

516  
Vienna, July 8, 1935.

*Personal & Confidential*

Dear Mr. Phillips:

I may be unduly pessimistic, but I see the European situation developing very unfavorably. While I am convinced that there is not a single country or Government in Europe now which wishes war, and while I believe that all of the Governments in Europe are trying to avoid war for the present, and in this I include Germany, the basic situation has become worse instead of better during the last six weeks particularly.

While the Abyssinian question has been pushed into the foreground in the news and is for the moment the primary question in Rome, London, and Paris, I am convinced that the major issue in Europe still hinges on Austria. Hitler's views with respect to Austria have in no way changed and he is determined to bring her into the German sphere not only because of Austria itself, but as this is essential as the first step in the program of political expansion to the Southeast, which is a primary object of National Socialism which it not for a moment loses sight of. We know that the Austrian Legion is again in the picture and that recent developments in the major European situation have brought Hitler's designs on Austria into the foreground. Even though in Germany overt action against Austria would be opposed in more than one quarter, and certainly by the Reichswehr, the possibility for such aggression remains very real.

I wish at all times to be most careful and considered in what I say to you, and while I take the liberty of writing you very freely and of expressing my personal views for such interest as they may have for you, I hope that I need not tell you that I am constantly reviewing in my own mind the general situation and my own reactions in the light of the facts as we know them here. While Vienna remains only as the capital of a very small country,

The Honorable

William Phillips,

Under Secretary of State,  
Washington, D. C.

that country has become the focal point in the preservation of peace in Europe and Vienna remains a crossroads where one meets all kinds of well informed people. As I know so many of these people who come to Vienna from all over Europe, one is able to get here a fairly good picture of what is happening all around. Because I believe the situation to be serious and full of possibilities, I have reviewed it in my own mind again recently and you may be interested if I put my reactions in writing.

I shall again review very briefly and of course most sketchily the situation in some of the major countries as it is seen here.

Poland, with an internal situation better than it was, is in her foreign policy still straddling. It is believed here that one cannot speak of a pro-German policy by Beck, but on the other hand that the army is not satisfied with the apparently too friendly relations with the present Government in Germany. The army, I understand, feels that the French position has been strengthened by the Franco-Soviet agreement and would prefer a return to more friendly cooperation with France. In various circles in Poland what is called Beck's too pro-German attitude is not without its opponents. The visit of Beck to Berlin undoubtedly had for one of its objects a strengthening of his own position at home. The reports which we have here concerning his visit are too divergent to form any correct estimate, but the impression is here that the Polish attitude will be more definitely one again of being ready to fall on either side of the fence and her action in the near future will be definitely influenced by the English attitude. It is believed here that if there are further indications of close cooperation between London and Berlin, as for example through separate conversations on an air pact, that Poland, against her will, will swing more into the German orbit as having more to gain there, but not being at all happy about it and not having any illusions as to the dangers which this course may have for her.

In Czechoslovakia the internal situation is not altogether a happy one and her economic problem is going to cause her continuous if not increasing concern. She has had to revalue her currency twice and in case of general stabilization may be obliged to do it a third time. The internal political problem has been complicated by the recent elections and while there is every indication that Heinlein is going to be prudent and desires to avoid making mistakes that will get him or his party into trouble, it is pretty clear that there is no question as to his own feelings. He would prefer the Germans in Czechoslovakia to be attached to Germany and the German speaking population of Czechoslovakia does not have much attachment to the Czech Government. This new group under Heinlein is going to be a thorn in the side of the Czechoslovakian Government and is bound to be a disturbing element not only in the internal situation in Czechoslovakia, but in the general European situation. There are those who feel that the Heinlein group has in it sufficient sources of dissention to keep it from becoming a danger to internal stability and I think there is a good deal to this, but in the last analysis whether this new situation in Czechoslovakia becomes a serious matter internally or externally depends on external developments.

In the meantime Czechoslovakia can be depended upon to stick closely to her associates in the Little Entente and to France, but the general developments in Europe cannot help but cause concern to the Prague Government as they do in the rest of Southeastern Europe. Czechoslovakia must stick to France, for it is her only recourse and she knows that if Austria goes it is only a question as to when Czechoslovakia will follow. The increasingly difficult situation in France is not making Prague any happier, for it realizes that the striking power of France has been definitely weakened.

