : Telegram

The Secretary of State to the Ambassador in France (Herrick)

[Paraphrase]

WASHINGTON, May 27, 1926—5 p. m.

146. According to the Secretary of the Treasury the possible date now mentioned for Congress to adjourn is June 19. He points out that if Congress is to take favorable action before adjournment early approval by French Parliament is important.

KELLOGG

800.51 W 89France/313a : Telegram

The Secretary of State to the Ambassador in France (Herrick)

[Paraphrase]

WASHINGTON, June 2, 1926—5 p. m.

153. By a vote of 226 for and 111 against, the House of Representatives has adopted the French debt settlement. The Senate will not act until action has been taken by the French Parliament. The Congress is ready to adjourn and is simply awaiting French action on adoption of the debt settlement. What prospects are there for speedy action?

KELLOGG

⁸Aristide Briand, French President of the Council and Minister for Foreign Affairs.

800.51 W 89France/314 : Telegram

The Ambassador in France (Herrick) to the Secretary of State

[Paraphrase]

PARIS, June 3, 1926—5 p. m.

[Received 5:30 p. m.]

221. Your telegram 153, June 2. M. Bérenger⁴ informs me that his explanations to his Parliamentary colleagues have dissipated much of the opposition to the agreement but consideration must be given to the internal political situation and further time for preparing the ground is necessary in spite of the fact that Briand's recent triumph has cleared the air. He also said that in his opinion considerable influence would be exerted by the action of the exchanges. It is his belief and expectation that the agreement will be ratified before the Government's financial proposals are introduced, which will probably be some time after June 20. I gathered that he expects the war debt agreement will be voted on between June 13 and June 20, although he was unwilling to commit himself as to dates. He added that he would guarantee ratification by France if the United States Senate should act before the French Parliament did. The vote of the House of Representatives pleased him very much and he expressed gratitude to the President for securing action in the House by the date he had told M. Bérenger.

It is possible that M. Bérenger is over-optimistic but a great effect has certainly been produced by his courageous attitude, and it would seem that ratification is assured unless the Briand Government should fall through some unexpected development.⁵

I shall see the Premier at the earliest opportunity and try to expedite action although, as M. Bérenger says, rather than risk an unfavorable vote it is better to act slowly.

HERRICK

800.51 W 89France/315 : Telegram

The Ambassador in France (Herrick) to the Secretary of State

[Paraphrase]

PARIS, June 4, 1926—11 a. m.

[Received June 4—8:55 a. m.]

224. In a telephone conversation on the evening of June 3, Bérenger stated that his task of obtaining ratification of the French debt agreement would be facilitated if the United States Treasury Department

⁴ Henry Bérenger, French Senator and Ambassador in the United States.

⁵ The Briand Ministry resigned June 15, following which there was a period of rapid changes of ministries. A ministry headed by Raymond Poincaré took office July 23.

would raise the embargo against the firm of Boue Soeurs⁶ as a mark of good will. This firm would seem to have been punished sufficiently for the faults which it may have committed heretofore, and as apparently it has very powerful connections, I hope that Mr. Mellon⁷ may see his way clear to take action such as suggested by M. Bérenger. This might furthermore deter the French press from outbursts against our customs representatives abroad for their alleged inquisitorial methods.

HERRICK

800.51 W 89France/315 : Telegram

The Secretary of State to the Ambassador in France (Herrick)

[Paraphrase]

WASHINGTON, June 7, 1926—1 p. m.

164. Your telegram 224, June 4, 11 a. m. It will be an absolute impossibility for either the House of Representatives or the Senate to consider reservations of whatever kind. If any member of the French Government proposes such a proposition to you I suggest you inform them that for you to send any such proposition to your Government would result in severe rebuke to you. This would be effective I am sure. I appreciate the information you have given to me. Inform me constantly.

KELLOGG

800.51 W 89France/319 : Telegram

The Ambassador in France (Herrick) to the Secretary of State

[Paraphrase]

PARIS, June 8, 1926—4 p. m.

[Received 5:55 p. m.⁸]

232. Referring to your confidential telegram of June 7 concerning reports that reservations to the debt agreement might be attempted by the French Government, I have repeatedly warned the French that it was futile to make reservations as none would be accepted. As I have indicated in previous telegrams, however, I have been afraid that some such action might be taken and I had hoped that our Government might forestall such action by ratifying first. No propositions or

⁶ A Treasury Department order of Aug. 31, 1925, as amended Sept. 16, 1925, prohibiting, in accordance with section 510 of the tariff act of 1922, the importation and delivery of merchandise manufactured by or for the account of Boue Soeurs, Ltd., of Paris, for refusal of said firm to submit certain of its books and records for inspection.

⁷ Andrew Mellon, Secretary of the Treasury and Chairman of the World War Foreign Debt Commission.

⁸ Telegram in two sections.

suggestions regarding reservations have been or will be made to me in any event. My reference in a recent telegram to "conversations with various French politicians" did not mean interviews but what I heard in casual conversations in going about.

The political and financial situation is extremely complicated and the people of France are in a somewhat dangerous mood so that any course of action is possible. The feeling may be illustrated by an editorial on the proposed restriction of importations which appeared in today's *Rappel* complaining that the people are told they must sweat blood and gold to pay for the cakes of the Americans and English while at the same time they are told to prepare to ration their own bread.

Opposition to the debt agreement is assuming formidable proportions and includes prominent bankers who might be expected to know better. Franklin-Bouillon⁹ who formerly favored a debt agreement without reservations is now outspoken in opposition to the present agreement since he had no hand in making it.

It is also to be noted that even official circles had had the mistaken idea that as soon as an agreement was reached large funds would be made available. This motive for ratification has been modified since it is now seen that this must come slowly and depend on national confidence. It is my opinion that Briand, if given time, and if he feels it is essential and is willing to risk his neck, can secure ratification. If he does not care to do this and if Parliamentary conditions look stormy he may propose reservations, which Parliament would adopt, or he might link the debt agreement with the Dawes annuities¹⁰ by some formal statement on behalf of the Government of which Parliament would take official cognizance. I say this because this line was taken by Bérenger in his speech to the Chamber of Commerce: that it was clearly understood in Washington that one international contract could not be violated without violation of all, as all were sacred.

HERRICK

800.51 W 89France/319 : Telegram

The Secretary of State to the Ambassador in France (Herrick)

[Paraphrase]

WASHINGTON, June 9, 1926—1 p. m.

166. Your 232, June 8, 4 p. m.

1. Department entirely approves your action in warning the French that no reservations would be accepted.

⁹ President of the Committee on Foreign Affairs, French Chamber of Deputies.

¹⁰ For text of agreement regarding the distribution of the Dawes annuities, see *Foreign Relations*, 1925, vol. II, p. 146.

2. Should you be asked to forward any reservations, I suggest that you might refuse on ground that to comply with request would, in your opinion, result only in rebuff.

KELLOGG

800.51 W 89France/324 : Telegram

The Ambassador in France (Herrick) to the Secretary of State

[Paraphrase]

PARIS, June 15, 1926—1 p.m.

[Received June 15—8:35 a.m.]

241. Chances of early ratification and the situation of the Government are both suffering bad effects of the rise in the exchanges. It has been out of the question to submit the agreement to Parliament this week. Even Bérenger, while still confident of a favorable vote, speaks of the possibility of postponing ratification until the autumn session. Hostility to the agreement still prevails in most press comments.

HERRICK

800.51 W 89France/321 : Telegram

The Secretary of State to the Ambassador in France (Herrick)

[Paraphrase]

WASHINGTON, June 15, 1926—4 p.m.

174. Referring to your telegram 224 of June 4, 11 a. m., information of the Department is that the order placing an embargo against Boue Soeurs was revoked June 8.

KELLOGG

800.51 W 89France/321 : Telegram

The Ambassador in France (Herrick) to the Secretary of State

[Paraphrase]

PARIS, July 13, 1926—1 p. m.

[Received 3:39 p.m.¹¹]

279. For Secretary Mellon from Mr. Gilbert¹² and Mr. Dewey:¹³

“At present the French situation as to ratification of the debt settlement seems to be substantially the following:

In order to bring about a stabilization of the franc it will be necessary for the French Parliament to ratify before adjournment both

¹¹ Telegram in two sections.

¹² S. Parker Gilbert, agent general for reparation payments.

¹³ Charles S. Dewey, Assistant Secretary of the Treasury.

the British and the American debt settlements. Probably stabilization is impossible without foreign credits, and such credits or foreign loans either from America or Great Britain will be dependent upon ratification of debt agreements.

The time element is highly important. If the needed steps are taken within a few weeks the probability is that stabilization can be accomplished. In 6 months it may not be possible, and then the course taken by the mark may have to be taken by the franc, which would be most disturbing to international relations generally as well as to Europe.

Provided the present Government can find courage to force the issue it can possibly get both houses of Parliament to ratify the agreements with both Great Britain and the United States. It badly needs to have some face-saving points in order to gather the courage it needs and also to gain the support of some of its numerous opponents.

The present probability is that Caillaux¹⁴ will return from London with such a settlement as will provide enough concessions on the part of the British to give him something to discuss in the Chamber of Deputies. All the difference between failure and success of both the stabilization effort and the debt ratification itself might be made if Caillaux could have in regard to the American debt settlement something of the same nature at least as his British concessions.

While recognizing the impossibility of the United States' giving any assurances in the nature of a safeguard provision, there is still the question whether something of a concession might not be made as to commercialization. Beyond a doubt there is real agitation here in opposition to the paragraph in the debt settlement which contemplates possible public sale of the bonds. It comes particularly from such persons as Poincaré who otherwise would favor the Government's efforts at stabilization, but fear that the bonds might be sold in Germany or in world markets. How far the Executive of our Government would feel at liberty to proceed in present circumstances we do not know, but it occurs to us that it might be possible even without special legislative authorization for the Secretary of the Treasury to give, as a matter of interpretation, a letter referring to the above-mentioned paragraph of the debt settlement which would be similar to the one reported here to have been sent to Lacour-Gayet¹⁵ by Winston,¹⁶ and stating substantially that the intention of the United States is not to sell the obligations.

Our suggestion is not that the initiative be taken at this stage in giving out any interpretation. We do raise the question now in order that it may be considered thoroughly, in advance, so that an answer can be given instantly if the question should arise in some practical way. Up to this time there has been no request from the French Government for such a concession, but we foresee that something of the kind may possibly be asked, urgently, soon. It would be most

¹⁴ Joseph Caillaux, French Minister of Finance.

¹⁵ R. Lacour-Gayet, Financial Attaché, French Embassy, Washington.

¹⁶ Garrard B. Winston, Under Secretary of the Treasury. For the letter referred to, dated July 4, 1926, see Lucien Petit, *Histoire des Finances Extérieures de la France: Le Règlement des Dettes Interalliées (1919-1929)* (Paris, Éditions Berger-Levrault, 1932), p. 678.

helpful if in Washington, meanwhile, there were a careful and most confidential canvass of the possibilities."

I entirely concur in the summarization of the situation by Dewey and Gilbert. I believe that such an answer to the question of "commercialization" as outlined might prove to be a decisive factor in bringing success to the plans of the Government. In case a favorable statement by Secretary Mellon proves possible, the thought has occurred to me to cause it to be suggested to Caillaux that he inquire as to the American viewpoint on "commercialization."

To be useful a reply to this cable must be immediate.¹⁷

HERRICK

800.51 W 89France/348a : Telegram

The Secretary of State to the Ambassador in France (Herrick)

WASHINGTON, July 16, 1926—3 p. m.

194. (1) In view of the erroneous statements as to the Franco-British settlement appearing in the American press the Secretary of the Treasury today issued the following statement

"The settlement of the French obligations to America has been made along somewhat different lines from the settlement of French obligations to Great Britain. With the British, banking advances and commercial obligations for war stocks have been treated separately from the war debt proper. If, however, we compare the settlement of all of France's indebtedness to England with the settlement of her indebtedness to America, France has had generous treatment from us. Particularly is this true during the first five years, which will be most difficult for France. The present Caillaux-Churchill settlement¹⁸ does not differ materially from the tentative Caillaux-Churchill agreement of last August, an analysis of which appears in the documents of the Caillaux negotiations with the American Commission of September last, which was released to the press October 1, 1925.

The American settlement with France embraces all of France's indebtedness, and represents in the opinion of the American Commission France's capacity to pay. For obligations incurred by France to America after the war ended, France owes us today \$1,655,000,000. The present value of the entire French-American settlement, at the rate of interest carried in France's existing obligations is \$1,681,000,000. In effect, therefore, America has cancelled the obligations of France for all advances during the war, and France in the Mellon-

¹⁷ This telegram was transmitted by the Secretary of State to the Secretary of the Treasury on July 13. Secretary Mellon wrote to R. Lacour-Gayet as suggested, July 14, 1926; for text, see *ibid.*, p. 679.

¹⁸ For the agreement signed July 12, 1926, by Winston Churchill, British Chancellor of the Exchequer, and Joseph Caillaux, French Minister of Finance, see Great Britain, Cmd. 2692, French War Debt (1926): *Agreement for the Settlement of the War Debt of France to Great Britain.*

Berenger agreement has undertaken only to repay the advances and obligations subsequent to the Armistice. No other creditor of France has accorded such generous treatment."

(2) Department's 366 October 1, 7 p. m.²⁰ contains documents analyzing tentative British-French agreement mentioned in the foregoing statement.

(3) Press reports from Paris indicate great satisfaction in France over the British settlement and corresponding bitterness against United States. I see no ground for considering the British settlement to be more lenient than the American settlement with France. Due weight should be given to the fact that the American settlement covers large sums advanced to pay for material sold, exchange transactions, maturing of French commercial debt obligations and advances to the Bank of France. While we do not yet know what arrangements will be made for the payment by France of the Bank of England debt, it is understood that most of France's commercial debt due Great Britain as well as a material part of the Bank of England advances have already been repaid. In comparing the amounts of the two debts it should be noted that the capital sum advanced by Great Britain, not including advances to Bank of France and to cover surplus material sold, was about 445,000,000 pounds, which was increased by compound interest to 653,000,000 pounds, while capital of American advances was about \$3,340,000,000, as compared with \$4,025,000,000 funded. As to rates of interest, see page 71 of Clementel inventory²¹ (transmitted with letter from Logan Dec 30 1924²⁰) with respect to British debt; American debt was funded at four and one-fourth per cent interest to 1922 and three per cent thereafter.

Repeat foregoing by telegraph to American Missions in Europe. Refer missions mentioned in last sentence of Department's 366 October 1, 7 p. m.²² to text thereof which was then forwarded to them, and mail text of that message to other missions. Also furnish all missions with translation of second, third and fourth paragraphs under heading "interest" on page 71 of Clementel inventory.

KELLOGG

²⁰ Not printed.

²¹ *Inventaire de la Situation Financière de la France au Début de la Treizième Législature, présenté par M. Clémentel, Ministre des Finances* (Paris, Imprimerie Nationale, 1924).

