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Vienna, December 17, 1935.

Dear Mr. Phillips:

I was very glad to have your note of November 22 and to know that you are going to London for the Naval Conference. I am not so sure that it will be very much relief from the strenuous days in Washington, but it will be a change. I am delighted, too, that you may be able to run over to Paris for the Christmas holidays. I quite appreciate that it may be difficult for you to come to this part of the world, but if by any chance it is possible for you and Mrs. Phillips to come to Vienna during a break in the Conference or after it is over, Mrs. Messersmith and I would be very happy if you could make us a visit here. It would be a splendid thing if you could come to this part of the world and I think it would have in many ways a good effect as well as be very interesting for you. Any show of our interest in these countries is very encouraging and helpful to them in these difficult times and it would do our interests no harm. Realizing the demands on you, I appreciate that the chances of your getting here are slender, but I do want you to know how happy Mrs. Messersmith and I would be to have you make us a visit here.

Realizing that you were leaving for the Conference, I sent a rather long letter on December 4 to Dunn and forwarded a copy by the courier over the southern route to you in London, via Paris. It takes these couriers over two weeks to make the trip and I doubt whether that copy will reach you in London before you leave for Paris. I have therefore written our Embassy in Paris that on the courier's arrival they are either to hold the letter in Paris or transmit it to you in London, depending on such information as they may have as to your plans.

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2/ I do not wish to pursue you with my letters over here, but I am sending you herewith a copy of my letter to Dunn of December 13, together with a copy of my confidential despatch No. 636, which may have something in it of interest to you. I shall trust these to the open mail to London.

The Honorable
William Phillips,
Under Secretary of State,
American Embassy,
London

Events have indeed taken a strange turn and for me an unexpected one. As one who believes in the desirability of as close cooperation between our country and England as may be possible, and as one who believes that the maintenance of British prestige and the British Empire are still very important factors for peace, you will appreciate what a rude shock the Anglo-French proposals on Abyssinia were to me. For one who believes that close Anglo-French cooperation, establishment of League prestige and the doctrine of collective security are primarily essential for anything like durable peace in Europe, I can see in these proposals, even though they are not carried through, a great danger for Europe. Whether or not the proposals are only an English manoeuvre, and whether or not they were seriously meant, if carried through they will mean a definite blow to British prestige, to the Empire, to the League, to collective security, and to peace, of an even more far-reaching character than so many people already appreciate. It is not too late to repair the damage, but time passes. What is more unfortunate is that even though the proposals may not be carried through, the fact that they have been made will cast its shadow and have its consequences in Europe for a long time to come.

The storm which the proposals have raised is evidently raging in England and in France, but their effect in Central and Southeastern Europe has been most disturbing as well. The King of France can march his men up the hill and then march them down again without the world being upset, but England cannot take the stand which she ~~did~~ in the Mediterranean and on the League and then retreat without repercussions of the most serious nature. She had aroused so much hope by her stand that even those who questioned her sincerity agreed with the wisdom and the necessity and courage of her position. Now the suspicion of perfidious Albion is again raised and England will have to do something to get herself out of this position unless she is going to deliver to herself one of the most serious blows she has ever had and one which will affect her destiny in a critical period.

Of course the Italians have threatened that they will go to war if the oil sanctions are applied. Of course the Germans are making threats under cover and letting it appear that they will move in Central Europe under certain circumstances. Of course Germany has rearmed to a degree where she is an element again to be seriously reckoned with. The

French fears, it would appear from the surface at least, have affected the British, and Mr. Baldwin's cryptic statement in the House that all the Members would take the attitude he did if they knew what he did, will not help the British position. Making all due allowances that the proposals may be a British manoeuvre and not meant seriously, and also making all due allowances for Italian and German military strength, the British position has been seriously affected and unless it is saved in a most skillful way these proposals are going to have far-reaching consequences.