In Hungary the situation remains quite stable and the Goemboes Government is for the time being firmly entrenched with Goemboes himself really the strong man, but the entirely unnatural cooperation between Eckhardt and Bethlen is a factor to be accounted with. If there were another Government in Germany, Hungary would undoubtedly be weaned

away from Italy, but for the present in spite of the German efforts the attitude of the Government remains definitely unfriendly. Kanya, who really has the foreign policy of Hungary in his hands, is fundamentally friendly to Germany, as is Coemboes, but both of them distrust the Hitler regime. Although avoiding any definite commitments on the question of Austria, Hungary is quietly supporting Austria's struggle for independence against German pretensions as it knows that if Austria goes it will go too. Revision is for the time being pushed into the background by major developments in the European situation, but remains the principal objective in Hungarian foreign policy. So far she sees help more likely to come from other directions than Germany and so long as this is so the German efforts will have little effect.

Parenthetically I may say that I was in Budapest for a few hours during the weekend and had a chance to talk with von Mackensen, the German Minister there, and although he is not a Nazi, there is every indication that he is just as much an instrument of the regime as Papen is here. I do not wish to burden this letter with my conversation with Mackensen, but can only say that it left a most distressing effect on me for after all he is the son of the great Field Marshall.

In Yugoslavia the developments so far this year have all been in the right direction both so far as her internal situation is concerned and as to her external policy. Prince Paul can do things which Alexander could not, and the new Cabinet has apparently opened the way to conciliation within the country. It certainly has a broader base than previous Governments and Prince Paul has already begun his work in internal conciliation. The relations with Italy are better since Mussolini empowered his new Minister in Belgrade to state publicly that Italy had no territorial ambitions there. As soon as Italy and Yugoslavia have been able to work out a definite understanding with regard to troop movements and Yugoslav action in case of aggression against Austria, one of the principal difficulties in the way of the Danubian Conference in Rome will be removed. I am informed that these arrangements are making very satisfactory progress. The German efforts in Belgrade, which have been so active and which have not been altogether without success, are still held in check, but everything depends upon developments in



the major picture. Yugoslavia, like Poland, is one of those countries that wants to remain on the fence a bit longer and to reserve her attitude externally as much as possible until the general picture is clearer.

Turkey is undoubtedly using the confusion in the general European situation in order to use the Straits as bargaining purposes, but in her case, as in the case of Rumania and Bulgaria, her attitude will be determined by the developments in the major picture.

At a time when France should be strong there is a growing impression among her friends and others that she has lost her striking power. The internal situation in France is such as to cause real concern. I find that it is still the general consensus of opinion that revaluation of the franc is bound to come and the tremendous deficit in her budget, with constantly increasing military expenditures are bound to cause difficulties. Her finances on the whole are in rotten shape and the same old crowd are still in control. Whether a dictatorship would solve France's problems I don't know. There are many who think that it would be the only way out of an impossible internal political situation. One thing I do believe, and that is that whatever Government France may have it will not go very far to the Left for the attachment of the French to property is so strong that there is no possibility of anything except a fairly conservative Government which would not change the main lines of French foreign policy.

The internal situation in France, of course, is of major concern and importance in the European problem. When the Franco-Soviet agreement was reached there was a good deal of talk as to whether it really had any advantage for France on the ground that in case of trouble in Europe Russia, in spite of her big army, might not be able to make any prolonged military effort on account of situations which might arise within the country. Now there are those who question how much advantage the arrangement can have for Russia without England and Poland definitely on the side of France. There are well informed people now who question whether in case of German aggression against Austria or in fact against anyone else France could move and meet the obligations which she has taken. So far there is no pronounced nervousness in

Austria, Czechoslovakia, or Yugoslavia, but this nervousness is beginning to show itself and is bound to become accentuated if the developments in the near future are not more promising than they have been. Should the rift between London and Paris become wider or the situation in France become more complicated it would have serious repercussions in all three of these countries and would have its reactions in all of Southeastern Europe.

