

546

*Personal to
C. G. ...*

Vienna, August 12, 1935.

Dear Mr. Phillips:

I have written you so much recently that I dislike to burden you any further, but things do not cease to happen over here that have a direct interest for us, so that I feel that you would wish me to give you everything in the way of background which may be useful. Here in Austria it continues quiet, but the developments in Germany are being followed with extraordinary interest.

Program

higher

It is still too early to be able to say what the real significance and full meaning of the emphasis on the radical during the past month is. It is, however, possible already to say that at no time, except during the first days of the regime, have the leaders of the movement been so hysterical and so radical in what they say and do. It is also possible to say already that in spite of the tremendous difficulty and dissensions among some of the principal leaders in the Party, the more radical ones so far have had their way. There are indications that the more conservative elements within the Party are biding their time and that among the entire leadership of the Party there is uncertainty among a good many of them. A good many of them are only waiting to see which way the tide seems to turn and they are perfectly willing to go either radical or conservative for what they are interested in is their job. Hitler himself is very little in Berlin and has followed the policy displayed several times before of staying away from the storm center while it is at its worst. The majority of the higher leaders, while they are uncertain as to the position of the regime and what is going to happen to the whole business, are not uncertain as to the attitude which they take, for they are incapable of changing.

The public statements of some of the principal leaders show their state of mind. Frick in a recent speech demands that the Catholic as well as the Protestant Churches incorporate themselves absolutely into the National Socialist State and side with the State and its leaders. In many

The Honorable
William Phillips,
Under Secretary of State,
Washington, D. C.

cities in Germany trucks filled with S.A. men go around the city with placards on the side "The Jews and Rome are our enemies". Franck, who had disappeared from the scene, is back again and declares that never yet has Christianity been as undisturbed in Germany as it is now! Dr. Ley declares that the new spiritual shepherd of the German people is today the political leaders and the S.A. men. Lutze, the head of the S.A., says "We have trodden down ruthlessly everyone who faced us openly or in a hidden manner and if necessary with brute force. We shall continue to do so in the future. Who is not with us is against us. The totality of our movement suffers no compromise". Dr. Franck further says that it will not be long before such things as a Saxon or Bavarian State has ceased to exist. Dr. Ley recently at Passau said "The party will remain as long as Germany lives. The Party lays a totalitarism claim to the soul of the German people. We cannot and will not tolerate that another Party or world outlook should reign in Germany. We need not dread the struggle that is coming. We will give no peace until the last German who is decent has become a National Socialist".

The VOLKISCHE BEOBACHTER in an article on July 27 says that National Socialism knows only one answer to the reports appearing in the foreign press about a crisis in the German regime and that is "unending pushing through of the National Socialist idea without compromise". In the same article it goes on to say that through the thorough consolidation of the foreign political situation of Germany forces have become free that will facilitate the work again. "We will not be stopped by anybody or anything. Germany will become National Socialist in every field of our life, definitely and without compromise". Goebbels in his Essen speech said "We know our strength and also our enemies, and we will tread them in the dust", and then heralds the campaign against the foreign correspondents.

But the National Socialist leaders are not confining themselves to these speeches. The Geheime-Staatspolizei have never been so active as now and the selected units of the S.A. and S.S. are being used in the action against the Churches and the Jews, the workers, and all those who show the slightest lack of sympathy with the regime. So definite has the action against the Churches, the Jews and the workers become that the excitement in the country is being felt by the casual visitor who heretofore have been apt to speak of Germany as the quietest

country in Europe. Deliberately, by words and acts, the Party has whipped up this terror so that after more than two years of the regime the same panic prevails among the population as at the outset in March and April of 1933, although in some respects deepened for the German people realize to what lengths the Party can go. There is no security for the highest or the lowest. The will of the Party is law and the only law, as it has not hesitated to proclaim.

What is going to come out of all this turmoil in the Party no one is able to say yet, but that it is full of significance seems realized and it is going to have concrete expressions which may mean decisions for us. The crisis within the Party has come a little earlier than some close observers thought. They looked for it in the fall of this year when the results of the economic and financial situation were likely to come more to the surface. My own impression is that the financial and economic situations are fundamentally so hopeless and the lack of foreign help so sure that these factors are recognized by the Party, which is trying to whip up the Party spirit by emphasizing the radical items of the program. In any event, the happenings in Germany in the past weeks are definitely an indication of weakness in the Party and not of strength, and are the best evidence that the real character of the Party has been clearly painted abroad.

