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A-M

January 4, 1939.

Mr. Welles:

The appended memorandum, in my opinion, is on the whole a quite correct picture of certain aspects of the developments in the German situation. The writer is, I should say, very well informed. There is a good deal of comment which I might make but I will confine myself to just a few points.

While it is true that after Munich Hitler had to decide whether he would consolidate the position Germany had reached or whether he would continue, I am inclined to doubt whether, even among the more conservatives in the Nazi Government, there was any inclination towards stopping the program and being content with consolidating the position reached. There was among the more conservative, such as Goering, the opinion that there should be a temporary letup in the program to give opportunity to consolidate the position and to decrease the fears of further action abroad. It is correct, as the memorandum states, I believe that even in this respect the more radical group led by Ribbentrop and Himmler, et cetera, was able to make its opinion prevail that the program must go forward without letup.

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The memorandum, I believe, gives a correct picture of the objectives of the Government. The procedure too, I believe, is quite correctly appraised. The writer of the memorandum shows that he is correctly informed by such statements as, "to the best of my knowledge, no attempt will be made to attack countries like Hungary and Rumania, but action will be taken to set up the Ukraine as an autonomous republic which, like Manchukuo under Japanese control, would be under complete German control."

I have read the memorandum very carefully and, while I could comment specifically on every paragraph thereof in one way or another, I think it is sufficient to say that I believe the writer to be unusually well informed; that it gives on the whole a correct picture of the objectives of the present German Government and method and procedure now contemplated; and that it is a memorandum which ~~is~~ *has* ~~would be useful~~ *sufficient evidence* for the President to read. ^{it} I have not noted in it any important statement which is contrary to the information which I have been getting. On the other hand, there are refinements in the information in the memorandum which would lead me to believe that it comes from such a well-informed source.

One of these refinements, I should say, is the statement that "banking and industrial friends of mine feel that Goering at heart is no conservative and that he really
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adopted this role only to kid along the Army and German industry and banking. I think this is highly improbable but it illustrates the feeling of despair among the conservative German element". It is true that the more conservative German element, such as certain bankers and industrialists, has been banking on men like Goering gaining greater power in the Party, and perhaps eventual control. They realize that Goering is just as radical as the others and that his objectives are just as far-reaching and eventually as dangerous, but they have felt that he is the one man in the Party who can reason and be reasoned with. The realization by these bankers and industrialists that Goering, even though he may be in favor of slower progress, of less inhuman action against the Jews and of greater efforts to conciliate opinion outside of Germany, is really just as much behind the full political and social objectives of the regime as the so-called radicals, has been a great disillusionment to these men. Because Goering, for example, believed that the action against the Jews should be slower, these men believed that he was in favor of less drastic action. They now realize that Goering, just as much as Ribbentrop, Goebbels and Streicher, is committed to the annihilation of the Jews and that his action was based entirely on fears that the too rapid liquidation of Jewish property would interfere with

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with German economy and his rearmament activities.

G. S. Messersmith.

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