Berlin, March 18, 1938

Dear George:

In my letter of March 16 I got off to you a preliminary response, so-to-speak, to your three helpful and interesting letters - two of February 24 and one of February 25. I said that I would have to go into certain of the questions a little further. This I am now better prepared to do in respect of one of the points raised, i.e., the proposed visits of Hemmen and Aschmann to the United States.

I myself do not believe that the Germans consider that the prospects of a trade treaty with us are in any degree favorable. I believe that they perceive all-the obstacles, perhaps impossibilities, and that they have no illusions whatsoever. I have read over Prentiss' telegram No. 64 of February 14, 5 p.m., and likewise have discussed the matter with him. It seems to me that that telegram just about described

The Honorable

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the German attitude in this matter. While naturally having the thought far back in their heads that, if a trade treaty matter should ever reach the stage of conversations. Hemmen might be a good man to undertake them and that he would indeed be better prepared to undertake them after a closer acquaintance with the American scene. I am inclined to believe that the primary purpose of Hemmen's visit was a study, as of value and interest to the German Covernment, of the general American economic and commercial set-up, i.e., being interested in trade with, or without, a treaty. I believe that they would like to have first-hand knowledge on this subject, quite aside from any immediate possibilities respecting a trade agreement. Incidentally. Wiehl told Prentiss that the German Economics Ministry since its reorganization under Goring had more money at its disposal for the conduct of studies and the cost of travel incidental thereto. They thus thought that they might "take advantage" of that circumstance by sending Hemmen over to see what he could find out for himself in the United States. I really think that that is all there is to it. Furthermore, as stated in the Embassy's telegram No. 98 of March 8. 6 p.m., there now seems to be less probability

probability of Hemmen's going at all, at least in the immediate future.

As was reported in the Embassy's 54, the question of Aschmann's going seems now to be entirely off. Whether the reason for his giving up the trip was that he was "too busy here" is something which of course may, or may not, be true. This is simply what we were told. I donnot have to tell you how much has been said in recent official pronouncements which would indicate the concern of the German Government over accounts respecting Germany in the international press. It is a matter in which the German Government is undoubtedly very deeply interested and which, as we said in one of our telegrams, unquestionably plays a role in influencing German policy. Although their public statements have chiefly had to do with the British press, the Germans are undoubtedly very much interested also in the American press. Thus I think it may be presumed that there existed at one time a thought of sending Aschmann to explore the matter. At least, that is the way it looks to us here.

There is in addition nevertheless the very interesting point which you bring up in your letter of February

February 24 in which you suggest that the idea of sending Aschmann might be to explore the possibility of furthering German propaganda in the United States, and you go on to say that there are indications of an increased number of under-cover agents arriving from Germany to conduct such propaganda. That is a phase of the matter on which, as you will readily understand, it is quite impossible to get any information from this end, at least without something more definite to go on. I would thus be very much interested to have you send me confidentially anything definite which you may be able to obtain on this score.

Thanking you again for your generous help and for keeping me so well informed. I am.

as always.

PG-gw (hu)