Vienna, August 15, 1938.

No. 531.

SUBJECT: TRANSMITTING MEMORANDUM OF CONFERENCE WITH THE FOREIGN MINISTER AND WITH RESPECT TO THE DANISH FACTS.

SHERWICK, CONFIDENTIAL.

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to refer to my strictly confidential despatch No. 880, of August 18, 1938, in which I transmitted certain background with reference to the developments in the negotiation of the Danish Facts. In view of the various developments in this connection, fully reported on in that despatch, I deemed it advisable to seek an opportunity to discuss the matter with the Foreign Minister.

There is
There is transmitted herewith a memorandum of a conversation which I had with him on August 15, and I was able to discuss the situation with him again on August 16.

As a result of these conversations with the Foreign Minister, and from information which I have been able to secure from my colleagues most interested in this matter, it may be stated that the situation with respect to the Danubian Facts and the conversations with the German Minister stands as reported in my confidential despatches Nos. 508 of July 25, and 513 of August 5.

The efforts of Berlin to disinterest Vienna in the Danubian Facts has been unsuccessful. There are no direct negotiations in progress between Berlin and Vienna. The conversations between the Austrian Foreign Minister and the German Minister here, Mr. von Papen, remain at the point at which I left them in my despatch No. 508. These conversations have not reached a stage where they can be considered as negotiations between the two countries and have not gone any farther than a presentation of some views of the German Minister, although on his personal responsibility. If Berlin has been trying to develop sentiment in Austria for direct agreement, it has had no effect on the attitude of the Austrian Government. The rumors of direct conversations between the Italian Government and Berlin and between the Vatican and Berlin with the object of reaching a bargain with respect to Austria, find no confirmation here in responsible quarters.

On the other hand, the Foreign Minister has stated categorically that Austria is not interested in any separate agreement.
agreement with Germany as long as there is any possibility of the Danubian facts coming into being. It would be impossible, he stated, for the Austrian Government to consider such separate agreement with Germany as long as the conversations with regard to the Danubian facts are being carried on actively between France and Italy and with the expressed interest of England therein.

The Foreign Minister, however, has made it clear that the actual form of the Danubian facts has apparently not been decided upon. He indicated that the exchange of views between Paris and Rome covered non-interference, non-aggression, and consultation, and not mutual assistance, and that this was satisfactory to Austria as establishing the principle, but that the report to the effect that the facts had assumed a definite form was not yet justified.

Reports current in Vienna that the German Minister, Mr. von Papen, had had an importance conference with members of the Austrian Government immediately after the known conversation between the Chancellor Hitler and Mr. von Papen at Berchtesgaden, were without foundation. That it seemed clear that Chancellor Hitler in this conversation emphasized to the German Minister that he was to endeavor to bring about a separate agreement with Austria seems well established according to information which I have been able to get from authoritative sources, but there is no information available that the German Minister has directly taken up with the Austrian Government this question, or that he will do so, for up to now he has been unable to get the agreement of his Government to any propositions which he might make to the Austrian Government which could even serve as a beginning of such negotiations.
negotiations. As Chancellor Hitler in this same conversation with the German Minister in which he instructed him to endeavor to reach a separate agreement, also said that direct action by Germany would eventually be necessary and that the other powers would not do anything more in such case than to make protests, it is not likely that any real efforts which might be made by Berlin towards the negotiation of a separate agreement would have any object other than a part of its apparent action in other capitals to prevent any form of Dominion Pact from coming into being.

I have made a very real effort to be in a position to give the Department an accurate picture of the situation and I believe that my despatches Nos. 508, 513, 520, and this despatch accurately picture the situation as it now stands on the basis of authoritative information available in Vienna.

Respectfully yours,

George C. Messersmith.

Enclosure:

1. Memorandum of conversation with the Foreign Minister.

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