²² Not printed; its last sentence read: "Mail text to Embassies London, Rome, Brussels and Legations Prague, Bucharest and Belgrade."

800.51 W89France/364 : Telegram

The Ambassador in France (Herrick) to the Secretary of State

[Paraphrase]

PARIS, August 6, 1926—1 p. m.

[Received 4:13 p. m.]

313. There are reports current in the Paris press of the ratification next week of the Washington agreement and of Bérenger's immediate return to Washington. Bérenger has just told me that these rumors are premature. He said that considerable progress has been made, and that although he could guarantee nothing, he had hope of the agreement being ratified before Parliament adjourns. However, the Government has come to no decision as yet. He added that he would not sail for the United States in any event until the agreement had been ratified.

Seydoux²³ has read to me Mr. Mellon's letter of July 14 to Lacour-Gayet,²⁴ but for some unknown reason it is apparently being treated as a secret communication and only a few people in Paris are aware of its existence.

This morning Pertinax,²⁵ who is generally anti-American, says in *L'Echo de Paris* that the Washington agreement must be ratified to get the foreign credits that the Government finds after all are essential, although he regards the agreement as iniquitous.

HERRICK

800.51 W 89France/365 : Telegram

The Ambassador in France (Herrick) to the Secretary of State

[Paraphrase]

PARIS, August 7, 1926—11 a. m.

[Received August 7—10 a. m.]

314. Yesterday Poincaré struck a snag in the Chamber of Deputies when he found, in trying to arrange for the ratification of our debt agreement before the adjournment next week, that his followers had not had time to adapt themselves to his new attitude and were still opposed to ratification. It seems likely that ratification will go over to the autumn, although the Government's attitude is now uncertain.

Since it was a great deal to expect that the ordinary rank and file should make a complete face-about in less than a week, this Parliamentary opposition is unfortunate but not surprising.

²³ Charles L. A. J. Seydoux, assistant director of political and commercial affairs in the French Foreign Office.

²⁴ Not printed; see footnote 17, p. 99.

²⁵ André Géraud.

Although Pertinax strongly urges the ratification of the British agreement as a proof of French good faith and to show that opposition to the Washington agreement is not due to the terms but to the lack of a safeguard clause, I gather that it will share our fate.

HERRICK

800.51 W 89France/369

The Secretary of State to American Diplomatic and Consular Officers

No. 529

WASHINGTON, August 28, 1926.

GENTLEMEN: There is enclosed, for your information, a copy of a translation of an extract from a leading article in *Le Temps* of Paris, July 18, 1926,²⁶ which is a comparative analysis of the agreements for payment of war debts recently negotiated with France by Great Britain and the United States, respectively.

It is felt that study of this article will be useful in case of further prejudiced or ill-informed criticism, from whatever source, of the alleged rigor of the terms of the American agreement compared with the terms of the British agreement. The source of the article makes it particularly valuable as a refutation of such criticism.

There is also enclosed a memorandum, prepared in the Department of State, comparing the American debt settlement with France with the several agreements which constitute the British debt settlement with France. While the statements contained in this document are not confidential, it is not desirable that they be quoted or used as originating in a study made in the Department of State.

I am [etc.]

FRANK B. KELLOGG

[Enclosure—Memorandum]

Comparison Between British and American Debt Settlements With France

The settlement of the French debt to the United States is contained in a single agreement providing for the liquidation of all sums borrowed by France during and after the war. In the case of France's debt to Great Britain, however, bank advances and obligations for purchase of war supplies have been treated separately from what is termed "war debt". In comparing the two settlements, therefore, it is necessary to take on the one hand the several agreements between France and Great Britain and on the other hand the Franco-American agreement. To compare the latter merely with the Franco-British agreement of July, 1926 would be unjust.

According to statements on pages 59 to 72 of M. Clementel's "Inventory of the Financial Situation of France", 1924, the payment of

²⁶ Not printed.

France's debt to Great Britain in respect of surplus war supplies is regulated by two agreements of July 1920 and March 1923. According to the agreement of July 1920, France undertook to pay Great Britain in 1925 the sum of £2,226,069:10:1 in respect of war supplies delivered to certain French ministries. This agreement provided for 6 per cent interest. The agreement of March 1923 provided for payments as follows:

1924	£750,000
1925	750,000
1926	1,250,000
1927	1,000,000
1928	1,250,000
1929	1,000,000

The Bank of England advanced a total of £72,000,000 to the Bank of France, this debt being represented by French Treasury bonds. These bonds were discounted at a rate of 1 per cent greater than the discount rate of the Bank of England, but it was provided that the interest rate paid by France should in no case be less than 6 per cent. The Bank of France furnished a deposit of gold equal to one-third of the loan. Certain payment in 1918 and also in 1922-23 reduced this debt to £55,000,000. According to an agreement of April 1923 this debt was to be repaid as follows:

1924	£5,000,000
1925	6,000,000
1926	7,000,000
1927	8,000,000
1928	9,000,000
1929	15,000,000
1930	5,000,000

The capital sum of France's so-called "war debt" to Great Britain, as finally adjusted, was £445,218,387. The total sum of French obligations held by Great Britain, however, was increased £208,000,000 by the addition of interest making the total covered by the agreement £653,127,900. It is understood that the obligations have been in the form of 12 months French Treasury Bills which, as they fall due, have been replaced by new bills discounted at the discount rate of the Bank of England. It is the annual compounding of interest that has increased the principal of the debt by 46.7 per cent. With respect to the interest charged on these obligations, M. Clementel made the following statement in his "Inventory" (page 71):

"The rate of interest which was originally agreed upon was to correspond with that of the issues of British Treasury Bonds; thus it was increased successively from $3\frac{1}{4}$ per cent to $5\frac{1}{2}$ per cent and 6 per cent which represented an actual burden of 6 to $6\frac{1}{2}$ per cent in view of the fact that interest was paid in advance.

"As issues of Treasury bills became irregular after 1916, the French Treasury bonds were thereafter discounted at the Bank of England rate; the interest then rose to 5 per cent and later, progressively, to 6 and 7 per cent, increasing the cost of our advances to more than 7½ per cent.

"This figure appears very high by whatever standard of comparison is taken, whether the average interest on the British long-time loans, which is not over 5 per cent; the rate granted by the United States to its debtors, which was originally 3 per cent and later 5 per cent; or the rate on all other inter-Allied debts, no part of which was as high as this rate."

Summarizing, on the basis of these agreements, total payments by France to Great Britain on account of the three categories of debts, according to the agreement of July 1926 and other agreements described in M. Clementel's "Inventory" are as follows:

1924	£5,750,000
1925	8,976,069
1926-1927	14,250,000
1927-1928	15,000,000
1928-1929	18,250,000
1929-1930	26,000,000
1930-1931	17,500,000
1931-1932 to 1956-57	12,500,000
1957-1958 to 1987-88	14,000,000

In the case of the Franco-American settlement, no distinction is made between so-called war debt, advances for exchange stabilization, commercial debt and advances to pay for surplus war supplies. The \$407,000,000 representing French indebtedness to the United States for surplus war stocks is, of course, properly comparable with the indebtedness of France to Great Britain incurred for a similar purpose. Of the \$2,933,000,000 of France's other indebtedness to the United States, \$682,000,000 represents advances to pay maturing commercial obligations of the French Government or to support the franc in international exchange. These advances are similar to those made by the Bank of France to the Bank of England.

Conclusions.

(1) Had the principles of the British-French settlements been applied to the French debt to the United States, the \$407,000,000 and the \$682,000,000 would have been settled on commercial principles. The burden of such a settlement would have been far greater than the settlement actually made, and could not have been supported by France.

(2) The present value of the Franco-American settlement, on a 4¼ per cent basis, is \$2,008,000,000, or 60.2 per cent of the capital sum advanced. The total present value of the several Franco-British set-

tlements, on a $4\frac{1}{4}$ per cent basis, as of their respective dates, and the capital sums advanced are as follows:

War debt settlement,		
July, 1926	£445,218,387	£260,660,000
Bank debt settlement,		
April, 1923	£55,000,000	45,999,000
Surplus war supplies,		
July, 1920	£2,226,069	2,429,000
Surplus war supplies,		
March, 1923	£6,000,000	5,154,000
		£314,242,000

The total of the above present values is 61.8 per cent of the total capital sums, compared with 60.2 per cent in the case of the Franco-American settlement.

(3) The comparative burden imposed on France by the settlements with the two creditors during the early difficult years is as follows (in dollars):

	<i>British settlement</i>		<i>American settlement</i>
1926-27	\$69,400,000	1st year	\$30,000,000
1927-28	73,000,000	2nd year	30,000,000
1928-29	89,000,000	3rd year	32,500,000
1929-30	126,000,000	4th year	32,500,000
1930-31	85,200,000	5th year	35,000,000

(4) The provisions relating to possible postponement of payments, to protect the transfer, are substantially similar in both the British and American settlements with France, except that the Churchill-Caillaux settlement provides for interest at 5 per cent on any payments postponed, while the Franco-American agreement provides for $4\frac{1}{4}$ per cent.

(5) The large amount of compound interest that was added to the capital sum advanced by Great Britain to France is primarily responsible for the fact that the principal funded in the Churchill-Caillaux agreement is over \$1,000,000,000, or 46.7 per cent, greater than the capital advanced, whereas in the case of the larger debt to the United States, the excess due to interest is \$685,000,000, or 20.5 per cent.

In the light of this comparison it is clear that France has had generous treatment from the United States and that the Franco-American basis of settlement is much more favorable to France than the Franco-British basis. Particularly this is true during the first five years, which will be most difficult for France.

Finally, it is important to note that France today owes the United States \$1,655,000,000 for obligations incurred by France after the end of the war. The present value of the entire French-American settle-

ment, at the rate of interest carried in France's existing obligations is \$1,681,000,000. In effect, therefore, America has cancelled the obligations of France for all advances during the war, and France in the Mellon-Bérenger agreement has undertaken only to repay the advances and obligations subsequent to the Armistice.

SUPPLEMENTARY NOTE

The bank debt of £55,000,000 discussed on pages 60-61 of the Clementel inventory appears to be quite distinct from the advances of £53,500,000 mentioned in paragraph 7 of the Franco-British agreement, which were made pursuant to the Calais agreement of August 1916 (see page 72 of Clementel inventory). The Calais agreement appears to have provided for an advance secured pound for pound by a deposit of gold. The provision in Article 7 of the Franco-British agreement of July 1926 whereby this sum remains as a non-interest bearing debt of France, is of course in consideration for the fact that Great Britain retains the gold deposit without paying interest. In this connection, attention is called to a colloquy in the House of Commons, April 9, 1923, in which Mr. Baldwin²⁷ in reply to an inquiry from Colonel Wedgwood stated as follows:

"There is no connection whatever between the debt of the Bank of France to the Bank of England, and the gold deposited with the Bank of England in connection with French Government debt to the British Government."²⁸

The Department has no information to indicate that the agreement of April 1923 described on page 60 of the Clementel inventory has been modified.

800.51 W 89France/404 : Telegram

The Chargé in France (Whitehouse) to the Secretary of State

[Paraphrase]

PARIS, October 7, 1926—1 p. m.

[Received 2:25 p. m.]

379. I am setting forth as follows the situation with respect to our debt agreement at the present time, as I see it: Although he is convinced that the debt question must be settled, Poincaré has not yet reached the point where he will jam the Mellon-Bérenger agreement through, as it is, without reserves. For this there are several reasons.

²⁷ Stanley Baldwin, British Chancellor of the Exchequer.

²⁸ See Great Britain, *Parliamentary Debates*, Fifth Series, vol. 162: House of Commons (London, 1923), cols. 887-888.

(1) Opposition to ratification in Parliament is not only real but is of considerable velocity. In the Cabinet it is represented particularly by Marin.²⁹

(2) The present financial situation of his government is pleasing to Poincaré and he is also quite pleased with himself. Therefore, he does not feel that there is any vital necessity for haste from this angle.

(3) The prevailing opinion appears to be that, due to the fact that public sentiment in the United States is gradually becoming favorable to a modification of the debt agreements, delay is advantageous to France. Likewise, for some reason it is thought that the Democratic party would show more generosity. Therefore, there is a desire to know the result of our November elections.

(4) The situation has been complicated by various American bankers who have offered to make available large amounts of money after ratification of the debt agreement. Since these offers have been somewhat numerous, Poincaré has conceived the idea that the financiers' insistence on the need of ratification is due to the plethora of money in the United States, with the result that foreign loans must be made at all costs, and is not due to sincere belief that it is necessary to France's financial salvation.

(5) Poincaré is not yet ready to stabilize the franc. He is dallying with the idea of the German railroad bonds not only as a means of keeping out of the hands of the Anglo-Saxon financiers, whom he dislikes, but also as being in line with his doctrine that France can save herself.

However, Poincaré is preparing for ratification with reservations in some form during November and it is my opinion that everything will depend upon the form adopted.

During Francqui's³⁰ visit last week, I have been told, Poincaré read to him a draft preamble, and when he asked for Francqui's opinion, the latter stated that to him it seemed very complicated and not easy to understand.

WHITEHOUSE

800.51 W 89France/411 : Telegram

The Chargé in France (Whitehouse) to the Secretary of State

[Paraphrase]

PARIS, October 20, 1926—4 p. m.

[Received 5:02 p. m.]

388. Parliament will probably not be convoked until the second week in November, it now appears, and will take up the budget

²⁹ Louis Marin, French Minister of Pensions.

³⁰ Emile Francqui, Belgian financial expert, Minister without portfolio.

after ratifying the administrative reforms. Poincaré wishes to have the budget voted before the beginning of the new year in order to avoid provisional twelfths which dislocate budget provisions.

Hostility to the ratification of the debt agreements without safeguard clause is general and it has become apparent that reservations in a preamble would be futile. It seems likely, therefore, that an attempt to reopen negotiations with our Government will be made or at least there will be much delay in bringing the agreements before Parliament.

WHITEHOUSE

FAILURE OF EFFORT OF THE AMERICAN GOVERNMENT TO SECURE AGREEMENT WITH THE FRENCH GOVERNMENT ON A NATURALIZATION TREATY

711.514/4

The Chargé in France (Whitehouse) to the Secretary of State

No. 6218

PARIS, April 1, 1926.

[Received April 12.]

SIR: I have the honor to refer to Instructions No. 649 dated May 11, 1923 and No. 1613 dated July 8, 1925³¹ relative to the Department's desire that a treaty of naturalization be negotiated with the Government of the French Republic.

For several months a Secretary of this Embassy has been making informal verbal representations at the Foreign Office regarding the question of a treaty concerning the naturalization in the United States of French citizens, and there is now transmitted herewith a draft of a treaty which appears to meet the views of both Governments.³²

At the Foreign Office M. Pillaut and M. Vieilleville [*Viefville*] stated in informal conversation that, although personally very sympathetic, they doubt whether, in view of the long established provisions of the "Code Civil", the Ministries of Justice, War and Foreign Affairs could find a way to ameliorate the situation in order to conform with the draft of a treaty inclosed in the Department's Instruction of May 11, 1923.³³ However, they stated that they are of the belief that the following might be accomplished regarding cases which have developed up to the present time:

A French born child, having proceeded to the United States with his parents more than five years previous to the calling of his class to the colors, and having subsequently become a naturalized American citizen by due process of law and shown intention upon attaining

³¹ Instructions not printed.

