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Berlin, Germany
November 24, 1936

Dear Mr. Messersmith:

I am sorry not to have been able to get more information to you during the last few weeks; but there has been so little opportunity to send anything by courier that I have hesitated to try to communicate with you directly. Besides we are getting ready for the inspection and a lot of information has to be written up and other preparations made. Miss Pulvermacher has been sick and I cannot trust anyone else with confidential correspondence. I have not had time to reply to your interesting memorandum regarding the unification of the two branches (your letter to Burdett) and that on the visa practice. I shall write about both of these when I have time.

Regarding the office there has been no change in the general smooth running of the establishment; and I am glad that we shall have no strained situation to cope with when Huddle comes. On the whole the office is in first class shape and I think so far as our practices are concerned the inspector will not have many criticisms to make. With regard to the recent disturbances I suppose that he will not be inclined to dig up what has gone before, but will be content to make a thorough investigation of what is actually going on and observe how everybody is doing and not "how naughty they have been in the past".

I received your letter addressed to Henry Mann. The day it arrived he happened to call on me in the office. He read it and said he would do what he could to help the young man. He said, however, that the people to whom he had recommended him thought that young "S" was a peculiar sort of chap. Henry said that they thought he "looked so peculiar around the eyes". I know the boy too; but I had never thought that his physiogamy presented an unusual appearance. Henry gave me the impression, however, that there were certain hindrances to getting a real sympathetic hearing for him. I believe Henry thinks that his chances are not so good in London and that New York would be the place for him. He will write to you about the matter.

Bella F. was in and said that her husband had not made the connection with your friends and that he was going to stay in New York and learn English well and get as much accustomed to American life as possible. He is in excellent spirits and believes that he can push the articles for which he went over to sell. She was very happy and seemed very optimistic. I believe that he will be able to find something in the course of time. He expects to stay at least a year and then I think he will make some sort of decision as to his future. I think too that he is taking it easy and not trying to rush things. I told her we would help as much as possible.

I am enclosing herewith a memorandum on the present internal political situation which I think you will find interesting. This letter is being mailed from the Steamship Europa enroute to Havre and the U. S., which a friend is mailing for me.

I have tried to get information regarding the visit of the Austrian Foreign Minister; but among the correspondents here the distinct impression is had that the visit was not of great importance. X

It was a visit primarily to show that "there was no hard feeling" and that Austria values friendly relations with the great German nation to the north; but there is no hand-in-hand common cause regarding Nazi policies, except so far as the directives come from Rome. Austria is careful not to hamper either German ambitions in Southern Europe or in Western Europe, but does not wish to cooperate beyond the cautious limits which Italy herself has set. It is believed here that no political commitments of any importance were made by Dr. Schmidt, that the coming trade negotiations were discussed and arrangements made for the visit of Dr. von Neurath early in January, when in company with the able von Papen in Vienna more progress may be made along political lines. It is not thought that the results of the visits will mean any change in Austria on the Austrian attitude on the Nazi question within the country. The impression here is that Germany is making definite offers to take certain Austrian products particularly agricultural products and wood, and wishes to furnish Austria with manufactured articles, particularly certain war materials. The tourist traffic has also been discussed. I am convinced that Germany is not anxious to supply Austria or anybody else with war materials. The raw stuffs for these manufactures are too hard to get and the German people are making too severe sacrifices to provide the army with war materials and it is not likely that these materials will be shipped out.

The Germans gave the Russians a new credit of 300,000,000 marks and this deal according to reliable information I have had from several sources was closed on the 8th or 9th of October. The credit is for four years and I understand that the Germans are most anxious to get Russian ores, as the hopes of getting Spanish pyrites are not being fulfilled; though that is the whole reason for giving the Spanish rebels the support they are getting. I am therefore still resolutely of the opinion that Germany and Russia will not come to blows even though German citizens are shot in Russia, and that over questions of ideology no conflict with the Russians is imminent. The bluff and front which the Regime in Germany is putting up is certainly not understood in Europe and if England begins to talk a little more sternly about what she will certainly do if "certain countries do not behave" there will be less bold words spoken here. As long as England and France talk about maintaining peace at any cost the "noise" and the "bluff" will go on and may translate itself into insidious action under cover as it has in Spain, but no open "heroics" will be staged with the attendant risk of a European war. They only have two weeks supply of iron in the country, and the supplies of food are not sufficient to carry the country through a campaign.

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The Germans are in a very difficult position and think there is danger of Hitler having to endure severe set-backs in his foreign adventures and I believe that Russia will not spare his sensibilities in the rough way in which she will handle the Spanish situation and the espionage in Russia. I do not think you need to fear that the Regime will take refuge in a war. The hot radicals who believe that Hitler can do anything he wants may think so, but they have not the upper hand in determining action "outside the country". I doubt whether Hitler has a free hand in that himself. The Regime will be tempted to take refuge in war, but not the Reichswehr. Goring was appointed Chief of the Four Year Plan in order to see that the Reichswehr get what they want; and behind everything that is now going on there is the all-prevailing hand of the Generals directing the course of events; and the final political line up before the New Germany tries to win her place in the sun has yet to be formed, and that

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event is somewhat far off. The Regime is strongly enough in the saddle and nobody knows what to do with it. It is impossible to do with it as it is, and it is impossible to do without it. The great process of readjustment must come about sooner or later, and this process would be expedited if Germany was faced once and for all by a strong and powerful England which made war on the part of Germany a fatal risk and possibly total ruination. The great question is : will the Nazi efforts to break Europe into two ideological camps succeed? will Germany be able to fan the fascist tendencies in the great democratic countries sufficient to weaken the internal political adhesion ? Even if this process should succeed to a certain extent there is no assurance that the defense line-up against Germany is so weak that she can risk a war. The truth is that Europe is still too weak from the last war to venture now in another, and this certainly applies to Germany more than to any other great power. This is a real and vital factor which people are not taking into consideration who believe that war is hanging over Europe like the sword of Damocles. Nobody is going to pull the temple down on top of himself as Samson did; because in the same sense it means suicide.

The internal political situation is indicated in the enclosed memorandum. Hitler with his party chiefs, who swept the revolution here to a successful end, has immense prestige in the country and this has been consolidated in an unreal sense through carrying out into practice the Hitlerian ideas of Government and social organization (much which has never been realized) and this has precipitated the country into a state in which it cannot permanently exist. How to get back to normalcy is the great question; possibly it cannot be done so long as the authors of the great "putch" of 1933 still live. Certainly their ideas regarding Germany's imperialistic destinies do not coincide with the Generals' ideas of what is practical in the international military strategic game; and the Nazi robustness must needs give way before the stern judgment of the Reichswehr. It may be that the Robust Crusaders will compromise the honor of the country, where military action may become necessary; but I doubt it and there are indications that the "powers who carry the sword" are keeping a watchful eye on the international development. A war threatens the existence not only of the hundreds of thousands of office holders under the present regime but also the thousands of officers who have found a new existence in the resurrection of the army.

As I am anxious to get this off and have no more time for the manuscript I will close. The errors in typing have not been corrected. With warmest regards,

Thankfully yours
Raymond Geist