There has been a good deal of unwillingness, or rather hesitation, on the part of observers to interpret the events in Germany, and I can quite understand this for I have felt that hesitation myself. It is still too early to say what will come out of it all, but that something very real is happening and that there is a real crisis in the Party and therefore in the country is certain. As you know, tremendous hopes have always been laid by Germany in getting freedom of action on the continent through conciliating England. The very real reaction against the Naval Pact with England has caused disappointment in Germany and opened the eyes of even some of the most blind in the Party to the fact that they cannot pull the wool over the eyes of England. The reaction to the Naval Pact has shown them how hopeless for the present the prospects are of a separate air pact with England, and they had felt quite sure that they could get away with this. Besides, Berlin is quite aware that a good

deal of progress has been made in patching up the difficulties between Paris and London and that their efforts to make a definite breach there have failed.

The visit of the British War Veterans, which was managed and carried through in real National Socialist style, has done the German cause in England a lot of harm and the immediate result has been that the British Veterans are demanding the resignation of their leader who engineered this trip and who they felt led them into a sorry mess. All thought for the exchange of such a visit with the French and the negotiations with the French Veterans have broken down.

The Danubian Pact is being pushed into the foreground steadily and it is becoming clear that something will be done in this direction without Germany and that Germany's manoeuvres to sabotage the pact completely are not having any success. The Danzig situation brought them to another impasse and they had to back down so as not to have a major issue on their hands.

In the meantime the economic pressure continues to grow within Germany and the existence of strikes and refusal to continue to work on certain public works was officially recognized in a threatening talk over the German radio last night. The disillusionment within the country is greater than it has been at any time since the regime has come in and the expression of discontent and opposition are becoming more open, if still feeble. The need of the Government for money is becoming pressing and driving it to the consideration of such extreme measures as a capital levy on Jews and even on the population in general. It is these things which form the background, among others, for the outbreak of the radical wing and it is always under pressure when the regime feels itself weak, that the outbursts have come. This differs from previous ones in that it is understood that the situation is really serious.

As I have already indicated, Hitler has been holding himself somewhat in the background and has been keeping very close to Berchtesgaden. He is not a wise man, but he has this way of going into retirement to feel the pulse of the movement. I think, however, if there was any question as to whether he would come out with favoring a more reasonable course, this has disappeared since his speech at Rosenheim,

in Bavaria, yesterday. A full report of his speech is not yet available, but it is his first public utterance since this radical emphasis began some weeks ago and it foreshadows his complete agreement and sympathy with it. This is no surprise to me and anyone who knows Hitler must appreciate that his sympathies are definitely with the more radical of the Party leaders. He cannot change, and when it comes to a test he has always sided with the more radical. He had practically agreed some time ago that when the new edition of MEIN KAMPF came out certain violent anti-French passages would be modified or left out so as to conciliate the French Veterans, but the new edition is out without any change in this or any major respect.

I think we must face the situation as it is and if we do we must see that there is going to be increasing pressure on all elements in Germany not in complete sympathy with the Party. This pressure is going to take more concrete and more definite forms. There are bound to be more arrests of Catholic and Protestant clergy under all sorts of pretexts, and more definite interference with the actual activities of the Churches to supplement the action already taken against the religious youth organizations. Action against the workers in the big industrial establishments who show any resentment at decreases in wages or decreases in working hours is bound to be more brutal.

The situation of the Jews is getting daily more critical and is going to arouse more active indignation abroad. The Jews have been excluded from public office, their admission to the professions stopped, and the possibility of those earning a living who had been admitted to a profession increasingly diminished. But in business there has been a certain amount of tolerance and the small Jew could continue to eke out some kind of a living. The citizenship law which definitely puts the Jew into a secondary category and which denies him the usual rights of a citizen, in spite of the pressure for it, has been actually not enacted, but the indications are that at the big annual Party meeting in Nurnberg in the near future it will be made known that this law is definitely going into effect. In practice

the life of the Jew in Germany is now to be made intolerable by taking away all means of his making a living and this will be through a campaign of terror directed not only against the Jews, but against those who have anything to do with a Jew even in the most indirect way. This is going to put approximately two or three hundred thousand Jews in Germany into a most pitiable state.

