CARL SCHURZ MEMORIAL FOUNDATION, INC.
The Oberlaender Trust
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Presented by Thomas W. Lantz
City Hall, Reading, Pa., U.S.A.
Vienna, June 17, 1935.

No. 458.

Subject: WITH REFERENCE TO THE ACTIVITIES OF THE OBERLAENDER TRUST.

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to bring to the attention of the Department certain developments in the Oberlaender Trust, which I believe are of particular interest.

The Oberlaender Trust was founded some years ago by Mr. Gustav Oberlaender, who resides at Wyomissing, a suburb of Reading, Pennsylvania. He is a native of Germany and went to the United States as a young man, settling...
settling in Reading, where he became a naturalized American citizen. He, together with Mr. Ferdinand Thun and Mr. Henry Janssen, also native Germans who have since become naturalized, began the manufacturing of machinery for the textile industry and gradually entered the manufacturing of certain textiles themselves. Their business was extraordinarily successful, and all three became very wealthy. The industries controlled by these three men in the vicinity of Reading have been and are still prosperous and have contributed greatly towards the prosperity of the city of Reading and its surroundings. These three men have been particularly liberal in the money which they have given to hospitals and other institutions and have shown a high degree of public spirit. They have also, particularly Mr. Oberlaender, contributed considerable sums of money to hospitals and similar institutions in their native country, Germany.

When Mr. Oberlaender founded some years ago the so-called Oberlaender Trust, Mr. Janssen and Mr. Thun also contributed to it, but Mr. Oberlaender remained the principal spirit in the organization and the major contributor. Offices were opened in Philadelphia, of which Dr. Wilbur K. Thomas, who is, I understand, a native born American citizen, became the director. The object of the trust was to stimulate cultural relations between the United States and Germany, principally through the sending of American professors, students...
students, editors, and city officials to Germany. I know Mr. Oberlaender, Mr. Thun, and Mr. Janssen personally, having been myself born near the city of Neading, where their interests center. Mr. Oberlaender I have known better than the others, as I have had more frequent contact with him, both at home and abroad. Out of this personal acquaintance, therefore, with the three founders of the Trust, I believe I can say that their principal object was to endeavor to promote cultural and friendly relations between their adopted and their native countries.

The development of the fortune of these three men had already started before the World War. It grew rapidly through the war. In spite of their philanthropy, these men suffered a good deal morally through the World War, during which I believe they conducted themselves in every way as loyal American citizens. It was undoubtedly, however, the experiences which they had in the war which led them to the foundation of this Trust, which was to stimulate closer cultural relations and a better understanding between the United States and Germany.

The Trust began its activities several years before the present National Socialist Government came into power in Germany, and it was doing a very useful service in sending distinguished professors and editors to Germany. When the National Socialist Government came . . .
came into power in Germany, Mr. Oberlaender was undecided as to whether he should continue this work. He was totally out of sympathy with the political, social and economic objectives of National Socialism, and he knew these very well, because of his practically yearly visits to Germany. He came to see me in the Consulate General in Berlin to discuss the advisability of stopping the work of the Trust while the National Socialist Government continued in power, and himself was of the opinion that he should not continue. He felt that in view of the control exercised by the National Socialist Government on all public opinion-forming means, the men whom the Trust might send to Germany would not get a correct picture of the situation and might, therefore, give a wrong impression of it when they returned to the United States. He felt so deeply that the objectives of the Government were dangerous to Germany and the world, that the Trust must not be used as an instrument of National Socialist propaganda. He also felt that as the object of the Trust was to promote cultural relations, and as the new Government was destroying the finest there was in German culture, the work of the Trust was practically impossible under the existing conditions. So disturbed and so earnest Mr. Oberlaender undoubtedly was that he had tears in his eyes while he was discussing this matter with me.

As Mr. Oberlaender at the time that he expressed the above views to me was asking my advice, I told him . . .
him that I thought that he had correctly gauged the situation, and it was very probable that it would be better to stop most of the activities of the Trust for the present, or at least until he could see what course to follow through developments in the situation. I said that the major consideration and that he had to bear in mind was that the men whom the Trust would send to Germany would have little opportunity to get a correct picture of the situation, as their stay would generally be too short, and that the German people with whom they came in contact would not be in a position to talk with them frankly. I said that this might lead to inadequate or inaccurate information concerning the developments in the German situation being spread in the United States through his own fellows. My advice, therefore, was that he not discontinue entirely, but send fewer men for longer periods and select them with the greatest care, so that only objective observers would be sent. He seemed to think that this was the course to follow and indicated that it would be followed, although he felt strongly that in some ways it would be better to stop altogether.

