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Personal.

Berlin, Germany, June 26, 1933.

The Honorable  
William Phillips,  
Under-Secretary of State,  
Washington, D.C.

*Personal &  
Confidential*

Dear Mr. Phillips:

I understand from Gordon that the Department has cut out the allowance for the courier service and that our last courier pouch is leaving to-day. This is going to handicap us seriously, for it is quite unsafe to send really confidential matter from here in the usual locked pouches. I am taking advantage of the last courier pouch to send you this letter, for I feel that I should tell you that I consider the situation here very serious and full of all sorts of possibilities. I think the Department must be exceedingly careful in its dealings with Germany as long as the present Government is in power as it has no spokesman who can really be depended upon, and those who hold the highest positions are capable of actions which really outlaw them from ordinary intercourse.

A few days ago the German newspapers were instructed by the Government to carry an article according to which several foreign airplanes were seen over Berlin and other parts of Germany, and which dropped Communist leaflets over the city. I understand that not a single foreign correspondent has been able to find anyone who really saw these planes, nor have they been able

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to get hold from official or other sources of any of the alleged Communist leaflets dropped by the planes. On following days the newspapers under instructions have carried articles to the effect that this time the planes dropped leaflets, but that the incident shows how unprotected Germany is against air attacks and that "to-morrow the planes may drop bombs." The whole thing is a gigantic hoax, and if any planes did drop leaflets, everyone whom I have seen is agreed that they were German planes and that the whole is a stage setting for the so-called Aviation Week about to begin in Germany, to concentrate the attention of the people on the demands of the Government for protection against air attacks - in other words, pressure at Geneva. I am told that if any of the foreign observers had any doubts as to who set fire to the Reichstag, these have been eliminated. We have to recognize I think that any Government which will use methods such as these Reichstag and airplane affairs, and which exercises such duplicity as against its own people, can hardly be depended upon in its foreign relations or in what it may say in conversations with other countries.

You have seen that in the last two days the Social-Democratic party has such<sup>as</sup> been wiped out. All the subsidiary organizations of the Deutschnationale have been suppressed, and how long the Deutschnationale will be allowed to exist as a party, is a question. Hugenberg has not yet resigned, but several people have been approached definitely as to whether they would take the place of Minister of Commerce. Increasing numbers of Deutschnationale and Social-Democrats are being arrested. Even the Center is no longer safe, and priests are being quietly arrested in various parts of the country. I had a letter from Munich this morning telling about the attack by S.A. men on one of the leading people of the Bayrische Volks-party, who as a result of the mistreatment is in the hospital. I have just learnt that the former president of

Lower

Lower Silesia has been arrested and taken to a concentration camp and was compelled to march bare-headed through the streets of Breslau and subjected to all sorts of indignities. I know this man personally and know him to be man of extraordinarily good character and service to his country. There are indications of hysteria among the intermediary leaders of the National-Socialist party who feel that their only safety lies in getting everybody in jail. This hysteria seems to be traceable to a greater feeling of helplessness among these leaders, who are under the necessity of doing something and who do not know what to do.

I have tried to point out in my despatches that the higher leaders of the party are growing more moderate, while the intermediary leaders and the masses are just as radical as ever, and that the question is whether the higher leaders will be able to impose their moderate will on the masses. It begins to look pretty definitely that they will not be able to do so, but that the pressure from the bottom is becoming stronger all the time. I am told that Hitler is greatly depressed. The physical attacks which have been made on various people against such strict orders recently, and against his will, have I am told affected him. I am told that he feels that to save the movement it will be necessary to clean out the party, but he has not the strength to do this now. Goering, who had shown signs of moderation, has gone completely wild on this alleged airplane attack the news of which he sponsored. Dr. Goebbels is daily preaching that the revolution has just begun and what has so far been done is just an overture. In the economic field, experimentation, which the higher leaders have been able to stop so far, is apparently about to begin. The intermediary leaders are becoming constantly more resentful and uneasy under the restraints which have been placed on them. Big business, foreign capital, large industrial establishments are more and more

threatened

threatened by the radical wave from the bottom. It had been possible, as you know, to get the major leaders of the party to decide on a course with respect to foreign firms, which would not embroil Germany with foreign countries. This does not please the party at all and there is ill-concealed revolt against the wishes of the party leadership.