The question as to what France would do in case of aggression is one of major importance. You will remember that it had always been French policy that should a Hitler Government come into power in Germany France would move immediately. We know that when this actually came about the French General Staff informed the Government that it might not be able to ~~begin~~ complete mobilization in case it was started unless there should be an actual act of aggression by Germany against France. It is therefore no wonder that in various capitals of Southeastern Europe and perhaps elsewhere the question is being asked as to whether France under present circumstances would actually be able to move to meet her obligations.

Italy, with her finances in an extremely weak state, is in a position where the Abyssinia adventure may have to be carried through. It seems fairly clear that Abyssinia has been a major factor in Mussolini's policy during the last 18 months and that all of his plans have been made to carry it through. There is every indication that unless Mussolini gets his minimum satisfaction regarding Abyssinia without war he will not shrink from that. While it is probably premature to speak of an actual military alliance between France and Italy, it seems clear that the visit of General Gamelin to Rome was for the definite purpose of making agreements between the General Staff of the French and of the Italian Armies for troop disposition and actual cooperation in case of German aggression against Austria once the war in Abyssinia may have started. Whatever else one may say about France's policy, it faces the facts and French-Italian military cooperation is to be the preventive measure against possible German adventure when Italy is busy in Abyssinia. The further threat of French-Italian naval cooperation to supplement the military would be a serious answer to any policy which England might employ of playing one side against the

other on the Continent. French-Italian naval cooperation in the Mediterranean is something which England could not face with complacency for it would mean her communications with the East being cut off or at least seriously threatened.

French-Italian military cooperation in case of German aggression against Austria is evidently complete with the details worked out. Similar naval cooperation between the two in the Mediterranean is so far perhaps only a threat, but it shows that in Europe all the cards are not yet in one hand and that every country has to play its cards with the greatest caution. It would have been far better for Eden not to have gone to Rome at all than with what he had to offer. Italy's position is vulnerable, but so is the British in this respect and the Eden visit must go down as one of the major mistakes of a country which has heretofore been much more considered in action of this kind. It looks as though England had not said the last word with respect to Abyssinia and it depends on her moves as to whether it will come to actual conflict there or not.

England with the key to the European situation in her hands is following a policy which so far seems to be clear to no one here. Her responsibility to herself, to the Dominions, and to Europe is enormous and that she should be slow and perhaps halting is understandable, at a time when she is faced by these responsibilities. She has a strong public opinion at home that England should keep off the Continent, just as we have one at home that we must remain out of Europe. But the Atlantic is wider than the Channel and there are many other reasons in addition why we can keep out of Europe. Then there are those in England who say that Austria is not Belgium, but there are many wise Englishmen that believe that Austria is now as important to England if not more so than Belgium was in 1914. My own analysis of the situation leads me to believe that this is so and that one of the major mistakes which could be made in British policy now is to believe that England's interest in Austria and the Central European question is not a vital one. It is a strange thing that just at the moment it is easy to excite public opinion in England with regard to Abyssinia, and that the British offer of an infinitesimal strip of territory to Italy should arouse such widespread indignation. As a matter of

fact the maintenance of Austria as a buffer between Germany and the rest of Southeastern Europe is of far more importance to peace and to the British Empire than Abyssinia. There are some in England who want to play the old game according to the old rules, but this does not fit in with the changed conditions in Europe. It is a strange thing that over here, as at home, there are a lot of good people who cannot realize that we live in a very much changed world.

Here the attitude of England is not understood, but it is believed that the last word has not been said. There is a strong feeling here that British policy is being influenced by internal and electoral considerations but that before anything catastrophic happens her policy will become more clearly defined and her still great influence will more definitely tend towards the maintenance of peace on the Continent. There are those here who speak of the Colonies having served notice on London that in case of European conflict the colonies could not be depended upon to participate as they did in the World War. If this is so it would explain a good deal. British policy has to consider so many parts of the world and so many vital problems that it is increasingly difficult to meet some of the rapidly developing situations. It is inconceivable, however, that England does not know the facts and does not know the inevitable consequences to it of failure to face them. It is particularly interesting that the editorial comment of the TIMES, as well as the news columns, has again changed somewhat towards what they were before January of this year. It may be that the loss of circulation had some effect even on TIMES policy, but I should like to think that the change is due to an increasing appreciation of what England actually has to face.

