Vienna, June 14, 1934.

No. 24.

Subject: RESUME OF CONVERSATION WITH A WELL KNOWN AMERICAN CORRESPONDENT.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to give below a resume of a conversation which I had yesterday with a well known correspondent of an American group of newspapers. I have known this correspondent for a number of years, and he is one of the best known foreign correspondents we have, and is particularly well informed with regard to the situation in Germany, where he has very close contact...

contact with the leading personalities in and out of the present Government. He has known Hitler for years, and to my personal knowledge has very close contact with the leaders of the National Socialist movement.

I shall refer to him in this despatch as Mr. X.

Mr. X came to see me yesterday and said that he had just flown from Berlin to Vienna and that he came here to observe the reactions to the wave of bombing terror throughout Austria. On his arrival, Chancellor Dollfuss, hearing of it, asked him to come to see him, and Mr. X came to see me immediately after his conversation with the Chancellor. The Chancellor informed him that he had received a personal note within the last two days from Mussolini, stating that he need have no fears with regard to the meeting which he was to have with Hitler. The Chancellor informed Mr. X that Mussolini was categoric in his assurance that he would make no arrangement with Hitler at the coming meeting which would interfere with the independence of Austria and with the support which he was giving to him. Mr. X said that although the Chancellor looked tired, he was obviously serene with regard to the meeting between Mussolini and Hitler, on account of this direct assurance. The Chancellor also told Mr. X that in view of this assurance he was otherwise satisfied with the situation.

I asked Mr. X whether it was true, as I had been informed, that the meeting between Mussolini and Hitler had been arranged through a request from German sources.

He said that this was substantially correct. He stated that the meeting was arranged largely at the instance of Papen and von Neurath, who, in view of the situation developing in Germany, had tried to get Hitler to take certain action, but could get him to do nothing. It was impossible for them to discuss any questions with him, and their only hope was a meeting with Mussolini, from whom Hitler would have to hear what they wanted him to hear. Mr. X stated that both Papen and von Neurath had prepared memoranda on the situation in Germany, which Hitler would not read, and that when they endeavored to talk with him, he would either not see them, or when the question of Austria was brought up he would go into a rage, so that the matter could not be discussed. Mr. X was of the opinion that Hitler agreed to the meeting because he is fairly well aware of the precarious situation of the Party and of his own falling prestige and thought the meeting might possibly bring him something.

He further stated that von Neurath had tried to arrange an agenda of the matters Hitler was to take up with Mussolini, but that up to yesterday von Neurath had not been able to see Hitler, who had left Berlin and refused to see anyone. Mr. X said that from his own knowledge of Hitler, he was sure that he was going to the meeting without a program and would trust to "inspiration".

Mr. X stated that the Reichswehr still stands entirely separate and apart from the Government and the

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Mr. I stated that the Reichswehr still atonds ontirely separate and apart from the Government and the able in her home. Mr. X also agreed that this contact is so close still because in spite of Hitler's realization that a more conservative course must be followed if the Party is to be saved, he is really mentally entirely in accord and in sympathy with Goebbels, who is the representative of the most radical aspects of the movement.

Mr. X further stated that he had direct information to the effect that on the question of Austria and the Jews Hitler is entirely unchanged, and that he must be familiar with the National Socialist attacks which are being made in Austria through bombs and other outrages. Hitler has always been a believer in terror as the direct means to an end.

He confirmed the information which is reaching me from other sources that the financial and economic situation is rapidly growing worse in Germany. He is of the opinion that a crisis is approaching and that a considerable element in the Party is turning to the right, and that Göring is definitely associating himself with the Right, while Röhm and Goebbels stand on their radical ideas. He emphasized that the Reichswehr could be depended upon to stand behind and to help to bring in a new government oriented towards the right.

It was particularly interesting that Mr. X definitely stated that in his opinion the present Government was
one which should not be given any moral or material
support, as it would "merely prolong the agony". He
expressed the opinion that the present Government is
so thoroughly unreliable that it is impossible to deal

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with it or to make any agreements with it. As his contacts with the leaders of the Party are perhaps closer than those of any correspondent, and, to my knowledge, on a friendly basis, this comment is, I believe, particularly interesting, the more so as Mr. X has nothing but the friendliest feelings in other ways for the same men in whose word he believes no confidence can be placed.

I have purposely in this despatch refrained from any comment, but have thought it advisable to transmit Mr. I's statements as faithfully as I can remember them.

Respectfully yours,

George S. Messersmith.

GSM/LGW 800.