On his return from Berlin the Secretary of State for Foreign Affairs, Dr. Schmidt, informed one of the most interested observers in Vienna as follows yesterday:

He returned from Berlin with the most favorable impressions concerning his visit. He had been most courteously and kindly received in all quarters, particularly by the military. His conversation with Hitler had gone very well and Hitler had discussed quite fully the whole European situation in a way that he could not take exception thereto. He of course had communism very much on his mind and was convinced that Soviet Russia was playing too much of a part in Europe and that the growth of her influence and activity must be arrested. In response to Dr. Schmidt's inquiry as to how this could be best arrested, Hitler was not clear. The question of France recognition had been raised during his Berlin conversations, but Schmidt said that Austria retained full liberty of action and did not intend to take any in the immediate future. He was controlled in this by the fact that she had seventy Austrian nationals in Madrid, but if Madrid did fall Austria would have to consider this question again. He remarked that in that case however, other countries would be faced also by this problem.

He said that Austria had made it clear that she would remain in the League and that he considered for the present Austria's leaving the League would be more important that Germany's absence or Italy's abstention. Austria did believe in certain League reforms, but hoped that through remaining in the League she could exercise a moderating influence on both Berlin and Rome.

Austria would purchase armament material from Germany as it was the natural market and she could not conceive of France's being willing to supply armaments to Austria.

It might appear to some observers that Austria was following slavishly Berlin and Rome. He wanted this impression removed for she kept her liberty of action via via both capitals - if that liberty of action was somewhat smaller than it had been. Austrian policy would follow the line of the Rome Protocols as before, but Austria had agreed that before
taking any further commitments in economic matters, especially as affects her neighbors, she would consult with Berlin. This in no sense bound her hands for she kept her freedom of action and was not bound by any external decision.

He felt very much gratified that he had been able to get into the cabinet, with the consent of Hitler, a statement referring favorably to the Chancellor's work of consolidation in Austria. He felt this was a great victory as it gave the Vienna Government a strong arm against Nazi criticism within the country. He considered this one of the major achievements of his Berlin visit.

He was particularly impressed by his conversations with Baron von Neurath and by the fact that at the dinner which was given Baron von Neurath were the Prinz Joachim order.

He said that he came back from Berlin with the definite impression that there was no arrangement between Italy and Germany regarding a partition of Central and Southeastern Europe into spheres of influence. He had not been pleased with some of the statements made by Ciano during his recent visit to Vienna, which left the impression that such action had been taken during Ciano's talk with Hitler at Berchtesgaden. He returned from Berlin with the absolute conviction that no such arrangement existed and remarked further that he did not see how such an arrangement could exist in view of the opposite interests of Italy and Germany in Central and Southeastern Europe.

He also said that he returned with the definite conviction that Germany intended to keep her word with regard to the recognition of Austrian independence in the Berlin-Vienna accord of July 11, 1938.

From another responsible source I learned that the question of restoration was raised by the Germans during the Berlin conversations and that Schmidt took the attitude that the subject was not one for discussion as Austria considered it a purely internal question and that it had therefore not been discussed.

George J. Bassermann.