³² Not printed.

³³ Neither printed.

his majority, of continuing to inhabit the United States, might be recognized by the French Government as having validly adopted American citizenship. In cases arising in the future the same would hold true provided the father himself had fulfilled the French military requirements before proceeding to the United States, and had there become naturalized and there resided until the child arrived at his majority.

It was further stated that an amnesty might be established in favor of those persons who had fulfilled their French military obligations before emigrating to the United States but who had not acquired American citizenship previous to the outbreak of hostilities in 1914.

It was stated that no clemency can be shown to those who in the past had left France in time of war, or in the future to those who leave France less than five years previous to the call to the colors of their class; to those who forsake their families in France in emigrating and becoming naturalized abroad; or to persons who leave France with an unexpiated crime or misdemeanor against them.

The representatives of the Foreign Office further stated that, understanding the desire of the American Government to avoid difficulties in cases of dual nationality, they feel that their Government might accord general amnesty in all past cases except the latter of those mentioned above, provided that the United States Government would consent to include in the regulations governing naturalization in the United States, a clause stipulating that French citizens cannot become validly naturalized American citizens without first having satisfied the French military requirements, or having obtained the permission of the French Government to forswear their French citizenship.

There is transmitted herewith for the Department's information a summary of the points which it is the aim of the proposed draft to ameliorate.³⁴ These points are classified under three headings as follows:

1—Points which France will probably regulate in accordance with the desires of the United States Government.

2—Points which France might possibly regulate in accordance with the desires of the United States Government.

3—Points which France will not concede or cannot concede without appropriate legislation.

M. Pillaut stated he will prepare a draft of a treaty along the lines suggested above. The Embassy at this time transmits its tentative draft in order that the Department's views may be obtained on the various points raised.

I have [etc.]

SHELDON WHITEHOUSE

³⁴ Not printed.

711.514/4

The Secretary of State to the Chargé in France (Whitehouse)

No. 2048

WASHINGTON, *October 8, 1926.*

SIR: The Department has received your despatch No. 6218 of April 1, 1926, in reply to its instructions of May 11, 1923, and July 8, 1925, concerning the desire of this Government to conclude a satisfactory treaty of naturalization with France. It appears from your despatch that this matter has been the subject of discussion between representatives of the Embassy and the Foreign Office, and you transmit a draft of a proposed treaty which you believe that the French Government might be persuaded to conclude with the Government of the United States. You also transmit memoranda concerning the various points as to which the laws of the United States and France appear to be in conflict, together with an expression of views concerning the extent to which the French Government might be persuaded to make concessions to the Government of the United States.

The Department appreciates the careful attention which has evidently been given to this matter by the Embassy, but I regret to say that it is not considered that this Government could properly enter into a treaty along the lines suggested. Without entering into a detailed discussion of the various provisions in the Embassy's draft, I desire to call attention to two provisions which seem to be of special importance. The first of these is found in Article 1, which provides that persons of French origin who obtain naturalization in the United States in their own right shall be recognized by the French authorities as American nationals "provided they left France in their childhood or more than five years prior to the date when they would be called for military service". The second provision mentioned is also found in Article 1 and reads as follows:

"The Government of the United States, for its part, will not undertake to naturalize Frenchmen who have already reached the military age above mentioned, that is to say, sixteen years, unless those persons owe no further obligation to the French military authorities or bear an authorization of the French Government enabling them to be naturalized abroad."

From the second provision quoted, it appears that liability for military service in France begins when a Frenchman becomes sixteen years of age, although it is understood that in time of peace they are not called until they are considerably older than this.

An agreement in a treaty with France embodying either of the provisions quoted above would clearly be contrary to the position of this Government with regard to the right of expatriation, as declared in the joint resolution of Congress, July 27, 1868 (R. S. 1999-2001),

in which it was asserted that "the right of expatriation is a natural and inherent right of all people". This Government has concluded a number of naturalization treaties containing provisions to the effect that naturalized citizens of the United States could be held liable to trial and punishment in their native lands for offenses committed by them prior to their emigration. In this relation special attention is called to the provisions of Article 2 of the Naturalization Treaty of 1871 with Austria³⁵ and the similar provision contained in Article 2 of the Treaty of 1870 with Baden.³⁶ Both of these treaties are now obsolete. Attention is further called to the second article of the protocol to the Naturalization Treaty of 1872 with Sweden and Norway.³⁷ While these treaties admit the right of the country of origin to punish a former national who has been naturalized in the other country for desertion from the army or for emigration after liability for military service has arisen, they do not deny the right of persons to emigrate before liability for military service has arisen and subsequently to obtain naturalization in the other country.

It is believed that it would be much better to have no naturalization treaty at all than to have a treaty expressly recognizing the right of the French Government to treat as French nationals persons of French origin naturalized as citizens of this country who emigrated within five years before the date set for their call to the French colors. It is understood that Frenchmen are called to the colors at about the age of eighteen years. If such is the case, this Government, under the proposed treaty, would expressly recognize the right of the French Government to take naturalized American citizens of French origin who emigrated at any time after reaching the age of thirteen years.

As to the proposed provisions that the United States will not grant naturalization to Frenchmen who have reached the age of sixteen years "unless those persons owe no further obligation to the French Military authorities or bear an authorization of the French Government, enabling them to be naturalized abroad", it may be observed that such a provision would not only seem to be contrary to the position of this Government with regard to the right of expatriation, but would also seem to be in violation of Clause 4, Article 2 of the Constitution of the United States, that "the Congress shall have power . . .³⁸ to establish an uniform rule of naturalization". An attempt by the treaty-

³⁵ Concluded Sept. 20, 1870; proclaimed Aug. 1, 1871. For text of article II, see Malloy, *Treaties*, 1776-1909, vol. I, p. 46.

³⁶ Concluded July 19, 1868; proclaimed Jan. 10, 1870. For text of article II, see *ibid.*, p. 54.

³⁷ Concluded May 26, 1869; proclaimed Jan. 12, 1872. For text of protocol, see *ibid.*, vol. II, p. 1760.

³⁸ Omission indicated in the original instruction.

making power to conclude a treaty with France containing the provision last mentioned would seem to be not only an invasion of the Constitutional jurisdiction of Congress but a violation of the provision as to uniformity.

If you believe that there is any likelihood that the French Government may be persuaded to conclude a treaty of naturalization along the lines of the draft submitted with the Department's instruction of May 11, 1923, it is desired that you avail yourself of a suitable opportunity to present the matter again to the Foreign Office. However, if there seems to be no such likelihood, it is believed that the matter should be dropped for the present.

As to the cases of dual nationality, particularly cases of persons born in the United States of unnaturalized French parents, it might be desirable to attempt to include a special provision in the proposed naturalization treaty, if it appears that there is any likelihood that a treaty satisfactory to this Government might be concluded. However, this Government could not agree to any provision under which persons born in the United States of alien parents would be free to elect the nationality of their parents and renounce American nationality upon reaching the age of majority while continuing to reside in this country. Generally speaking, it is believed that, in cases of persons born with dual nationality, their permanent allegiance after they have attained the age of majority should be dependent upon their actions, and particularly upon the place where they have maintained a domicile, rather than upon mere declarations. For example, it does not seem reasonable that the French Government should claim the allegiance and demand performance of service in the French army in the case of a person who was born in the United States of French parents and who, having attained the age of majority, has continued to reside in this country.

With relation to this matter, your attention is called to the fact that the action of the French Government in impressing into the French army naturalized American citizens of French origin and persons born in this country of French parents, when such persons were on a mere temporary visit to France, has recently been the subject of comment in the press of this country. It may also be observed that the Department has just received a letter from The Merchants' Association of New York, a prominent organization of business men, making inquiry concerning this subject.³⁹

I am [etc.]

For the Secretary of State:
JOSEPH C. GREW

³⁹ Letter not printed.

**FAILURE OF THE UNITED STATES TO SECURE A CONVENTION WITH
FRANCE RELATING TO LETTERS ROGATORY**

811.04551/10

The Secretary of State to the Ambassador in France (Herrick)

No. 1591

WASHINGTON, July 2, 1925.

SIR: The Department transmits herewith a draft of a convention relating to letters rogatory which the Government of the United States would be pleased to conclude with the Government of the French Republic if the proposal should be acceptable to that Government.

The proposed convention is designed to further the interests of justice by insuring that the courts in territory under the dominion of either country may obtain from any person resident in territory under the dominion of the other country testimony which may be deemed essential to the proper determination of any judicial proceeding which may be instituted in any of the courts mentioned for the recovery of money or property to which the Government of the United States or the Government of France is a party or in which either Government has an interest.

You are accordingly requested to transmit the draft convention with a statement in the sense of the foregoing to the French Government and to inquire whether it would be agreeable to that Government to conclude such a convention with the United States. It would be desirable, if practicable, that the proposed convention be concluded before the convening of Congress in December next.

I am [etc.]

FRANK B. KELLOGG

[Enclosure]

Draft of a Convention Relating to Letters Rogatory

The United States of America and the French Republic, desiring to provide for the execution in their respective countries of letters rogatory issued by the competent authorities of the other country, have decided to conclude a convention for the purpose and have accordingly nominated as their Plenipotentiaries:

The President of the United States:

The President of the French Republic:

Who, having communicated their full powers found in good and due form have agreed as follows:

ARTICLE I

This convention applies only to letters rogatory issued in connection with judicial proceedings, for the recovery of money or prop-

erty, and to which the Government of the United States or the Government of France is a party or in which either government has an interest.

ARTICLE II

Each of the High Contracting Parties agrees to execute throughout the territory over which it exercises dominion as sovereign thereof all letters rogatory, requiring answers to written interrogatories or oral examination of the witness as the court issuing the letters may request, which may be issued by any court described in Article III of this convention and communicated by the other High Contracting Party in the manner set forth in Article III.

The judicial authority to whom a letter rogatory is addressed shall, if necessary, enforce its execution by such compulsory measures as are commonly employed by such judicial authority, in conformity with applicable laws, to compel obedience to its mandates.

The authority by whom a letter rogatory is issued shall, upon its request, be informed of the date when and the place where the proceedings in execution of the letter shall take place in sufficient time to enable the party or parties in interest to be present either in person or by representative.

ARTICLE III

(a) Letters rogatory issued by any American court of record for execution by any French court of record shall be transmitted by the appropriate officer of the American court to the "Procureur de la République" within whose jurisdiction the letter rogatory is to be executed, through the nearest American consular officer, to whom it shall also be returned, when it shall have been executed, for transmission to the authority by whom it was issued.

(b) Letters rogatory issued by any French court of record for execution by any American court of record shall be transmitted by the appropriate officer of the French court to the clerk of the court within whose jurisdiction the letter rogatory is to be executed, through the nearest French consular officer, to whom it shall also be returned, when it shall have been executed, for transmission to the authority by whom it was issued.

(c) Letters rogatory shall be in the language of the country where they are issued and shall be accompanied by a translation in the language of the country where they are to be executed.

(d) If the court to which a letter rogatory is addressed is without jurisdiction to execute it, the letter shall be forwarded by such court without delay and without any additional request to the competent authority and the authority by whom it was issued shall be so

informed, through the consular officer who transmitted the letter to the court.

(e) The designations "French court" and "American court" as used in this Article signify every court of record throughout the territory over which France or the United States respectively exercises dominion as sovereign thereof.

ARTICLE IV

The execution of a letter rogatory can only be refused:—

(1) If the authenticity of the document is not established.

(2) If the government of the country in which the letter was to have been executed considers that its execution would affect its sovereignty or safety.

Whenever, in accordance with the provisions of this Article, the execution of a letter rogatory is refused, the authority to whom the letter is addressed shall immediately so inform the authority by whom it was issued through the consular officer from whom it was received stating the reason for such refusal.

ARTICLE V

No official fees or taxes of any nature shall be levied by either of the High Contracting Parties in connection with the transmission or execution of letters rogatory.

Nevertheless any expenses incurred by the authority of the country where a letter is executed which were reasonably necessary to effect its execution shall be repaid by the authority by whom the letter rogatory was issued.

The repayment of these expenses shall be requested when the documents establishing the execution of the letter rogatory are transmitted to the authority by whom the letter was issued.

Any difficulties which may arise in connection with the transmission or execution of a letter rogatory shall be settled through the diplomatic channel.

ARTICLE VI

The High Contracting Parties agree to make effective the foregoing provisions by any necessary and appropriate legislative or administrative action.

ARTICLE VII

This convention shall be ratified according to the respective constitutional forms of the High Contracting Parties and the ratifications shall be exchanged at Washington.

The convention will come into force on the date of the exchange of ratifications and will continue in force until the expiration of one year from the date of the receipt by either High Contracting Party of a notice communicated by the other High Contracting Party of its intention to denounce the convention.

811.04551/11

The Chargé in France (Whitehouse) to the Secretary of State

No. 5573

PARIS, *October 1, 1925.*

[Received October 12.]

SIR: I have the honor to refer to the Department's instruction No. 1591 of July 2, 1925, transmitting a draft of a convention relating to letters rogatory which the Government of the United States would be pleased to conclude with the Government of the French Republic if the proposal should be acceptable to that Government.

The Embassy duly submitted this draft convention to the consideration of the French Government and is now in receipt of a reply from the French Foreign Office dated September 24, 1925, stating that before being able to consider this draft, it required to be furnished with more precise information on certain points thereof. A copy and translation of this note is enclosed.

I have [etc.]

SHELDON WHITEHOUSE

[Enclosure—Translation]

The French Ministry of Foreign Affairs to the American Embassy

By a note under date of July 21st last, the Embassy of the United States was good enough to transmit to the Ministry for Foreign Affairs a draft of a convention relating to the execution of letters rogatory.

Before being able to consider this draft, it is advisable first of all to know precisely what its import will be.

The first article lays down as a general principle:

The present convention applies only to letters rogatory issued in connection with judicial proceedings, for the recovery of money or property, and to which the Government of the United States or the Government of France is a party or in which they have an interest.

Does this article take in only civil matters, that is, suits in which the State lays claim to a sum of money or to property in cases similar to those in which private individuals may do the same? Example, a person by testament has made a legacy subject to contestation to the State, which applies to the tribunals to enforce its rights.

Does this article take in likewise penal matters? Example, an object of art has been stolen from a museum.

Finally, will this article be operant in questions of fiscal matters? Example, a taxpayer is sued for a false return, the proof of which may be secured by inquiry or search in the other country.

The French Government in a general way would like to know what are the particular cases in respect to letters rogatory which the Government of the United States intends to cover by this first article.

In Article III, paragraph E, it is said: The designations French court and American court used in the present article signify every "court of record" throughout the territory over which France or the United States respectively exercises sovereignty.

