Vienna, September 10, 1936.

Dear Secretary Hull:

I last wrote you on August 28. There have been no developments within Austria of primary consequence since then. Austria is enjoying, as I have indicated in my reports and letters, the heaviest and most profitable tourist season it has had since the war. The center of interest has shifted to Vienna since the close of the Salzburg Festivals. The King of Belgium spent three weeks incognito very quietly in the Tyrol. The King of England is stopping here for a quite extended stay after his visit to Greece, Turkey and Yugoslavia. Not since the war has Austria had so many and such distinguished visitors as this season. As many as five congresses were in session here at one time last week, and they continue for some weeks longer. The Vienna hotels, even to those of the third class, are filled and have been for weeks. The autumn Austrian commercial fair has more visitors than since the end of the war. All this has had a tendency to greatly encourage the people, and politics have been unusually quiet.

I am writing you at this time as I think I should bring to your attention what many people believe is the real significance of the tremendous offensive against Communism which has been launched and fostered by Germany. Its object is the undermining and the elimination of the Franco-Soviet and Czecho-Soviet pacts, the isolation of Russia, the weakening of France, and the consequent making easier of the German efforts to separate England and France, which have in no sense abated. The background of this movement, which with the aid of the Catholic Church and the influence of events in Spain may assume tremendous political importance, is very interesting.

The Honorable
Cordell Hull,
Secretary of State,
Washington, D. C.

You know that the National Socialist Party came into power apparently on an anti-Communist platform. Hitler had been preaching the Communist danger in Germany for years without success. It was only when the industrialists in Germany, headed by Thyssen and his associates, became convinced that the Social Democratic movement in Germany was gathering strength and threatened their interests, and when they began to give moral and financial support to Hitler, that his party began to get real representation in the Reichstag. Schacht, brooding in his retirement and chafing through inactivity, was willing to Lend his assistance to Thyssen and the industrialist group and to become the servant of a Hitler régime, which he fondly believed men like Thyssen and he could control. It was finally the palace intrigues of Papen, Meissner and Colonel von Hindenburg which made it possible for a Hitler government to be formed through the influence which they had on the aged and no longer fully mentally alert President Hindeburg. The burning of the Reichstag, arranged by the National Socialist party leaders, was the spectacular event staged to convince the German people of the threat of Communism and to make it welcome a Nazi régime.

For three years the main theme of Hitler's speeches has remained the danger of Communism without in any degree convincing the German people that either Communism threatened them in 1933 or that it threatens them today. For three years Hitler has been trying to convince Europe that Germany is the bulwark against Communism and therefore the savior of Europe - also without much success. On March 7, 1936, when the German military reoccupation of the Rhineland was carried through. Hitler accomplished the last step which he could take within the frontiers of Germany, and the next steps had to be beyond her frontiers and consequently more dangerous. The party program was clear for external action just as it had been definite and clear for internal action. As was to be foreseen, the external program has proved much more difficult, and Germany has met reverses in at least three directions.

The first external step was to be the gradual coordination of Danzig through the developments

within Danzig and carried through in such a way that neither England. France nor Poland could take action. When Greiser lost his temper at Geneva, he spoilt the Nazi program for Danzig and compelled the definite slowing up in developments there. The necessity for removing the Austrian question from her relations with Italy and the absolute need for some action which would pacify England in view of the failure to answer the British memorandum, and to prevent the turning of the temporary military arrangement between London, Paris and Brussels into a permanent one towards the end of July, made the Austro-German accord of July 11 a necessity, and this has halted for the time being German action in Austria. The plans for the setting up of a Sudentendeutschen state in Czechoslovakia under Henlein, which was to be the first step leading to the disintegration of Czechoslovakia, became too dangerous in view of developments within Czechoslovakia and in Europe. The elimination of Austria from the program for the moment made a slowing up of the political program in Southeastern Europe generally necessary. The only external action left, therefore, was in the direction of Russia, where Germany hopes to get the Ukraine, but this was impossible, for it would have provoked war with Russia and almost certainly a general European war, for which even the party is now convinced Germany is not yet prepared. Although superficially, therefore, German power seemed to be increasing and she seemed to be having her own way, German policy was in fact faced by an impasse.