Later Mr. Oberlaender came to Germany, and while he was there an interview was arranged for him by friends with Hitler. This was undoubtedly a turning point in the activities of the Trust, and in order that the situation be clear, it is necessary for me to be entirely frank. Although Mr. Oberlaender is a very
very wealthy man and undoubtedly had particular genius for the successful business which he built up, he is not a particularly intelligent man, and is extraordinarily vain. This vanity has shown itself particularly since he has reached a quite ripe age, and has reached such a degree that it is recognized among his friends as a weakness in an otherwise very worthy man. I have reason to know that certain persons in Germany knew that Mr. Oberlaender was restricting the activities of the Trust, and therefore this interview with Mr. Hitler was arranged. Everything was done to flatter Mr. Oberlaender's vanity, and after this interview the work of the Trust was intensified. A group of city officials from the United States was sent to Germany, where a carefully arranged program was followed. I considered this visit at the time an undesirable one, because of the circumstances under which it would be made. Because of the intimate contact which I had with Mr. Oberlaender and with Dr. Thomas, the Director of the Trust, I made these views known, but the visit took place nevertheless. The program of these city officials was so crowded while they were in Germany that they saw only such persons whom the German Government wanted them to see and they had little opportunity for independent investigation or travel. The results of the visit were only too clear when on their return to the United States a number of these city officials, who were in reality very intelligent and well-meaning men, became practically propagandists for the National Socialist...
Socialist régime in the United States.

Although I happen to know that after Mr. Oberlaender's interview with Mr. Hitler, his opinion of Mr. Hitler and of his policies and what they meant for Germany and the world had not changed, on his return to his home in Reading, Pennsylvania, he gave a dinner in the Wyomissing Club to a group of important business men, to whom he expressed decided views in favor of Hitler and of the National Socialist régime, which he apparently did not really hold. During my recent stay at home on leave I did not see Mr. Oberlaender, but I find that before the public at least he has become a protagonist and defender of the ideology of the Nazi Government.

Since I left my post in Berlin in May, 1934, I have had no direct contact with the Oberlaender Trust or with Mr. Oberlaender, but several days ago there came to me in Vienna Mr. Thomas W. Lants, who is a city official in Reading. He is, I believe, Director of Playgrounds and similar city activities. He has been sent abroad by the Oberlaender Trust as one of its fellows. He came to see me, as he brought introductions from some of my friends in that part of the world. He said that he had just made an extended stay in Germany and was returning again. He spoke freely of his experiences here. He said that the first question he was asked by the German mayors and city officials was always, "What do you think of Hitler?" I asked him what he replied. He said, "Of course, I cannot tell them the truth, because if I
did, they would put me out of the country." He then
want on to say that the next question they always
asked was, "What do people in America think of Ger­
many?" I asked him what answer he gave to this, and
he replied that, of course, he could not tell them
what people really thought in the United States. I
then asked him what his opinion was of the situation
in Germany, and he replied that he thought it was a
very serious one, for undoubtedly Germany was prepar­
ing for a war. He said that his work was partly among
the youth organizations, as this was the work he was
interested in in the United States, and that he found
that in Germany all the youth were being trained in
military exercises and that even boys hardly able to
carry a rifle were being trained to shoot. He spoke
at length of his visits to certain youth centers in
different parts of Germany, where always in the equip­
ment building there was a fully equipped armory with
rifles, etc.

I asked him what he was going to do about all
this when he went home and what he was going to say,
and to my extraordinary surprise he said, "Do you
think I must tell what I really saw and what I really
think when I get home?", to which I replied whether
he had any intention of doing anything but saying
what he really thought and saw. He frankly admitted
that he felt that it was his obligation, on account
of having been sent by the Oberlaender Trust, to be
silent about all these things in the United States
and . . .
and to give only a favorable picture. He said that he had just received a letter from his wife, in which she said that she hoped when he came back he would not be a "Nazi propagandist like the other Oberlaender fellows".