The long and short of it is that if France and England had gone ahead and would still go ahead on the line which they know they should take with respect to Italy, the League, and Abyssinia, the situation for Europe could be saved. Even if Mussolini in his extremity should go to war with England and France, the damage which he could do would be small and a few English warships would be a small price to pay for the avoidance of a great war later and for a decent regime in Italy and for preventing Germany from becoming the same immediate menace that Italy is today.

If Italy were to start offensive action against England and France she would undoubtedly be able to do some damage at the outset, but it would not last long and she would have all Europe, except Germany, against her, even though France and England would have to bear the brunt of it. If England and France would take the definite attitude which they know they should take and would serve notice on Berlin that in case of any Italian action or debacle and German aggressive action should follow, they would meet it with their full strength, then Berlin would not move. German armament has made real progress, but they know that they are not prepared for a war. Their internal situation is such that they would not be able to carry on any prolonged struggle and if she were to move in case of Italian action, they know it would end just as disastrously for them as it would for Italy.

It is a sorry spectacle and we see Europe again in its fears and hesitations approaching the make-shift solution which will in the end only aggravate the situation. England is entirely right in seeing a threat in Mussolini to ~~Empire~~ and to

Empire prestige, but it is making a mistake in believing that the lion can be tamed and its appetite satisfied. This solution now proposed will ease the situation perhaps for a few years, but it will definitely make Mussolini a thorn in the side of England and France. The danger can be avoided by dealing with the situation in a drastic manner now and if England and France will then give to Italy the colonial satisfaction which she should have, Italy with a reasonable Government can be kept the friend which England wants her to be and which she must be. The present policy, however, will only tend to accentuate and aggravate the problem now facing her. Eden has been right from the start because he knows.

In any event, even those who believe in as close co-operation on our part with England as may be possible, have had a rude shock. These developments over here will make our own task much more difficult for it will strengthen those elements at home who are fighting for definite neutrality legislation rather than to give to the President those wide discretionary powers in this matter which would protect our position best. It would be difficult to imagine England doing anything which makes our own position with respect to her more difficult. We have played a splendid rôle at home during these difficult months. The President and you all in the Department have taken an attitude the wisdom, courage, and vision of which will be justified by the future. Our people at home or the whole have behaved splendidly. There is no reproach which anyone can direct against us now or later for the stand which we have taken. Our prestige has gone up tremendously abroad as the result of our attitude and our policy of minding our own business is more than ever justified.

Sadly we have to admit that there seems to be no way in which we can help Europe out of this mess. We brought our moral influence to bear in an extraordinary fashion in a critical moment and an offer to the aggressor which is to have League blessing and which will give him more than a successful war, is the answer. The League and Europe cannot stand the strain of developments of that kind.

Let us hope that the situation may yet be saved but the prospects are not good. I am very glad that you are over here at this time as it will be immeasurably helpful to us at home. I do hope that you and Mrs. Phillips will have a happy Christmas and a New Year filled with all manner of good things.

Cordially and faithfully yours,

George S. Messersmith.



P. S.

Keith Merrill was here in November and looked at the house and agreed with my recommendation that we should buy it as a permanent residence for our Ministers. He is recommending to the Department that we buy, and set aside \$100,000 for the purchase price, alterations, and furnishing. The Egyptians are ready to buy any day, but I have succeeded in getting the owner to postpone action with them until January 15. Merrill thinks that he can get the Commission together early in January and that it may be possible to use available funds. He was quite enthusiastic about the purchase. It will be too bad if we miss this opportunity for we would get for an extraordinarily small cost a Legation which will be satisfactory in every way and if we do not buy now we will in a few years be obliged to pay two or three times as much for something not nearly so satisfactory. It is a serious problem for me of course personally in view of the considerable sum I invested in the house in permanent repairs, but this has in no way influenced me in my recommendations.

G.S.M.

Enclosures

1. copy of letter to Mr. Dunn
2. Copy of despatch No. 636