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Vienna, February 24, 1937.

*Paul Buell
Wm. C. C. C.*

Dear Edgar:

Hayes came to see me yesterday and said that you had mentioned over the phone that you would like to hear from me in the near future. He did not seem to know just what you were most interested in so that I am writing this a good deal in the dark. We have a courier leaving for Paris tomorrow which gives me the opportunity to send you this letter.

Have you seen the pamphlet of the Foreign Policy Association just issued entitled "Chaos or Reconstruction" by Dr. Buell? I am delighted to see this for it is really excellent and I can find disagreement with only one part and that is the paragraph on page 32. I think you will want to read this pamphlet which I consider a really a first class and accurate presentation of recent developments and it ought to serve a very useful purpose in correctly orienting our people, especially in this important matter of neutrality legislation.

I, however, take very real exception to this paragraph on page 32, for Mr. Buell seems to be of the opinion that there is some advantage in negotiating with Hitler now and that there is some sincerity in some of his offers for an arms agreement. I am absolutely convinced that to negotiate now with Germany is merely to prolong the life of this Government and the agony of Europe, and delay recovery. There are no arrangements which can be safely made with this Government. We can't make any arrangements with Germany that can lead to anything with the present Government. It is extraordinary that after such correct thinking and such careful reading of the facts as Buell has done in this long pamphlet, he should go astray on this, the vital point. It is of the greatest importance that neither we nor anyone else should negotiate with the German Government for the present or give them any aid and comfort. Our refraining from doing so offers the only constructive thing that we can do towards maintaining the peace for the present.

Mr. Edgar Mowrer,
Paris, France.

Buell says "Certainly when he is given an opportunity to save Germany from economic disaster he should be strong enough to abandon autarchy and militarism in favor of an international settlement". He does not realize that National Socialism is not capable of compromise and must go forward either to full victory or complete defeat. Perhaps Hitler might be strong enough to abandon autarchy and militarism in favor of international settlement, but the point is that the regime which he heads has not the flexibility which permits that, and it is the most dangerous illusion to believe that that is possible.

Neurath was here Monday and yesterday and left late last night for Berlin. The newspaper reports about the demonstrations were greatly exaggerated. The Government was expecting demonstrations and was prepared for them, for it was too much to hope that the Nazis would allow the visit of Neurath to pass without demonstrating. I had our own people out, and I must say that most of our correspondents here found the temptation too strong to overdraw the situation for they have been rather starved for local news aside from the Duke of Windsor. There were no more than 6000 or 7000 people along the route from the station to the hotel and of these three-fourths were boys under 22, and the other fourth were middle-aged hysterical women, with a small scattering of middle-aged men who were certainly the worst type I have ever seen in Vienna. If Neurath had occasion to see who were welcoming him he could not have been flattered. Not only was the crowd small, but it was relatively unenthusiastic. Most of them had been brought in from the country and undoubtedly received a few schillings for their appearance. The crowds were easily handled and there was no real disturbance during the stay of Neurath.

On Monday evening a crowd of Nazis gathered in front of the Hotel Imperial where Neurath was staying, which gave the opportunity for some huskies of the Patriotic Front to give some of them a bit of punishment. A counter demonstration, which perhaps was not very wise, was organized

yesterday afternoon when some 40,000 members of the Patriotic Front marched quietly through the streets. In any event you may take it that the demonstrations were insignificant, much less important than what took place when the Olympic Fire passed through Vienna last year, and must have been a great disappointment to the German visitors as well as to the Austrian Nazis. It is rather unfortunate that exaggerated reports were sent out, by a good many of the papers.

The visit itself did not have real significance for Neurath was simply returning Schmidt's visit to Berlin. No one, except he and the Chancellor and Schmidt, knows what they really discussed, but I think the official communiqué which you have seen, tells the story so far as the net results are concerned. They must have talked over a lot of things and my guess is that the Germans were very insistent that German papers such as the ANGRIF and the VOLKISCHE BEOBACHTER should be admitted freely to Austria. I don't believe the Austrians agreed to it, although a certain amount of exchange of publications is in the end almost inevitable. I also believe that the question of restoration was raised but the Austrian answer remains the same, that is, that it is purely an internal question and not actual. The fact that the communiqué states that there is this identity of policy in external matters means nothing, for that was said at the time of the accord of July 11, but Austria has not yet joined in the anti-bolshevist bloc. Of course on major lines Austrian foreign policy is always likely to follow that of Germany. That is inevitable even with Austria a completely independent country now - as it was before the war. On the other hand, I think the decision of Austria today to remain independent and not to permit interference in her internal affairs remains the keystone of her policy.

The relations between Austria and Germany are on an altogether unnatural basis for they are supposed to be friends when they are really not friends. The Austrians intend to maintain their independence and internal integrity. They intend to keep out National Socialist ideology and to keep away from autarchy and unsafe financial practices. On the other hand Germany has not in the least given up her aspirations with

regard to Austria. It is only that she wants to work under ground instead of openly. Europe is to be assured through the accord of July 11, which the Germans point to with pride as one of the bilateral agreements which are to save Europe and preserve peace. In reality, however, Germany hopes to penetrate quietly and peacefully by undermining the position of this Government so that it will be followed by a weaker one and eventually by a National Socialist one which will declare the Anschluss. In other words, they hope to arrive at Anschluss through action of the Austrian Government itself so that no one can take objection. That is why they want their papers to come in. That is why they want to drive out our films to make room for theirs. That is why this cultural committee which the communiqué of yesterday mentions, has such importance for them.