It was very nice and comforting to think that a naval pact which gives 35% of British strength to Germany is no menace to England, and it was comforting to the Admiralty to feel that big ships cannot be built anywhere without anybody knowing about it and that more than one can play the game of changing policy and breaking agreements. In other words, the naval pact which England concluded with Germany did not per se offer any danger to England, but the way in which it was concluded and the fact that it was arrived at caused consternation in practically every capital of Europe and undoubtedly decreased British prestige and confidence in British methods. One hears a good deal about "perfidious Albion".



Holland, Switzerland, and Scandinavia want to keep neutral in case there is another war and all their efforts are directed towards this end. Switzerland has had greater difficulties than either Holland or Scandinavia so far in keeping from direct controversy with the new regime in Germany, but in spite of the acts against her has maintained her self-respect. All of these countries feel that they kept neutral in the last war and that they can do it again. But I believe that in all of them it is understood what would have been the results for them if Germany had been successful in the last war. There is a fairly keen appreciation in these countries of what the new regime is like in Germany and what its aspirations are. They do not like it, but they try to keep on friendly terms with it and would breathe a sigh of relief if they saw a more reasonable Government in Berlin.

The foregoing is a very sketchy picture of the situation in some of the countries of Europe most affected by National Socialist policy. In Germany, which is giving so much concern, no change in the directives, political, social, or economic, of the National Socialist regime are apparent after several years in power. In the economic field it is true that Feder and Wagner, two of the original apostles, have fallen by the wayside, but we know that they went not because of the policies they advocated, but because they fell out of favor with Hitler. We know that Darre and Ley are temporarily in the background and that Dr. Schacht is for the time being in the saddle, but we know at the same time that if National Socialism is able to hold out the policies of Darre and Ley will control not only in Germany, but in the new areas which the political program will bring within its sphere.

It is only a year since the 30th of June, and the world seems to have forgotten that Hitler openly assumed before the Reichstag and before the world full responsibility for the cold blooded murders of that day. The world seems to have forgotten that if on that day some sixty or seventy National Socialists were put out of the way, on the same day several hundred good Germans were also murdered simply because they happened to be good men. The world seems to have forgotten Schleicher, von Bose, Jung, Klausener, and the fact that Treviranus and Bruening would have gone too if they had been in the country. The policy makers of National Socialism are still there and in primary favor with Mr. Hitler.

Goebbels, Rosenberg, Hess, Keppler, Streicher, Frick, Freisler, and a host of secondary leaders are still making policy as they did at the outset.

It is true that the new regime has not been able to develop firstclass men, as Goebbels himself admitted in a recent speech. In the financial and economic field it has been impossible to do without non-Nazis like Schacht and Krosigh. In the political field Neurath and Bulow remain, if only for decorative purposes. In the administrative field the Nazi regime continues to use men who in their hearts are not really Nazis. Dr. Milch who has built up Germany's air force for Goering has Jewish blood. Dr. Grauert, who occupies an important administrative position, is in reality not a Nazi. In the military field Blomberg is personally attached to Hitler, but does not share the Nazi ideology any more than does General Fritsch, the actual Commander in Chief. Examples of this kind could be given without number, but these men are working to put the Nazi program into effect and this is the important consideration.

In the universities free thought does not exist, much less expression, and more men, irrespective of whether they are Jew or Gentile, are being eliminated constantly. The recent elimination of Professor Barth is only characteristic of what is constantly taking place in the universities even though less news gets into the press in Germany and abroad. What is being done to student organizations is clearly indicated by the news which has crept out of the dissolution of one of the oldest and strongest student fraternities in Heidelberg. In the theater and in music the original program of the regime is carried through without interruption, and in the recent Strauss incident even Goebbels could not prevail against Rosenberg. The non-Nazi papers have practically all been eliminated and nowhere at any time has there been such complete control of the press and public opinion forming means as in Germany. In spite of even Nazi efforts to restrict the circulation of contents of Streicher's "Sturmer" his position and that of the paper are stronger than ever and the London TIMES a few days ago reported the pornographic posters from the "Sturmer" posted in Berlin. In the courts the new Nazi justice is being administered with unfailing severity and the National Socialist judicial ideology of men like Freisler and Frick is becoming the basis of German jurisprudence.

