January 4,1939.

U Mr. Welles: Eu Mr. Moffat:

In his telegram No. 2 of January 3 - 9 p.m. Ambassador Phillips in Rome reporting on his conversation with Mussolini states that "Mussolini is convinced that the German Government intends to expel all Jews. He believes that the problem can be handled more easily if there were less popular condemnation of Germany in other countries. He said that this condemnation had greatly increased the determination in Germany to deal drastically with the situation."

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I do not know whether Mussolini really believes that the problem can be handled more easily if there were less popular condemnation of Germany in other countries, and that this condemnation has greatly increased the determination in Germany to deal drastically with the situation. I doubt if he does. He shows that he understands the real attitude of the Germans in expressing his conviction that the German government intends to expel all Jews.

It is my conviction that just as the German government is determined to expel all Jews, it is equally determined to

strip

strip them of all their possessions. It is futile to believe that a stopping of criticism of the present German government and its practices would in any way help in alleviating the situation of the Jews, and it is incorrect that this criticism outside of Germany has aggravated the pressure on the Jews in Germany. To let up on comment on happenings in Germany would only be playing the German game without leading to any result except the contrary of that hoped for.

One of the definite aims of the present German government is to endeavor by all kinds of pressure and by all possible means to stop reporting outside of Germany what is happening in the country. This objective reporting on what is happening in Germany they consider as one of the greatest handicaps to them. To play this game with the Germans in the way they wish to play it would be one of the most dangerous things which could be done.

Mr. Mussolini also is interested in this and I think this led him to make the remarks above quoted. He is as much interested in some respects as the Germans in getting the kind of reporting in the foreign press he desires.

We are going to have repeated efforts on the part of Germany, and to a degree of Italy, to influence press comment in this country and in others. This accurate informing of our public of events is one of the most painful thorns in

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the side of both the present German and Italian governments and we must conserve that full reporting as one of the most powerful weapons we have.

G.S. Messersmith