

The World Observer

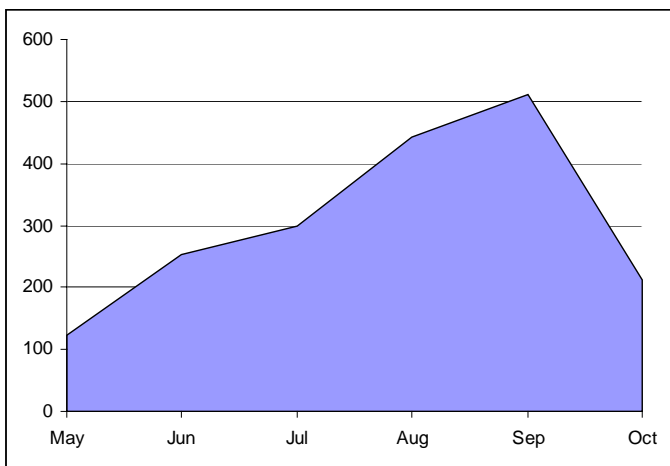
October 31st, 1939

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Stock market plummets

Investors concerned. Analysts shocked.

New York. Stock values began tumbling down rapidly this month. Renown brokers are already speaking of a 'Black October'. Allegedly the destabilization of the Old World and fear of war and further crisis are major contributors to the largest stock landslide since the Black Friday. 'The recent tax raise and social unrest lubricates the downward



drive', says stock market expert Walter Nash, 'investors are very anxious at the moment. Several big companies are already in severe financial problems, but I expect the president's new low interest incentive will stabilize the market at a pre-1939 level'. The analysts early this year prophesized a 20% economic growth for 1939, so far it seems that we will see a net result 'well under 10%, but at least positive', says Nash, 'assumed the Wall Street will recover soon from the current Hausse'.

The administration has recently increased VAT, tobacco and gasoline taxes by an average of 2%.

War in Europe

German chancellor and Fuhrer Adolf Hitler yesterday declared under the cheers of the Reichstag the 'restoration of our 1914 border'. The last resistance of the remnants of a Polish army was eliminated before and inside the city of Danzig. Another Polish army reportedly fled before the red army into Romanian territory, which raised again question to the

status of over 100,000 Polish troops and various equipment currently located inside the borders of Romania. News agents from Stockholm report that the Baltic and Scandinavian states fear to become dragged into the recent conflict. The governments of Finland and Sweden are initiating talks for a 'Nordic League' while at the same time the Finnish foreign minister, Vännö Tanner, is visiting Moscow. Lithuania and the Baltic States negotiate with Berlin. Denmark and Norway stressed their ultimate neutrality. London however is concerned about the current developments. The traditional dominating powers of Europe, England and France, have lost considerably in prestige and influence over the continent. The Belgian King Leopold III has officially submitted a peace proposal to the warring nations.

War in the Atlantic

Despite intense patrols of the British Royal Navy, which has almost caused trouble with recent US fleet maneuvers in the Atlantic, the German Kriegsmarine claimed to have sunk over half a million tons of British merchant shipping. In stormy seas, German U-boats also damaged several US vessels which were bound for the British isles. One sailor reports 'We saw a boat ahead signalling us but we could not identify the signals due to intense rain and storm. The small vessel was rolling with the waves. We didn't realize it was a U-Boat which was trying to force us from the claimed war zone until it opened fire on us. Our ship took two hits in the bow. As if by miracle, none of us was hurt'.



The Duce's Speech

This month political leader of Italy, Benito Mussolini, published a "Proclamation to the Leaders of the World."

In his own words, he says, "This month we have witnessed how Germany have answer the call for help from the German minority in Poland, and we have witnessed the reaction from Britain with their declaration of war on Germany. Also we see how USA wish to ensure to continuation of free trade. I am also afraid for the continued free trade in the world in this tense situation, and I would like to see the shipping routes free for neutral nations like the United States and Italy. But I fear that the events of 1914 are about to happen again. I therefore invite the leaders of the world to come to Rome to talk about how we can restore the peaceful relations between the nations of the world. I am sure that we can avoid repeating the mistakes of our predecessors from before the Great War if we only act now. Signed, Benito Mussolini"



Bolshoi Ballet visits Tokyo

In its first international visit since the Communist rule in former Russia, the world famous Bolshoi Theater Group performed the tragic masterpiece of Yuri Andreiyev, 'My Little Natasha' before an overwhelmed Japanese delegation of diplomatic and cultural societies. It came in surprise to recent Japanese claims of a Russo-Japanese border conflict on the Manchurian/Siberian frontier.

The President's Speech

The president has addressed the following speech to the public. It is reprinted here without comment.