I do not want to go into detail about this particular aspect because I am sure you are getting much definite data, but I do want to tell you about the position of poor Mrs. Streseman. Mrs. Streseman, as you know, is a Jewess and a woman of extraordinary intelligence and still strikingly beautiful. She was a tremendous help to her husband - a much greater help than perhaps many realized. A group of German industrialists and bankers after Streseman's death and as he left no fortune, made up a sum of money the income from which was quite reasonable and which went far to supplement the pension which she got from the Government. She has two fine boys who are both of age, and she has tried hard to enable them to make a place for themselves in Germany. Her income from this fund decreased very much through the same reasons that private income decreased for many people at home, and she was very dependent on her pension. The first blow that they struck at her was to rename the Stresemanstrasse in Berlin which had been named for her husband. The second blow was to cut down her pension to practically nothing. I am under the impression that it has been cut out entirely, but if it has not been cut off entirely it is some ridiculous sum. I know that she has twice changed her apartment in order to cut down her living costs.

But this is not enough, Kathe Streseman has friends and is a woman of courage and beauty. She must be crushed into the dust. She went recently to a summer resort in Germany and the papers have attacked her as a bold and undesirable Jew because she dares to go into a hotel where there are non-Jews. Kathe Streseman must be humbled because she is beautiful and proud and courageous. The wife and sons of the man who was one of the defenders of Germany are to be crushed. I know both of the boys, as well as Frau Streseman, whom I am happy

to count as my friend, and I know what this tragedy means. But we must bear in mind that it is only one of thousands of similar tragedies.

The Jews are no longer only to be oppressed, but they are to be hounded. They are to be eliminated from the business and financial structure where they were still, to a degree, tolerated, and they are to be definitely treated as outcasts in all public places. This began with discrimination here and there in bathing places, but now it extends very definitely to hotels. A case has very recently come to my attention of an American Jewess visiting in Germany who went to a hotel in one of the smaller cities and after having registered the hotel keeper informed her regretfully that she would have to leave as the local S.A. would not permit him to have a Jewess in the hotel. Before she was able to get another hotel, city officials came and took her passport which they kept for twenty-four hours and returned with the admonition to leave the town. This is the sort of thing concerning which substantiated reports are coming daily from Germany. The Jew is to be pushed into his hole and to starve there. This general action against the Jews in public places is bound to make difficulties for foreign Jews, particularly Americans, who may venture to Germany, for if such action is taken against German Jews it is bound to strike foreigners.

There was a time, you will remember, when our citizens were being so maltreated by the S.A. and S.S. with the connivance of the police, that the question arose as to whether we would not have to give a warning to our people not to go to Germany on the ground that the German Government might not be in a position to give them adequate protection even though it might desire to do so. It was realized at the time that this would be a serious step to take, but that it might have to be taken. It was not necessary to do so then. I am wondering whether there isn't much reason to believe that the Department will be called upon again in the near future to consider this again. If Jews are mishandled and shunted about the way the present reports indicate, there will be only one safe policy for American Jews to follow and that will be to avoid Germany entirely. It may come to the point that we shall have to make a statement to this effect. We are not at that point yet, but I think I should tell you that authenticated information which reaches here from Germany indicates that this problem may become one requiring

some decision on our part. It is interesting in this connection to bear in mind that so far the Jews are still little bothered in the big hotels in the larger cities, but that it is practically already unsafe for an American Jew to move freely in the smaller towns and cities of Germany. Heretofore Jews were to be disturbed in their profession and work, now they are to be harrassed as to their movements as well, and the heralded move of Streicher "to eliminate" the Jew is to be pushed.

The reports of the recent excesses and of the speeches of the leaders which have reached the outside world through the foreign correspondents are making the Party furious and Goebbels has openly indicated that they are going to take steps to stop these "lying" reports about a crisis in the regime, about which crisis, however, he and the other Nazi leaders speak openly in the country. I think we are going to find that our correspondents and others will be in an increasingly difficult position and it may require some action by us.

I well remember that just before Edgar Mowrer was practically forced to leave Berlin because his life was no longer safe, one of the highest Nazi leaders, whose name for his own protection I do not think it wise to mention in this letter, told me how Hitler used "to froth at the mouth" whenever he spoke of Mowrer. I have never heard such venomous language as that used by Goebbels in my hearing in referring to the foreign correspondents. Our own and the English particularly have been a thorn in their side for our men are absolutely objective and cannot be swerved or coerced. As long as they are there they are going to do their job. The regime is furious because the reports of the English and American correspondents have pictured what is passing recently in an objective, correct, and quite adequate fashion. The English correspondents particularly have done much to counteract the work of Ribbentrop and others in England, and of the pro-German group already formed there. The hysteric mood of the Party is not unlikely to find expression in action against the correspondents and I think this is something we shall have to look forward to and it will be a difficult problem for us to handle.

