Vienna, July 9, 1936. Dear Professor Frankfurter: As soon as possible on my return to Vienna I wrote you a letter, dated June 23, which I sent on to you in Cambridge. I heard later that you were in England, and I wrote to Atherton, who sent me a word just before he went on leave to the effect that I could reach you through the Embassy. I am, therefore, sending you herewith a copy of my letter of June 23. In the meantime a great deal of water has run under the bridge. The situation over here is so fluid and so much happening beneath the surface that it is almost impossible to look far into the future. There is a major development in progress in Europe in which I think you will be very much interested. I told you of the active negotiations between Berlin and Vienna for a modus vivendi, and that the probabilities were that no agreement would be reached, as the Austrians refused to give any concessions and the Germans were not prepared to agree to the preliminary recognition of Austrian independence and the principle of non-immixtion. I am now reliably informed that within the last week this situation has changed and Papen has informed the Chancellor here that Hitler is prepared to recognize in some form the independence of Austria, with the implication of non-interference. As a counter-concession Papen has asked that the Austrians should bring two or three nationallyminded Austrians (not necessarily Nazis) into the Government and declare a general amnesty. The Chancellor has refused to agree to these Austrian concessions, saying that they would vitiate the agreement at the outset. He also informed Papen that he would have to have the communication from Hitler in writing.

This is where the matter stands, and it is now believed here in official circles that, for reasons of her own, Germany is prepared to make this declaration on Austrian independence and non-immixtion without Austrian concessions and that this may come about in some form before the meeting of the Locarno Powers on July 16 or 20.

The Chancellor here has also indicated that he will not make such an agreement with Germany, even on the Austrian conditions, without the agreement of Mussolini, but as Mussolini has already indicated that he sees no objection to such a Vienna-Berlin agreement on the Austrian conditions. Italy will not stand in the way. While neither Schuschnigg nor Mussolini will welcome such an agreement, for they realize that Berlin will have its tongue in its cheek and that its objectives will not have been changed. Italy, however, through such an agreement would see herself relieved of what is at present her sole responsibility to take military action against Germany in case of aggression against Austria. It is well understood all over here that England and France would not move in case of aggression against Austria, at least for the present. If Mussolini would be free from his active guarantee, if only for a year, and Germany can get him into a neutral attitude, then there is even wider room for the present negative cooperation between Berlin and Rome, which is so disturbing to both England and France and to the whole European situation. What is even worse is that such an agreement would neutralize Italy and give the first basis for real active cooperation between Rome and Berlin. which basis has so far been completely lacking.

Until recently I would have said that such a German action with respect to Austria was impossible, even though army, Foreign Office and certain party circles have been urging that the Austrian question must for the time being be got out of the way. I felt that Hitler had refused to be equivocal on at least three questions - the Jews, Austria and Russia, and that they could not get him to agree to the Austrian conditions. It seems, however, now that the internal conditions as well as the external

situation drive them to at least a re-arrangement of their objectives. I do not think they have given up anything in the way of objectives, but they have definitely realized recently in Berlin that they cannot get away with the separation of England and France and that they may not be able to get the active English support which they hoped for. They cannot answer the memorandum and they cannot sit down in a conference under the present conditions. With Austria out of the way the position will be entirely different, and they think that by a declaration on Austria they can bring British opinion to swing back to where it was some weeks ago and assure themselves of British as well as Italian neutrality in their further action.

The German program, therefore, seems to be to let the West and even the Southeast alone for the time being, get English and Italian neutrality through an Austrian arrangement, and then leave their hands free for the Northeast, where there is the least probability of getting into trouble, except with Poland and Russia, and there they feel able to take care of themselves. They do not want any trouble with any major power for another year, but they have to do something to maintain the internal position in Germany, and this time it has got to be something outside the country, and the Northeast offers the least resistance. What has happened in Danzig shows how carefully the ground has been prepared there, but I am sure that Greiser went further than he was expected or intended at Geneva and that he has not improved the German position.

If Germany makes this declaration with regard to Austria, it will be solely to throw dust in the eyes of the English and to further weaken the French position. It will be another one of those "master" strokes which the régime loves and which, in spite of the total insincerity, will have its effect in this disordered world. It will be hailed in many quarters as an indication of peace, when as a matter of fact I see it only as putting off a conflict which it makes all the more inevitable, and under more difficult circumstances. In any event the movement

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is towards nothing happening in the near future of a catastrophic nature, and while I should like to take comfort in that, I cannot.

I am not sure yet that this Berlin-Vienna agreement will come through. I would not be surprised if at the last moment it will break down on Hitler's refusal to agree to it without Austrian concessions, which I feel sure are not coming. In this respect it is interesting that within the last week Berlin has twice tried to get Schuschnigg to come to Germany to meet Hitler, and Schuschnigg has refused. It is, I think, an indication of how eager Berlin is to make this arrangement with Austria if it can only find something to tie it to, and so far the Austrians have not made any concession, and believe will not, for they fear the agreement, but when actually faced with it by Germany they will have to accept it as though much pleased.

This is a very sketchy statement of the position, which I thought you would be interested in. If the Germans do make this declaration on Austrian independence, it will, I believe, affect the British position rather unfavorably again, for while thinking Englishmen well realize that it means nothing, that large section of British opinion which seems to believe in the possibility of worthwhile understanding with Germany will be strengthened.

I understand that Judge Mack will be in Vienna about July 15, and there is to be a dinner at the Brunswicks to celebrate his birthday on July 19. I am not planning to leave Vienna this summer, so I will be there. I would be so happy to think that you and Mrs. Frankfurter, who I presume is with you, will come to Vienna. My wife and I would be delighted to see you. I trust that you are having a pleasant stay in London, and if there is anything about the position over here on which my opinion would interest you, do let me know.

With cordial good wishes to you and Mrs. Frank-furter, in which my wife joins,

Cordially yours,