

Vienna, February 27, 1937.

*C. H. L.*

Dear Dunn:

I am sure you have seen Dr. Buell's pamphlet, "Chaos or Reconstruction", just issued by the Foreign Policy Association. I think he is to be congratulated, as well as the Association, on this splendid document, and I think he has rendered intelligent and thinking people at home a great service. I have read the pamphlet most carefully and I marvel at the correctness of the details therein and the extraordinarily clear perception of the meaning and implications of the situation.

There is, however, only one paragraph in the whole pamphlet to which I believe exception can and should be taken on the basis of the facts. He has such a clear perception of the facts that it is rather extraordinary that he should go so far astray as he does in the paragraph on page 32. I have known Dr. Buell well for years, and was somewhat disturbed concerning his views on certain aspects of the European situation and their implications for us. Since his last trip to Europe, in the fall of 1936, his views have changed a good deal and, I believe, in the right direction. He still goes astray in this paragraph on page 32, which, in some respects, is one of the most important in the whole pamphlet.

At the beginning of this paragraph he refers to "liberal critics who insist that because of the nature of the Nazi régime, Hitler cannot afford to reduce armaments or bring Germany back to the world economy. In their opinion, this régime is based on the principle of domination rather than coöperation, and these critics regard as utterly insincere the many offers for an armaments agreement which Hitler made

The Honorable  
James Clement Dunn,  
Department of State,  
Washington, D. C.

after taking office. Such an absolutist attitude which bars the door to negotiation can only lead to increased chaos and eventual war." Towards the end of the paragraph he says "Certainly, when he is given an opportunity to save Germany from economic disaster, he should be strong enough to abandon autocracy and militarism in favor of an international settlement. It is only through such a settlement that the excesses of the dictatorship may be reduced."

(that)  
I may be among those liberal critics whom he has in mind in this paragraph. Certainly, I am not in accord with the conclusions which he reaches therein, such as <sup>that</sup> the time is ripe for negotiations of the kind he apparently has in mind. It is difficult for Dr. Buell to accept certain facts, although he has gone far towards accepting others which he heretofore ignored or misread.

The National Socialist régime in Germany has not shown any of the flexibility or the possibility of accommodating itself by gradual evolution which has been shown by the communist régime in Russia and the Fascist Government in Italy. The policy and basic objectives of National Socialism remain today what they were at the outset. We must base our conclusions on the facts, and the facts show there has been no change in major policy whatever. I will not endeavor to present to you, who are so well informed, the ample documentation which is available for this opinion - which, I believe, is more a statement of fact than an opinion - further than to state that just as late as a few days ago, in the speech which Chancellor Hitler made at the opening of the International Automobile Exposition in Berlin (which is, in itself, a misnomer, as it is in no sense an international exposition), he repeated in detail his adherence to every important basic idea of the National Socialist economic and financial program, just as his latest political utterances, while milder in form, do not indicate any change in any respect in the political program. The unfortunate irony of the situation of the German people and of the régime, which Dr. Buell has not yet come to recognize fully, is that this Government in Germany must pursue its full program either to completion or to failure. This is what makes negotiation so difficult, so dangerous, and always futile.

In this same paragraph Dr. Buell infers that Chancellor Hitler has deviated from his original

program already in making the agreement in 1934 with Poland and in 1936 with Austria. It is on this that he bases his opinion that further major concessions or changes may be made. If these agreements meant a real change in policy, his assumption would be justified, but the facts show that these agreements represent no change of policy, but only of tactics. I will not speak of the arrangement with Poland and the German intentions with regard thereto, as that is out of my immediate sphere, but concerning the agreement of July 11, 1936, with Austria, I can assure you that there are no illusions here, and the facts show what the real intentions of Germany are. The agreement of July 11th was entered into by Germany, not for the purpose of guaranteeing the independence of Austria, but it was forced by a combination of major circumstances which it had to meet. The accord of July 11th was the way out chosen by Germany in order to meet a situation which was of even greater major importance than the immediate position with respect to Austria. The Government here and no thinking person in Austria can or does have any illusions with regard to the accord or the ultimate intentions of Germany. It represents no change of policy, but merely a change of tactics. Germany hopes to gain her end by peaceful penetration through undermining the present Government in Austria, hoping that, if not the next, at least the following government will be National Socialist and will of its own initiative invite the Anschluss. This peaceful penetration is in the form of continuous pressure on the Austrian Government, which, as you know, has been successfully resisting. Whatever illusions there may have been in any quarter concerning the accord of July 11th or the ultimate intentions of Germany with respect to Austria's sovereignty were dispelled during the recent visit of Neurath here, on which I am reporting to the Department in full in a despatch by this mail.

The foregoing are just a few of the reasons why agreement with the present government cannot lead to anything definite, and, therefore, not to peace. In this important part of his excellent pamphlet Dr. Buell has accepted a major premise which is founded on fact or at least on a misreading of the facts, and it leads him to the conclusion that there is a basis for negotiation, which does not exist. I am, therefore, not of the opinion that the "absolutist attitude" to

which he refers in this paragraph "can only lead to increased chaos and eventual war." I am of the opinion, as you know, that it is that attitude still which alone can open the way to make possible eventual negotiation with a government that is sincere and has the intention of maintaining those obligations entered into. This is so very basic and in some respects the key of the whole situation that I have permitted myself to write you at this length on Dr. Buell's pamphlet. We must negotiate with Germany again, but only when the time is ripe - and that time has not yet arrived.

I was very much interested in the conclusions he draws from the European situation with respect to its implications for us. I think, on the whole, what he says is very sound and should be very helpful towards orienting correctly a very large section of our intelligent public opinion on this question of neutrality and neutrality legislation, which has been and, I am sure, continues to give you and the Department much concern. The neutrality legislation seems to be assuming a form as compatible with our real interests as the state of public opinion at home at present permits. The most constructive contribution we can make towards the world situation at this time - together with our Trade Agreements Program - is not to pass neutrality legislation of so restrictive a character as to discourage the democracies and to encourage the dictatorships.

Unfortunately, there are so many well intentioned people who would like to have us embark on a certain course which they honestly believe would keep us out of war and would avoid war in general, when, in fact, their program would have the greatest danger of helping to precipitate the war we all wish to avoid and then almost certainly involving us in it. It is, in my opinion, just as important to endeavor to avoid war anywhere as it is to endeavor to keep out of war.

I thought you might be interested in this comment on Dr. Buell's pamphlet, which, on the whole, I believe will be very helpful. If you think this letter would be of interest to the Secretary and to Judge Moore, I would be very glad to have you show it to them.

Believe me, with all good wishes,

Cordially and sincerely yours,

