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Vienna, December 6, 1934.

*Personal to
C. Phillips*

Dear Mr. Phillips:

I last wrote you on November 16 and November 23, and I shall endeavor in this letter to bring the picture to date as we see it from here.

There has been, as we anticipated, no important change in the internal Austrian situation and everything remains quiet here. The four deliberative councils provided for under the new Constitution have been organized and held their first meetings and have made a fair start. While it is too early to express any definite opinion as to how important a part these councils will play as law making bodies, there is much reason to believe that the Government intends to use them increasingly and I believe that they are a fair step towards a return to representative government in Austria, an idea to which, as I have indicated in my letters, the Austrian people are much attached. There has been complete quiet in the country and even an absence more recently of minor incidents between the Heimwehr and the police. The former Burgermeister, Dr. Seitz, who has long been in prison and more lately confined to a hospital, was released yesterday under the simple condition that he would not engage in political activities. This will tend further to keep the moderate Socialists in Austria quiet and it will be particularly welcome news in England where the continued detention of Dr. Seitz has been an embarrassment to those in the Government and Parliament supporting the British attitude towards Austria.

It is increasingly evident that the Chancellor is gaining ground and that in this sense the Government has increased its strength, while on the other hand Starhemberg is a good deal less active and his position has suffered through the strengthening of that of the Chancellor. As I have pointed out, the Chancellor is very modest and retiring and was at first rather overwhelmed by the responsibilities suddenly thrust on him. His inexperience and his lack of confidence helped to create some impressions at the outset concerning him which have since been dissipated. The last few months have shown that he learns quickly and is much broader in his sympathies and views and in fact much stronger as a personality than even most of his friends believed. He has gained increasing confidence in himself and this has created increased confidence in an ever wider circle in Austria in him. His speeches have shown great moderation and understanding and have done a good deal towards winning the sympathy of influential persons in the country whose

The Honorable

William Phillips,

Under Secretary of State,

Washington, D. C.

attitude towards the Government had either been quite openly unfriendly or at least passive. He will probably never be a particularly popular figure, but he is more and more respected.

On the other hand, Prince Starhemberg has remained more in the background recently and ~~his~~ public appearances have been far less numerous, but when he has spoken he has been as energetic as ever and as direct in his condemnation of National Socialism and its works. It is said that he fears an attack on his person and that this is one reason why his public appearances have been less frequent. It is certain that he is more open to such attacks on his person than the Chancellor, for the remnants of the National Socialists who remain in Austria have undoubtedly transferred their former animosity against Dollfuss to Starhemberg. I personally am inclined to believe, however, that Starhemberg's being less in evidence recently is due not to any fears for his personal safety, but more to his recognition that he is considered as the exponent of Italian influence and there is a decided feeling in Austria against too strong emphasis on this influence. It would be a mistake to consider this averseness to Italian influence due to any love of the Germany of today. Starhemberg has always been a much finer filter of Italian pressure than is generally supposed and has not been the pliable instrument he has been pictured. He maintains his interest in a good many things besides matters of state and I don't believe that he is the type of man who wishes to or who will permit official duties to crowd out of his life those other things in which he is interested. Immediately after the assassination of Dollfuss and when he was laboring under real emotion, he gave his days and nights to the task of solidifying opinion against the Nazis, against Anschluss, and for an independent, united Austria. Now he finds the daily grind of official duties more and more irksome and while he retains his interest and, I believe, still his ambitions, he is not the type of man who will allow personal interests to be crowded out of his life. He will remain a popular figure and a useful figure, and may even later become a more important factor in the Government than he is now, but it is quite clear that for the present he is entirely willing that Schuschnigg should predominate in the picture.

The personal relations between the Chancellor and Starhemberg are not as good as they were immediately after the assassination of Dollfuss, and there are undoubted differences of opinion and of interest which are real, but Schuschnigg is having

his way and it looks as though he will continue to have it. Certainly there is no reason to see in the clash of personalities any danger in the internal Austrian situation for the present.

