Perhaps the greatest loss suffered by the Austrian Government in this year was the departure in July of the American Minister, Mr. George Messersmith. Nazi Germany feared Mr. Messersmith, and throughout the tenure of his post he had given the most consistent support to the two successive Chancellors.

I have referred to the increasingly confident and hectoring attitude of the German representatives. Dr. Schacht, President of the Reichsbank and Minister for Economics, who visited Vienna in June 1937, was no exception. He was in his most jocular mood at a reception at the German Legation, and evidently in great form. He was talking about past events to me and one or two other Ministers, and was claiming the credit for having brought about the failure of Mr. MacDonald's initiative in 1933—the World Economic Conference. In the midst of Dr. Schacht's recital of the episode Mr. Messersmith appeared, observing, as he looked fixedly at Dr. Schacht: "I think we know each other, Dr. Schacht, don't we? We require no introduction."

Herr von Papen had meanwhile come forward. "Don't let me interrupt the conversation," added Mr. Messersmith. Obviously taken aback— for Dr. Schacht knew that Mr. Messersmith did know him—the Reichsbank President resumed and recounted how it had cost him "seven thousand dollars in telephone messages across the Atlantic" to complete the job of wrecking Mr. MacDonald's initiative. There was silence for a minute, but it was broken by Mr. Messersmith, who observed grimly, fixing Dr. Schacht with his determined eyes: "It would cost you less today, Dr. Schacht, to complete your work of wreckage; the telephone rates across the Atlantic have come down."

On that same evening, the Czechoslovak Minister enquired whether certain concessions which had been made by his Government to the Sudetans had given satisfaction in Germany; and Dr. Schacht rudely and brutally replied: "Too little and too late." I reproached my Czech colleague for giving Dr. Schacht such a gratuitous opening.