It would seem to be necessary to state precisely what tribunals are thus signified in the United States by the term "court of record" and what their competence is, in order to find the equivalent term in French, the French judicial organization differing greatly from the American judicial organization.

In Article V it is specified that no fees or taxes of any nature whatsoever shall be levied by either of the High Contracting Parties in connection with the transmission or execution of letters rogatory. Nevertheless any expenses incurred by the authority petitioned, and which were reasonably necessary to effect execution, shall be repaid by the authority petitioning.

The execution of letters rogatory requires certain formalities, subpoenaing of witnesses, indemnification of the latter, expenses of search, examination, *expertise*, of which quite a complete nomenclature can be made. It would seem to be preferable to decide in a precise way what expenses shall or shall not be reimbursed.

The Ministry for Foreign Affairs will be greatly obliged to the Embassy to be good enough to advise it of the views of the Government of the United States on the questions set forth.

PARIS, *September 24, 1925.*

811.04551/11 : Telegram

The Secretary of State to the Ambassador in France (Herrick)

WASHINGTON, *January 30, 1926—8 p. m.*

23. Your despatch No. 5573, October 1, 1925, regarding proposed convention relating to letters rogatory.

Convention intended to cover every category of judicial proceedings for recovery of money or property and would include civil cases of character mentioned in note from Foreign Office. It would not apply to criminal proceedings because of constitutional provision

guaranteeing defendants charged with crime the right to be confronted with witnesses against them.

The term "court of record" used in Article 3 embraces generally speaking every court in the United States and its possessions except those exercising petty jurisdiction such as magistrate's courts and courts of justices of the peace.

Article 5 is intended to prohibit imposition of taxes or other official charges not based on services rendered or expenses actually incurred in the execution or transmission of letters rogatory. It would authorize any expense necessarily incurred by court executing letter in securing attendance of witnesses and taking their testimony but would not include fees or expenses of attorneys representing any litigant.

Immediate need of such a convention is emphasized by inability to obtain under existing procedure in France testimony of Harry M. Blackmer and James E. O'Neill urgently needed in pending proceedings in Federal court.⁴⁰ (See Embassy telegram No. 140 of February 26, 1925⁴¹). You may in your discretion, in urging early conclusion of convention, explain situation to Foreign Office.

Endeavor to ascertain and inform Department present whereabouts of Blackmer and O'Neill.

KELLOGG

811.04551/13 : Telegram

The Ambassador in France (Herrick) to the Secretary of State

PARIS, February 20, 1926—2 p. m.

[Received February 20—12:12 p. m.]

60. Your 22 [23], January 30, 8 p. m. Foreign Office states that convention with slight alteration appears acceptable. The taking of testimony by letters rogatory in questions regarding fiscal irregularities such as the recovery of taxes from a person who had previously made a false declaration of income or resources could not be permitted. Testimony in cases in "droit commun," wherein the Government becomes an individual in a suit for recovery of stolen property or in a suit concerning a concession illegally or fraudulently acquired, can be permitted.

HERRICK

⁴⁰ *U. S. v. Mammoth Oil Co. et al.*, 5 Fed. (2d) 330. The testimony of Harry M. Blackmer and James E. O'Neill was desired by the Special Counsel for the United States Government in the suit to recover the Teapot Dome oil lands leased to the Mammoth Oil Company.

⁴¹ Not printed.

611.04551/20

The Chargé in France (Whitehouse) to the Secretary of State

No. 6233

PARIS, April 9, 1926.

[Received April 19.]

SIR: I have the honor to refer to the Department's Instruction No. 1591 dated July 2, 1925 and to subsequent correspondence regarding the desirability of concluding with the French Government a convention providing for the execution of letters rogatory in civil cases.

There is now transmitted herewith a copy and translation of a communication from the Ministry for Foreign Affairs dated March 31, 1926⁴² in which it is stated that the Foreign Office will undertake to execute letters rogatory in the usual manner. In the note the Foreign Office suggests that letters be forwarded to this Embassy for transmission to the French Government in the usual way.

M. Pillaut, who previously undertook to compose a draft of a convention along the lines suggested by the Department, has informed me that it is considered that the convention proposed by the Department could not be effected without recourse to legislation. Both he and M. Vieilleville [*Viefville*] stated that in a case involving an official of a foreign government, the French Government could not undertake to execute letters rogatory because of a certain political aspect, which, although perhaps not directly apparent in the proceedings or in the possible outcome of subsequent investigations, was nevertheless indirectly extant and might open up a field of negotiations with other countries, the scope of which could not be foreseen.

It appears that an attempt to execute further letters rogatory in a case now pending before the Federal courts might obtain only the negative result of a refusal to testify such as was experienced by an agent sent from the United States last September to take the testimony of two witnesses in France. M. Vieilleville [*Viefville*] stated that no general convention could be drawn up that could have any hope of forcing witnesses to testify in civil cases if they chose to refuse. He suggested, however, that American citizens might be summoned before an American consular officer and questioned directly, whereupon, if American law so permitted, their refusal to testify might be made the grounds for a charge of refusal to recognize the authority of the United States Government. He suggested that if the witnesses in question were made the subject of a warrant for arrest issued by the competent authorities in the United States for complicity in a crime or for other extraditable offense, extradition as in a criminal case, might be accomplished without reference to any possible political consideration involved.

I have [etc.]

SHELDON WHITEHOUSE

⁴² Not printed.

811.04551/20 : Telegram

The Secretary of State to the Ambassador in France (Herrick)

[Paraphrase]

WASHINGTON, April 30, 1926—6 p. m.

109. Embassy's despatch No. 6233, April 9, in regard to proposed convention concerning letters rogatory. Endeavor to ascertain and report to Department (1) the reason for Foreign Office's sudden unexplained change of attitude; (2) whether the French Government is averse to concluding any convention on letters rogatory; or (3) whether the French Government would be willing to sign an amended form of the draft submitted to it by the Department. If affirmative response obtained to point (3), report changes in draft which Foreign Office would accept.

KELLOGG

811.04551/24

The Ambassador in France (Herrick) to the Secretary of State

No. 6327

PARIS, May 14, 1926.

[Received May 22.]

SIR: I have the honor to refer to the Department's telegram No. 109 dated April 30th, 6 p. m. and to previous correspondence regarding the desirability of concluding with the French Government a convention providing for the execution of letters rogatory in civil cases.

Previous to April 1, 1926, M. Pillaut, who then occupied himself in the Foreign Office with questions of this nature, undertook to draft a text of a convention which might meet the views of both Governments. Subsequently there occurred a number of changes in the Foreign Office and M. Pillaut was assigned to another department. The draft he previously prepared does not appear to have been acted upon and M. Vieffville, who succeeded M. Pillaut, now states that a convention would be rendered ineffective by the contradictory reservations which would have to be incorporated in order to satisfy existing French law. This explains the apparently sudden change of attitude toward the conclusion of a convention of the nature suggested by the Department. Moreover, it was stated that persons could not be obliged to give testimony even though they be called before a competent judicial authority. Consequently, a convention providing for the execution of letters rogatory could not be made any more effective than the existing practice of transmitting letters rogatory through the diplomatic channel for examination in the usual way.

It was further stated that special clauses would necessarily be inserted in any convention such as that contemplated by the Depart-

ment, expressly excepting the execution of letters rogatory in all cases in which there appeared to be a political aspect or in which was concerned a person in political life.

However, there is now transmitted herewith, for the Department's information, a copy of a convention which was concluded on February 2, 1922 between the Governments of France and Great Britain.⁴³ Today at the Foreign Office MM. Pillaut and Viefville stated that it was possible that a somewhat similar convention might be concluded between the United States and France.

I have [etc.]

MYRON T. HERRICK

811.04551/24

The Secretary of State to the Ambassador in France (Herrick)

No. 1627

WASHINGTON, June 25, 1926.

SIR: The Department has received your despatch No. 6327 in regard to the proposed convention between the United States and France relating to letters rogatory and has noted your explanation of the reason for the disinclination of the French Government to conclude a convention along the lines of the draft submitted by this Government.

Note has also been taken of the statement of the Foreign Office reported in your despatch that a convention regarding letters rogatory might be concluded between the United States and France similar to the convention concluded between France and Great Britain on February 2, 1922, a copy of which accompanied your despatch under acknowledgment. It is observed that Article 6 (*d*) of the Convention above mentioned contains the following provision:

"The judicial authority to whom the 'commission rogatoire' is addressed executes it by the use of the same compulsory measures as would be applied in the case of a commission emanating from the authorities of the State applied to or a request to that effect made by an interested party in the territory of that State."

It appears difficult to reconcile the above quoted provision with the statement made by the Foreign Office and reported on page two of your despatch:

"That persons could not be obliged to give testimony even though they be called before a competent judicial authority. Consequently, a convention providing for the execution of letters rogatory could not be made any more effective than the existing practice of transmitting letters rogatory through the diplomatic channel for examination in the usual way."

⁴³ For text of convention, see *British and Foreign State Papers*, vol. cxvi, p. 452.

One of the principal purposes sought to be accomplished by this Government by the conclusion of a convention regarding letters rogatory between the United States and France is to obtain compulsory judicial process against any witness in France who refuses voluntarily to testify under letters rogatory. In order to determine whether this purpose would be accomplished by the conclusion of a convention similar to the convention concluded between France and Great Britain, the Department desires to ascertain the "compulsory measures" referred to in the provision of the convention above quoted which are resorted to by French courts in executing a "commission rogatoire" emanating from the authorities of France, and you are accordingly requested to endeavor to obtain that information as soon as possible.

I am [etc.]

For the Secretary of State:
JOSEPH C. GREW

811.04551/25

The Ambassador in France (Herrick) to the Secretary of State

No. 6503

PARIS, July 16, 1926.

[Received July 28.]

SIR: I have the honor to refer to the Department's Instruction No. 2027 [1627] dated June 25, 1926 regarding the proposed convention between the United States and France relating to letters rogatory. The Department observes that Article 6 (*d*) of the convention concluded between France and Great Britain on February 2, 1922, a copy of which accompanied my despatch No. 6327 dated May 14, 1926, contains the following provision:

"The judicial authority to whom the 'commission rogatoire' is addressed executes it by the use of the same compulsory measures as would be applied in the case of a commission emanating from the authorities of the State applied to or a request to that effect made by an interested party in the territory of that State."

It was explained at the Foreign Office today that in the case of the Franco-British convention, each country executes "commissions rogatoires" according to the provisions of the existing local laws. To indicate how the existing French law limits the compulsion that can be exercised in the taking of testimony in France, the Foreign Office refers to Sections 363 and 364 of the rules of civil procedure which provide that if a witness refuses to answer a summons before a competent tribunal executing a "commission rogatoire" he may only be fined from ten francs to one hundred francs, at the discretion of the presiding judge. Furthermore, should he decline to give testimony

in answer to the request of the judge the latter may accuse him of contempt and fine him a similar amount. This is the limit of compulsion at present provided for by the existing French procedure.

I am not cognizant with the measure of compulsion that can be imposed under British law, but it appears that the fines which are authorized for failure to testify are of sufficient unimportance to nullify any effort to compel the giving of testimony in the case which the Department has in mind.

I have [etc.]

MYRON T. HERRICK

EFFORTS TO REACH AN UNDERSTANDING WITH FRANCE FOR RECIPROCAL RECOGNITION OF AMERICAN AND FRENCH LEGISLATION REGARDING INSPECTION OF VESSELS⁴⁴

195/632

The Secretary of State to the Ambassador in France (Herrick)

No. 1299

WASHINGTON, *January 13, 1925.*

SIR: Reference is made to your despatch No. 4415, of August 28, 1924,⁴⁵ and to other correspondence with the Department relative to the French inspection requirements as affecting vessels of the Dollar Steamship Line calling at the port of Marseilles. The following information is forwarded in order that you may make appropriate reply to the French Foreign Office note of August 21, 1924, transmitted to the Department with your despatch above-mentioned.

The French note under reference states that the question of the recognition of the American Bureau of Shipping has been referred to the Under Secretary of the Merchant Marine who expresses the desire to receive certain specific information concerning the American Bureau of Shipping. At the same time it is pointed out that the formalities with which American steamers have to comply in France are not based on the fact that the American Bureau of Shipping is not recognized in France, but are a consequence of the provisions of Article 3 of the law of April 17, 1907, obliging passenger steamers to be examined by the Examining Board and to be in possession of a French navigation permit. The note states further that American steamers would not have to comply with this obligation if an agreement were concluded between the United States and France recognizing the equivalence of French and American legislation, and inquiry is made as to whether the United States Government would feel disposed to conclude an agreement of this kind with the French Government.

⁴⁴ For previous correspondence between United States and France concerning inspection of vessels, see *Foreign Relations, 1924*, vol. I, pp. 756 ff.

⁴⁵ Not printed; see telegram No. 383, Aug. 26, 1924, noon, from the Chargé in France, *ibid.*, p. 759.

1. With reference to the proposal that the United States and France enter into an agreement whereby each would recognize the equivalence of French and American vessel inspection legislation, you are instructed to inform the French Foreign Office that this Government has entertained the belief that a reciprocal arrangement for vessel inspection already exists between the United States and France, in consequence of the agreement concluded between the two countries in 1902. In a note addressed to the Secretary of State under date of April 24, 1902,⁴⁸ the French Ambassador declared that "in pursuance of Article 50 of the decree of February 1, 1893, and as long as the said decree shall remain in force, the French authorities will recognize as valid the boiler inspection certificates issued by the authorities of the United States to American steamers for all the time during which the American authorities will, under the Act of February 15, 1902, exempt from the inspection of their boilers and steam engines such French ships as shall have undergone the periodical inspections prescribed by the aforesaid decree of February 1, 1893." The Treasury Department thereupon issued its Circular of May 3, 1902,⁴⁸ in which it was ordered "that hereafter and till otherwise directed, the merchant steam vessels of France sailing from ports in the United States, and holding unexpired certificates of inspection issued by the duly constituted authorities of that country, 'shall be subject to no other inspection than necessary to satisfy the local inspectors that the condition of the vessel, her boilers, and life-saving equipments are as stated in the current certificate of inspection'." Two copies of this Circular are enclosed for the information of the French authorities.

In consequence of the agreement thus concluded, this Government since 1902 has recognized, and now recognizes, certificates of inspection issued by the French Government to French steamers carrying passengers, and makes only such examination of such French steamers as to satisfy itself that those vessels have on board the equipment required by their French certificate. If, therefore, the French Government considers that the reciprocal agreement of 1902 is no longer in force, it is only necessary, in order to reestablish reciprocal vessel inspection relations between the two countries, that the French Government accept the American legislation on this subject as equivalent to existing French legislation and agree to recognize the inspection certificates issued to American vessels by the Government of the United States.

There are enclosed two copies of the "Laws Governing the Steamboat Inspection Service",⁴⁸ which may be submitted to the French authorities for their examination should further information concerning the vessel inspection laws of the United States be desired.

⁴⁸ Not printed.

