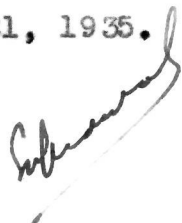


Vienna, October 21, 1935.



Dear Dunn:

I have to refer to my letter of October 17th, in which I touched on the situation of the Jews in Germany and made some comment on the American participation in the Olympic Games. I am sending you herewith a clipping from the London TIMES of October 17th, which, I am sure, you will find very interesting, as it bears on these two questions directly and indirectly. The enclosed report in the TIMES is from Ebbutt, who is the principal TIMES correspondent in Germany and who is, as you know, so thoroughly informed about these matters and whose reports are particularly dependable.

You will remember that it was reliably reported that through the strong intervention of Schacht the German régime had agreed that the Jewish laws growing out of the Nuremberg decree should be applied, particularly in the government administrations, in big business, and in the banks, to only 100 per cent Jews. I felt all along that this was only an empty victory for Schacht, if indeed it was true that the régime had agreed to this attitude. Ebbutt's article now shows that it applies to 75 per cent Jews as well (whatever that may mean), and I am sure that the intention of the régime is that under the laws growing out of the Nuremberg decree all persons with a Jewish strain, however slight, are to be eliminated from any active participation in German life. All this talk about 100, 75, and 50 per cent Jews is merely cover to what is the devastating program they have in mind.

James C. Dunn, Esq.,
Chief, Division of Western European Affairs,
Department of State,
Washington, D. C.

The article of Ebbutt's, however, is very significant, as it shows the real struggle which is going on within the Party. There are elements, even among the most radical faction in the Party, which realize the disastrous effects that the Jewish laws will have in practice. They are not worried that the application of the Nuremberg decree will mean the voiding of the previous decrees and regulations which protected those Jews who had served in the army during the World War. Voiding this decree does not worry them, but they are concerned that it removes all base of operations which had been established by them through conversations with veterans' organizations in other countries. Besides that, it worries them because there are still certain Jews whom they feel that they can not get along without for the time being. These elements among the radicals want exactly the same thing as the most radical, but they want to proceed a bit more carefully in order to keep applying eyewash abroad. They are disturbed that the radical application of the Nuremberg decree will interfere with their plans and hopes abroad.

What I wanted to bring out particularly, is that their main concern, strangely enough, is about the Olympic Games and American participation. They believe that if the Nuremberg decree is radically applied now, it will mean the almost complete abstention of Americans from the Games and that this will lead to other countries taking similar action, and that the Games will be a complete failure. To appreciate this, one must understand what the Olympic Games mean for the present régime, and, although I have mentioned this in previous letters, it is, I think, worth while to revert to the subject. The present government in Germany has always found its main support among the youth. Its support among the older and middle-aged people, which was at one time fairly considerable, has gradually but steadily decreased. The Party knows that it is not only becoming increasingly unpopular among the older and middle-aged people, who have to meet the problem of supporting their families, but also that among these groups active antagonism to the party leaders and party program is developing. Their base of power now is constantly becoming more restricted and is more than ever on the youth. They have hopes, through the Olympic Games, to show to the young people of Germany how definitely the rest of the world has accepted the Nazi ideology. They believe that a large participation by the United States and other countries

in the Olympic Games will be a tremendous success for the Party, not only in Germany, but in its influence abroad. They believe that the Games will bring to Berlin and to Germany thousands of young people as participants and spectators on whom they can work. They are making tremendous plans for the Games, and to one who does not realize certain aspects of the German situation it is impossible to convey what the Games mean for the Party and what hopes they place in them.

In Germany the gradual action in other countries indicating non-participation of various groups is causing very real concern. They see the collapse of the Games a possibility, if not yet a probability. We get over here constantly information from an increasing number of countries that individual athletic and sports organizations having voted not to participate. The fact, however, that the American Committee has taken the stand it has, is a great comfort in Berlin, and they want at all costs to keep this American participation as large as possible. The part which the American Committee has played, I am sorry to say, is not particularly creditable, but I think this is not due so much to the Committee as a whole as it is to a very few members. I am told that at all the recent meetings which have taken place in Berlin with regard to the application of the Nuremberg decree the question of the Olympic Games has been a major consideration. If the Nuremberg decree is carried out, which, of course they have every intention of carrying out, then the mask is lifted definitely and the American Committee will have to take action. There is, therefore, a strong effort within the German Government to have the various laws under the Nuremberg decree postponed until after the Games. The important thing is that these elements which want this postponed are just as much in favor of complete application of the decree as those who want immediate action. There is sufficient evidence available already, without this background, to show that the American Committee has given an incorrect picture of the German situation to our people, but if the Committee had any doubts as to what is going on behind the scenes regarding the application of the Nuremberg decree was sufficient grounds for them to take the action which proper regard for our prestige would make necessary, these doubts should be dispelled now.

I think you will find the last paragraph of Ebbutt's article also particularly interesting. The

- 4 -

Jews are being forced out of every possible way of making a living. Their property is being confiscated, and laws are being issued making it impossible to transmit property, leading to its liquidation now at ridiculous prices. At the same time, the whole burden for the care of needy Jews falls on the Jewish community, which is no longer able to get adequate funds for the purpose. It will mean starvation, suicide, and immeasurable distress among these unfortunates; all as a result of legal action in a country which proudly proclaims its ideology as the salvation of Europe and the world.

With all good wishes,

Cordially yours,