Papen has been continuously in Vienna until around December 1st, when he appears unexpectedly to have been called to Berlin, and Frau von Papen told me yesterday afternoon that he is expected back today. They have been I think rather unhappy for personally and socially they have made little progress and seem to have been a good deal avoided. With the Austrian Government I think Papen himself has made little progress, for they cannot get over their mistrust of him and of the National Socialist regime. Papen has been protesting his desire to do something to relieve the tension and I think the Austrians believe that he would really like to bring about some appeasement, if only of a temporary character, but they have little confidence in his ability to carry through anything in Berlin and much less confidence in Berlin's real attitude towards Austria. The map which is being circulated in certain circles in Germany which shows Austria as well as other parts of Europe as an integral part of Germany, has been seen here. The Foreign Minister told me yesterday that he has been naturally quite pleased with the general developments which seem to have taken place in the last days with regard to the Saar, but that he was confident that there was no safety for Austria and no assurances of her independence and integrity not being threatened as long as this regime is in power in Germany. He said that in spite of all the assuring things that might be said and done, that they knew that they could not feel secure until the Nazi regime in Germany has been replaced by one which will be disposed to make Germany a good neighbor.

There is a good deal of uncertainty here as to what arrangement has really been arrived at with respect to the Saar and how far other major questions may have been settled in this connection and at the same time. There is a feeling here that the Saar settlement is practically an invitation to the people of the Saar to vote for a return to Germany and that the terms for the payment to France are so easy that France and Italy must have insisted upon and secured major concessions which will be made public in due course. The feeling here is that unless Germany has agreed to give binding, public, and unequivocal declarations with respect to Austria, that the major situation

in Europe has not been changed or made any easier except just so far as the danger of conflict with regard to the Saar may be concerned. It is felt in well informed circles here, and I share that opinion, that providing for the return of the Saar to Germany now has eased the situation by avoiding the danger of any explosions in that connection, but that it will temporarily strengthen the Nazi regime and unless these definite binding obligations with regard to Austria have been provided for, and will be made public in the near future, the danger to Austria and to European peace is not only as great as, but greater than, ever. The internal situation in Germany is such that the Nazi regime is definitely weaker and knows it, and it would have been willing to pay almost any price for such an arrangement which has been made of the Saar. I am not sufficiently well informed to know whether France, Italy, and England have been sufficiently wise to make Germany pay this price now. But if they have not exacted it, a great opportunity has been lost and peace in Europe is not much further advanced.

I have the impression that England, France, and Italy understand the situation to thoroughly not to avail themselves adequately of this opportunity. General Muff, who is the Military Attaché to the German Legation here and who enjoys a very excellent position in the Reichswehr, told Kliefoth of this Legation day before yesterday that "Papen was in Berlin and that he hoped that he would be able to get some decent action out of that terrible man Hitler with respect to Austria". He said that Papen would be able to give Austria a very nice Christmas present. There was no indication as to what he meant, but there is a feeling here that the Saar settlement implies specific obligations by Germany with respect to Austria which we shall hear shortly. Whatever the major implications of the Saar settlement may be, I think they are as yet unknown here and as late as yesterday afternoon my French, English, and Italian colleagues seemed to show by their attitude that they had no information from their own Governments.

One of the interesting developments is that on November 28 the SIERRA CORDOBA and DER DEUTSCHE, two ships of the North German Lloyd, took on at Sushak some 1900 National Socialist refugees who had fled from Austria to Yugoslavia after July 25, and are taking them to Hamburg. It seems that this clears up the National Socialist refugees in Yugoslavia which is very happy to be rid of them. It seems that some 180 of the refugees made a written request to be allowed to return to Austria instead of going to Germany and they were turned over to the Austrian authorities by the Yugoslavs. As a very great per-

centage of these fugitives who are being taken to Germany are Austrians, and as the transport to Germany is being made on German ships and apparently at the expense of the German Government, the incident is one almost unparalleled, at least in modern history. It is perhaps as definite an admission of Nazi German responsibility for the terrorist acts preceeding the 25th of July and for July 25, as could be had and it is not unlikely that this transport of the refugees to Germany will yet become the subject of very interesting discussions. The Austrian Government has taken no action whatever, but has always indicated that the Austrian Nazis who had fled beyond the frontiers could be returned here to be given appropriate trial and punishment. As this punishment would have been in the instance of these people restricted to comparatively brief imprisonment, the Austrian conditions for their return could hardly be looked upon as unusual or exaggerated.

