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Vienna, January 4, 1935.

*Personal  
W. B. Wood*

Dear Moffat:

I was very glad to have your letter of December 12, and appreciate very much the interest and helpful comment which you have given me.

I last wrote to Mr. Phillips under date of December 21 and December 28, and I will not be writing him by the pouch which leaves today.

I think the developments have been along the line of my last letters and I have nothing of particular interest to send at this time. I need not tell you how active things have been behind the scenes and from all that I can learn the developments have been most encouraging. In spite of the difficulties in the way, the prospects for a very happy outcome of the Rome conversations today and tomorrow are good. Only a few days ago my Italian colleague was very pessimistic, but I think it was largely because he felt that Italy would be compelled to give in pretty well all along the line. My Yugoslav colleague was in to see me yesterday and he is usually very pessimistic and suspicious, but he was all aglow with happiness and satisfaction yesterday. I think the Czechoslovaks and the Hungarians are not altogether happy, but they can only benefit in the end by a favorable outcome of the Rome conversations. I do not like to be overly optimistic, but it looks to me as though we were well on the way. If London, Paris, and Rome can get together it will be the greatest achievement since the end of the war and it will definitely influence the situation in Germany, as well as in Warsaw and Budapest.

The developments in Germany seem to be rapid behind the scenes. Just what is going on, however, it is very difficult to learn. During the last three weeks and more particularly during the last two weeks, I have had more difficulty in getting accurate information as to what is going on behind the scenes in Germany than at any time since the Nazi regime came in. This in itself may be an indication of serious developments. I hope very shortly to get some accurate information with regard to the big gathering of Nazi leaders from all over Germany which was held in the State Opera in Berlin a few days ago. It was obviously a meeting of particular significance. There is

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tremendous disorganization, disturbance, distrust, unrest, and uncertainty within the Party leadership. There is a decided feeling that after the Saar plebiscite the Church question will come very much in the foreground and become more than ever a vehicle for the expression of political, as well as other, discontent and opposition. In a talk with the Papal Nuncio here yesterday he gave me the impression that the developments in the Church question might go thick and fast after the plebiscite.

In a way the situation in Germany today has some points of resemblance with that of just before the June 30 murders. There are those who fear that Hitler may again strike in both directions within the next ~~few days~~<sup>few weeks</sup>, out of sheer anxiety and fear. I, myself, am inclined to doubt this for on June 30 Hitler could still have the assurance of tremendous physical force behind the Party and this he does not have now in the same degree. The Party itself and the popular sentiment behind it are much weaker and I think if there is any action of a precipitate or violent character after the plebiscite it will be more likely only directed against the radical elements in the Party. But the situation is such that I think no one can tell just what is going to happen.

One thing I think we must reckon with and that is that the agreement between the major powers which seems to be realizing itself is bound to accelerate developments in Germany and to increase the anxiety of the Party. It may have a tendency to cause precipitate action by the radical elements as a last effort to save themselves. I am somewhat inclined to discount the possibility of this, but it is nevertheless a possibility.

There is even a certain amount of fear that the radical elements will attempt some action against Austria. As I have told you, the Austrian Government feels absolutely able to take care of any trouble within the country. There has been a lot of talk here recently of the Socialists being more apt to try to make trouble than the Nazis and there is a certain amount of truth in this, but only in the sense that the Nazis are too weak in Austria of themselves to make any trouble, while the Socialists are really strong enough to make trouble if they wish to. According to the best information I have, however, I do not believe that the Socialists will make any trouble for they realize that the chances are very much against them.

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The increased isolation of Germany which will be the result of very desirable developments in the situation over here is bound to affect the situation in Germany. It may even have a tendency to accelerate developments too rapidly and this is what some people fear.

These are just a few disjointed observations which may be of interest to you for background.

With all good wishes,

Cordially yours,

George S. Messersmith.