In the financial field things are just as unsettled. Dr. Schacht, who speaks so bravely and so decidedly and so loudly when he is outside of his country, speaks with a small voice here. He can do nothing without the consent of the party leaders and his influence with them is waning. We must not forget that he has really many of the characteristics of an adventurer and that he is self-centered to the point of being dangerous. While men like Dr. Wagener are growing more moderate, others like Dr. von Renteln are growing more radical, and of the two von Renteln is the stronger. Wherever one looks one sees that more moderate and thoughtful elements are shifted to the background and that more radical elements are gaining the foreground.

Among the higher leadership, while there is still a certain unity, personalities are beginning to play a constantly greater part. Hitler is perhaps more powerful than before, but he becomes more and more a figure separated from actualities. He depends a great deal on Hess, who is really his confidential man now and whom it is likely he may make Foreign Minister. Goering and Goebbels still remain good comrades of Hitler and are undoubtedly attached to him, but the differences between Goering and Goebbels are becoming more evident. Goering is more moderate, while Goebbels, sensing the feeling of the masses and being above all an opportunist, is becoming more radical. If it would come to a show-down between the radical and moderate elements, Goering would, however, undoubtedly be likely to be on the radical side as the one having the more chances. Everyone of the three major leaders has built up now a sort of personal following and between the three groups there is decided difference

of

opinion on many subjects, but no doubt the leaders themselves have been able to keep together.

There is increasing discontent that nothing has been done in "coordinating" the Foreign Office, and the question of the going of Hugenberg and of von Neurath will probably come up very soon. If von Neurath leaves the Foreign Office, it will mean also a complete change in the entire organization there, and this will remove one of the balancing elements which has been left. Although without real power it has been a certain comfort to have the Foreign Office undisturbed.

I think we must recognize that while the Germany of to-day wants peace, it is by no means a peaceful country or one looking forward to a long period of peace. The present German Government and its adherents desire peace ardently for the present because they need peace to carry through the changes in Germany which they want to bring about. What they want to do, however, definitely is to make Germany the most capable instrument of war that there has ever existed. The Minister of Education, speaking yesterday, said that a Spartan spirit must be developed among the German youth. Wherever one goes in Germany one sees people drilling, from children of five and six on, up to those well into middle age. A psychology is being developed that the whole world is against Germany and that it lies defenseless before the world. People are being trained against gas attacks, against airplane attacks, and the idea of war and danger from one's neighbors is constantly harped upon. I wish it were really possible to make our people at home understand, for I feel that they should understand it, how definitely this martial spirit is being developed in Germany. If this Government remains in power for another year and carries on in the same measure in this direction, it will go far towards making Germany a danger to world peace for years to come.

This

This is a very disjointed and incoherent letter. I am dictating it under pressure as I wish to catch the courier pouch. What I do want to say really is that for the present this country is headed in directions which can only carry ruin to it and will create a situation here dangerous to world peace. With few exceptions, the men who are running this Government are of a mentality that you and I cannot understand. Some of them are psychopathic cases and would ordinarily be receiving treatment somewhere. Others are exalted and in a frame of mind that knows no reason. The majority are woefully ignorant and unprepared for the tasks which they have to carry through every day. Those men in the party and in responsible positions who are really worth-while, and there are quite a number of these, are powerless because they have to follow the orders of superiors who are suffering from the abnormal psychology prevailing in the country. It is impossible for us to talk about tariffs or monetary policy or any of these major matters with a Germany whose leaders do not think in any sense along the lines that we do. While their representatives are talking at London and seem to be just like everybody else, the most phantastic experiments on financial or economic lines are being definitely considered in their home country. Dr. Luther may talk bravely and fairly about Germany in the United States, but he can't tell what he knows, and even if he would, there is a great deal that he does not know. There is a real revolution here and a dangerous situation. Whether the moderate elements will be able to get control I am not able to say, but for the present it looks dark for them. This, however, does not mean that in my opinion we should fall in with the plans of our French friends who are responsible for so much that has happened here and who, if they carry their ideas through, can make things just as dangerous for the world's peace as the people in this country.

Very sincerely yours,

George S. Messersmith.