As Mr. Lantz is a man of about forty, and I believe in many respects a very worth while person, I was quite dumbfounded during the above summarized conversation. I asked him whether he thought as a man it was worthy of him that he could permit his opinions to be bought by a fellowship - if this was the intent of the Trust, which I was not altogether sure of. I asked him whether he thought developments in Germany had any significance so far as peace in Europe were concerned, and he answered very strongly in the affirmative. I asked him then whether if he felt that Germany deliberately intended to disturb the peace in Europe and be a bad neighbor, he as a good American could go back home and give his own people misinformation on a very vital question. I said to him that I was only bringing these things to his attention, as I felt that the line of conduct which he had laid out for himself was certainly not worthy of an American. I asked him whether he did not realize that even though there was a war in Europe and we would do everything in our power to keep out of it, such a war would have repercussions in our own country, and that he would therefore be doing a bad service in misinforming his own people concerning conditions...
conditions of primary importance which he found abroad.

Mr. Lantz said that he was very glad that he had
come to see me, as he saw his obligations in a dif-
f erent light. He said that he felt that it was his
duty to tell the truth on his return home as he saw
it, or remain silent entirely, and that of the two
courses the only proper one was to give a correct picture of the situation as he had
found it. I told him that this was a question that
he must decide for himself.

I have gone into this detail with respect to the
Oberlaender Trust and particularly with reference to
this call of Mr. Lantz, as I believe this background
information may be of interest to the Department. The
Oberlaender Trust, which was founded with excellent
intentions, is apparently being used by the German
authorities, so far as they find it possible to do
so, for their own purposes. It is a principle of
National Socialism that all public opinion-forming
means within Germany are to be coordinated under the
Ministry of Propaganda, and there is a definite
machinery set up in all parts of Germany to take
care of foreign visitors. A definite endeavor is
being made by the Propaganda Ministry to control all
German societies outside of Germany, and in this pro-
gram it has met with only varying success. The atten-
tion of this Ministry, however, is concentrated also
on such institutions as the Oberlaender Trust and
the Carl Shars Memorial Foundation, through which it
acts, and it is using all the means within its power to bring such organizations within its sphere of influence.

During the first months of the National Socialist Government in Germany, the Oberlaender Trust fellows who came to Germany were for the most part men of high type and who were entirely uninfluenced by any considerations other than those which had always guided them. They came to Germany as objective observers, and on their return to the United States gave an objective picture of what they had seen. Since the conversation with Mr. Oberlaender had with Mr. Hitler, there has been a decided change in the type of men which the Trust is sending, and being for the most part smaller men, they have felt themselves under the necessity on their return to the United States to give a favorable picture of what they have seen, irrespective of their personal judgment. It is under the circumstances somewhat difficult to understand how well-meaning Americans such as those who founded the Trust can continue its activities under the present circumstances. It is particularly difficult to understand the attitude of Dr. Thomas, who is a Quaker by religion, very well informed concerning the situation in Germany, and in many respects a very fine person. It looks as though the Trust, in order to continue its activities, has permitted itself to become coordinated into the German propaganda machine.

The pamphlet which is being sent with the original
of this despatch, and of which a translation is attached to all copies, is quite interesting, particularly the closing paragraphs, to which attention is respectfully drawn. It will be noted that the principal work of the Trust is being carried on through the Carl Shurz Memorial Foundation in Philadelphia, which has also recently started the publication of, I believe, a monthly magazine.

It so happens that because of my personal contact with Mr. Oberlaender and his associates in the Trust and with the work of the Trust, I have had a fairly intimate knowledge of its activities. I have a very high regard for Mr. Oberlaender, whose business genius has contributed to the building up of an important branch of the textile industry, not only in Reading and vicinity, but throughout Eastern Pennsylvania. I have an even higher regard for his two associates, Mr. Thun and Mr. Janssen. The present directives of the Trust, I believe largely influenced by Mr. Oberlaender himself rather than by his associates. The motives which have influenced him are very human and understandable. I have deemed it necessary, however, because of my information about the Trust and its activities, to transmit this strictly confidential despatch, particularly as it is clear that an increasing percentage of the fellows sent by the Trust to Germany on their return to the United States...
States do not give an accurate picture of the situation as they find it. Whether the Trust is directly influencing this attitude of its fellows I am unable to say.

Respectfully yours,

George S. Messersmith.

Enclosures:

1. Pamphlet regarding Oberlaender Trust.
2. Translation of No. 1.