Enclosure No. 1, to Despatch No. 560, of September 27, 1935, from the American Legation, Vienna.

Vienna, September 24, 1935.

MEMORANDUM OF CONVERSATION WITH THE AUSTRIAN FOREIGN MINISTER, BARON POKORNY-WAHLHEIM.

After a luncheon on September 23 with Count Hoyos, President of the Staatsrat, I had an opportunity for a half-hour's informal conversation with the Austrian Foreign Minister alone. He said he was going to leave for Geneva that evening with Hornbostel, of the Foreign Office. He remarked that he was going home right after the luncheon to get ready to go to Geneva that evening, but that before he left for Geneva he wanted to talk with Kanya, the Hungarian Foreign Minister, by telephone in order to let him know that he was going to Geneva that evening. The Minister remarked that he had just heard that Goebbels was going to Berlin on a shooting party to which he had been invited by Goering. It was quite clear from what he said that the Foreign Minister was only calling up Kanya in order to determine whether Goebbels was going to accept this invitation. It was clear that he was extraordinarily interested to learn whether Goebbels was going.

The Minister said he didn't know how much use there was in his going to Geneva, but that he would be sure to see Laval and he hoped that Mr. Samuel Hoare would be coming again. He said that Hoare had told him when he last saw him that he hoped to have a long conversation with him again very soon. He was very pessimistic as to trouble being averted entirely in Abyssinia and he said that he agreed with Laval who had remarked to him that "some shots would have to be fired." He felt that Mussolini had gotten himself into a position where some military action against Abyssinia could not be avoided no matter what arrangements were made. He said that after some preliminary Italian victories France and England could step in and say that a new situation had arisen and could take a strong stand. I gathered the distinct impression that in this viewpoint he was largely influenced by the difficulty of the Austrian position and that he felt that it would be easier for Austria if French-English intervention did not come until Italy had had a few successes. This is a repetition of what he told me last week, but I felt the emphasis which he put on it in both cases was significant.

I remarked that the information which I got was that Mr. Mussolini had got himself into a difficult position vis-à-vis his own people for most of them were not wholeheartedly behind him on this Abyssinian venture. The Minister said that this was unexpected so until about a week ago, but since that time the British fleet concentration in the
Mediterranean had influenced the Italian people to get behind Mussolini. I merely remarked that I thought it still a little too early to have a very definite impression about this.

I remarked that I found people here generally felt that the main hope of Austria still remained in definite French-Swiss accord, and that developments seemed to indicate this eventually being reached. He agreed, but said that he hoped very much that whatever France and England would do could be done in accord with Austria. He was not very clear on this point and I could not get any specific answer from him, but I gathered the impression that one of the principal things he wishes to do at Geneva is to impress on the French and the English the delicacy of the Austrian position with regard to Italy, and to try to have the French-English action regarding Austria and Central Europe such that Austria plays a part in it through previous consultations. What he said, however, clearly showed that he is worried by the Italian sentiments of the Austrian Government and the possibility of its being faced with making some decisions.

He said it would have been so much better of England had acted sooner. Sir John Simon, he remarked, always spoke like a Belgian Greek and one never knew exactly what he meant. England had made a great mistake, or rather Simon had, in not being clear several months ago for it would have avoided Mussolini's going so far and have kept this from becoming a question of prestige. He said that level, to his personal knowledge, was much surprised at Heare's speech, as he did not think that Heare would go so far. He knew, too, that Mussolini was more than surprised. He mentioned the fact that England had not made any answer to indications which Mussolini had given of his intentions, and to this I remarked that in matters of such importance the failure to give an answer could not be considered as acquiescence. He said of course that was so.

He seemed to want to talk about Germany and said that the information which he had was that things were really worse. The Party meeting at Hamburg, he said, gave indications of weakness of the regime rather than of strength. He spoke of the Jewish laws as the height of folly. He did not seem to think that Germany would take any action in case of hostilities breaking out, because of internal weakness, but that of course there was no telling what action she would take if there was a favorable opportunity.

The reference to German weakness and to internal difficulties, to the 10th of June, and to Streasser's new book, as well as to the evil character of certain men in the German regime were such as to strengthen the belief of some of us who are of the opinion that the Minister's resistance to German pressure is as great as ever and he is more definitely than ever against
rapprochement with Germany at all costs under present conditions. The accusations brought against him by some of double dealing in this respect are, I believe, not well founded, for his attitude has been consistent and it is more than interesting that just at this time he should, on his own initiative, give us this picture of Germany when Papen is pressing to negotiate and when he has before him the spectre of possible Italian-German-Polish cooperation.

He brought up, on his own initiative, the question of Papen and his utter irresponsibility. He said that just recently during his absence from Vienna Papen had tried to tell Secretary Peter that his (Berger-Waldenegg's) attitude was thus and thus on a certain question, when Peter had actually on his desk a letter from the Minister to Papen showing that his attitude was entirely different. The Minister referred to one evening when I had dined at his house and Papen was also there, and when Papen, in my presence, had told Prince Hohenlohe things which we knew that Papen himself knew were not correct. The Minister then made one of his really interesting and penetrating observations that Papen was always counting "on the other man's being a gentleman."

I said to the Minister that I had the impression that Austria's position was in many ways more secure as more definite Anglo-French cooperation would seem to be coming which would strengthen her position. The Minister said that this was definitely so, but that I could tell that the Italian position caused him a good deal of concern.

G. S. H.