The anti-Semitic policy of the regime has not let up in any degree and the the same men who made this policy, with Rosenberg, from the beginning are still in power. Goebbels himself in his speech on the 30th of June made it clear that although some people persist in believing that the Jews are human beings, they must understand that fleas are animals also, but that does not keep them from being very undesirable members of the species.

Although there has been some apparent let up in the action against the Catholic and Protestant Churches, there has been no fundamental change and Goebbels found it necessary in the same speech above referred to on June 30, in Berlin to make it clear that the Party was determined to carry through its action against the Church.

The youth organizations are definitely military organizations and in the schools text books are used towards which those in use in Soviet Russia are mild and in-offensive.

This is the National Socialist Germany with which Europe has to deal and which has a definite foreign policy. No one seems to be sure of the directives of British policy. It is clear that the French post-war policy of encirclement of Germany was too big a bite for her alone. Her internal weakness and lack of adequate leadership have endangered the success of this policy of encirclement at a time when she may be called upon to act on it at any time. Italian policy has been fairly clear and is still clear, but she is risking her European position by a colonial adventure at a time when to carry through her policy she should be strongest on the Continent. With British policy uncertain and French and Italian policy weakening in their striking power, they are faced by a German policy which is definite even though unknown to the great mass of the German people and which has undergone no single change since the National Socialist Party came into power.

German policy under the National Socialist regime has definite objectives. The National Socialist regime swallowed the Pan-German idea in its entirety and has expanded upon it by including the Ukraine as well as having

definite objectives with respect to Belgium, Holland, and Scandinavia. From the outset the policy has been to realize the program of political expansion without war. The German minorities everywhere, but particularly in Austria, Czechoslovakia, and Hungary, were to be used in order to stir up trouble. Yugoslavia and Rumania were to be won over through economic advantages and through promises of territory. Trouble was to be stirred up everywhere in Southeastern Europe so as to weaken the Little Entente and break their relations with France. A separate arrangement was to be made with Poland and to separate her from France.

From the beginning it has been National Socialist policy to conciliate England and Hitler has definitely dreamed of actual alliance with England in order to get a free hand on the Continent. National Socialist leaders have made no secret of their hope that with England working with Germany she will have nothing to fear in any way from us, but on the other hand in this way open the way for credits and help to consolidate her position.

While carrying out this policy abroad, Germany was to rearm at home and to make her power felt throughout Europe. It has been the idea of National Socialist leaders that as they became stronger at home through the rearmament program, their expansionist program abroad would be helped by the growing fear of German military power. The National Socialists believe in the use of force and terror and that force and terror are just as useful as instruments in enforcing their will abroad as they are in establishing themselves in the country itself.

Thus Germany has in the midst of the confusion in Europe, under the present Government a definite program. We know how far it has been able to go with its rearmament program. It has succeeded in making the agreement with Poland. The Saar has been reincorporated. In all of Southeastern Europe the increased military power of Germany is definitely felt, and in every country of Southeastern Europe there is a definite fear of this power and a realization that it will be used ineluctably when the opportunity comes.

At the opening of this year the situation looked encouraging. The Anglo-French agreement of London and the



Stresa meeting had opened the way towards a series of agreements which had at least a chance of checking the expansion of Germany. As a result of the Anglo-French and the Stresa agreements, the situation in all Southeastern Europe started to ease up. For the first time these smaller countries realized that some of their ambitions and strifes would have to be abandoned in the face of major issues. Poland was preparing to take a more definite attitude because of the apparent definiteness of London. Germany was faced by a financial crisis and the knowledge that the National Socialist regime, faced by this isolation and by internal difficulties, was sure to go if it could not break through and get the help it needed in England and perhaps in the United States.

Faced by this emergency German policy, just because it was definite, began a period of intense activity which has so far, because of the confusion, weakness, and uncertainty in Europe, made considerable progress just at the moment when it was facing its major crisis. Ribbentrop's visits to England where Nazi policy was concentrating its efforts, began to show effects. England was affected by the same hysterical fear of war which could only be compared to the hysterical fear of a disarmed Germany in France after the war. The efforts of Lord Lothian and his associates and the changed attitude of the TIMES, together with the inner political situation in England, made possible the completion of a separate naval pact by Germany with England. The conclusion of this pact has brought consternation not only in Paris, but in Rome. The whole structure, so carefully built up, has been all but wrecked. Whatever there was of definiteness in the European situation at the beginning of the year is now replaced by uncertainty. There is the definite fear that England may proceed with the conclusion of a separate air pact with Germany for her own reasons, and if the developments in the major situation should be such that such negotiations actually take place, the confusion in practically every capital in Western and Southeastern Europe will be disastrous. There will be the definite fear that a naval and air pact will be the prelude to financial and other help which will fix the hold of the present regime on Germany, and the feeling in Southeastern Europe is that if this comes about German expansion to the Southeast is certain and that it cannot be accomplished without a war which will involve all the major powers of Europe.

