



DEPARTMENT OF STATE
WASHINGTON

May 4, 1934.

Dear Messersmith:

Just a line to thank you for your letter of April 14, and in the same breath to welcome you to Vienna, as if my calculations are right, this letter should arrive just about the same moment as yourself.

Your despatches Nos. 1964 and 1970 of late March produced a very real effect here, supplemented as they were by a report from the Commercial Attaché as to the actual progress of air re-armament in Germany, the amount of equipment they are buying abroad and the facilities of foreign exchange which they are providing for such acquisitions. We had a short conference, Mr. Phillips, Mr. Sayre, Feis and myself, and decided that we should show your despatches in confidence to Mr. Peek, particularly in view of press reports (which turned out to be erroneous) that he was going to recommend the extension of credits

The Honorable
George S. Messersmith,
American Minister,
Vienna.

(371)
-2-

credits to Germany to finance a ^{cotton}~~copper~~-Rhine wine exchange. Luther comes down with regularity to urge the immediate initiation of commercial negotiations, but the Secretary has been very definite in saying that he will make no commitment prior to the passage of enabling legislation either as to substance or as to the order in which he will take up the different negotiations. As long as Germany retains its present agricultural policy and favors its neighbors in purchasing its needed extra food supplies, it is going to be pretty hard to see where an agreement can be worked out.

I keep urging Mr. Carr and Tom Wilson twice a week to select a successor to you in Berlin as at best it will take him some months to arrive, but there is no obvious candidate and among those under consideration, such extraneous facts as health, finances, not to say language, plays an important role.

I hope that your mission in Vienna turns out to be a thoroughly happy one and I can only repeat again our delight in having you there.

Do write when you find time.

As ever, sincerely yours,

PM