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Berlin, Germany
January 22, 1939

Personal and confidential

Dear Mr. Messersmith:

Yesterday morning Mr. Rublee called me urgently to him at the Esplanade Hotel and said that owing to Dr. Schacht's dismissal and the inability of anybody to get any information from the Reichsbank or from the Foreign Office as to whether or not the negotiations with the Intergovernmental Committee had been broken off, and since Schacht himself had indicated in no way whether or not the conversations would be carried further, he asked me to use my personal connections with Goring's office to see if it were possible to find out what the Germans intended. Mr. Rublee said that he was completely in the dark and that they were leaving the same night on the Nord Express for Paris. Without telephoning or making any engagement I went over to Goring's office and called on Major General Bodenschatz, with whom I have been able to establish very cordial relations similar ~~with~~ those you had with Milch in 1933 and 34. Bodenschatz is Goring's Chief Aid and his Chef de Cabinet. I told him the situation and asked him to see Goring immediately and let me know what they intended to do. In a moment he saw the urgency of the situation and was somewhat alarmed to learn that the Commission was leaving the same night, and that apparently the negotiations had been broken off. He promised to suggest to Goring that he invite Rublee to see him. I went back to my office and waited for his telephone call which came in thirty minutes. Bodenschatz told me that he had seen Goring and that the latter had said the negotiations are not to be broken off and that he is appointing a competent person immediately to carry on the conversations in the place of Schacht and that Goring would be pleased to see Mr. Rublee at 2:30 P.M. at his private residence in Berlin and that I should bring him alone. Rublee, Pell and Cotton were waiting patiently at the Esplanade Hotel for my news, and you can imagine their relief when I told them the outcome of my unofficial intervention. I had to laugh at Rublee when he clapped me on the back and said "Well, my boy, you certainly bring home the bacon". It reminded me of what you were often so kind as to say to me, when I turned some trick. I then went over to Mr. Gilbert and told him and Heath what had been done. They too were very much relieved, as they had got nothing up to then from the Foreign Office and they feared it was all off. Mr. Gilbert sent immediately a telegram to the Department reporting my action.

At 2:30 I took Mr. Rublee over to Goring's house where we were both received in great state. Ministerialdirektor Wohltat was on hand to assist the Field Marshall in the conversations and I insisted on remaining in the big reception room and taking no part in the conversations. Rublee, Goring, Wohltat and an official interpreter were the only ones present. Bodenschatz would

go in and listen for about ten minutes and then come out and report the progress of the conversations to me. He would then go in again and then come out and make a further report. The talk lasted fifty minutes. I did assist Mr. Rublee and Wohltat, however, in drawing up the text of the Press Release which the Germans insisted be prepared right away. In my presence the Interpreter repeated to Mr. Rublee the gist of Göring's remarks by way of summing up everything that had been said during the interview. It appears from the interview that Göring had assured Mr. Rublee that the Germans would assist to the best of their ability in aiding the committee to carry on its work and I am sure from the way Rublee talked that he was most cordially received by Göring and that the interview was conducted in the most cordial atmosphere. While I have very little confidence in the outcome of the negotiations I believed it my duty to save the situation for Rublee, if possible, and give him a chance to carry his conversations at least to a dignified conclusion. It would have been a terribly and unmerited embarrassing situation for him if he and his colleagues had been compelled to leave Berlin last night without getting any further information as to the real situation regarding the conversations. At least the talks are now in decent hands, as Wohltat is a first class man of integrity and honor, and he will deal honorably with Rublee and the matter in question. Wohltat and his wife are old friends of mine. I believe you knew them too when you were here. He is like Blessing or Puhl and will go into the matter honestly and without deception, but of course with his hands tied by the powers above him. Nevertheless I am very glad of the turn that has been accomplished for I shall be able to work behind the scenes with Wohltat and put pressure on the Germans through him, if there is anything to get out of them. I am in a splendid position to help the cause along, as Bodenschats will gladly make any suggestions to Göring personally if I show good reason for doing so. This incident shows the value of contacts and personal relations. The Foreign Office apparently (under the evil star of Ribbentrop) was lukewarm about the whole matter and would gladly have seen an ugly denouement of the Rublee visit and Sir George Ogilvie Forbes was unable to do anything. Schacht was on the ash heap and indicated to Rublee and Pell that since he was thrown out they were down and out too. It was a black Friday in Berlin and the newspaper correspondents were waiting for the dark consequences of the Committee's humiliation. Rublee was deeply depressed and alarmed at the humiliated position in which he found himself. After the resumption of the conversations and the talk he had with Göring he was a new man and very hopeful indeed.

your pains are not wasted. I have let the Germans know in very plain language what our position is. I have told them that undoubtedly another performance like the 10th of November would see the severance of relations between our two countries. I have told them too that the danger of the policy which they are following lies chiefly in the Western Hemisphere and that if we break off relations we will not remain passive, but will be active against them. I have asked Wiedemann to get it over to Hitler that the intended attack upon our President in his speech of the 30th of January when Hitler intends to throw down the gauntlet in launching his crusade against "international jewry" may have serious consequences. I had from a reliable source that Hitler intends in his speech of the 30th to answer Roosevelt and at the same time assume the rôle of the arch-champion of the cause against "international jewry" just as he is the self-appointed knight for the fight against bolshevism and the democracies.