2. While it is desired primarily that reciprocal recognition be accorded the inspection certificates of the United States Government, it is nevertheless desired that the French Government also recognize the American Bureau of Shipping. You will furnish the French authorities with the following information in answer to the questions concerning the American Bureau of Shipping propounded in the French Foreign Office note of August 21, 1924:

(1) "Kind of Bureau—is it an official or private organization?"

The American Bureau of Shipping, like Lloyd's Register, is a society for the classification and registry of shipping, and as such it has no capital stock and pays no dividends. The distinction between these two societies and the Bureau Veritas, it is understood, is that the latter is an organization which has capital stock and which pays dividends to stockholders.

The official character of the American Bureau of Shipping is derived from Section 25 of the Merchant Marine Act of 1920, which provides as follows:

"That for the classification of vessels owned by the United States, and for such other purposes in connection therewith as are the proper functions of a classification bureau, all departments, boards, bureaus, and commissions of the Government are hereby directed to recognize the American Bureau of Shipping as their agency so long as the American Bureau of Shipping continues to be maintained as an organization which has no capital stock and pays no dividends: Provided, That the Secretary of Commerce and the chairman of the board shall each appoint one representative who shall represent the Government upon the executive committee of the American Bureau of Shipping, and the bureau shall agree that these representatives shall be accepted by them as active members of such committee. Such representatives of the Government shall serve without any compensation, except necessary traveling expenses: Provided further, That the official list of merchant vessels published by the Government shall hereafter contain a notation clearly indicating all vessels classed by the American Bureau of Shipping."

(2) "Number of ships at present controlled by the Bureau."

There are 2,095 vessels classified by the American Bureau of Shipping, each of an average of 4,412 gross tons.

(3) "Classification rules used by the Bureau."

The construction rules, survey requirements, and classification requirements of the American Bureau of Shipping are substantially the same as the requirements in similar cases of the Bureau Veritas of France and Lloyd's Register of Great Britain. There is enclosed for the information of the French authorities one copy of the "Rules for Building and Classing Steel Vessels, American Bureau of Shipping."⁴⁹

(4) "Nature of relations which the American Bureau of Shipping may have with the British Corporation and the German Lloyd."

⁴⁹ Not printed.

The American Bureau of Shipping has alliances with the British Corporation for the Survey and Registry of Shipping, the Registro Navale Italiano and the Imperial Japanese Corporation, whereby the surveys for all the societies are mutually made by the resident society. The American Bureau of Shipping has no connection with the German Lloyds.

This Government is confident that the French Government, on having the above information brought to its attention, will be prepared to include the American Bureau of Shipping among the classification societies recognized by France. Therefore, the French authorities probably will desire to be informed in regard to the symbols employed by the American Bureau of Shipping. The symbols employed for both steel and wooden vessels are "A1" and "AMS" with the letter ® affixed to include equipment. The "A1" refers to hulls and the "AMS" to machinery.

I am [etc.]

For the Secretary of State:

LELAND HARRISON

195/767

The Ambassador in France (Herrick) to the Secretary of State

No. 5319

PARIS, June 22, 1925.

[Received July 7.]

SIR: With reference to the Department's instruction No. 1299 of January 13, 1925, regarding the proposal that the United States and France enter into an agreement whereby each would recognize the equivalence of French and American vessel inspection legislation, I have the honor to enclose herewith a copy and translation of a note from the Foreign Office dated June 20th.⁵⁰

This note states in part that the 1902 agreement regarding vessel inspection is no longer effective, and that there should be substituted for it a more general accord, which should take into consideration the modifications which have been made since 1902 in French and American maritime legislation. In this connection, the note asks that duplicate copies of American laws concerning security of navigation and concerning hygiene on board commercial vessels be sent to the Foreign Office.

As regards the recognition of the American Bureau of Shipping, the note states that such recognition can only be accorded after an agreement has been concluded regarding the equivalence of French and American legislation.

I have [etc.]

For the Ambassador:

SHELDON WHITEHOUSE

Counselor of Embassy

⁵⁰ Not printed.

195/874

The Ambassador in France (Herrick) to the Secretary of State

No. 5682

PARIS, November 5, 1925.

[Received November 16.]

SIR: With reference to my telegram No. 540 of November 3rd, 5 p. m.,⁵¹ I have the honor to enclose herewith a copy and translation of a note from the Foreign Office dated November 3rd,⁵¹ in which it is stated that American ships touching at French ports will experience no difficulties until such a time as an agreement has been made between France and the United States concerning the equivalence of navigation certificates.

I have [etc.]

MYRON T. HERRICK

195/912

The Secretary of State to the Ambassador in France (Herrick)

No. 1979

WASHINGTON, July 28, 1926.

SIR: The French note of June 20, 1925,⁵² which was in response to your note pursuant to the Department's instruction No. 1299 of January 13, 1925, relates to two questions: First, the reciprocal recognition of the equivalence of French and American vessel inspection legislation, and, second, the recognition by the French Government of the American Bureau of Shipping.

With respect to the first question, the competent authority of the Government of the United States has carefully examined the whole matter and has reached the conclusion that the vessel inspection laws of France approximate those of the United States.

Section 4400 of the Revised Statutes of the United States provides that private steam passenger vessels of other countries shall be liable to visitation and inspection by the proper officer in any of the ports of the United States, but that when such vessels belong to countries having inspection laws approximating those of the United States, they shall, on condition of reciprocity, be subject to no other inspection than is necessary to satisfy local inspectors as to the correctness of their inspection certificates.

The competent authority of the Government of the United States further states that an order is in effect that the merchant steam vessels of France sailing from ports in the United States, and holding proper French inspection certificates, shall be subject to no other inspection than is necessary to satisfy the local inspectors.

⁵¹ Not printed.⁵² Not printed; see the Ambassador's despatch No. 5319, June 22, 1925, p. 126.

In 1924, however, the Dollar Steamship Company's ships were required to go into dry dock in French ports for examination. The reciprocity necessary to the continuance of American exemption of French vessels having thus seemingly terminated, the Embassy was requested in instruction No. 1299, January 13, 1925, to inform the French Government that, in order to re-establish reciprocal vessel inspection relations between the two countries, it would be necessary for France to accept American legislation on inspection matters as equivalent to existing French legislation and to agree to recognize American inspection certificates. The French authorities replied that the legal basis for the old arrangement had terminated and proposed a new and more general agreement which would apply to all vessels of the two countries and take into account recent modifications in French and in American maritime legislation.

In order that this might be accomplished a text of the French laws concerning the security of navigation and concerning hygiene was furnished. The competent authority of this Government, having carefully studied the vessel inspection laws of France and having found them to approximate those of the United States, now proposes that this Government enter into a new reciprocal agreement with France.

There are enclosed copies of the letter of the Department of Commerce of March 25, 1926, and of the following documents the latter in duplicate:⁵³

Quarantine Laws and Regulations of the United States, Revised Edition, June, 1920, (issued by the Treasury Department, United States Public Health Service).

General Rules and Regulations prescribed by the Board of Supervising Inspectors April 6, 1926, (issued by the Department of Commerce, Steamboat Inspection Service).

Laws Governing the Steamboat Inspection Service, June 24, 1925, (issued by the Department of Commerce, Steamboat Inspection Service).

It is desired that you transmit these documents to the appropriate official of the French Government, calling his attention to the opinion of the Department of Commerce that they can be studied without a conference, but expressing the willingness of this Government to participate in a conference should it be deemed desirable.

With respect to the recognition of the American Bureau of Shipping, it is assumed from the penultimate paragraph of the French note of June 20, 1925, that such recognition can readily be effected.⁵⁴

The Embassy is instructed in bringing the above considerations to the attention of the French Government, to inquire whether it is the

⁵³ No enclosures printed.

⁵⁴ See last paragraph of the Ambassador's despatch No. 5319, June 22, 1925, p. 126.

intention of the French Government to accord to vessels of the United States such recognition as is desired that the Government of the United States accord to vessels of France.⁵⁵

I am [etc.]

For the Secretary of State:
LELAND HARRISON

**EXEMPTION OF AMERICAN BUSINESS FIRMS IN MADAGASCAR FROM
PAYMENT OF SPECIAL TAXES**

851 W.512/11

The Consul at Tananarive (Carter) to the Secretary of State

No. 1063

TANANARIVE, August 14, 1926.

[Received September 30.]

SIR: On pages 7, 8 and 9 of the Consulate's commercial report dated July 18, 1926,⁵⁶ concerning concrete results of its trade promotion work during the fiscal year ended June 30, 1926, was discussed correspondence had by the Consulate with the Acting Governor General of Madagascar and Dependencies in the matter of ascertaining whether, under Article 7 of the Consular Convention of February 23, 1853,⁵⁷ between France and the United States, American merchants doing business in this French colony may not be exempt from the payment of special taxes imposed upon all foreign business concerns, and which are not equally imposed upon French firms.

According to the terms of an *arrêté* of the Governor General of February 10, 1899, concerning domanial concessions, when local Government land is purchased by a Frenchman, one-half of the purchase price is paid when the provisional title is delivered, and the remaining one-half is paid when the definite title is delivered. When the purchaser is a foreigner, the *arrêté* requires that the total purchase price be paid when the provisional title is delivered. It usually requires considerable time for the delivery of the definite title, which may mean anything from three to ten years, and it may happen that the definite title is never delivered where some native may claim possession through ancestral rights, etc.

Under date of July 12, 1926, the Consulate again wrote the Acting Governor General, with further reference to the application of equal rights of American citizens under Article 7 of the Consular Convention of February 23, 1853, to ascertain whether American citizens in Madagascar may not, when making application for land concessions, be permitted to pay one-half of the price thereof upon the delivery of

⁵⁵ Further action in this matter was not taken until 1930.

⁵⁶ Not printed.

⁵⁷ Malloy, *Treaties*, 1776-1909, vol. I, p. 528.

the provisional title, and the other one-half when the definite title is delivered, as in the case of Frenchmen.

By his letter of the 30th. of July, 1926, the Acting Governor General informed me that, in consideration of my letter of the 25th. of May, 1926, concerning the unequal payment of licences and other taxes paid by foreigners and Frenchmen in Madagascar, he had requested Governor General Olivier, who is on mission in France, to ascertain from the French Minister of Colonies, in case the Consular Convention of 1853 should be considered applicable in all French territory and not only in France itself, just what provisions of the Decree of 1925 and the *Arrêté* of February 10, 1899, should not be applicable to American citizens. By a letter of the 11th. of August, in reply to a further letter from me dated the 12th. of July, the Acting Governor General advised that, in the absence of contrary instructions from the Minister of Colonies, the application of the restrictions against foreigners provided for by the *Arrêté* of February 10, 1899, remain applicable to American citizens, as well as other foreigners.

As of possible interest to the Department, there are enclosed copies of the correspondence passed between the Consulate and the Acting Governor General of Madagascar and Dependencies on this subject.⁵⁸

As of possible interest to the Embassy, a copy of this despatch, with its enclosures, is being transmitted to the American Ambassador at Paris.

I have [etc.]

JAS. G. CARTER

851 W.512/11

The Secretary of State to the Chargé in France (Whitehouse)

No. 2052

WASHINGTON, October 12, 1926.

SIR: The Department encloses for your information copies of a despatch dated August 14, 1926 from the American Consul at Tananarive, Madagascar,^{58a} and of its enclosures, together with a copy of the Consul's communication of May 25, 1926 to the Governor General of Madagascar,^{58b} referred to in the despatch, which deal with the discriminations in Madagascar against American citizens and other aliens with respect to the purchase of domanial concessions and the right to possess real estate as well as with respect to certain forms of taxation. It will be observed that the Consul has endeavored to have American citizens relieved from these discriminations in view of the provisions of Article 7 of the Consular Convention of 1853 between the United

⁵⁸ Not printed.

^{58a} *Supra*.

^{58b} Enclosures to despatch of August 14 and the communication of May 25, 1926, to the Governor General of Madagascar, not printed.

States and France, but that his efforts, up to the present time, have not been successful.

It may be stated with respect to the question of the applicability of the Consular Convention of 1853 to Madagascar that in a note dated July 22, 1896, the French Ambassador at this capital in informing the Department of the annexation of Madagascar to France stated that the annexation had "the effect of extending to the great African island the whole of the conventions concluded between France and the United States, which are henceforward to replace the Madagascar Treaty of May 13, 1881". (*Foreign Relations*, 1896, page 133).

Article 7 of the Consular Convention of 1853 with France provides as follows:

"In all the States of the Union whose existing laws permit it, so long and to the same extent as the said laws shall remain in force, Frenchmen shall enjoy the right of possessing personal and real property by the same title and in the same manner as the citizens of the United States. They shall be free to dispose of it as they may please, either gratuitously, or for value received, by donation, testament, or otherwise, just as those citizens themselves; and in no case shall they be subjected to taxes on transfer, inheritance, or any others different from those paid by the latter, or to taxes which shall not be equally imposed.

"As to the States of the Union by whose existing laws aliens are not permitted to hold real estate, the President engages to recommend to them the passage of such laws as may be necessary for the purpose of conferring this right.

"In like manner, but with the reservation of the ulterior right of establishing reciprocity in regard to possession and inheritance, the government of France accords to the citizens of the United States the same rights within its territory, in respect to real and personal property and to inheritance, as are enjoyed there by its own citizens."

It seems clear that this article guarantees to American citizens in France, on the basis of reciprocity, national treatment with respect to the possession and transfer of property and the payment of taxes arising in connection therewith. The French Foreign Office in its note to your Embassy dated November 24, 1925, a copy of which was transmitted to the Department with the Embassy's despatch No. 5778 of November 30, 1925,⁵⁹ stated moreover "that from Article 7 of the Franco-American Consular Convention of February 23, 1853, it results in fact that American citizens in France and French citizens in the United States are assimilated to nationals as regards the payment of or exemptions from taxes."

You are accordingly requested to bring the discriminations referred to by the Consul at Tananarive to the attention of the French Foreign Office and to express the hope that in view of the provisions of

⁵⁹ *Foreign Relations*, 1925, vol. II, p. 131.

Article 7 of the Consular Convention of 1853, American citizens in Madagascar will be accorded the right to purchase domanial land and to possess real property on the same basis as French citizens, and further that they will be accorded national treatment with respect to taxation. You will submit a report to the Department regarding this matter.

A copy of this instruction is being sent to the American Consul at Tananarive for his information and guidance.

I am [etc.]

For the Secretary of State:

JOSEPH C. GREW

851 W.512/12

The Vice Consul in Charge at Tananarive (Thompson) to the Secretary of State

No. 1084

TANANARIVE, November 5, 1926.

[Received January 3, 1927.]

SIR: I have the honor to report that apparently as a result of the objections raised by this Consulate, the Government of Madagascar has relieved American citizens of the discriminatory features of a tax of 5 per cent on the amount of the trading and revenue licences, which was attempted to be imposed on all foreigners by the Municipalities of Tamatave, Majunga, Antsirabe and Mananjary.

