Vienna, November 21, 1934.

A German friend of mine who has been in Vienna on business for a few days has given me the following interesting side lights on the situation in Germany. I have known him for many years, and know him to be entirely responsible. By virtue of his business activities and his family connections he has contact, extending over a long period of years, with some of the leading people in the business, financial, and professional life of the country. He also has very intimate contact in political circles, within and without the National Socialist Party. During the last few years I have found him to be one of the most accurately informed persons with regard to the situation in Germany.

He says that Hitler is becoming more fearful and more careful of his personal position and of his life - that he is obsessed by the fear that an attack will be made on him. He says that Hitler is really fundamentally a coward, and that the courage and energy which are imputed to him and which appear to have been shown on several occasions, are really the expressions of a coward at bay.

He says that he is becoming more inaccessible as the days go on, and that his immediate entourage has a good deal changed. Frau Goebbels, the wife of the Propaganda Minister, continues to be the person who arranges for his more intimate life. Her predilection for the old nobility is well known, and he says that the people who have contact with Hitler in the more intimate hours of the evening, because of her influence, are more and more princelings and really inconsequential people. Frau Goebbels seems to be aided in shaping this more intimate life by Frau Meissner, the wife of Staatssekretär Meissner, who was with President Hindenburg for so many years and who is now with the Chancellor. He says that there is a good deal of discontent because of this inability of people to see Hitler, and that he is, as a consequence, less and less in contact with what is really going on.
My friend described a conversation which he had with Frau Meissner in the late summer, during which he played the part of a very naive person and tried to draw her out on the Hindenburg will, in which there is the extraordinary mention of Hitler which so surprised everybody and which led to the belief that the will was not really a document signed by Hindenburg. He says that Frau Meissner at first did not wish to talk about it and suggested that it was a matter he should discuss with her husband "under four eyes" (unter vier Augen). He succeeded finally, however, in getting from her that the will was a document which had been drawn up by Papen sometime before the President's death, after a long conversation between the President and Papen, who had suggested to him that he should make some sort of a political testament. Frau Meissner said that after this long conversation between the President and Papen, Papen drew up the will the same evening, which Hindenburg signed without reading it, because he had such confidence in Papen. The inference was clear that Papen put in the will whatever he wished to.

With respect to the repeated statements as to Hitler's sexual abnormality, my friend said that he drew Frau Meissner out on this, and she said that she did not think that there was any question about his normality and that in this respect Hitler's life was "quite normal", as she definitely knew. She confirmed the normal relations which had existed between him and Frau Cosima Wagner and Leni Reifenstael. When my friend said he could not understand how he could have had sexual relations with Leni Reifenstael, as she was a Jewess, Frau Meissner said that that was wrong, that "she was only half a Jewess". She described the layout of the sleeping quarters in the Chancellor's house, where she lives also, and made it clear that she had ample reason to know that the Chancellor led sexually a normal life.

With reference to the Chancellor's feeling of personal insecurity, my friend said that this had a good deal to do with the decision that neither Goering nor Hess was to be Vice Chancellor. He said that whenever an appointment was made it would be Frick, because Hitler did not wish to have either Hess or Goering so close to the throne. Goering is said to be quite content with this solution, for in the event
Frick becomes Vice Chancellor, Goering is to be
Minister of the Interior, with complete charge, not
only over the police, but over Himmler and the S. S.
This solution would be satisfactory to the Reichwehr,
with which Goering continues to have the best relations
and which would prefer to see Goering in command of
the S. S., as well as of the police, which he already
controls. (If this indication of my friend is
correct, it is important with respect to future
developments, for it means that the physical forces
of the Party will be absolutely controlled by Goering,
who works hand and glove with the Reichwehr. This
is a position towards which I know Goering has been
working from the outset and which I have referred to
from time to time.)

The other evening Frau von Papen was having
dinner with some friends in South Austria at a country
house. After dinner, when the ladies were alone,
she referred to the narrowness of the escape of her
husband and herself on the evening of June 30. She
said that that afternoon, i.e., June 30, she got word
over the telephone that something was going to happen
that day, that her informant could not tell her what
it was, but that her husband's life and her own were
in danger, and that he could not help them. He told
her that she must use other means at her disposal to
try to get protection. Frau von Papen said she then
got in touch with a friend of hers in the Reichwehr,
who immediately sent a detachment of soldiers to the
house. She did not tell her husband anything about
it, but acted on her own initiative, for she knew that
he would, as usual, engage in an endless discussion
about what should be done, and that it was not a time
to talk, but to act. They were having a party at
their house that evening, and her husband did not know
how carefully it was guarded. In the early evening
a detachment of Himmler's S. S. men arrived to carry
out their orders, but when the officer commanding the
S. S. men saw the troops, he saluted the Reichwehr
officer, who returned the salute, and the S. S. men
withdrew. Their lives were saved, but they had been
practically under arrest and confined to the house for
two weeks.

I asked my friend how correctly this incident of
Frau von Papen described the circumstances, and he said
that it was correct in every detail, except that she
had not mentioned the name of the officer in the
Reichwehr whom she called up, and that this was General
von Fritche himself, i.e., the Commander-in-Chief.