It is interesting in this connection to note that Herr von Rintelen is still in the hospital and under detention, but not what might be called close arrest. I have it from good sources that he has practically recovered his health, but has not yet "entirely recovered his memory". A few days ago he told one of his most intimate friends that his attempt at suicide was the greatest mistake he had ever made. It is not likely that von Rintelen will be brought to trial in the near future and I doubt whether he will ever be brought to public trial. If he is tried it will be necessary for German responsibility for the terroristic acts and for the 25th of July to be brought out very clearly. The trial would therefore definitely place on Germany the responsibility for one of the darkest chapters in modern European history. The Austrian Government has no desire to fasten this crime so definitely and so publicly on Germany because it believes that it would only serve to make more difficult the eventual return of those good relations with Germany which Austria so wholeheartedly desires. The Austrian Government would have no hesitation in fixing the crime on the Nazi regime, but it recognizes that the Nazi Government is at present the Government of Germany whether it represents the will of the majority of the German people or not. The Government here, therefore, is not delaying the trial of Rintelen out of fear of immediate consequences, but out of a sincere desire not to complicate the future relations with Germany. The Government here remains convinced that the Nazi regime will in due course disappear and that the new Government in Germany will not have these territorial aspirations with respect to Austria and will respect her sovereignty. They therefore do not wish to make the eventual task of that new Government in Germany or their own task more difficult.

In this connection I think you will be interested in some information which has come to me from two very good sources which I believe entirely responsible, but I cannot vouch for its correctness. If it is correct, and there is a good deal of reason to believe that it is, the information has an important bearing on the whole situation. On Sunday evening, December 2, the Austrian Government in the usual way informed the press that it was to be restrained in commenting on German rearmament and to keep from unfavorable comment on the report of the Committee of Three just announced with respect to the Saar plebiscite. That this indication was given to the press is without question. My information is that the indication was given to the press at the request of General von Fritsch, the Commander in Chief of the German Reichswehr, who conveyed it through the Austrian Military Attaché in Berlin. The Austrian Minister in Berlin, Dr. Tauchitz, and the Austrian Military Attaché who have no Nazi sympathies, are said to be in close touch with higher Reichswehr circles in Berlin, including General von Fritsch. He is said to have informed Tauchitz and the Military Attaché that the Austrian Government need have no fears of further German aggression against her sovereignty and independence and that the Reichswehr and conservative circles in Germany will be pleased to have their task lightened if the Austrian press does not make their task more difficult. The specific desire that the Austrian press should be restrained in its comment at this time is said to have been passed on by General von Fritsch himself.

If this information is correct, it has real significance. It is well known to those who are familiar with the views of the General Staff of the German Army that it has never been in sympathy, even before the Nazi regime and is not now, with those who desire the political incorporation of Austria into Germany. The attitude of the General Staff is that an independent Austria in case of major trouble in Europe can always be depended upon to be the ally of Germany, or at least friendly, but that an Austria incorporated into Germany, in whatever form, would be a liability and a source of trouble in case Germany has a war. The Reichswehr therefore is against political union of Austria with Germany if only for reasons of expediency and military policy. That this is the attitude of the Reichswehr, I think, is clear.

The interesting feature of the information, however, is that it is indicative of a certain situation which is said to prevail in Germany. It emphasizes that although the Reichswehr

is not interfering with or taking any direct part in internal matters in Germany and thus maintaining its traditional policy, it is from time to time definitely influencing policy where it affects German relations with the rest of Europe. It would be a mistake to think that the Reichswehr is averse to war, but it does not wish a war now. As I have pointed out in my letters, there is very real information that the Reichswehr does not feel that Germany will be prepared for war for perhaps at least a year and perhaps two years more. It wishes at all costs to avoid a second humiliation and where Nazi policy, for instance in the Saar, in Austria, or in the Church problem, might lead to conflict there are increasing indications that it is making its position felt. There is well confirmed information that Himmler, as leader of the S.S. and the secret police, recently told Hitler that he wished to go in once and for all and settle this church question and bring about immediate and definite coordination and consolidation of the Churches by force. The Reichswehr is said to have made it clear that any such action by the S.S. could not be undertaken. In the Saar problem there are indications that the Reichswehr exerted a similar restraining influence and it is therefore not unlikely that the information just recited with regard to its attitude in the Austrian matter may be correct.