The Consulate on May 25, 1926, on its own initiative, requested of the Governor General ad interim an interpretation of the Municipal Order creating such tax at Tamatave. This official, under date of June 30, 1926, agreed to obtain suspension of the Order as far as American traders at Tamatave were concerned, and to submit the point to Governor General Olivier, who was and is now on leave in France. Upon further inquiry regarding the possible imposition of such tax in other towns in Madagascar, the Governor General ad interim on September 9, 1926, advised that similar municipal orders were in force at Majunga, Antsirabe and Mananjary, that they were effective upon all traders without distinction of nationality at Mananjary, and that instructions would be given to either abrogate these Municipal Orders at Majunga and Antsirabe, or to have the tax extended to all traders, regardless of nationality. Pursuant to this promise there have been published in the Journal Official of Madagascar and Dependencies of October 30, 1926, Municipal Orders issued by the Administrator-Mayors of Majunga and Antsirabe, recalling and cancelling the tax in question.

Inasmuch as the question is largely one of principle in Madagascar, as far as American citizens are concerned, there being no Ameri-

can firms or traders in Majunga, Antsirabe and Mananjary, and apparently only one in Tamatave, the Consulate will take no further steps as far as Tamatave is concerned. It may safely be assumed that the tax has been permanently suspended as concerns Americans, but it is probable that the Government wishes to retain the tax upon other foreigners, of whom there are a number engaged in trade in Tamatave, the chief port of Madagascar. The efforts of the Consulate would appear to have benefited some British and other nationals at Majunga, and perhaps at Antsirabe.

Copies of all the correspondence, with translations, comprised in the dossier of this case are transmitted herewith.⁶⁰

I have [etc.]

PAUL DEAN THOMPSON

851 W.512/14

The Ambassador in France (Herrick) to the Secretary of State

No. 7147

PARIS, February 10, 1927.

[Received February 24.]

SIR: I have the honor to refer to the Department's instruction No. 2052 of October 12, 1926 (File No. 851W.512/11), concerning the applicability of the Consular Convention of 1853 to real estate rights in Madagascar.

I am enclosing herewith the copy and translation of a note received from the Foreign Office dated the 8th instant, which states that the text of Article 7 of the Treaty of 1853 refers to the "States of the Union" and to "France," and that it therefore is inapplicable to the colonies of either country.

I have [etc.]

For the Ambassador:

SHELDON WHITEHOUSE

Counselor of Embassy

[Enclosure—Translation]

The French Ministry of Foreign Affairs to the American Embassy

By note dated October 22nd last, the Embassy of the United States, in support of the claims of American citizens in regard to real estate in Madagascar, invoked Article 7 of the Consular Convention of February 23, 1853.

The Ministry has the honor to point out to the Embassy that the text of this Article 7 regulates the right to possess real estate solely in the "States of the Union" and in "France." It therefore cannot apply to the colonies of either country:

⁶⁰ Not printed.

The term "France" used in the agreement of 1853 can only apply to the continental territory of the Republic and not to Madagascar which was not a French colony in 1853.

PARIS, *February 8, 1927.*

PRECAUTIONS BY THE UNITED STATES FOR THE SAFETY OF
AMERICANS DURING THE SYRIAN INSURRECTION⁶¹

890d.00/345 : Telegram

*The Consul at Beirut (Knabenshue)*⁶² to the Secretary of State

BEIRUT, *February 17, 1926—5 p. m.*

[Received 5:25 p. m.]

Situation at Damascus deplorable. French forces there numbering several thousand remain behind barricades in one small portion of the city while rebels loot and kidnap notables for ransom in all parts of the city including French section. Doctor Melikian, dragoman of the American consulate, was kidnapped evening February 7th, robbed of several thousand dollars and is held for ransom of about \$2,000 additional. French have not replied to Keeley's tactful request for information as to their action in the matter. Keeley⁶³ fears that if French upon our official demand were to attempt rescue, Melikian would be murdered by the rebels. Keeley feels that prestige of the consulate is involved and believes that upon his request Attrash⁶⁴ whom he knows personally would cause immediate relief [release?] of Melikian. Keeley and I with the knowledge and consent of the French might get informal word to Attrash through influential sources which might possibly cause the release of Melikian. Pending the receipt of instructions from the Department I have instructed Keeley to continue his policy of noninterference in the hope that the family of Melikian will themselves effect his release and thus avoid involving the United States.

There seems to be no hope of peaceful settlement between French and rebels. French are preparing for spring campaign but it is believed that the general situation will become worse before better. Please see my despatch of January 26th [25th].⁶⁵

Sent to the Department and to Embassy at Paris.

KNABENSHUE

⁶¹ Continued from *Foreign Relations*, 1925, vol. II, pp. 105-127.

⁶² Supervising consular officer in Syria.

⁶³ James H. Keeley, Jr., consul at Damascus.

⁶⁴ Sultan Pasha el Attrash, commander of the Druse revolutionary forces.

⁶⁵ Not printed.

890d.00/347: Telegram

*The Consul at Beirut (Knabenshue) to the Secretary of State*BEIRUT, *February 20, 1926—2 p. m.*

[Received 4:25 p. m.]

Referring to my telegram of February 17, 5 p. m. Melikian released on payment \$1,700 ransom. Melikian states that rebels have definitely decided to kidnap Keeley and other rich Americans for the purpose of ransom and to cause American interference in Syrian situation. I have sent following telegram to Keeley today by French wireless telegraphy as telegraph, telephone and railway are cut:

"February 20, 1 p. m. I strongly recommend you advise all Americans leave Damascus immediately and that you send your wife and child to Beirut escorted by McGonigal who will return to Damascus and that you demand of French an adequate military guard for your constant protection. If you or other Americans are kidnapped demand will be made that French pay the ransom."

Severe fighting has taken place in the city of Damascus throughout this entire week being particularly severe on the 17th when French resorted to bombardment of Meidan quarter throughout the day while a large fire swept that quarter that night. Considerable damage to life and property but extent thereof unknown at present.

There is also activity in other sections of the country and Altaffer⁶⁶ reports that reign of terror prevails among inhabitants of Syrian towns on frontier anticipating attacks from Turkish bands.

Indications are that Druses and other rebels will commence active operations before French complete arrangements for their expected spring campaign.

. . . Economic conditions throughout country deplorable. Nearly 200 bankrupt petitions now filed in Beirut.

Sent to the Department and Embassy at Paris.

KNABENSHUE

890d.00/347: Telegram

*The Secretary of State to the Consul at Beirut (Knabenshue)*WASHINGTON, *February 23, 1926—7 p. m.*

You should bring to de Jouvenel's⁶⁷ attention situation reported in your February 17, 5 p. m., and February 20, 2 p. m., and inquire whether mandatory authorities will extend adequate protection to Consul Keeley and to the consular premises at Damascus.

⁶⁶ Maurice W. Altaffer, vice consul at Aleppo.

⁶⁷ Henri de Jouvenel, French High Commissioner to the States of Syria and the Lebanon.

Department will leave to you and Keeley the decision regarding the propriety of advising Americans to leave Damascus. In the absence of any disavowal by the French authorities of their ability adequately to protect foreigners there, this Government must hold the mandatory authorities responsible for the safety of Americans in Damascus. You may so inform de Jouvenel.

If you and Keeley decide upon advisability of departure of Mrs. Keeley and child, Department will reimburse Keeley for their necessary travelling expenses from Damascus to Beirut and subsistence charges during their necessary absence.

You should keep in mind Department's November 7, 1 p. m.,⁶⁸ on which you and Keeley are authorized to act at any time that, in your judgment, the situation requires.

KELLOGG

890d.00/377

The Consul at Damascus (Keeley) to the Secretary of State

No. 329

DAMASCUS, *March 3, 1926.*

[Received April 28.]

SIR: I have the honor to refer to my despatches Nos. 285 and 296 of October 26 and December 4, 1925, respectively,⁶⁹ in so far as they deal with representations to the French Authorities respecting the protection of foreigners in general and Americans in particular residing in Damascus, and to report the following additional developments along this line.

On February 9, 1926, at the instigation of this office, the Consular Corps addressed a note to M. Pierre Alype, Envoy Extraordinary in Damascus of the French High Commissioner, inviting his attention to the ease with which the rebels had recently been circulating in Damascus where they had kidnapped various persons and possessed themselves of their belongings. It was pointed out that there appeared to be nothing to prevent the same thing being done to foreigners, and he was requested to inform the Consuls whether or not he thought the condition of security in the city warranted any modification in the opinion expressed by General Soulé, the predecessor of General Andréa, and communicated to the Consuls on December 1, 1925, (see Enclosure No. 5 with despatch No. 296 of December 4, 1925) to see effect that the situation did not then seem to warrant advising foreigners to evacuate the city. A copy of the Consular Corps' note, in French and in translation, is transmitted herewith.

⁶⁸ *Foreign Relations*, 1925, vol. II, p. 118.

⁶⁹ Neither printed.

On February 19, 1926, M. Alype transmitted to the Dean of the Consular Corps a copy of General Andréa's reply, dated February 13, 1926, to the questions raised in the Consular Corps' note. Copies of each of these communications are transmitted herewith. They are self-explanatory.

Being unable to share General Andréa's optimistic view of the situation as expressed in his letter, and the potential danger to Americans having been subsequently increased by the anti-Christian and anti-foreign feeling aroused by the action of Armenian irregulars who were sent into the Meidan Quarter on February 15th ostensibly against the rebels occupying that quarter . . . this Consulate on February 22, 1926, addressed a further note to M. Alype. A copy of the note, in English and in translation, is transmitted herewith.

It is believed that the Department will find my note of February 22nd self-explanatory. In order to avoid a possible misinterpretation of my motive in referring to the use of Armenian irregulars, however, it may be well to point out that it was from their use that Moslem feeling had become aroused to such an extent that a massacre of all Christians was not beyond probability and was thwarted not so much by any preventive action of the French Authorities as by the attitude of the more enlightened Moslems who, some because they realized the inexpediency of a massacre, others because they were really opposed to it on ethical grounds, counseled moderation to their coreligionists.

On February 25, 1926, not having received any response to my communication of the 22nd to the French Authorities, I addressed all Americans in Damascus individually, advising them to leave the city and district. A copy of one of these letters is transmitted herewith.⁷⁰

Certain of the more loquacious members of the American colony upon receiving my letter proceeded to divulge its contents to their native friends with the result that within a few hours my advice to my nationals was quite generally known in the city and was being exaggerated by repetition.

Saturday morning, February 27, 1926, I received a personal note from General Andréa asking me whether I would be good enough to call upon him to discuss the matter of protecting my nationals. I called at three in the afternoon and passed an hour with the General who took up my letter of February 22nd point by point with me. He went into great detail in explaining the military measures taken for the defense of the city and assured me that he was prepared to guarantee foreigners in general and Americans in particular from the danger of any important attack from without and from serious disorders within the city.

⁷⁰ Not printed.

General Andréa made no reference to the letter advising Americans to leave the city, but being certain that he either then knew of it or would soon learn of it and perhaps misconstrue its intent, I broached the subject, showed him a copy of the letter and translated its contents. His previous cordial manner changed to a formal reserve as he pointed out that, diplomatically speaking, the letter was really a reflection upon his administration in that it declared the city to be unsafe, whereas he had just shown me that it was safe. I pointed out his admitted inability to guarantee Americans against the danger of stray shots which have recently killed a number of innocent pedestrians, and for that reason alone, if for no other, the warning to Americans was justified.

After a further exchange of opinions and friendly discussion of the rebellion, he became more cordial again, and as we parted he assured me that the safety of my nationals would be one of his chief concerns, that he would notify me immediately of impending danger, and that in the event of serious disorder within the city he would send a special guard to the Consulate for its protection and for that of any Americans who might take refuge there.

Yesterday I received from M. Alype his reply, dated March 1, 1926, to my note of February 22, 1926. A copy of M. Alype's letter, in French and in translation, is transmitted herewith. It is self-explanatory.

I agree with M. Alype's admission in the fifth [*fourth*] paragraph of his letter of March 1, 1926, to the effect that the situation in Damascus is still serious and must be followed with attention. I am pleased to report, however, that the situation within the city has ameliorated since my note of February 22, 1926, was written, but I cannot conscientiously grant that there is as complete security for foreign nationals established in Damascus as M. Alype would have me believe. I have no intention, however, of pursuing the discussion further with the Authorities along abstract lines, and I have therefore merely thanked M. Alype and General Andréa for their detailed exposition of the case, assuring them at the same time of my sincere desire to cooperate with them fully in this part of their difficult task.

I trust that the Department will approve the course pursued by me as outlined herein, since I am of the opinion that it, together with Mr. Knabenshue's representations direct to the High Commissioner, has aroused the French Authorities locally to a better appreciation of their responsibility with respect to our nationals, a responsibility for which they have not on all occasions shown due regard.

I have [etc.]

J. H. KEELEY, Jr.

[Enclosure 1—Translation]

*The Dean of the Consular Corps at Damascus (Smart)*⁷¹ *to the Envoy Extraordinary at Damascus (Alype) of the French High Commissioner to the States of Syria and the Lebanon (De Jouvenel)*

DAMASCUS, February 9, 1926.

MR. ENVOY EXTRAORDINARY: I am charged by the Consular Corps to make known to you its anxiety on the subject of the actual situation in the city of Damascus. While fully considering the momentary difficulties confronting the Authorities, the Consular Corps believes it necessary to point out the possibility of danger for the foreign colonies.

The foreigners are very much scattered in the city, and, for the most part, are not found in the limited zone that is covered by the troops. Recently, bands have circulated quite frequently in many quarters of the city, where they have carried away various persons and their belongings. It seems that nothing prevents these bands from doing the same with respect to the foreigners.

General Soulé in his letter No. 9335/1 of November 30 addressed to the Delegate, who communicated it to me as Dean under cover of his letter No. 9335 bis of the same date, expressed the opinion that the situation did not indicate that foreigners should be advised to leave the city. The Consular Corps would be grateful to you to be good enough to let it know if this advice should be modified in view of the present situation.

Meanwhile, the Consular Corps hopes that the Mandatory Authorities will take the necessary measures to assure the foreigners against the dangers, above-mentioned.

Accept [etc.]

W. A. SMART

[Enclosure 2—Translation]

The Envoy Extraordinary at Damascus (Alype) of the French High Commissioner to the States of Syria and the Lebanon (De Jouvenel) to the Dean of the Consular Corps at Damascus (Smart)

No. 2924/C

DAMASCUS, February 19, 1926.

MR. DEAN: The 9th of February last, you were good enough to call my attention to the anxiety of the Consular Corps on the present situation in Damascus.

I hastened to bring this matter to the attention of General Andréa, and I have the honor to transmit to you herewith a copy of his answer.

I add that the fate of the foreign colonies is the object of all the solicitude of the Mandatory Power in Syria, and I beg you to accept, Mr. Dean, the assurance of my high consideration.

PIERRE ALYPE

⁷¹ British consul at Damascus.

