

870

Vienna, March 4, 1937.

*Personal
Confidential*

Dear Herbert:

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I am sending you herewith a copy of my letter to the Secretary dated March 2. I hope you see these letters which I send every week or two to the Secretary, and I am sending you this particular one as I should like very much to be sure that you know my views on this question of negotiation with Germany which seems to be becoming more actual again.

It may seem to some that I am assuming too negative a position on this matter. My position is a negative one, and a decidedly negative one, in the sense that I think all negotiation with Germany for the present is as dangerous as it is futile. I believe that my attitude is really the only constructive one which it is possible to take in view of the facts, and it is the facts which we must face.

Armstrong posed the basic question I think as well as it could be put, in his book "We or They". Those who know the position realize that there is something of fundamental importance being fought out in the world today and if the battle cannot be won by the measures now being employed it will unquestionably have to be fought out on the battlefields. It is useless to think that in that case we will be a disinterested party. The question at issue is whether democracies or totalitarian regimes shall control, and this is not a question as to whether a certain form of government shall control, but whether certain principles which so deeply affect every aspect of our social, political, and economic life shall control. This is the question at issue and if we may, because of our distance from this old continent, be less affected at the outset, the final consequences for us of a victory of the totalitarian states would be unbearable.

The Honorable
Herbert Feis,
Department of State,
Washington, D. C.

There is no use negotiating now, as I have tried to point out in this letter to Secretary Hull, because our system and that of Germany are so opposed that nothing could come out of such negotiations unless we are prepared to make all the concessions. Germany, as I have tried to point out, cannot really negotiate with us on a proper basis unless she is prepared to change her political and economic objectives, and this the present government cannot do, for any change would mean a breakdown of their whole system. Even if we were prepared to make all the concessions now for a few immediate advantages, the negotiations would lead to nothing of a permanent character for the Germans have no intention of taking our cotton, oil, fets, or metals any longer than they have to, and that they intend shall be for just as brief a space of time as is possible. Any hope of our having normal trade relations with Germany again and of finding any market there for surplus agricultural and other products must lie in a return of Germany to a social, political and economic order at least somewhat resembling that of our own and other states.

There is one factor which I do not touch upon in this letter which is of primary importance also: as making ordinary trade relations impossible. Everybody knows, or should know, that Germany is no longer a "Rechtsstaat". All private or public right has disappeared and all power lies in the Party and the will of the Party is that of a few individuals. The courts, like every other aspect of the German regime, have become subject to the will of the state and there is no more justice or protection of rights in Germany as we know it in other states. As trade relations between states must necessarily lead to difficulties from time to time between individuals and firms which must come before the courts, it is quite obvious that American firms sending their goods to Germany can have no recourse to impartial tribunals.

I will not go into this further with you for I am confident that you, of a half dozen people in the United States, realize so well why all basis for negotiation with

Germany is lacking. There is only one element of the many necessary to a contract as we know it, present in this case and that is the contracting parties. Every other element which is necessary to the negotiation of a worth while contract is lacking.

This whole matter, and so many others, I am looking forward to talking over with you when I arrive home. I have no reason for going home this spring of a personal character except the desire to see my aged mother who is now eighty-eight, and who always looks for me at this time of the year. If I followed my personal inclinations I would not be going until later in the year, for spring is in some respects the best time of the year here. I look forward very much to seeing you in Washington about the middle of April, as I am planning to sail from Hamburg on the MANHATTAN on April 7.

With all good wishes to you and Mrs. Feis,

Cordially and faithfully yours,

Enclosure:

1. copy of letter to the Secretary.

P. S. If you think the accompanying letter to the Secretary might be interesting to Mr. Morgenthau I would be very glad to have you show it to him for his personal and confidential information. Please give the Morgenthau's our very good wishes when you see them and say that I hope to see them in April.