

496
Berlin, Germany, March 25, 1935.

Dear Sir Walford:

I have had a pleasant stay here and have lunched and dined with friends every day since our arrival. I have purposely avoided former friends in the Government as after I got here I thought it advisable to refrain from contact at this time.

I saw Sir Eric on Saturday morning and we had a very interesting talk. He is of course extraordinarily well informed with regard to the Austrian situation by virtue of his own background and what I am sure you have told him, but I gave him such information as I could. I told him that in my opinion the economic and internal political situation were better than they had been for a year, but that Austrian sovereignty was entirely dependent on external aid until the danger from Germany was removed. I told Sir Eric that in my opinion which has not changed after my conversations with various people since I got here, war is inevitable if this regime remains in Germany. I gathered the impression that he is under no illusions of any kind and that he is extraordinarily well informed with regard to conditions here. I did not discuss with him the visit of Sir John Simon, but I gathered the impression that not much can be expected from this visit except further clarification of the situation.

It is common talk here that Hitler and his immediate entourage are in an exalted and absolutely impossible state of mind which is parallel to that

which

His Excellency
Sir Walford Selby,
H.B.M. Minister to Austria,
Vienna.

CONSULAR SERVICE
DEPARTMENT OF STATE

which existed in certain circles in 1914 when the people in them were convinced that they could stand up against the world. I am informed that Hitler is convinced that England will under no circumstances make a military move; that France is unable to do so on account of her internal situation, and that Italy's power is considered negligible, and that nothing is to be feared from Russia where collapse of the Soviet regime would come with the first signs of any trouble. Believing this, I understand that Hitler and his friends are ready to talk peace and even go so far as to make certain promises merely to keep on gaining time, but that so far as the Eastern and Danubian pacts are concerned they have not the slightest intention towards tying their hands. I understand that it is their fixed intention that the next fait accompli is to take over Danzig and that this is to be followed by a march of troops into the Rhineland to show that Germany is master completely in her own house. In other words, the regime is drunk with power and illusions, and believes it can go ahead without any fear of reprisals or opposition.

It is quite clear that Hitler's last move with respect to conscription and Article V has increased his popularity in army circles and that this action is quite popular even in circles opposed to National-Socialism. I find that I have no need of correcting any of my ideas which I have expressed to you with regard to Germany, except with respect to the army. Six months ago the Reichswehr could still be considered a nucleus around which opposition to the present regime might cluster. Now the army is already considerably expanded and the process of expansion is rapidly going on, and it is no longer the same instrument it was. Unless something happens to bring about a change of regime within the next few months, I fear that the army will be more and more behind the party and its instrument. This is the most important change in the situation which I have noted, and I think it is understood in the proper foreign quarters and is a very important and disquieting

fact

CONSULAR SERVICE
DEPARTMENT OF STATE

fact. It is a further indication that something will have to be done before long if the situation is to be saved before it will cost too much blood and treasure to do it. The conversations with the Germans have undoubtedly begun this morning and I suppose are in progress as I am writing this. I am not a prophet, but I do not believe that anything can come out of these talks except to further clarify the situation with regard to the impossible aims of the Germans. If they serve to convince the last of those who had confidence in Germany's good intentions what the real aims of the regime are, the conversations will have served a useful purpose. The next step will be for London, Paris and Rome to unite on a common program, and I still believe that if Berlin is faced with the same sort of fait accompli that it has been presenting to the rest of Europe, it cannot stand under the pressure.

The economic and financial situation in spite of how fine things look from the outside, is serious. I find that the raw material situation is as serious as I said to you it was. I gather from all sides that the situation is becoming more serious and will be desperate in three or four months. I hope that a new regime may come before there is economic collapse, for that will make the problem much more serious, for the new Government will need help.

This is a dreary picture, but will be no surprise to you. I think the time has arrived for some action, for unless the regime is checked in such a way as to bring about its elimination, war is inevitable. It is terrible that one should have to think of this. I am tremendously depressed, but you know I have faced this for some time. I still think that war can be avoided if the proper measures are taken. There is going to be tremendous disillusionment here to-day when they find they can get nothing from England. You would be surprised to know how high their hopes

are

CONSULAR SERVICE
DEPARTMENT OF STATE

496

-4-

are that England can be bought off. The disillusionment will be correspondingly great.

I am sending you this by the first confidential means by which it will be possible for our people to forward it. Please consider this for your private and confidential information. I need not tell you how much I have enjoyed our contact and how much I shall miss our conversations. I suppose your family have left you by this time. We are leaving to-morrow morning for Hamburg and sailing in the evening. Perhaps I should tell you that with no one with whom I talked here did I find any disagreement as to the aims of this Government, nor any illusions as to the dangers which these aims present. Perhaps in this unanimity there may be safety.

With all good wishes,

Cordially and sincerely yours,

CONSULAR SERVICE
DEPARTMENT OF STATE