

Vienna, September 25, 1936.

Dear Dunn:

I am sending you herewith a copy of my letter to the Secretary, which is self-explanatory. I think you will want to read my despatch No. 914, of September 24th, as it brings up to date the position in Austria and in some respects in Southeastern Europe. I think it will give you an indication as to the course developments are taking in this part of the world, at least so far as one can now foresee them.

The Austrian Minister for Finance is still at Geneva on the budget and on the removal of the League financial control in Austria. I will refrain from writing further about this until next week, when it will be possible to do so with greater clarity and definiteness.

There will be a tendency on the part of some to consider that, because of Austria's requesting the removal of this League financial control and of her recent vote against the admission of the Abyssinian Delegation at Geneva, she has lost interest in the League and is planning to get out if Italy does so. Perhaps Austria is disillusioned about the League, as so many others are, but she has no intention of cutting off from the League, even if her best friend, Italy, should do so, which I consider highly improbable. As an indication of the real attitude of Austria towards the League, I can tell you that the Chancellor has been quite prepared to go to the present meeting, but he has seen no reason to do so, as there is nothing of special interest to Austria on the agenda which the Finance Minister and the Secretary of State for Foreign Affairs cannot look after. The Chancellor, however, a few days

The Honorable
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ago made it clear to the English and French Ministers here that if Mr. Eden or Mr. Delbos should want him to come to Geneva or should find it desirable that he come there, he was entirely prepared to go. I know that this information was conveyed to London and Paris, and so far as I know there has been no indication from either capital that they want Schuschnigg to come. This will be the real reason for his not going, if he does not go, and not any desire to slight the League or to show a lack of interest. This is another of the indications that Austria, under the Rome Protocols and the accord of July 11th, is maintaining a very definite liberty of action and intends to steer her own course so far as circumstances permit.

I am sending you herewith two clippings from the London TIMES that may be of interest to you and Schoenfeld. I have been wondering where Schoenfeld will go, and I hope it is to a post to his liking. I have appreciated tremendously the thoughtful and capable attention which he has given to our stuff from here, and it always gives me renewed hope and interest when I realize that we have men like him in the Service.

With all good wishes,

Cordially yours,