Cable from Ambassador Houghton in Berlin to U.S. Secretary of State in Washington, October 14, 1923

Reichstag yesterday voted grant of extraordinary powers to Stresemann Government, limited however to life of present coalition and in any event to expire on March 1st. Bavarians voted solidly against measure; Social Democrats as party accepted it and Stinnes and small group of People’s Party voted blank in order to make necessary quorum. Parliamentary government thus temporarily comes to an end. Stresemann has issued decree suspending coal tax in effort to reduce price of coal and will shortly issue decree constituting new bank of issue and a further decree extending hours of labor.

In Saxony and Thuringia the Communists and Socialists are in full control and in former state three most important posts in Cabinet are now held by Communists. General commanding Reichswehr in Saxony has forbidden Socialist and Communist so-called defense organizations.

Situation here quiet. October 14, noon.

Houghton