"My fellow Americans, in my last address to you I explained America's position of neutrality in the limited regional conflict in Europe. In addition, I discussed the need for international waters to remain free in order to protect our free market system which is absolutely essential to the survival of the American economy and way of life. At this time, I can tell you, with some sadness, that Germany and Great Britain have temporarily declared waters around each nation as a war zone. Of particular concern is the preliminary statement from Germany that Germany will attack any shipping bound for Great Britain. While these are indeed concerning statements that would affect the free flow of goods, I am hopeful that we will be able to clarify the statements of these two nations so that it does not apply to any ship flying the American flag. Whatever the response, this only reinforces my earlier statement that America must be ready to guarantee free passage of American goods over international waters. Let me clarify, America must be prepared to protect the free flow of imports and exports to and from the United States, this does not mean declaring war on any nation. The United States of America remains neutral in Europe's limited regional conflict. Recently, there have been statements made by Senator Durhan that American ships have been conducting war-time patrols off our shores. Senator Durhan went so far as to call me a "fool" over his belief that I desire a war that would drive this nation into another economic crisis. My fellow Americans this is, if you will excuse me, simply ridiculous. My entire administration has been devoted to restoring the American economy and providing every American with a quality job. The notion that I would desire to take actions that would threaten everything we have done is without merit or credibility. I will not criticize Senator Durhan, however, for I understand his economic concerns. I share the same fears and concerns as Sena-

tor Durhan and every American, however, I guess I am just a little more optimistic about the American spirit and the strength of the American people. In considering the question of whether to just ignore the situation in Europe or to take actions to guarantee the free flow of goods, I would as Senator Durhan to consider where the dollar he is so concerned about comes from? That dollar comes from the free movement of goods. If we are to close our eyes, and appease our fears by allowing America to be shut out of certain markets, we will do little more than bring about what we are trying to avoid.....further economic depression. Furthermore, we only need to look back a few months to Mr. Chamberlin and his policy of appeasement to see what happens when a nation decides to avoid making a tough decision at the right time. Therefore, I say to you all, America will protect our vital interests of free trade. To accomplish this goal, we shall send strong demands and warnings to all belligerents that America will have its Neutrality honored and any ship flying the American flag shall not be subject to any form of aggression. Finally, as to the allegation that the United State's Navy is conducting war-time patrols, I can only say that the Navy has engaged in normal maneuvers with an enhanced emphasis to shake the rust out of some of our vessels should there be a need to protect the flow of American imports and exports. To do any less would be irresponsible and would be in violation of my constitutional oath to defend and protect all Americans against any potential aggressor. Once again, I wish you all the very best, and ask for your support and patience as we carry on in these potentially dangerous times. God bless you all.

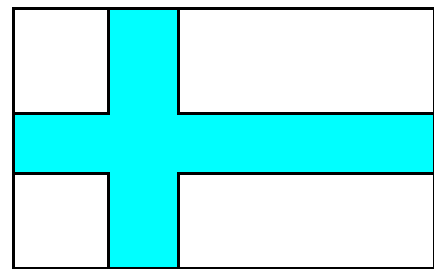
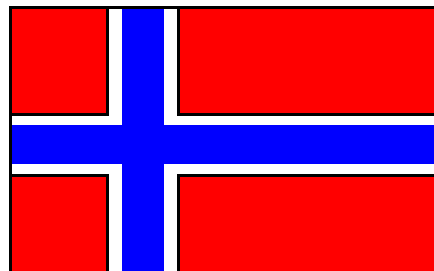
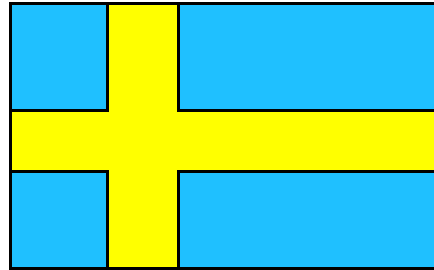
October 1, 1939 (signed) Franklin D. Roosevelt,
President, United States of America

NEUTRAL SWEDEN SEEKS FREE TRADE BLOC

IS SCANDINAVIAN UNION THE GOAL?

The Swedish Government has undertaken diplomatic initiatives to persuade the neighboring countries of Ireland, Iceland, Denmark, Norway, Finland, Lithuania, Latvia, and Estonia not to take sides in the present conflict. Furthermore, Sweden is making efforts to establish and maintain a neutral northern bloc of countries, bound together by new treaties for free trade while commerce with the combatants is restricted. Obviously, the land borders of Ireland with the United Kingdom, of Denmark with Germany, and of Finland and the Baltic

States with the Soviet Union would be convenient corridors for continued trade with the combatants. Maritime commerce between neutral nations and the combatants has been discontinued, while commerce over the land borders of Germany and the United Kingdom has increased slightly.



Sweden, Norway and Finland soon united?

The only Swedish vessels to visit Polish, British and German ports in recent weeks have done so in order to evacuate citizens of hostile nations. In order to reduce the potential for espionage, citizens of enemy nations and many other foreigners have been expelled from the United Kingdom, Germany, and German-occupied Poland. Some of these ships are sailing directly between the United Kingdom and Germany, and others are bound for ports in Sweden and Denmark. Critics charge that the Swedes are motivated by a desire to reconstitute their former empire, and that a political union dominated by the more populous Swedes and Danes is the ultimate goal. Such a political entity would automatically become the fourth major power in Europe, and would be able to exert great influence on the combatants by threatening to side with one or the other. Whether the Swedish diplomatic initiative ultimately serves to limit the spread of the European conflict, or signals the start of Scandinavian involvement in a wider war, remains to be seen.