It is extraordinary that when all of Europe, including Germany, wishes to avoid war it seems almost inescapable under present developments. England, as I have indicated, is suffering from an almost hysterical fear of war; a fear which if it is allowed to influence her policy may definitely involve her in one. France, who has been preparing since the end of the last war in a feverish way to defend her security, is in a position where she can hardly strike to carry out her obligations to her friends, and ardently desires peace. Italy wants Abyssinia, but earnestly desires peace and security in Europe. Poland wants nothing more than to keep her present frontiers and to keep the peace. Czechoslovakia, Yugoslavia, Austria, and Hungary want peace at any price except their independence. Holland, Switzerland, and Scandinavia want peace, for they know they cannot benefit in any way from war. The German people do not want war, but its Government is building up a psychology among the young which will make a war inevitable in time. The German Government does not want war now because it is not ready either internally or externally, but it believes definitely in war as an instrument to achieve its ends and these ends cannot be achieved without war. It hopes for time to work in other ways, to complete its armament program, and to consolidate its internal position, but it is useless to speak of the present German Government as not having warlike intentions, and in this respect it is the only country in Europe definitely bound by its policy to war.

Russia, too, does not want war for it is too vulnerable internally and externally and has no immediate ends to gain. It is possible, and there is much reason to believe that the ultimate aspirations of the Soviet regime may be as dangerous to the peace in Europe as those of the present German regime. I cannot go into this in this letter for it is a problem of itself, but there is the real difference that the danger from Russia to European peace is a remote one while the one from Germany under this regime is one which is constantly becoming more threatening.

Under the European picture as I have sketched it in some broad outlines in this letter, there are those who say that a war is impossible for no one wants it and no one is really prepared for it. From this the conclusion is

drawn that there is no danger of war. These same observers say that they can see no danger of war because they cannot see from what direction it will come.

I fear that this attitude is one which disregards the main outlines of the picture which we have to look at. Barring accidents, no one will start a war now in Europe, but accidents can happen at any time. War was narrowly averted on July 25 of last year when the Nazi putsch in Vienna resulted in the death of Dollfuss by the prompt action of Italy on that day when Mussolini in two hours after the murder of Dollfuss, ordered two army corps to the Austrian frontier. Hitler was not prepared for such an energetic move and took the necessary steps to prevent further action from Germany and was able in time to prevent that action. War is being prepared in Germany, not only in factories, but in the schools, in the theaters, in the press, and through the perversion of youth. A tremendous force in the direction of war is being built up there entirely aside from the directives of National Socialist policy.

The question is not whether anyone wants war now, but whether the circumstances in Europe are not such that an accident might precipitate a war. Barring accidents, there is no question of a war now, but that does not change the fundamental fact that the situation in Europe is definitely tending in that direction. The fact that war may not come tomorrow, or next year, or for the next five years does not make it any less necessary for those who have to do the thinking in Europe and America to think straight and constantly face the facts. To me it is no less horrible to contemplate war five years hence than tomorrow, and I can draw no comfort from the thought that it may be delayed.

It is only a resolute facing of the facts that the concerted action of the peace loving powers of Europe must be concentrated on seeing that there is in every country of Europe a Government willing to play the part of a good neighbor, that will save Europe from a war. We at home cannot do much of a positive character to help Europe do this, but we can help by steadfastly facing the situation as it

518

- 16 -

develops, which is what we have been doing. We have so far consistently faced the facts and acted on them and if we keep doing this and do not take any commitments of any kind we have a fair chance at least of staying out of a European conflict if it develops, which we so earnestly wish to do.

Cordially and faithfully yours,

George S. Messersmith.