As I have already indicated in this letter, there is a good deal of uncertainty in Austrian official and diplomatic circles as well as among usually well informed persons, as to the conditions which may be tied up in the Saar settlement and as to the status of the conversations in progress between Paris and Berlin. With respect to the Saar the Austrians, of course feel that the Saar is German and that it should eventually go to Germany, but officially Austria has been of the opinion that a vote in favor of the status quo would be the happiest solution so that the Saar could return to Germany when another regime might be in power there. Prince Starhemberg had definitely expressed a preference for a solution on the basis of the status quo. The Foreign Minister here has expressed fears that a vote in favor of Germany might have unfavorable repercussions in Austria and was undoubtedly very strongly in favor of a status quo solution. Now it is felt definitely in official circles, and this view seems to be shared by my colleagues, that the Committee's report is a definite invitation for the Saar to vote in favor of immediate return to Germany, but I don't believe that there is any real reason to fear that a mere vote in this direction of the return of the Saar to Germany will mean any trouble in Austria. I share the opinion of those who believe that this will have no effect directly and of itself on the

situation here. The uncertainty here is based on the lack of knowledge of what promises Germany may have given in order to get such a favorable report out of the Committee. The fear here is that unless in the near future Germany is obliged to come out strongly and unequivocally with respect to Austria, the elements still so definitely in control in Germany, with the plebiscite behind them, will renew their activity in this country with perhaps increased public support in Germany behind them. These fears I think anyone who keeps the realities in mind must share.

There is equal uncertainty here with respect to the outcome of the conversations between Paris and Berlin. There is real fear that too much faith may be placed in German promises. There are even reports of a contemplated visit by Hitler himself to Paris in order to convince the French of his peaceable intentions. Such a gesture by Hitler is not likely, but is not out of the question, for it has the elements of the theatrical which appeal to him and to his most intimate advisers. The moment has been well chosen for this offensive by the Germans in Paris. Laval, as you know, has always been inclined personally towards direct conversations and understanding with Germany. The Veteran organizations in France are practically obsessed with a hysterical fear of another war. One can understand why they should have this fear of another war for God knows that they realize the horrors of such a war. These same veterans have lost practically all confidence in French political leaders, not only so far as their personal honesty is concerned, but also their political capacities to lead France and keep her out of war. Then, too, we know that Goy met Hitler in this intimate way in Berlin and that Hitler put himself out to the utmost to convince Goy of his friendly intentions towards France. With Goy's personal background and that of his followers, and with the situation in France as it is, it is little wonder that Hitler made such an impression on Goy.

I remember so well that when Mr. Dodd, who is a very keen observer, first came to Berlin and had his interviews with Hitler he, too, was impressed by what he believed to be the sincere and peaceable intentions of Hitler. He thought that in my judgment of Hitler I was much too drastic and not sufficiently generous. As time went on Mr. Dodd naturally learned to measure him by his acts and not by his protestations, and I think is now thoroughly convinced that no faith can be placed in the definiteness of these protestations of peaceable intentions. Similarly, when Sir Eric Phipps came to Berlin from Vienna as British Ambassador he passed through exactly the same

experience as Mr. Dodd. He asked me one day what confidence I felt could be placed in certain protestations of Hitler and I frankly told him that in my opinion his make up was such that he probably believed what he was saying while he said it, but that it could not be taken as the word of a responsible statesman. Sir Eric at that time expressed the opinion, as had Mr. Dodd, that I was not sufficiently generous in my point of view. But before I left Berlin for Vienna Sir Eric already had had sufficient contact with Hitler to tell me that he had to share the impression which I had originally given him. I could give you a number of similar experiences all to the same effect.

It is therefore no wonder that Goy should have been impressed by his conversation with Hitler and how far, in view of the unfortunate combination of circumstances in France, this will influence French policy is not yet clear. It is not likely that the experience of the past eighteen months will be entirely forgotten and it will be realized that the same people are in power today as at the outset of the Nazi regime and that the promises which they give today are worth no more than the ones which they have given in the past. It would indeed be a tragedy and a very real tragedy for Europe, and I may say for the world, if these realities should be forgotten. I think it is important for us to bear in mind that internally the situation in Germany remains unchanged. The power in the Party remains in the hands of the secondary leaders of the radical group. A good deal of emphasis will be placed on the removal by Hitler of Bruckner, the Nazi leader in Upper and Lower Silesia. He has been ordered excluded from the Party by Hitler, and Goering has divested him of all of his offices. Bruckner was the associate of Heines who was among the victims of June 30, and Bruckner is guilty of just as great offenses against the German people as Heines was. He has been removed because in an industrial area where the situation is particularly difficult he has been causing a great deal of annoyance to Schacht and others and to the Party, but the men who dictate the policies which Bruckner was carrying out, such as Goebbels, Darre, and Ley, still remain in the saddle. The removal of the victims of June 30 had no effect on Nazi policy and so the removal of Bruckner cannot be interpreted as any change to a more reasonable attitude by the Party. It is merely the Party's getting rid of an individual who had become objectionable.