So long as I was in Berlin it could be handled because whenever the Propaganda Ministry wanted to throw a man out, Dr. Diels, the head of the Secret Police, who had to do the job

would refuse to do it and had Goering behind him, as they felt that throwing the man out was more dangerous than letting him stay. Now that Himmler is the head of the Secret Police, in spite of the fact that the relations between the Propaganda Ministry and the Secret Police are not always too good, the probabilities are that Himmler would be only too happy to cooperate with Goebbels in throwing out correspondents. One must know these higher leaders of the Party to realize how really furious they get over the accurate news which gets out of the country, and how determined they are in their efforts to coordinate the correspondents.

So far they have realized that direct methods are dangerous and not very effective, and they have endeavored to use indirect methods without much success. I think we are going to see more direct action. The correspondent of one of the leading Swiss newspapers has just been sent out. This may be the forerunner of similar pressure on others. Certainly Goebbels has it definitely in mind.

In this connection I think it will be interesting for you to have someone summarize my strictly confidential despatch No. 517 on the conference which is to take place shortly in Munich between Himmler, the head of the Secret Police, and Colonel Moore, a member of the British Parliament, who is to head the pro-German bloc of some thirty members in the Commons. Mr. Utley, who is the director of the Chicago Council on Foreign Relations, told me confidentially about this meeting at which he is to be present, and I have suggested in my despatch that the Department may wish to get in touch with Utley on his return home so as to get first hand information about the meeting. It is Himmler's men in the Secret Police who are the principal agents of the terror and who carry through these excesses or engineer them, and it is naturally Himmler who is principally interested in stopping the so-called "grossel" propaganda abroad. This meeting has rather a sinister smell and it looks as though Himmler is trying to cook up something by which he can get out denials or "correct reports" through apparently non-German and objective sources in England and America. My despatch No. 517 is, I believe, an important one and I would be happy if you can read it yourself.

Apparently Utley himself is an upstanding and honest man who will not lend himself to German propaganda, but it does seem queer that he should have been drawn into this conference which may have, as he himself said to me, "some serious consequences".

The way this indirect pressure is exercised and how successful it is, is very interesting. You know that Cerutti, the Italian Ambassador in Berlin who did a splendid job there, has been transferred to Paris and that he went to his new post very quickly after the change was made. Mrs. Cerutti is a Hungarian by birth and a Jewess and was very much loved and respected in Berlin society. She furnished the new Italian Embassy there in a really very tasteful manner and is a woman of much charm and real character. The Nazis resented very much the wife of the Italian Ambassador being a Jewess and while I doubt very much whether Cerutti was transferred just on this account, there are a good many people who believe that it had something to do with the transfer. Probably Madame Cerutti herself found this indirect pressure so objectionable that it was at the initiative of herself and her husband that Rome made the change. I do not believe that the Rome-Berlin situation is such that Rome would yield to pressure on such a matter.

This indirect pressure is being exerted not only in Germany but outside, and in some very clever ways. The editor of the FREIE PRESSE here told me the other day that he had had a letter from a publishers center in Germany saying that they would like to send him from time to time packages of German books to be reviewed in the FREIE PRESSE. The editor replied that he would be glad to receive these books. He then got a letter from the publishers center saying that he was to transmit a list of the people in Austria to whom these books would be submitted for review as they could not permit of course that German books be reviewed abroad "by certain people". The idea of course was that if any of these reviewers were Jews objections would be raised. The editor said he put the second letter in the wastebasket.

As an example of the way in which the German censorship and direction of the press works, the following is interesting. It is a translation of a letter which the official DEUTSCHE NACHRICHTEN BUREAU sent to the German press:

"NOTICE TO THE EDITOR STAFF.

"Berlin, August 3. The information given out today in Münster with regard to the underground activities of political catholicism is to be given ample space in all papers on the first page..... the comment should be very sharp and antagonistic. Such phrases as 'German people pay attention' and 'Agitators without conscience are at work', and 'Underground agitators are at work' can be used. (No.215, p. 42, German News Bureau, August 3, 1935)".

