



That

DEPARTMENT OF STATE
WASHINGTON

Personal & Confidential

September 15, 1934.

My dear Messersmith:

The best of thanks for your good letter of
August 21.

To begin with I checked over the series of
letters which you had sent to Mr. Phillips and my-
self and find that they have all been safely re-
ceived and in what appeared a reasonably quick time.
I agree with you that in these present times it
is not wise to send confidential despatches or per-
sonal letters through the open mail even when placed
in the post box in a third country. The great
merit of your correspondence is your absolute frank-
ness and while I think the chances are not very
large that any of your letters would be intercepted
and fall into the wrong hands, yet^{if} by chance they
did so, the embarrassment would be correspondingly
great.

FA has not yet brought up the question of an
increased allotment for the pouch service from Vienna

but

The Honorable
George S. Messersmith,
American Minister,
Vienna.

but as far as I am concerned, I shall certainly point out that I think an increase, if asked for, would be abundantly justified.

You ask after Lilla and the children. They have been spending the summer in Japan, largely for the purpose of showing the youngest to the Grews who had not yet seen him. Lilla is starting back today and should be here on the first of October for our last lap in Washington as, alas! my time in the Department is up on July 1 next and it will mean a transfer to a new sphere.

Your perfectly frank exposition of the dangers that still lie before Austria is very salutary. There is an almost human tendency to consider that when a serious crisis has been surmounted, the cure is necessarily complete. To change the metaphor slightly, I find that far more attention is apt to be given in foreign affairs to acute illnesses than to chronic ones, even though the latter are apt to be susceptible of cure in their early stages. *ff* Rosso, the Italian Ambassador here, was in yesterday on a return from leave of absence. He told us that, in his opinion, the situation in Europe was slightly improved due in the main to two causes: the first, that Franco-Italian relations were genuinely better, and the second, the fact that Italy took such prompt

action

action on July 25. He said that the decision to mobilize had been made by Mussolini entirely on his own at Riccione without previous consultation with the Foreign Office. He issued the orders and then telephoned to Rome what he had done. Rosso said that the British had not liked this, feeling that the Italians should have waited until agreement had been reached with the British and French, but hindsight had convinced Rome that their decision to take immediate action was right and ultimately justified.

We are having a great deal of pressure on the part of the relatives of Mrs. Hammerand to intervene in her case. Of course the records have been carefully checked and it is shown that she is not an American citizen. However, there is no doubt that irrespective of the merits of the case, any too severe punishment would have unfortunate repercussions as the American public is not apt to comprehend the fine points of nationality and resulting loyalties. We were especially careful, however, in drawing up our telegram to the Consulate General.

Herbert Feis has returned and has told me of his visit to you. He seemed quite delighted that Gardner Richardson had been re-assigned as Commercial Attaché to your Legation and felt that it would be thoroughly welcome to you.

Of all your letters I think the one that interested me most was that of August 18 to Mr. Phillips, describing your conversation with a German industrialist, whose identity I think I was able to pierce. Most of your letters were taken by the Secretary to Atlantic City when he went there last week to recover from a digestive upset he had had. I think he looks at the picture in broad outline very much as we do.

Here in this country there is intense gloom in New York and all banking-brokerage circles. I think that this is largely due to the fact that with the entry into force of the new stock exchange bills a large number of the smaller brokerage houses will be forced to the wall and their resulting pessimism and resentment is being widely spread. Of course, they have been maintaining with great vigor that the country was rapidly swinging back to a demand for the old reactionary, property-glorifying mentality and were shocked beyond measure at the results in the State of Maine which, as you saw, elected a Democratic Governor by an enormous majority, two Democratic Congressmen, et cetera, with Senator Hale barely squeaking through by a majority of about 1,000 out of 300,000 votes cast. Why my New York friends cannot realize that their one hope is to

support

support the President and the New Deal I cannot see as if this effort does not work it will be followed not by a swing back to the Ogden Millses and Jim Wadsworths of this world but to something far more extreme and radical.

The strike continues its normal course giving a good deal of concern but no cause for panic. From what I gather the Governor of Rhode Island lost his head at the time of the riots on Thursday, while the President kept his and the situation has now quieted down without having to call out Federal troops.

It is always splendid to hear from you and your letters are particularly helpful.

As ever yours,

PM