In this dilemma, and as the very essence of National Socialism is such that it lives on excitement and popular appeal, the party turned to its old enemy, Communism, as the best method of indirect action against Russia. This attack on Communism fitted in with the plans for the isolation of Russia through the disintegration of her alliances. Weeks before the Spanish troubles started, the new campaign against Communism was launched by Germany, and in every capital in Europe her diplomatic officers began their action to arouse distrust of Russia. Then came the Spanish troubles, and the Communist support of the Madrid Government was a godsend for the Berlin program, and the whole tremendous organization of German propaganda was turned towards the

utilization of the outrages against priests and nuns and the Church as an instrument against Communism and Moscow. The fact that the outrages against the Church and priests in Spain are not really a political but a social factor is not understood in Europe, where the outrages themselves have aroused general horror and have been easily accepted by unthinking people as well as by many thinking people as a purely Communist matter encouraged by Moscow.

The Catholic Church, already disturbed by what has happened in Mexico in the last few years, and realizing that its position in Latin America is slipping, has been very greatly disturbed by the Spanish troubles, and from what I can learn there was almost a state of panic in the Vatican.

In Germany party circles realized that the moment was opportune for conversations with the Vatican which would bring about a Berlin-Vatican front against Communism. This, of course, involved a letting up of the activity against the Church in Germany, but for this the Party was already prepared. The more or less friendly London TIMES has repeatedly editorially told the Germans that they cannot hope for British sympathy until certain social movements in Germany are made milder, having in mind the Church and the Jews. In view of the absolute necessity for this sympathetic attitude of England, Germany in view of her reverses elsewhere had to be prepared to make concessions. Ribbentrop had not failed to tell Hitler that the action against the churches and the Jews was one of the principal things which stood in the way of Germany getting popular sympathy in England. I am informed by persons who are in a position to know that conversations took place between the Vatican and Berlin and that agreement was reached on the basis that Germany would make a new concordat with the Vatican and that in return the Vatican would lend its full support to the anti-Communist movement to be launched on a worldwide scale.

This explains why more than three weeks ago the strong letter which the Protestant pastors read in the churches, and which strongly attacked the Government policy remained unpunished. A week later

an even stronger letter of the Catholic bishops in Germany was read in the churhes and, strange to say, was published almost in full in the German papers. The fact that it was published was sufficient indication to those who know to show that the bishops had read the letter with the knowledge and consent of and by arrangement with party heads. I think there is no question whatever but that arunngements have been made by the Church in Rome with Berlin on the basis set forth.

The Vatican Secretary of State for Foreign Affairs, Cardinal Pacelli, as I am reliably informed, played a very important part in this matter, and some background with regard to him is particularly important. Cardinal Pacelli was Papal Muncio in the then Kingdom of Bavaria towards the end of the World War. During the disorder and the troubles which characterized certain parts of Germany following the breakdown at the end of the war there were some very unpleasant experiences for many people in Munich, and Pacelli was one of those who suffered some personal humiliations. He gained at that time a horror of Socialists and Communists which has remained with him. Cardinal Pacelli as Papal Secretary of State has not loved the National Socialists in Germany any more than he loved the Social Democrats and Communists preceding the formation of the Weimar Government, for from all that I know he puts them all in the same dangerous category. The difficulties of the Church, however, seem to have moved him towards the making of what to most people will seem a very unholy bargain with National Socialist Germany, and one for which the Church may yet pay bitterly. There are a good many who believe that the political action of the Vatican in the last years has not been very wise nor marked by any real statesmanship, but if it becomes a matter of common knowledge that the Vatican has made this bargain with the National Socialist leaderhsip in Germany, it will be in the end a further blow to the Church.

While the Austrian press and the European press in general have not carried any news indicating what has really happened, but have confined themselves to the

mention of probable stressing by the Church of the necessity for action against Communism, the Catholic REICHSPOST in Vienna has been hinting that Cardinal Facelli may make a visit to Berlin, and in its issue of today it says that it is informed "that the Holy Father is planning special and far-reaching measures to call to the attention of humanity in general the necessity of combating Bolshevism as the most dreadful inner enemy of mankind today." As the REICHSPOST is a purely Catholic organ and is particularly well informed with regard to matters from the Vatican, today's article is particularly significant.

It looks as though the National Socialist Government had succeeded in getting a still powerful ally in the Vatican in what is going to be the great effort to convince Europe and the world of the danger of Communism. As I have already said, the party did not succeed after three years of continuous effort in convincing the German people of this danger, but it does look as if now, because of the turn of events, it may have a good chance of convincing Europe that the great danger is Communism, that is Russia, and not National Socialism, which today is Germany.

