

IN REPLY REFER TO

FILE NO.



DEPARTMENT OF STATE

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN CONSULATE GENERAL

Berlin, Germany, April 23, 1938.

Personal and Confidential.

Dear Mr. Messersmith:

I hear from a friend in New York that the general impression in America is that war is imminent. I suppose the general European situation regarded from America looks very dark and threatening and I believe this opinion is largely based upon the bellicose attitude of the dictatorial regimes. It is very difficult for American public opinion to grasp the whole situation and it is undoubtedly unaware of the weaknesses of the aggressive regimes as well as the state of their unpreparedness. We here do not believe that war is imminent as it does not seem that the democracies will take any radical steps unless their vital interests are immediately affected. There is no question but that the vital interests of France, England and other democratic states in Europe have long been threatened, but a threat does not constitute an actual assault and I do not think an assault will take place in the near future. The purpose of this letter, however, is to give you information with regard to the most important phase of the European situation, namely the German-Czechoslovak complex.

I learned from a reliable source that Henlein has returned to Czechoslovakia after conversations with Hitler, and Hitler has instructed him to proceed vigorously with his demands and put forth every effort to obtain successfully 70 to 80 percent of these demands by August 1st of this year. I am unable to

state

The Honorable
George S. Messersmith,
Assistant Secretary of State,
Washington, D.C.

state what significance the date August 1st has, but it may be ominous though our conviction is that it is not. He has furthermore told Henlein, according to my informant, that he must not calculate with any support from the German military forces in connection with his negotiations. It appears that Hitler is personally handling the campaign which Henlein has been instructed to push forward in Czechoslovakia. Henlein has been told to acknowledge Hitler as his Fuehrer and not the head of the Czechoslovak state. Observers here are of the opinion that there is a real danger in the German-Czechoslovak complex as there is a possibility that Benes may lose his head and fall into the same trap as Schuschnigg fell into. My informant also says that England and France are putting great pressure on Benes to yield as much as is conceivably possible. This is known here and the feeling is among the radicals that interference in Czechoslovakia could be accomplished in the same manner as in Austria without creating a dangerous situation. There is no doubt that the success in Austria has very much raised the prestige of those in the Party who believe that now is the time to act, and in that respect the situation may be regarded as dangerous. There is nevertheless a strong feeling here that the Italian-German relations may advise caution. The Nazis are already raising the question of Trieste and they believe that an arrangement may be made with Mussolini to provide Germany with an outlet to the Adriatic Sea, either through a very advantageous arrangement of a free harbor or through making a corridor to the coast. This, however, would require, if territory were ceded, an adjustment of the Fiume question which would also have to go to Germany. It may be that Hitler will raise this question when he visits Mussolini early in May.

The Anglo-Italian agreement has eased the situation in Europe, and if the French come to some sort of agreement with the Italians it may be that the Germans will be held in check for a longer period of time. It is not believed, however, among observers that either Hitler or Mussolini will weaken the Berlin-Rome axis and that though the visit of Hitler to Rome marks probably the climax of Italian-German good relations there will be ~~no~~ marked decline in the near

future

future. For mutual reasons the Germans and Italians will continue to present a strong front to the other European powers. It is not possible to predict the development, but the general feeling is that both powers will endeavor to stick together for some time to come.

The prestige of the regime here has never been higher and the position of Hitler has never been stronger. It is impossible now to foresee any diminution of the great confidence and aggressive determination with which the Party here is possessed. This is reflecting itself in the entire administration, and while I do not anticipate any deterioration in the relations between Germany and the United States more than has already set in during the past years, I do not think their attitude towards us will become less cool and unfriendly. I believe the coming of Mr. Wilson has done a great deal to promote a better atmosphere so far as our immediate official contacts are concerned, but I think there is the same underlying bitterness due to the general anti-German feeling in the United States of which they are distinctly conscious here.

In a general way with regard to the European situation I am inclined to believe that Italy and Germany will play into each other's hands for some time to come despite any agreements made with the democratic countries, and tremendous efforts will be put forward on the part of the Germans to consolidate their position in South-Eastern Europe, particularly to establish an economic hegemony over all the Balkan States, and they will strive to obtain sufficient raw materials and foodstuffs so as to build up an insuperable war position - so strong as to make the possibility of resistance on the part of the Western nations next to impossible so that in the course of a few years England and France will have to utilize their whole strength, economic, financial and military, to defend themselves and to maintain their positions. This I think will have the tendency to make us realize more and more that our ultimate position is not as secure as we believe it to be, and that a vast burden of defence will be placed upon us.

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Apparently it does not lie within the province of the possible for us to take any definite stand or to line up at the side of the European democracies until we realize that our economic and trade position, if not our national security, may be actually threatened.

To be sent
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understand the
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I would appreciate your using this information only for yourself, and if you wish in any way to make it available to others I would be glad if you would conceal the source.

With very warmest regards,

Faithfully yours,

Reynold