You will be interested to know that the Austrian papers carried quite considerable accounts of the Bremen incident and of the statement made by the Department. The press here also carried a good deal of the comment from the German papers with regard to this incident. While the incident itself was a regrettable one, the German comment which I have seen is as audacious as it is impudent. We did provide police protection and the police took action against the disturbers of the peace, and the German newspapers complain of and comment on the inadequateness of our police action! The despatches which I sent to the Department in the early months of 1933, contained ample evidence that in those days Americans and others were knocked down and barbarously mishandled by the S.A. and S.S. while the German police calmly looked on. It is almost incredible that we have to put up with this sort of thing.

The action against the Stahlhelm is now practically complete and even General von Mackensen has been obliged to publicly withdraw his honorary membership. The first indirect step, as you know, towards getting him to do this was when he was given a gift "by the German people" recently, but this was not enough to buy the old soldier who said that he would stick by his former comrades. There are all sorts of stories as to how his withdrawal was finally secured, but I have not been able to verify them so do not repeat them, but the fact remains that this fine old figure had to bend before the Nazi storm.

The long continued struggle against the Free Masons is to be brought to a definite end by their complete abolition.

I think you must be getting information concerning the corruption within the Party itself, but there is ample evidence that it is very real. In view of the increasing distress among the workers through the reduction of earning capacity, Nazi officials have been ordered not to give any information concerning their salaries or income to anyone. I am told on good authority that within the last week the Secret Police have arrested seven people in the Propaganda Ministry for extortion because their activities became too apparent. More and more of the higher leaders of the Party are making themselves comfortable and the stories which are being circulated are creating an element of discontent within as well as without the Party.

These are some observations on the German situation which give a very inadequate picture of what is happening but which may help to give you the atmosphere of the situation as we see it from here. If developments continue the course which they are obviously taking, the position of the Jews in Germany is going to cause greater international concern than ever before and it may even be necessary for us to consider eventually some warning to our own people, but our people in Berlin of course will give you more worthwhile information on this point as well as on other problems which may arise in connection with the correspondents. All I can say with respect to the latter is that while I don't know the situation regarding our correspondents as I did when I was there, most of them were there then and I can assure you that they are as fine a lot of men as we could possibly have, who have shown a courage, objectivity, decency, and discrimination that cannot be too highly praised, and they are worthy of all the support that we can give them. I don't think we should give way an inch. If the men cannot stay and retain their freedom and objectivity, there is only one solution and that is that they should leave. It is the sort of matter on which we should not make any compromise for it would mean compromising with our own people on the truth and that is something which we cannot do.

Before closing I want to say just a word about the Olympic Games. You know that from the outset I was of the opinion that our own people from the United States should not go to Berlin as the Germans had no intention of keeping their word. I saw General Sherrill in Ambassador Morris' house in Brussels last year before the decision was reached, and I gathered the distinct impression that whatever General Sherrill and his

people might find in Germany, and whatever their private opinion might be, they were going to accept the German assurances. It was quite clear that they were more interested in our participating in the games than that correct information concerning the actual situation in sport in Germany should come to our organizations sending these men to the games. Poor old Dr. von Loewald, who was the head of the German Committee, made all kinds of promises which he knew would not be kept and which there was no intention of keeping, but he was only retained as a facade for it was known that the Americans had confidence in him. If the Olympic Games mean anything, they cannot properly be held in Berlin this next year, and the recent developments in Germany should certainly be enough to show our people that they should not go. No one seems to be doing anything about it, but it is a rotten situation and I fear that if we do participate it is going to lead to a lot of incidents which can be avoided if our people do not go. Our relations with Germany will be less complicated by our not participating than by participation and it is no wonder that these people feel that they can go ahead and do what they please and get away with it. There are apt to be some developments in this connection as there is growing resentment in various countries over official participation and I think we should realize that this is not a racial or religious question, but one where our honor is involved, for formal promises have been given which are being daily deliberately ~~destroyed~~. *disregarded*.

The Criminal Congress is to be held in Germany as planned and I think a representation from the United States is going, just because it was decided some five years ago that the next meeting should be held in Berlin. It is indeed ironical that an international conference of this kind should be held in Berlin where the regime has definitely made it clear that the Party is the law and the state, and where such things as private rights no longer exist, and where a criminal code is being worked out which outrages the finer feelings of our people. A private organization in England, I forget its name for the moment, of international importance in this field of law has just indicated that its delegation will not go to Berlin, but so far as I know the regular British delegation will go, just as ours is going. It is a strange and incomprehensible world in which we live.

I know that this comment is a bit disjointed, but I thought you would be interested in having it.

Cordially and faithfully yours,

George S. Messersmith.