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Vienna, February 7, 1935.

MEMORANDUM.

I had a conversation this morning with Mr. Fritz Ross, formerly the President of the Ullstein business in Germany. He is married to one of the Ullstein daughters and his family is of Scotch origin. He himself is not a Jew, and I think at present holds both Austrian and German citizenship. He came to me with a letter of introduction from Birchall, who speaks most highly of him. He is going to the United States with his wife for a brief stay. He is evidently well off and years ago bought a property in Austria where he now lives.

He says that he returns to Germany practically every month. He is pessimistic as to the long outlook, but thinks that the situation will not become acute for some time. Of the financial and economic programs of the Party nothing is left, but the social program is being pushed and he sees it remaining. The regime itself may be able to maintain itself, for it represents something which Germans strive for. Germany hopes to drive a wedge in England, but in his opinion the air problem is just as important now as the fleet problem was in the years before 1914, and just as the fleet problem then decided the European situation and England's attitude, so the air problem will now definitely determine England's attitude again. The Germans are making the same mistake as they made before 1914 in believing that they can keep England neutral and those Englishmen who believe that England can remain neutral are making the same mistake that cost England so dearly in the years following 1914. The principal difficulty in Germany is that although the people have little sympathy with practically all of the program, they are leaving things to a clique. Everybody attends to his own business and leaves policy to a few. This the Nazis now count on. The Reichswehr is interested principally in rearmament and follows its traditional policy of keeping out of policy matters as much as possible. With regard to the real aims of Germany there can be no doubt. The warlike instincts of the German people are being played upon and unless internal developments bring about a fall of the regime, there is no hope for reason in Germany or peace in Europe.

It is extraordinary how these views coincide with those of Professor Redlich, principally as to the danger of the Germany of tomorrow and as to the real spirit in Germany.

I am reminded that in June 1933, I talked with Goering and told him that his air program would alarm England eventually as much as the fleet program had in 1914, to which he replied that they would be able to satisfy England for they would not increase their fleet or even their merchant marine, but would go ahead with rearmament in the air and on land and that they would know how to calm England's fears. I told him they were making the same mistake all over.