I hope that you will not think that in the course of time I have changed my attitude in any respects regarding the present regime in Germany. You and I see eye to eye in all those aspects which merit universal condemnation. But you will remember that for many years we have not agreed upon the probable longevity of this Government. You thought that I overestimated the strength of the Regime. I do not overestimate the strength of the regime, but I am conscious of the weaknesses of the forces which exist to oppose it. And today I am afraid that the so-called "appeasement policy" of the British and French is only another example of constitutional weakness which democratic countries develop vis-a-vis the bluff and ruthlessness of the fascist dictators. I believe that what has happened at Munich and what happened last March in Austria is not by any means indicative of the strength of the fascist regimes but of the ~~weakness-~~complex which decent governments develop when confronted with sheer barbarism and international brigandage. At any rate it is possible that we in America will not develop this "weakness-complex" and that we will stand up against the dictators when they encroach upon our interests. In all the political reports which I have written I have not underestimated the seriousness of the forces which the Germans have let loose in the world and I have not ceased to warn our people of the peril which may confront us. I watch the developments here from day to day and I can assure you that this Regime means business and they will not stop at anything so long as they are in power. There is no end to the possibilities of aggression and the course will be to the uttermost as long as they are free to move forward. If this Regime attained all its economic objects and Germany was deluged with food and raw materials and even more than it could use, the course of conquest would be straight ahead and to the limit unless they were stopped by a superior force. There should be no illusions about this point. The talk about the "haves" and the "have-nots" is silly and not to the point.

Nor do I believe that we can accomplish anything by gestures or snubs. Building up our armaments and sending our fleet into the Atlantic makes impressions here. I do not think a cooling-off in relations (I mean retaining our Ambassador at home) will make

any impression here. I think we need our Ambassador here to watch the internal as well as external situation as closely as possible. Your present staff ^{here} is capable; but there are always contacts which the Ambassador through his high office is able to maintain better than anybody else and I do not think we should deny ourselves these important services at a time as critical and difficult as these. Besides there are certain things which ought to be said with authority and with Ambassadorial emphasis and we need that too. I believe all the good which the recall of the Ambassador was calculated to recoup has been got; and that if his departure is longer delayed the advantages to us will be severely subject to the law of diminishing returns as the months go by. Bodenschats told me yesterday that Göring is very anxious to have relations with the United States improve, and I think we might be in a position to let them know that we expect certain things if we consent to his return. I believe a bargaining possibility exists and if this means anything to our Government we might be able to gain certain points if we come out and demand them. I am merely making this suggestion for what it is worth. If the President and the Secretary want to to steer their political offensive in this direction I believe that I could get certain assurances. But you must always remember that any assurances given here are subject to political expediency and change from time to time as "necessity" requires. No one needs to emphasize this fact.

I was immensely pleased to have Avra Warren visit our establishments in Germany. He has gone home with a clear picture of our problems and his visit did me an immense amount of good. He is a first-rate officer and a mighty clear thinker. You could have sent no one better at this particular time. I talked over many questions with him and he is reporting to you on a number of things outside of visa matters, including the problem of the Blücher Palais as well as certain personnel questions. Mr. Warren was here right at the time I was greatly worried about Underwood and the difficulty his Chauffeur got into. The German Intelligence Service were watching Underwood and his Chauffeur and Warren and I were watching the German Intelligence Service. I succeeded in helping Underwood to get his man out of the country and the danger of trouble was avoided. Now Underwood wants to leave. I believe there is no danger to him and I think there is no reason why he should not finish his job. It is highly important that an experienced architect and engineer watch the construction work to the finish and Underwood being most familiar with the whole proposition should stay until it is done; that means only another sixty days or so. He was very uncomfortable because he was under constant surveillance, and I believe his conscience is not quite clear regarding "marks", but I gather that his unholy dealings lie back before the "rape of Austria" and that there is nothing actual and that he could safely remain here until his job was through. Underwood's man had questionable dealings with the Public Health Surgeon in Vienna and Warren will have reported to you about that.

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With the usual pressure and heavy burden of work I keep up quite well and am glad to say that I am generally optimistic about everything relating to our official business and representation. I have no real worries about the visa situation. We shall have to utilize more clerical help to answer letters, etc. I am still convinced that we can succeed in holding the pressure off and that we shall eventually be able to get the visa work on a solid and steady basis and tactfully beat back the crowds which press upon the office. The Pressure from the German Government has somewhat relaxed and people are breathing more easily. There is not the mad rush to get out of the country. The terror has somewhat subsided and I believe that I can do a great deal through the connections *I have* with the people negotiating the refugee question for the Germans and the Secret Police to induce more moderation. I have said many sharp and severe things to the Himmlerites and even threatened to close the "quota" for the rest of this year if they continued to terrorize the Jews and make it impossible for my office to function. I told my friend Sturmbandführer Grau (Himmler's Press Chief) to tell Himmler that if another American was put into the concentration camp I would have to ask the Department of State to make all passports of Americans invalid for Germany, and that I should have to let it be known that I warned the Secret Police and the Führer of the S.S. in plenty of time. They think I have the power to do these things and therefore it is safe to use them as threats. One has to be constantly at it day and night and never leave go. I feel that I have got some of these Nazis by the neck and that I cannot leave go of my hold.

While Mr. Warren was here I straightened out ^{on one point} the British Home Office and I see that Captain Foley has been called to London for a conference. I think this has to do with my refusal to let the Home Office have lists from our visa issuing offices in Germany giving the probable time that an applicant will eventually be to apply for a visa. On the basis of a waiting list number which have been allowing large numbers to come to England, with the positive understanding that when their turns that they would receive visas, and be admitted

t to tell you

I want to ~~thank~~ you very much for the comprehensive letter you wrote to me in reply to mine of December 5th. Nothing can be more valuable than such a letter. It was a clear exposition of policy and so straight forward that contrary to my practice with regard to any of your letters I read parts of it to Mr. Gilbert as I thought it was just as valuable for him to know what we were thinking at home and he was most grateful for my helpfulness in letting him have your ideas. I always try to be guided by the interpretations you give me *and*