With no possibility of doing anything internally, and with the internal situation growing more difficult, with the possibility for external action extremely restricted, as I have pointed out in this letter, and with the Locarno conversations in prospect, where the same hard questions which Germany has so far failed to answer must be discussed, Germany is now endeavoring to prepare the atmosphere for these conversations in as favorable a way as possible. Behind the attack on Communism is this poorly veiled attack against Soviet Russia and its alliances and friendships, and more indirectly but just as definitely the attack against France and England. Like most National Socialist performances it is clever, but we shall have to see how sound. In an unsound world perhaps unsound and dishonest methods may be the most successful. We shall have to see, and only time will enable us to see.

What I did wish to point out is that this movement against Communism, instigated by Germany, sponsored by the Vatican, in a disordered Europe resting under the appalling events in Spain, is going to be a very real thing and may have far-reaching consequences. I do not believe it will have the political consequences which Germany aims at. The Governments in Europe appreciate the situation and will not be so easily moved by this propaganda, and we shall have to see how far popular opinion is affected by this propaganda and other events in Europe, and how far that opinion can affect the governments. It is important to bear in mind the real object so far as Germany is concerned is the isolation of Russia and the weakening of France and England.

So far as Austria is concerned, there is a possibility that this Vatican-Berlin agreement may have some effect on the Austrian internal situation. There were among the Austrian Catholics those who really did believe that the Austro-German accord for normalizing relations would open the way through which Austrian Catholicism could influence the situation in Germany and lead to an amelioration of the situation of their co-religionists in Germany. The accord of July 11 and the desires of the Austrian Catholics have, of course, nothing to do with the Berlin-Vatican accord and have not had the slightest influence on it, but unfortunately we have to reckon that most people are fairly stupid, and this is pretty generally true among a good part of the Austrian clergy, so that there is the danger, and a very real one, that Austrian Catholicism may believe that it has played a very important part in getting amelioration of the situation of the Church in Germany. This, conversely, would have the effect in Austria of bringing the Church here more in sympathy with the German efforts in Austria, and of course greatly decrease here the resistance against German pressure. This is one of the many and very many implications which the Berlin-Vatican agreement may have, but again what the future holds in this respect only the future can tell. It is the Church here which has really been the principal bulwark against the National Socialist influence in Austria, because of its fear of National Socialist action based on the experience of the Church in Germany.

I remember so well when Hackelsberger, the then leader of the German Center Party, arranged for the first concordat with the Vatican after the Nazis came into power. He was convinced that the party would keep its word. We know that the party treated this concordat with the same cynicism that it has treated all its other agreements. The Vatican knows with what cynicism and disregard this concordat was treated. In spite of that, and of the knowledge which it has of the situation in Germany today, the Vatican has evidently been prepared to make this bargain with Berlin for a new concordat, which in my opinion will receive exactly the same treatment that the former one has received. But this is the way things are being done in Europe today.

The Party Congress at Nürnberg this year is going to be a tame thing compared with previous years, and the emphasis will be on the Communist note. For the first time the need for colonies will be emphasized at the party meeting and the need for German markets which Mr. Schacht has been bringing into the foreground with a certain amount of effect will also be emphasized. I am so pressed with various things here that I am not able to comment, but as these particular aspects of the German program have particular interest for us, I shall try to give you some background which may be interesting in my next letter.

I am sending a despatch to the Department No. 894 of September 10 with this pouch, transmitting a memorandum which I have prepared on the situation in practically every country of Europe, with the idea of bringing together in it certain information which is necessary towards forming an idea as to the possibilities for peace or war. The undertaking, you will appreciate, is a rather ambitious one, and I have tried to keep it within as small compass as possible, but even at that it is rather a formidable document. It is a very unsatisfactory document in some respects, because of the necessity for keeping it as short as possible, and also because it is not documented, but this would have made it too unwieldy. I believe, however, that in spite of its length it

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is a memorandum which you will wish to read. I prepared it mainly for the clarification of my own views. I doubt whether the President would find time to read it, but knowing his interest in matters of this kind, you may find it worth while to have certain parts marked for his reading.

Believe me, with all good wishes,

Cordially yours,

George S. Messersmith.

GSM/LGW