[Subenclosure—Translation ⁷²]

The General Commanding the Troops of the Region of Damascus and of the Djebel Druse (Andréa) to the Envoy Extraordinary at Damascus (Alype) of the French High Commissioner to the States of Syria and the Lebanon (De Jouvenel)

No. /2

DAMASCUS, February 13, 1926.

The kidnapping of persons to which the Dean of the Consular Corps refers has not failed to attract every attention of the Command.

The works of defense now in progress will make it possible within two weeks to prevent bands from entering the inner quarters which represent, after all, the most important part of the city. The elimination of the troublesome elements will follow.

Only the Meidan-Akrad and Mohajrin quarters will be left outside the barbed wire entanglements. Their defense will be entrusted to three groups of 50 partisans each.

I consider that, under these circumstances, the security of the foreign nationals will be adequately assured, and I cannot in consequence modify the advice previously expressed by General Soulé.

ANDRÉA

[Enclosure 3—Translation]

The American Consul at Damascus (Keeley) to the Envoy Extraordinary at Damascus (Alype) of the French High Commissioner to the States of Syria and the Lebanon (De Jouvenel)

DAMASCUS, February 22, 1926.

SIR: I have the honor to refer to your letter No. 2924/C of February 19, 1926, addressed to the Dean of the Consular Corps, transmitting a copy of General Andréa's reply to the Consular Corps' note of February 9, 1926, respecting the anxiety of the Consuls for the safety of their nationals because of the condition of public security in Damascus.

The danger from the activities of the bands which prompted the Consular Corps' note of February 9, 1926, has now been added to by the natural reaction against foreigners and Christians as a result of the recent activities of the Circassian and Armenian partisans in certain sections of the city.

Despite the optimistic tone of General Andréa's communication, I feel sure that neither he nor you can now be unaware of the gravity of the present situation in Damascus or of the fact that further religious animosity and hatred of foreigners cannot fail to result from a continued use of Armenian partisans against the Moslems.

⁷² File translation revised.

While being sincerely appreciative of the solicitude for the safety of foreigners expressed by yourself and taking into account the measures of defense which General Andréa believes will eventually assure the security of foreigners, I regret to record that I am yet unable to view the situation with optimism. From information which I can no longer ignore I am forced to conclude that the present situation in Damascus is more serious than at any previous time. I must request, therefore, that adequate measures be taken immediately to safeguard the lives and property of American citizens, for the protection of which the Mandatory Government will be held strictly accountable.

In order to assist the Mandatory Authorities in this difficult task should grave disorders break out in the city an effort will be made to gather as many Americans as possible under the shelter of this Consulate.

I shall be grateful, therefore, to you and to General Andréa if you will advise me immediately of the start of any serious disorders.

A similar request addressed to your predecessor prior to the outbreak in October⁷³ elicited assurances that Americans would be fully protected and that this Consulate would be promptly informed of the least sign of danger . . . I trust that you will understand, therefore, that this letter is prompted by solicitude for my nationals and by a sincere desire to cooperate fully with the French Authorities with the difficulty of whose task I am fully sympathetic.

I avail myself [etc.]

J. H. KEELEY, Jr.

[Enclosure 4—Translation ⁷⁴]

The Envoy Extraordinary at Damascus (Alype) of the French High Commissioner to the States of Syria and the Lebanon (De Jouvenel) to the American Consul at Damascus (Keeley)

No. 5080/SP

DAMASCUS, *March 1, 1926.*

MR. CONSUL: You were good enough to invite my attention to the apprehension which the political situation in Damascus has caused you, and to the dangers that seemed to you would result to the Christian elements of this city, whether of Syrian origin or of foreign nationality.

Already, in a note which was transmitted to me by the Consular Corps on February 9, you made known to me your anxiety. I answered assuring you that General Andréa had taken sufficient military measures so that no threats could be put into execution in respect to your nationals dwelling in town and so that they would

⁷³ See telegram of Oct. 28, 1925, 4 p. m., from the consul at Beirut, and subsequent papers, *Foreign Relations*, 1925, vol. II, pp. 112 ff.

⁷⁴ File translation revised.

suffer no more from the repercussions of acts of banditry in the interior of Damascus.

General Andréa, to whom I communicated your letter of February 22, informs me that the apprehensions of which you make yourself the interpreter do not seem to him to correspond any longer to the present situation. After the clearing operations in the Meidan Quarter where a great number of bandits were killed, a certain agitation had, in fact, manifested itself among the Moslems against the Armenians and the Christians in general, but the measures taken immediately by the responsible authorities, as well as the advice to be calm which was given to the delegation of the notables, have greatly abated this feeling. You have yourself been able to note a conspicuous resumption of commercial activity.

I do not pretend that the situation in Damascus must not be followed with attention. It is still serious. General Andréa carries on very actively the work for the defense of the outskirts of the city. The barbed wire entanglement is completed and will be further strengthened.

This wirework, perfectly commanded at all points by the machine-gun fire from the barrage posts, is already a very effective guarantee against the incursions of bands into the interior of the city.

To prevent any insurrectionary movement in the city itself, strong patrols composed of French soldiers, commanded by officers of our army and aided by gendarmes, policemen and partisans, patrol, night and day, the different quarters.

General Andréa considers, under these circumstances, that he will be kept accurately in touch with the state of mind of the population, and will be able, in case of necessity, to take immediate measures which will enable him to maintain order and peace.

I am glad to bring this information to your knowledge, and I hope it will allay the apprehension which you have manifested. The French Authority assumes at this moment the responsibility of maintaining order in Syria, and its first care is to see that a security as complete as possible, in view of events, be given to the foreign nationals settled in Damascus.

You will be good enough to grant that it is not lacking.

Accept [etc.]

PIERRE ALYPE

890d.00/371

The Consul at Beirut (Knabenshue) to the Secretary of State

No. 2118

BEIRUT, *March 9, 1926.*

[Received April 23.]

SIR: I have the honor to refer to my telegram of February 20, 1 [2] p. m., relative to the threat of the rebels to kidnap Consul

Keeley and other Americans, and to the Department's telegram of February 23, 7 p. m., instructing me to bring the matter to the attention of the French High Commissioner.

As the matter involved also a question of principle and policy I deemed it desirable that my representations and the High Commissioner's reply should be in writing. However, because of the delicacy of the subject and the possible risk of conveying an impression of unfriendliness, it was considered better to present the case in an informal manner instead of by an official communication.

For the Department's information I enclose a copy of my informal letter of February 25, 1926, to M. de Jouvenel and a copy of his reply. I am very happy to call attention to the fact that in his friendly reply, M. de Jouvenel accepted my representations in the spirit intended. I also enclose a copy of the reply which his letter made necessary.

Reference is made to Consul Keeley's despatch No. 329 of March 3, 1926, on the same subject.

As a side light on the same subject I enclose a copy of my informal note to Mr. Keeley of March 1, 1926.⁷⁵

I have [etc.]

P. KNABENSHUE

[Enclosure 1]

The American Consul at Beirut (Knabenshue) to the French High Commissioner to the States of Syria and the Lebanon (De Jouvenel)

BEIRUT, February 25, 1926.

MY DEAR MR. HIGH COMMISSIONER: I beg to ask that I may be permitted to discuss with you, in a frank but most friendly spirit, certain features of the situation at Damascus in so far as they affect American interests there and the protection of American citizens.

During the past several weeks it seems that armed bands have found it possible to penetrate into practically all quarters of the city of Damascus where they have entered and robbed certain houses and have on a number of occasions kidnapped peaceful residents and held them for ransom.

The McAndrews Forbes Company, an American firm engaged chiefly in the exportation of licorice root, has been obliged to close its factory and discontinue its business in Damascus. Both the Standard Oil Company and the Vacuum Oil Company have received demands for payment of sums of money to the bands with the threat that otherwise their installations will be destroyed.

On the night of February 7th, 1926, an armed band forced its way into the house of Dr. Melikian who resides in the Salhie quarter. Dr. Melikian is the Dragoman of the American Consulate. This band

⁷⁵ Not printed.

first seized money and valuables to the amount of Pounds Turkish 3709 (gold) which the doctor had in his possession and then carried him off and held him for ransom. After ten days of captivity in which he suffered both mental and physical discomfort, he was finally released upon the payment by his family of a ransom amounting to Pounds Turkish 320 (gold).

Since this incident, information, which cannot be ignored, has come to my attention, indicating that it is the definite intention of the bands operating in and around Damascus to kidnap American citizens in general and the American Consul at Damascus in particular. It would seem from the information received that the object of the bands is twofold; first, to secure considerable sums of money in the form of ransoms; and second, to involve the United States Government—nursing the vain hope of securing its sympathy toward their rebellious movement.

In addition to this potential danger to American citizens the incidents of last week, which gave rise to a threat on the part of certain Moslems to attack the Christians of the city, have caused considerable uneasiness not only among the native Christians of Damascus but also among the foreigners residing there and it is feared that they might, in consequence of such an attack, be placed in a precarious position.

Very naturally the question arises in my mind whether, because of the circumstances as related and in view of other possible eventualities, it might not be advisable to evacuate all Americans from Damascus, and as a logical consequence thereof to close the American Consulate there. However, for many obvious reasons, such measures are undesirable, and I should hesitate to resort to such expedencies inasmuch as I would fervently wish to avoid causing possible embarrassment to your administration.

It is in a spirit of most friendly co-operation that I bring these facts to your notice, feeling that in so doing I may be of some assistance in the formulation of measures which might be deemed necessary for the protection of American citizens in Damascus. You will of course readily appreciate that in the absence of any disavowal by you of your ability adequately to protect foreigners my Government must hold the Mandatory power responsible for the safety of Americans in the disturbed areas.

Under the circumstances I should like to inquire whether in your opinion American citizens may continue to reside safely in Damascus and whether the appropriate authorities in Damascus will be good enough to extend adequate protection to the American Consul and the Consular premises there.

I am [etc.]

P. KNABENSHUE

[Enclosure 2—Translation ⁷⁶]

The French High Commissioner to the States of Syria and the Lebanon (De Jouvenel) to the American Consul at Beirut (Knabenshue)

No. 89/D. C. M.

BEIRUT, *February 27, 1926.*

Your friendly letter of yesterday [*sic*] touched me very much. I appreciate all the sentiments that dictated it—the desire to avoid an evacuation, which would have a most grievous effect, and the desire, as justifiable as the former, to guarantee the security of American citizens in Damascus.

I received just this morning, almost at the same time as your letter, a report from General Andréa stating that the network for the protection of Damascus had been finished last evening.

If there were an American officer here, I should invite him to go and see for himself that the city will from now on be secure against any infiltration.

Do you wish me to ask the British liaison officer to make this trip? General Andréa will certainly be glad to receive him. He will judge with an impartial eye, and it might be well for both you and me to have his advice.

In any event, I want to tell you that the American Consul at Damascus can go to see M. Pierre Alype who is always at his service. M. Alype will have him provided with means sufficient for his protection, and will frustrate the singular tactics to which your letter justly alludes in so scornful a manner.

On my part, my dear Consul General, I want to thank you for your excellent procedure, and I beg you to believe that under all circumstances I shall facilitate your task.

Sincerely yours,

JOUVENEL

[Enclosure 3]

The American Consul at Beirut (Knabenshue) to the French High Commissioner to the States of Syria and the Lebanon (De Jouvenel)

BEIRUT, *March 5, 1926.*

MY DEAR MR. HIGH COMMISSIONER: I thank you very sincerely for your very kind letter of February 27, 1926, in which you were good enough to inform me that the measures taken by General Andréa for the protection of Damascus have been completed and that the city is henceforth secure against any infiltration of bands, thus guaranteeing the protection of American citizens in Damascus.

I appreciate very much your willingness to have invited an American officer to have visited Damascus were such an officer present here.

⁷⁶ File translation revised.

Your very kind offer to ask the British Liaison Officer to examine the situation at Damascus with a view to advising in the matter of the protective measures taken is also much appreciated, but for my part I am very happy to accept the assurances and good judgement of General Andréa.

Following your suggestion I have advised the American Consul at Damascus to see M. Alype and to leave to the discretion of the appropriate authorities such measures for his protection as they may deem necessary.

I wish to thank you for the sympathetic interest you have manifested in this matter and for the friendly co-operation which you have so kindly offered.

I am [etc.]

P. KNABENSHUE

890d.00/377

The Secretary of State to the Consul at Beirut (Knabenshue)

WASHINGTON, May 7, 1926.

SIR: The Department has received and read with interest your despatch No. 2118 of March 9, 1926 and Consul Keeley's despatch No. 329 of March 3, 1926 referred to therein reporting the recent representations made by the Consulates at Beirut and Damascus to the French mandatory authorities in Syria with respect to the protection of American citizens residing in the Damascus consular district. In particular, it is noted that, after consultation with you, Consul Keeley availed himself of the authorization, contained in the Department's telegram of February 23, 1926, in addressing circular letters to all Americans residing in Damascus inviting their attention to the danger attending residence in the city and its environs and strongly advising them to leave the city.

The Department is pleased to commend the action taken by you and by Consul Keeley in this matter together with the character of your respective representations to the French mandatory authorities.

Further instructions are being prepared by the Department with respect to the special questions raised by the recent kidnapping of Doctor Melikian, Honorary Dragoman of the Consulate at Damascus, and the killing of Mrs. Fatmeh Hessie in that city, as reported respectively in Consul Keeley's despatches Nos. 323 and 328 of February 23 and March 2, 1926.⁷⁷

I am [etc.]

For the Secretary of State:

JOSEPH C. GREW

⁷⁷ Neither printed.

890d.00/406

The Consul at Damascus (Keeley) to the Secretary of State

No. 378

DAMASCUS, *May 18, 1926.*

[Received June 11.]

SIR: I have the honor to transmit herewith, in French and in translation, a copy of a communiqué issued to the local press on April 27, 1926, by the French Military Governor of Damascus, to the effect that certain villages of the Ghouta and quarters of the city of Damascus might henceforth be subjected to coercive measures in retaliation for the nonpayment of fines and the nonexecution of other measures imposed upon them.

Despite the fact that neither the villages and quarters exposed to these measures were specified nor the nature of the coercive measures themselves defined, the Military Governor stated that following the publication of this notice he would assume no responsibility whatsoever for any accidents that might happen as a result of the putting into execution without further notice of the coercive measures. Since it was conceivable that foreigners might suffer from these measures should they take the form of bombardments or other general punitive operations and since it was not possible to warn the foreigners so exposed because of the absence of information as to what villages and quarters of the city were likely to be made the object of these measures, the Consular Corps thought it proper to request the French Authorities to be more explicit and to give foreigners timely warning before the execution of any program which would endanger their lives or property.

There is transmitted herewith, in French and in translation, a copy of the Consular Corps' note of April 28, 1926, addressed to M. Alype, Envoy Extraordinary of the French High Commissioner, on this subject; a copy of M. Alype's reply of May 14, 1926, together with a copy of the Military Governor's letter to him of May 8, 1926, transmitted therewith; and a copy of the Consular Corps' acknowledgment of May 18, 1926. It is believed that all of these communications will be found self-explanatory and that extended comment thereon is therefore unnecessary.

