

521  
Vienna, January 18, 1937.

*Sumner  
Approved*

Dear Dunn:

I am sending you herewith a copy of my letter to Judge Moore of January 16, which I hope you will find interesting. There is no doubt that Europe passed through a major crisis during December and early January. I was confident that it would not come to war, and while there will be further crises during this year, I am equally confident that they will not result in war, simply because Germany, because of her internal and external situation, cannot make a war. The greatest danger of war was during this last crisis, and now that it is over I think the danger of following ones resulting in war is less real. Much depends, of course, upon a firm and united attitude being maintained, as I have endeavored to point out in my letter of January 16.

I think you will be particularly interested in my despatch No. 1015 of January 12, which I would suggest your reading. That the Austrian Government should have taken this attitude in the midst of the crisis indicates as clearly as anything possibly could where it stands and shows that there are no secret accords in the agreement of July 11, 1936.

I think you will also be interested in my despatch No. 1022 of January 18, 1937, with which I transmit a memorandum which Leopold, the recognized head of the Austrian Nazis, submitted to the Chancellor. I do not think any of the other Legations here have a copy of it, although one or two of them heard that there is such a document. I verified definitely over the weekend that it had actually been submitted to the Chancellor. The fact that Dr. Schmidt's name is mentioned therein as acceptable

The Honorable  
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621  
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as Minister for Foreign Affairs is not going to help him, but I am inclined to believe that he will weather the storm, as I do not think the Chancellor's confidence in him has been shaken. It does seem probable, however, that there will be a cabinet reorganization in the near future, and if you will hear that Neustädter-Stürmer, the Minister of Security, and Glaise-Horstenau, the Minister of Interior, have been let out, you will appreciate that it is because the Chancellor is tired of their trouble-making. I think this is only a question of time and may come most any time. Certainly the Chancellor is strong enough to get rid of them whenever he sees fit, and my own opinion is that for the good of Austria and the general situation, the sooner he does it the better.

I am transmitting herewith a few clippings from the London TIMES which may be of interest.

Cordially and sincerely yours,

George S. Messersmith

Enclosures:

Copy of letter to  
Judge Moore.

Clippings.

GSM/LGW