Vienna, December 15, 1939,

No. 385

SUBJECT: TRACING MEMORANDUM COVERING CERTAIN ASPECTS OF THE PRESENT SITUATION IN GERMANY.

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to transmit herewith a strictly confidential memorandum covering a conversation which I had recently with a well informed German on certain aspects of the present situation in Germany. I am transmitting this to the Department because of the particular interest which this information has, coming as it does from one of the best informed men in Germany.

I have
I have deemed it advisable not to mention the name of the person whose conversation is reported, as he is still living in Germany and is one of the best known men in the country, who has unusual opportunities to know the situation in political, financial, industrial, and professional circles. I have known him for many years and have learned to appreciate that before, as well as after, the present German Government came into power he was one of the best-informed men on the general conditions in Germany.

While the appended memoranda may not give much that is new to the Department except what is said concerning the probable shortage of bread grains in the early spring of 1937, the information given I believe is of interest coming as it does from an authoritative source as supporting information along the same lines which may have reached the Department from other sources. I would also direct particular attention to the statement made that intervention by the German Army in the internal situation cannot be expected before there is internal disorder resulting from breakdown of the economic and financial program, but that such intervention would only come if and when such disorders actually arise. As I happen to know that this opinion is based on the intimate contact which this individual has with high ranking officers of the German Army, the statement is of considerable interest.

For the Department's strictly confidential information I may also state that this German expressed the opinion that the
present policy of England, France, and the United States of not giving any aid and comfort to the present German Government in the way of loans, credits, or markets, was the only one which offered any hope of eventual peace in Europe and for the eventual reconstruction of the internal German structure on a basis which would make peace in Europe possible. He said that nothing which would be done now in the way of financial aid to Germany or relief through markets, or through international agreements on the limitation of armaments, the redistribution of colonies, or freer access to raw materials would help the situation in Europe as long as the present Government remains in power in Germany. The present Government, he said, sees its existence threatened and its hold on Germany lessening, and has therefore hopes in such international arrangements which would bolster up its position and increase the possibility of lasting itself on Germany. Any lengthening of the lease of life of the present Government in Germany through international aid or arrangements would only lengthen the European crisis and offer more definite threat to the peace of Europe. The present Government in Germany, he said, must disappear before any such far reaching arrangements can be made with safety and with any hope of arriving at the ends desired. They are, he said, ample elements in Germany to establish a Government with which the rest of the world can deal in good faith and which Government would remove the present menace to European peace which the present German Government is and will continue to be as long as it exists.
Mighty per cent of the German people are still thoroughly sound, he said, and would welcome such a new Government. No one, he concluded, who understands the real position in Germany and in Europe and who really wishes to maintain peace in the world, and is a friend of Germany and of the German people, can contemplate giving any aid or comfort in any form to the present German Government which through a regime of the most brutal force is maintaining its hold on the German people and which is the only real threat to the peace of Europe.

Respectfully yours,

George S. Messersmith.