Describing the situation within the Party, he said that there was greater disorganization than ever, and called attention to the public meeting recently in Berlin at which Goebbels was interrupted and practically silenced by his hearers. This meeting has been described somewhat in the press. My friend says that there were some one thousand National Socialists present at the meeting, and that Goebbels was interrupted with the cry "Hold your tongue. We have had enough of your foolish and senseless talk." The interesting thing about this meeting, my friend tells me, is that the whole thing was arranged by National Socialists, and he knew on the afternoon of the meeting of the humiliating experience which was being prepared for Goebbels. He says that the position of Goebbels is much impaired, but that he is still too valuable to the Party to be let go.

My friend spoke of a recent Cabinet meeting in which Reinhardt, who is the State Secretary in the Finance Ministry, opposed Schacht, as he frequently does. At this particular meeting he made a long speech, saying that the National Socialist Party could not tolerate such capitalistic notions as Schacht was endeavoring to carry through. Schacht got up, and, stuffing his papers in his brief case, said to Hitler, who sat at the head of the table, "I did not know I was at a Party meeting. I thought this was a Cabinet meeting. As I am not a member of the Party, I will leave until the Party meeting is over." My friend says that Schacht did leave, and they had a heated discussion in the Cabinet for over three hours, when finally Reinhardt agreed, on Hitler's orders, to apologize to Schacht, which was arranged, and Schacht came back to the meeting. My friend says that in spite of Schacht's misunderstanding and foreign mentalities, in spite of his dangerous disregard of Germany's creditors, and in spite of his temperamental and personal weaknesses and vanity, one would have to give him credit for standing up from time to time against men like Reinhardt. (To this I remarked that, unfortunately, Schacht only stood up in this way when he felt his personal position and vanity injured by a man like Reinhardt, whom he considers absolutely insignificant and an upstart. I said that in other things he was only too willing to follow the National
Socialists as long as his vanity was properly fed. I said that if he would use this righteous anger and such a courageous attitude for better ends he might serve his country better. My friend, who is in close touch with Schacht himself and other financial leaders, said that this was, unfortunately, too true.)

Apropos of Schacht, he mentioned that Ley once tried to explain certain National Socialist economic doctrines to Schacht, who listened to him for over an hour. At the end Schacht said "My dear Dr. Ley, I have listened to you for over an hour without interrupting. I have not been able to understand anything you say. It may all be very correct and you may be entirely right, but perhaps I cannot understand because I have been for too many years a liberal and a Free Mason."

My friend is of the opinion that the Reichwehr is remaining very much apart from the actual situation and is playing very little part in what is happening in Germany outside of the rearmament activity. He says that on the rearmament program the Reichwehr is naturally with the Government and the Party and supports this part of the program to the last ditch, but that the impression that the Reichwehr is actually mixing in the conduct of the Government, is a mistaken one. The Army still holds aloof and there is still the possibility of its being used for the establishment of another régime.

My friend points out that the appointment of Frick as Vice Chancellor, leaving Goering Minister of the Interior and with complete charge of the police and S. S., would be a development in a favorable direction, for it would mean that in the case of trouble the Reichwehr and the entire armed forces could cooperate, because of the friendly relations between Goering and the Reichwehr. He called attention to the fact that in the administrations controlled by Goering the actual work is still done by worth while people. This is a factor which I have called attention to from the outset. In this connection, it is interesting that my friend tells me that the parents of Dr. Milch are buried in a Jewish cemetery in Germany. Dr. Milch is the official in charge of the Ministry of Air, directly under Goering. This is one of the
curious things in the situation, and, although I knew Dr. Milch very well, I had no intimation of this.

The speech which Goering made before the German lawyers some days ago and which created such a bad impression, was carefully edited before it was made. It apparently was a good deal worse in its original form, and my friend tells me that it is interesting that those editing it cut out all reference to the Jews, and that Goering did not object, although he noticed it.

My friend said that he did not think the price rise in Germany would be as rapid as some thought. He said that it is a curious thing that factors, other than economic and purely political, are assuming greater importance in Germany. He said that the church question and similar ones have much more significance than is imputed to them by many.

Incidentally, I may say that this German friend of mine is also quite seriously regarded as an economic thinker, and he knows the United States very well as a result of frequent trips and wide acquaintance in American business and financial circles. He thinks that of all those who are leading in world thought today, President Roosevelt is the only one of real wisdom, courage, and vision. Although one of the most patriotic Germans I know, he is enthusiastic about the future of the United States, and definitely approves the American attitude towards Germany as being the only one which can really serve the best interests of Germany in the long run, as well as our own. He thinks it is almost sacrilege to mention Hitler and Mussolini in the same breath as Roosevelt, for Roosevelt is as much a better man than Mussolini as Mussolini is than Hitler. He is very pessimistic about the situation generally in Europe, and he knows all the countries over here very well. He says that as soon as the dollar and the pound reach a parity, whatever that may be, the other currencies will adjust themselves to it, and that it will help the solution when England gets away from this foolish worship of gold, which has made a lot of trouble.