It may be remarked, however, that General Vallier, the present Military Governor, in the last paragraph of his letter manifests a disposition to cooperate with the Consuls in their task of protecting their nationals, . . .

The bombardment of the Meidan Quarter of Damascus on May 7, 1926, the circumstances of which were reported in my despatch No. 373 of May 12, 1926,⁷⁸ was undoubtedly the execution of one of the

⁷⁸ Not printed.

contemplated coercive measures. It was carried out without any warning whatsoever. . . .

Fortunately the number of American citizens left in this district is small, and all those known to this office were advised several months ago to leave the district.

I have [etc.]

J. H. KEELEY, Jr.

[Enclosure 1—Translation]

Communiqué Issued to the Press by the French Military Governor of Damascus on April 27, 1926

A certain number of villages of the Ghouta or quarters of the city, being found under the penalty of fines, may be the object of measures of coercion, in case of non-execution. As these measures of coercion will become effective without any previous notice, by the sole fact of the non-execution of clauses agreed upon, the General commanding the troops of the region invites instantly the interested local Syrian Authorities to evacuate, in due time, from the said localities, the women, old men and children, because the Military Governor, following this notice, assumes no responsibility, even moral, for accidents that may occur.

[Enclosure 2—Translation]

The Dean of the Consular Corps at Damascus (Keeley) to the Envoy Extraordinary at Damascus (Alype) of the French High Commissioner to the States of Syria and the Lebanon (De Jouvenel)

DAMASCUS, April 28, 1926.

SIR: I am directed by the Consular Corps to inform you that according to a communiqué published in the Arabic newspapers the French Military Authorities have announced that a certain number of villages of the Ghouta or quarters of the city may be the object of measures of coercion, in case of the non-payment of fines, and as these measures of coercion will take effect without any previous warning, by the mere fact of the non-execution of the clauses agreed upon, the Military Governor, after this notice, assumes no responsibility, even moral, for accidents that may occur.

This communiqué being susceptible to many interpretations, even ambiguous ones, the Consular Corps would like to know more precisely the nature of the measures of coercion in view. It hopes that these measures will not be of such a nature that the lives or property of foreigners may be endangered.

If the Mandatory Authorities do not believe that they are in a position to give it formal assurances on this subject, the Consular

Corps is fully confident that these measures of coercion will not be put into force without the Consuls being directly advised in sufficient time to enable them to withdraw their nationals out of danger.

In case the Mandatory Authorities decide that certain villages and quarters of the city must be the object of measures of coercion, the Consular Corps requests them to be good enough to notify it which villages and quarters will be exposed to these measures as well as which villages and quarters will be safe in order that the Consuls may cooperate with the French Authorities in removing the foreign nationals to the places indicated as secure. At the same time, the Consular Corps would be grateful to you to be good enough to inform it what measures the Mandatory Authorities intend to adopt to enable the Consuls to assure the efficient protection of their nationals in the villages or quarters exposed to the measures of coercion.

The Consular Corps does not share the Military Governor's opinion that he can, by the simple publication of this communiqué, decline responsibility for incidents that may occur from the measures of coercion in view, and it holds always the Mandatory Power responsible for the safeguarding of the lives and property of foreigners.

The Consular Corps wishing to facilitate as much as possible the task of the Mandatory Authorities and being thankful for the kind solicitude for foreigners shown by the French Authorities in the past renews its assurances that it is inspired only by a desire to collaborate with the Mandatory Power in its efforts to insure the protection of foreigners.

Accept [etc.]

J. H. KEELEY, Jr.

[Enclosure 3—Translation ⁷⁹]

The Envoy Extraordinary at Damascus (Alype) of the French High Commissioner to the States of Syria and the Lebanon (De Jouvenel) to the Dean of the Consular Corps at Damascus (Keeley)

No. 248/SP

DAMASCUS, May 14, 1926.

MR. DEAN: Referring to your letter of April 28th, I have the honor to address to you herewith the reply that General Vallier, in charge of the maintenance of public order and security in the region of Damascus, has transmitted to me.

I am persuaded that the information given by the General will allay the anxiety of the Consular Corps of this city.

Accept [etc.]

PIERRE ALYPE

⁷⁹ File translation revised.

[Subenclosure—Translation ⁸⁰]

The General Commanding the Troops of the Region of Damascus and the Hauran (Vallier) to the Envoy Extraordinary at Damascus (Alype) of the High Commissioner to the States of Syria and the Lebanon (De Jouvenel)

No. 1567/2

DAMASCUS, May 8, 1926.

In returning to you herewith the letter, dated April 28, from the Dean of the Consular Corps of Damascus which you were good enough to transmit to me for the basis of a reply, I have the honor to bring to your knowledge:

1. That the communiqué which appeared in the newspapers of April 28 is aimed only at the villages upon which fines in arms and money are imposed as a reprisal for proven acts such as open and repeated complicity with the bands or attacks on our troops or on representatives of the French or Syrian authorities.

2. That far from constituting a new menace to the villages, it aims only to spare the lives of the women, old men and children, by warning the populations concerned that the noncompliance with the conditions imposed upon them exposes them to coercive measures which may lead to the loss of human life.

3. That these coercive measures may consist either of bombardment without forewarning at the expiration of the time limit or of offensive operations eventually followed by the seizure of property destined to be sold for the benefit of the Syrian budget and in substitution of unpaid fines.

I shall be grateful to you if you will be good enough to communicate with the Dean of the Consular Corps and make known to him:

1. That the fact of granting a time limit in which to comply with the conditions imposed on a particular village constitutes in itself a forewarning, permitting the guilty population to take all measures to escape eventual sanctions.

2. That obviously I cannot acquaint the Consular Corps with the repressive operations which I may find it necessary to carry out and for the success of which secrecy is absolutely necessary.

3. But that I remain entirely disposed to assist the Consular Corps in its mission of protecting foreign nationals by furnishing it a copy of the notices sent to the villages or quarters upon which fines are imposed, in order to permit the interested Consuls to notify in sufficient time the said nationals of the danger which they may risk in case of noncompliance.

Accept [etc.]

VALLIER

⁸⁰ File translation revised.

[Enclosure 4—Translation]

The Dean of the Consular Corps at Damascus (Keeley) to the Envoy Extraordinary at Damascus (Alype) of the French High Commissioner to the States of Syria and the Lebanon (De Jouvenel)

DAMASCUS, May 18, 1926.

MR. ENVOY EXTRAORDINARY: I am charged by the Consular Corps to acknowledge the receipt of your letter No. 248/SP of May 14, 1926, with which you were good enough to transmit to me the reply of General Vallier to the Consular Corps' note dated April 28, 1926, on the subject of the protection of foreigners, particularly the measures to be taken in order to protect foreigners from the dangers to which they may be exposed by the measures of coercion of which a certain number of villages of the Ghouta or quarters of the city may be the object.

The Consular Corps requests you to be good enough to transmit to General Vallier its thanks for the indications which he was good enough to give it and which will be very useful to the Consuls in relation to their respective nationals.

The Consular Corps is particularly pleased to note that the General is disposed to accept its collaboration to the end of assuring the protection of foreigners by furnishing it with a copy of the notices sent out to the villages or quarters which may be the object of the measures of coercion, in order to permit the Consuls to notify their nationals of the dangers that they may be exposed to in sufficient time to permit them to withdraw from the danger. It believes that this collaboration can have as a result only the better safeguarding of the lives and property of foreigners without any prejudice whatsoever to the operations that the Authorities may find necessary to put into execution.

In reserving the right of their respective Governments to hold the Mandatory Authorities responsible for any damage caused to the person and the property of the foreigners, the Consular Corps would like to reassure you, Mr. Envoy Extraordinary, that it does not at all desire and has never wished to hinder the execution of the task of the Mandatory Power in Syria. Being interested only in the adequate protection of their nationals and wishing, as much as possible, to facilitate the work of the French Authorities in this regard, the Consuls in Damascus hope that henceforth they will be able to concert with them for its realization.

Accept [etc.]

J. H. KEELEY, Jr.

890d.00/416

The Secretary of State to the Consul at Damascus (Keeley)

WASHINGTON, July 19, 1926.

SIR: The Department has received your despatch No. 392 of June 14, 1926,⁸¹ transmitting notes on the political situation in the Damascus consular district for the period June 6 to 12, 1926. Particular note has been taken of your account of the circumstances attending the bombardment of the village of Joubar, of your statement that the bombardment "was not preceded by an official notice to the Consular Corps as promised by General Vallier in his letter of May eighth", and of your comment that "since this is the second promise of this nature that has been disregarded within a few months, the futility of further representations on the matter . . . would seem to be apparent."

With reference to this comment you will, of course, bear in mind that the question of the efficacy or futility of further representations to the French authorities in connection with the protection of foreign lives and property at Damascus should not be permitted to influence any decision to be taken by the Consular Corps with respect to the advisability of addressing to the mandatory authorities any request for information which, if complied with, might render possible action on the part of the foreign consuls for the protection of their nationals.

I am [etc.]

For the Secretary of State:

JOSEPH C. GREW

890d.00/422 : Telegram

The Consul at Beirut (Knabenshue) to the Secretary of State

BEIRUT, July 26, 1926—5 p. m.

[Received 5:05 p. m.]

French army executed elaborately planned attack on the rebels in the Ghouta region around Damascus on July 20th with the object of striking decisive blow against the rebellion in that area. Seven thousand troops divided into five columns were employed in an encircling movement supported by heavy artillery from Damascus batteries and by aeroplanes. . . . I am informed . . . that the movement failed in its object. The French casualties seem to have been greater than those of the armed forces of the rebels who still dominate the Ghouta. It is estimated that 15,000 noncombatant villagers were killed and wounded during the bombardment and by troops on return march to Damascus. Damascus region is now the chief theatre of the rebel-

⁸¹ Not printed.

lion. Only a small percentage of the armed forces of the Druses have submitted and hostile bands are still operating in several other sections of the country. Train communication interrupted between Beirut and Damascus for several days last week, and attack on one train resulted in 20 casualties including military and civilian passengers. Tourists should continue to be advised to avoid this country.

KNABENSHUE

890d.00/452

The Vice Consul in Charge at Damascus (Alling) to the Secretary of State

[Extract]

No. 450

DAMASCUS, December 8, 1926.

[Received January 7, 1927.]

SIR: I have the honor to report that the state of public security in this district has shown gradual improvement during the past two months. Disorder still reigns in certain sections of the territory, and during the past two weeks small bands have penetrated even as far as Damascus, but with one exception fighting on a large scale appears to have ceased. The only section of the district where any battle of importance has taken place is in the Leja, a mountainous labyrinth of volcanic lava located from twenty-five to thirty miles to the southeast of Damascus. Here one of the last large remaining bands of the revolutionists has taken refuge and has held its position in spite of energetic attempts on the part of the French to force its withdrawal. A more or less provisional form of government has been set up in the Jebel Druse itself, but small bands there continue to harass unprotected travelers and to snipe at French columns and outposts. In the meantime the Syrian Government of Ahmed Namy Bey has developed internal dissensions, which have only recently been adjusted through the formation of a new cabinet.

In the following pages an attempt is made to discuss these various points in more detail, but here it may be said that though the backbone of the revolution appears to have been broken, at least unless aid arrives from some unexpected source, it may be a period of several weeks or even months before any definite settlement is made; or, indeed, the revolution may eventually die out without the necessity of any formal peace. At the present time the situation in this respect is still too confused to permit of an accurate or reliable estimate.

As suggested above, public security has shown unmistakable signs of improvement since the late summer. The motor road between Beirut and Damascus, which was opened to traffic about the middle

of October after having been closed for nearly a year, has continued to be used to an increasing extent. The French Authorities state that they are taking special steps to make the highway safe on Tuesdays and Fridays by sending out patrols and armored cars. Even on the other days of the week the traffic is relatively heavy, sometimes as many as twenty or thirty cars a day making the trip. So far as can be learned there have been no untoward incidents as a result of this movement on the highway. In addition, a native automobile transport company has been operating passenger cars between Damascus and Bagdad for about three weeks, and within the past four days the first convoys of the Nairn Transport Company to enter the city in many months came in from Bagdad. It is understood that the Nairn Company now intends to resume its original route from Beirut to Bagdad via Damascus and Rutbah Wells.

All of these points indicate an improvement in the general security of the outlying districts, but in spite of this the situation is not yet thoroughly in hand. Villagers from the Hauran and from the Jebel Druse who have recently visited the city report that it is unsafe for the ordinary traveler, whether native or foreign, to circulate freely in the areas that were subject to disturbance. There is general uncertainty as to the movements of small bands of marauding rebels, as is indicated by the fact that twice within the past week small brigand forces have penetrated close enough to the city of Damascus to exchange rifle fire with French outposts. The sound of artillery shelling these bands in the Ghouta has been heard nearly every day for a week. With these exceptions, the city itself has been quiet. The streets, however, are still barricaded with barbed wire entanglements, and machine gun and rifle posts are still maintained and manned with soldiers. In the center of the city circulation is permitted until midnight, but in the outlying quarters the barriers are closed at nine o'clock, after which time a pass is required. One of these barricades is located at about 200 yards from the Consulate and quite recently the Turkish Consul had considerable difficulty in passing it on returning to his residence from a dinner at the home of a French official. Armed troops are everywhere in evidence in the city, and it is noticeable that French soldiers, even when off duty, carry side arms or bayonets. From these various circumstances one gathers the impression that even though all appears to be calm the authorities, probably from past experiences, deem it wise to adopt a policy of preparedness and caution.

That all the disturbances are not confined to the southern section of the district is indicated by the fact that on the night of November 29th a band of about twenty brigands entered the city of Homs,

where, after killing two persons, they broke into the house of a prominent Christian and carried off 10,000 Turkish Gold Pounds in cash and jewelry. Throughout the whole night the city is said to have been disturbed by the rattle of rifle fire and the explosion of hand grenades as a result of a skirmish between the troops and this band.

From the somewhat confused mass of details discussed above it will be apparent that, though fighting on a large scale has apparently finished, the general state of the district is far from peaceful. It is indeed unlikely that large forces of rebels will again roam at will over the countryside, at least not in the near future, but petty brigandage by small bands, highway robberies, and the slaying of French outposts and sentries may be expected even after a formal declaration of peace. It may also be predicted with a reasonable degree of certainty that as soon as the French reduce their military effectives in the district there will be another outbreak, unless, indeed, the Mandatory Authorities are prepared to grant a degree of independence which now seems unlikely. The temper of the people is smoldering, and any opportunity to throw off those whom the Syrians consider as their conquerors will be seized upon quickly.

In any event it will undoubtedly take many months to bring the state of public security and the economic situation up to a point comparable to that existing prior to the beginning of hostilities. It seems probable too that any formal peace will not be made before the High Commissioner has made his impending visit to France to receive instructions. In the interim it is expected that the insurgents will make numerous minor attempts to harass the French forces, which, now that the winter rains have arrived, find themselves more or less confined to their garrisons.

I have [etc.]

PAUL H. ALLING