The anti-Jewish measures in Germany are continuing unabated. Recent developments show that definite progress is being made in the further endeavor to impose Nazi philosophy

on the German people. Rosenberg and Streicher are still in the picture. In the Church struggle the day by day incidents indicate that the Party policy remains even at a time when the Party is doing everything in its power to reassure public opinion at home and abroad. I have already indicated in this letter that it was the intervention of the Reichswehr which made it impossible for Himmler with the S.S. to undertake drastic action in the Church matter, and this Reichswehr intervention was successful because the Party did not wish to let the Church problem become acute before the Saar plebiscite.

On the other hand, the Party realizes its weakness and is not unaware of the increasing difficulties which it has to face in the economic and financial field. I will not go into this further here as I have covered it in recent letters, but I should like to emphasize what I said to you recently about certain other factors than the financial and economic assuming increasing importance. The German industrialist whose views I gave you in a recent letter, emphasized this point and it is particularly interesting in this connection to note that Furtwängler has resigned. There is also a report that **Erich Kleiber** has resigned. These are the two leading conductors Germany has left and if they go it will have a very deep effect in the country. It will have a much greater effect than such a circumstance would have in our own country. Furtwängler and Kleiber have both tried to conform. Perhaps they have been willing to do so for the disappearance of the other conductors increased their personal prestige and position. But they are both fundamentally decent and fine personalities and they have not been able to stand the conditions which are imposed on them, and their action will undoubtedly give courage to a lot of people who already were becoming more vocal. A political Party leader like Bruckner can pass from the German picture without affecting the situation very much one way or another, but for a Furtwängler and Kleiber to separate themselves voluntarily from the German musical field will have its repercussions throughout the entire country, and it is the type of information which cannot be kept from the people even in a country where public opinion forming means are as definitely controlled as they are in Germany.

Nor can the forcing out of Count von der Goltz as "Führer der Deutscher Wirtschaft" be considered as a real step in a moderate direction. von der Goltz was an aristocrat who definitely cast his lot with the radical wing of the Nazi Party and who was the instrument of Darre and Ley. He has

been making difficulties for both Dr. Schacht and Dr. Goerdeler, who have the task of keeping prices down. He has been succeeded by Hecker who is in every way superior to von der Goltz as a man, and who is really a very good business man. While I think he is a member of the Party, it has been for personal reasons, and while he is directly opposed to the ideas of men like Darre, Ley, and Goebbels, he is not as strong a man as Schmitt was, and we know how little Schmitt was able to accomplish. The thing to be borne in mind in this connection is, I think, that men like Hecker could do a great deal for Germany and would be acceptable public servants under another regime, but such men can accomplish nothing as long as the radical leaders of the Party remain in power, and we know that they still are in power.

I am therefore of the opinion that in France and in England too great weight cannot be given on these changes, but that we must recognize that we have to deal with the same situation in Germany today that we had yesterday and six months ago. I remain of the opinion that this is no time to make any agreements with Germany, for to do so is only to prop a disintegrating Party machine and to lengthen the time that it will be able to maintain its hold on a people rapidly coming to its senses.

You will be interested to know that the news which we get here from Yugoslavia continues to be good. I have seen several of our correspondents and others who have just returned from Yugoslavia who report that everything is quiet and that the prospects for the formation soon of a new Ministry with Croat and Slovene representation are very good. One of my most responsible contacts informed me that Prince Paul some time ago called the Yugoslav Minister in Berlin to Belgrade and talked over with him his desire that he form a Cabinet bringing in Croats and Slovene elements. The Minister said that it would be unwise for him to form such a Cabinet as it was known that he was a friend of Hitler and had had a good deal of contact with him in Berlin and that this might cause unnecessary complications externally for Yugoslavia. The impression, however, is that Prince Paul, who has just returned from England where he went to attend the wedding, will proceed with the formation of a Cabinet, perhaps even still before the end of this year, and well informed observers are of the opinion that he will have no trouble in doing so. These observers are of the opinion that he has succeeded already in setting aside the

possibility of difficulty with the Army, which it was felt would resent curbing of the Pan-Serb influence. The trouble therefore which so many felt might come in Yugoslavia is less and less likely and this is an element which will undoubtedly have a good deal of influence in restraining Italy and in facilitating ultimate understanding between Italy and Yugoslavia, and in facilitating the French-Italian conversations.

