



DEPARTMENT OF STATE
WASHINGTON

October 8, 1934.

Dear Messersmith:

I took home your four good letters, two of September 14, one of September 19 and one of September 20, and read them with the utmost interest on Saturday afternoon. If we do not have a thorough knowledge of present day Austria and of German policy with relation thereto, the fault is ours for your picture is an astoundingly complete and clear one and I found in your letters the answers to some four or five questions which I had noted down planning to ask you.

To comment on your letters one by one. (1) Re Mrs. Hammerand. Although we naturally cannot use the information you gave in this letter, it gives us a useful background in dealing with her friends and political supporters whose name is legion. As a matter of fact, we did send careful excerpts from your excellent despatch and from Mr. Harris' despatch to her relatives for their confidential information.

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The Honorable
George S. Messersmith,
American Minister,
Vienna.

I think we have convinced them (a) that we can not intervene on behalf of an Austrian citizen; (b) that it would probably not produce the results they desired if we did, and (c) that there were other and more effective means which they might pursue through Austrian channels. Serious as is the charge against her, I cannot help feeling that the Austrian Government will not push matters too far because of the ~~is~~ undoubted effect on public opinion here.

With regard to Mr. Granger, I of course have known him about Washington. He comes from a well known Chicago family which has intermarried with the Shermans and Hoyts. He spent some years in Vienna studying municipal architecture, which is his hobby, but is more or less retired and living in Washington where his daughter, Martha Blair, is eking out a rather precarious living writing society chit-chat for the Hearst papers. He knows the President, the Secretary and other officials to whom he sets forth his ideas both orally and in writing with considerable frequency. As to the Austrian mission, he did a good deal of piloting and entertained young Seefried at his house. Gardner Richardson will tell you
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about him in detail as they were thrown into constant touch during the visit of the trade mission. I think you handled him well and I do not see how he possibly can have the slightest ground for complaint. If I should hear any rumblings in that direction, I shall of course tip you off.

(2) I read in full the resumé of certain economic, financial and political factors in present day Europe which you prepared for Senator Robinson. I thought you brought out with particular clarity the fact, so rarely appreciated here, that in the case of the Nazi Party it is frequently the tail of the secondary leaders that is wagging the dog rather than the other way around. To me nothing was more significant than the fact that Hitler was unable to make good his assurances to Mussolini at Venice that Germany would refrain from provoking trouble in Austria.

(3) With regard to Gunther, I shall be delighted to see him again and will take him down to see both Mr. Phillips and if possible the Secretary. I look forward to a long talk with him when he arrives.

(4) The best of thanks for your pen picture of Schuschnigg which I have asked the Secretary and Mr. Phillips to read. He did not seem to make much of an impression in Geneva but I must confess that

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thus far his record in Austria seems to have been particularly good. Your analyses of Stahremberg and Fey were still more interesting and it would certainly repay you to ~~watch~~^{watch} the latter's development from this point on with particular care.

After finishing your letters there are two points which seem to bear further watching: the first is the possibility of a further rift between the regular army and the Heimwehr; the second is Yugoslav policy, which certainly seems somewhat pro-German these days. Whether that is a considered policy or whether it is designed to prevent the French and Italians from burying the hatchet is difficult to judge from this distance, but it surely adds one new complication to the Austrian embroglio.

We have been very busy this last week on three subjects. In the first place, Norman Davis was here and we had a series of conferences with the President, the Secretary and with the higher ranking officials of the Navy. The delegation sails on October 10, but I do not envy them as it will be as difficult a situation they will be called on to meet as any with which we have been faced for the past four or five years. In the second place, the Spanish revolution has

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has been raging for the past four or five days. Bowers has been reporting frequently and we have even had a long distance telephone call with him. The situation today looks slightly better and I cannot help feeling that a putsch which does not succeed in the first 48 or 72 hours gradually loses strength. Another weakness from the point of view of the revolutionaries in Spain is that they are fighting the Government for one thing in Catalonia, for another in the Asturias and for a third in Madrid and the southern provinces. If the troops and Civil Guard remain loyal, it now looks as though the Government should definitely win out. The third thing has been the trade negotiations which have had their ups and downs. In the European field, we have announced ^{impending} negotiations with Belgium, Sweden, and Spain and confidentially we are doing some preparatory work in connection with Italy, Switzerland and the Netherlands.

It is always a joy to hear from you, and I appreciate all the trouble to which you go in writing as fully as you do. The Englishes have just been here over the weekend and have told us of seeing you not so many weeks back.

With every good wish,

As ever yours,

PM