1923-11-06 Cable from US Ambassador Houghton in Berlin to Washington

<p>Had a long talk last night with Stinnes. He is somewhat disturbed by what he terms Stresemann’s obstinacy in refusing to recognize that a new government based on the right parties is now necessary. He so advised Stresemann at a People’s party conference yesterday afternoon. Stresemann had replied, however, that England, America and even France would regard his fall as calamitous and that under these conditions he could not surrender his post. Stinnes answered that no man who had lost the confidence of Bavaria could possibly continue long to function as Chancellor. There the incident ended.

<p>This morning, however, the town is placarded with appeals to strike, in which Stresemann asserts definitely that the government proving both the means and the will to put down any illegal efforts to unseat it and calls upon all good citizens for support. It is uncertain just what this really means. Stresemann is undoubtedly slated to go. I am afraid if he does not go willingly an effort may be made to put him out by force. Whether he is prepared to take this risk only events themselves can tell. On the face of it he means to stay.

<p>Stinnes told me further that he believed Wiedfelt would be called back to head the new government as Chancellor and Foreign Minister and that Minoux, an industrialist of great ability who has worked with Wiedfelt for many years, will act as Minister of Finance and probably supervise the internal reorganization. The program Stinnes said contemplated the reduction of the powers of the national, state and local governments to the one naked function of preserving order and the alienation for a definite number of years of all other functions such as railroads, trams, waterworks, electric light and power and the like to private ownership and control to the end that non-productive labor may be reduced to a minimum, that these functions may be efficiently and profitably managed and that a share of these profits may thereby be obtained for reparations purposes.

<p>Stinnes told me also that the Separatist state was now probable. He said that the French were driving ahead with every means in their power to force the issue and that the population has been so manhandled and was so miserable that it was losing all power to resist.

<p>Telephonic communication this morning with consuls in Munich, Leipzig and Frankfurt all tell the same story as in Berlin – that the high price of food and its scarcity are making a situation which is dangerous in the extreme and can not endure for long. November 6, 9 p.m.

<p>Houghton

<p>Source: US NARA, M336, Roll 19, pp. 367-369.