There is a good deal of concern here with regard to the French internal situation as it is felt that the financial scandals and the impossible political situation are elements of weakness and present dangers just at a moment when the general situation is of most importance, and when France ought to be in a strong and free position. It does not add to the confidence of the Austrians to know that even after the French Government had decided in principle to support the conversion of the League Loan recently, it was necessary to give quite a number of bribes to people in Paris to facilitate the actual arrangements, when these people were of a type and were in a position which should have absolutely excluded all possibility of susceptibility to such a method of approach. In well informed circles here it is the opinion that there can be no easing of the French internal situation until there is a complete internal clean up and there is a real fear that the only solution may be in a virtual dictatorship there for at least a short period. I think that even semi-Fascist Austria would prefer to see parliamentary institutions even not temporarily disturbed in France.

November 7.

I dictated this letter up to this point yesterday, when I was obliged to interrupt to go to the first reception that the wife of the Foreign Minister has given to the diplomatic corps since his appointment. I was talking with my British colleague, Sir Walford Selby, when Papen came up and joined us. He told us that he had just returned a few hours before from Berlin where he had been busy with "his Saar problem". He was brimming over with happiness and enthusiasm which I think was not feigned. He insisted on entering into a political discussion which it was quite obvious my British colleague was as anxious to avoid under the circumstances as I know I was. A crowded drawing room hardly seemed the place for such a conversation, but there was no stopping him. What he said was so significant, and particularly at this time, that I have made a very careful memorandum of what was said and I am sending it to the Department with my strictly confidential despatch No. 241, of December 7. I am appending a copy of the memorandum

to this letter. I think you will be particularly interested in it as it bears out certain things which Papen said in a recent conversation which I had with him and of which I sent you a memorandum with one of my last letters. As my British colleague was present during this conversation and took part in it, I thought it proper that after I had dictated the accompanying memorandum I should go over it with him, which I have done. He tells me that it is an entirely faithful record of the conversation and I am sure that he is also sending to his Government information concerning Papen's statements.

My British colleague remarked that it is quite plain from this conversation what England and France may expect and that Germany will, after the Saar, concentrate on treaty revision and further concessions through her policy of trying to drive a wedge here and there. He says that the timetable can be controlled by England and France if they will maintain an absolutely united resistance, and that "the present crowd in Berlin can't wait, and that is our great strength". I agree with him that the rate at which the present German regime will have to try to hurry through its program will be one of the principal elements which will help to defeat it. What is disclosed by this memorandum is sufficient to indicate what we have to expect and that the Saar solution is no definite action towards appeasement, but merely one more difficulty surmounted. There are plenty of others in the way and Germany intends to have them all solved in her favor. I have told you in previous letters how Nazi leaders and others in the Government always said that Germany was powerless at the Council table until she was armed, and that therefore she must arm so as to make herself heard. As she has gone a good deal of the way towards getting armed, we can expect her attitude to grow more arrogant and more exacting. There is nothing that will stop this movement except a fall of the regime and that is why I think the most important thing for all of us to do is to refrain from doing anything to help the regime, for without that help it is bound to disintegrate. The indications to this end are becoming more clear constantly, as I am sure will appear from the information which you are getting.

There are several other matters on which I wished to comment before closing this letter, but as the pouch has to leave in a few minutes, I shall have to put it off until next week. I understand that increasing pressure may be brought at home from certain quarters towards the end that we make some trade agreements with Germany or even go so far as to make

arrangements through which she can get some cotton and other raw materials which some of our people are so anxious to get rid of. I can understand how well meaning some of these people at home are, but one thing I am sure of and that is that if we want to have Germany as a future market for any of our raw materials, and I am one of those who realize how important and necessary a market Germany is, it is essential that we do nothing to prolong the life of this regime which has no intention of buying anything from us a moment longer than it is necessary to do so. The one hope for our markets in Germany lies in the return of a reasonable Government in Germany, and anything we do to prolong the life of this regime only reacts against our real interests.

Believe me, with all good wishes,

Cordially yours,

George S. Messersmith.

Enclosure:

1. Copy of Memorandum.