This peaceful penetration, however, has not yet made much progress and the Germans are afraid that this accord of July 11 may immobilize them and destroy their chances. That is why there is still a state of war between Austria and Germany, with German pressure constant and definite and the Austrian resistance just as constant and definite, and so far successful. It will remain so as long as Schuschnigg is Chancellor, and the Germans know this now and that is why they are trying to undermine him.

The Germans welcomed the appointment of Schmidt as Secretary of State for Foreign Affairs because they thought Schmidt was their man. Perhaps Schmidt did return from Berlin with his head a little turned, it was after all quite human that it should be turned a bit, but if I know anything about the situation here, he has got back his equilibrium and is firmly attached to the Chancellor's policy. This is another defeat for the Germans. Neustädter-Stürmer will certainly be dropped from the Cabinet within the next two weeks and that is another German hope gone. Glaise-Horstenau, who represents the nationally minded elements in the Cabinet will remain, but he is a naïve and not dangerous person who is basically quite a good Austrian. You will be surprised when I say that I consider

the National Socialist movement here really weaker, for you will hear the opposite from others, but I believe I am right. I have to form my opinions on the facts, and the facts are all that way.

This unnatural state of affairs, however, between Germany and Austria and the constant pressure from Germany and the fact that Germany hopes to gain Austria by subterranean means, are things which the Chancellor cannot ignore. He has got to reckon with the fact that he may by illness, through an assassin, or in some way or other disappear from the picture. He has no one to whom he can pass on power in whom he has absolute confidence as Dollfuss was able to lean on him. It is for this reason that Schuschnigg is turning towards monarchy. Although he is a legitimist in principle, he is not enamoured of restoration for he realizes its disadvantages. He sees, however, in it the only solution for then there will be someone who is permanent, who will be able to hold to the fixed line of Austrian independence.

He is grooming the restoration idea so that it will be more acceptable within Austria and without. I think that within Austria the idea is already acceptable and restoration would not disturb internal peace. The Chancellor envisages restoration only in the form of a constitutional monarchy and parliamentary government. This pleases the Socialists who realize that their greatest chance is through restoration. The legitimists are not happy because they do not like restoration on the Chancellor's basis of restoration for Austria alone and without revisions, but they are wise enough to know that without the Chancellor restoration has no chance. The question therefore remains as to how the rest of Europe will take it. Czechoslovakia, I think, would welcome it. Rumania would not offer resistance. Yugoslavia is just as much opposed as ever, but it is a question whether she could move, and perhaps Italy may exercise a moderating influence there. Hungary would prefer not to see it, for it raises questions for her, but she would not make any active difficulty. England and France would be neutral, if not benevolent. The attitude of Germany

is clear - she is unalterably opposed to restoration and is said to have informed the Austrians that restoration would mean a march on Vienna. Whether she would march, however, depends more and more on Italy.

The Italian position is not clear. Italy has told Austria again and again that she is behind her against any aggression as long as Austria does not disturb the internal and external peace, and I think Italy means it. What the Chancellor has to determine now is whether Italy will consider restoration as disturbing the internal or external peace. So far Mussolini has said that he is in principle not against restoration if and when it will not disturb the peace. Austria cannot move further along the line of restoration until she knows where Italy stands, and I am not sure that Mussolini is yet prepared to give a definite answer. Although the parallelism of action between Berlin and Rome is weaker since the Gentlemen's Agreement between London and Rome, Mussolini wants to retain the semblance of it for the pressure he can still exert through it. Taking a stand on restoration such as Austria wants, while not necessarily meaning a break with Berlin, will draw Mussolini into the English-French camp to such a degree that he is not yet prepared for it.

Besides that, although the legitimists realize that Schuschnigg is their only hope, there has as yet been no adequate, definite declaration by Otto that he accepts the idea of a constitutional monarchy for Austria alone and gives up all aspirations for expansion and revision. That, too, is necessary to make the idea acceptable here in Austria for Austria does not want a Habsburg who will merely embroil her in troubles of which she already has enough. My own idea is that while the trend is in the direction of restoration more than it was, there will be nothing precipitate and that the difficulties in the way of restoration are still real. If things keep going as they are, however, in Europe there is now a possibility that we may see it within the year.

In spite of what you may hear, the Austrian position is holding well. When one remembers how wobbly everyone has considered the position here for years, it is really remarkable

that it has held the way it has - and most encouraging.

Among our neighbors to the north the position is steadily growing worse internally and all this talk about success in producing replace materials I know to be without foundation. The situation in Rumania was shaky, but this last cabinet reorganization yesterday shows that the position is still held against the Germans and a purely Fascist Government. The Czechs have done a wise thing, for their recent move with the Sudeten Deutschen will take the ground from under Henlein if they really carry through this program. In the meantime, however, the situation depends on England, and France seems to be finding her way out of her troubles slowly but surely. At home our neutrality legislation seems to have escaped the most dangerous forms.

I am planning to go home for at least a brief stay, sailing on April 7 from Hamburg on the MANHATTAN. I hope that there is something in this letter which may cover the questions which you had in mind.

My wife joins in all good wishes to you both. I shall be glad to hear from you at your convenience.

Cordially yours,

George S. Messersmith.

GSM-njp