Vienna, January 29, 1935.

STRICTLY CONFIDENTIAL.

I am informed by unusually good sources that tremendous German offensive under way to break through unity of London, Paris and Rome, and that the principal point of attack is London where Germany seeks Anglo-German accord on the basis of strict non-interference with British and Dominion problems, having in return a free hand on the Continent. The German thesis is that peace can only be assured through Anglo-German accord with the United States and Japan exercising their preponderant influence in the appropriate spheres. This is real Nazi doctrine and is undoubtedly the spirit controlling in Germany today, but I don't believe it represents mass opinion or that of the Reichshehr and the more conservative elements assuming greater importance in Germany. This attitude does represent National Socialist ambition so frequently expressed to me by National Socialist leaders still strongly in power in Germany today. A firm attitude can still avert this danger to Europe and to the world, for this Nazi political ideology is even more dangerous than the social and is just as real.

There is a good deal of nervousness in the Government here over strong German attitude and occasioned by the German propaganda in Austria that a plebiscite is necessary here. The Government fears that although able to cope with the situation there may be joint Nazi demonstrations on February 12 or February 14. I do not look for real trouble, but the possibility of disturbances about that time exists.