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THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

DEPARTMENT OF STATE

AMERICAN CONSULATE GENERAL

Berlin, Germany, March 25, 1938.

Dear Mr. Messersmith:

I did not think when I sent you the memorandum last December with regard to German intentions in Austria that the event would come about so soon and in the manner in which it did. I think you will agree that the information which I gave you with regard to the events of February 4th and 5th, when high officials of the Reichswehr were dismissed, was correct; namely, that the cause of this were German plans with regard to Austria. The events that have taken place show what this Government was about during the last three months.

It is useless for me to comment on the seriousness of the international situation in the light of recent developments. The Department is in possession of information from all over the Continent as to the reactions in other capitals and I shall confine myself in this letter to pointing out the situation here and what may be expected.

The amalgamation of Austria with Germany has given an immense political impetus to Hitler's program and there is no doubt in this country by the leaders that the program can be put through. It is believed that the efforts to coerce Czechoslovakia and to incorporate the Sudeten Germans into the Reich will be carried forth with unremitting vigour with the purpose of achieving a diplomatic

victory

The Honorable
George S. Messersmith,
Assistant Secretary of State,
Washington, D.C.

victory without the use of arms. Europe will be allowed a period of time to digest the new situation and to accept what has happened. Little effort will be made to temper any aspects of the situation to suit the sensibilities of the outside world. Public opinion abroad, in England, France, and the United States, is entirely ignored and it would be false to think that public opinion in the United States or in any other country, no matter how much it becomes aroused over the acts of this Government, will have any effect upon policy here. There has never been a time in Europe when the situation was more favorable to the Hitler regime to carry further its program. They are convinced here that there is a way to accomplish their purpose without precipitating an international conflagration. The acts of this Government including its method of propaganda, its supreme skill in making out a case for itself justifying its conduct to the outside world, will be the chief instruments by which the whole scheme of building up a Pan-German empire and the hegemony in Europe will be prosecuted.

Mr. Hoover probably had this in mind when he said that he was convinced that no European country wanted war, and a great deal of importance must be attached to this aspect of the question.

The Sudeten Germans in Czechoslovakia will some day in the near future also call for help and this Government will very likely be in a position to afford that help and probably under conditions which will make it advisable for the Government in Prague as well as the Governments in London and Paris to acquiesce in such a scheme. The whole diplomatic machinery at the present time and all the propaganda methods available to this Government are being set in motion to accomplish this aim. It might of course in the case of Czechoslovakia miscarry and guns might go off and the international situation develop into a conflict. It is believed, however, that this can be avoided.

The opinion of those people who are well informed

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and with whom I speak is that war is inevitable, but I am not inclined to share this view as I do not think that the Democratic countries at the present time are capable on account of great moral differences to withstand the encroachments of the aggressors. When one remembers that the Germans acquired Austria without even investing one aerial bomb and were able to appropriate a whole country through the threat alone of force, it is not conceivable that they will be willing to invest billions, if not stake their whole political future, in the rescue of three million Germans in Czechoslovakia. Certainly the European situation is deteriorating, but it is deteriorating only from the standpoint of the Democratic and freedom loving countries. The situation is not deteriorating on the side of the aggressors and all indications are that their position will become stronger owing, naturally, to their methods.

By the appropriation of Austria Hitler has established his prestige for a long time to come so far as the inner political situation in this country is concerned. His authority has been tremendously increased and a wide breach has been established between Germany and the Western Democracies, while bridges are being thrown rapidly towards the East. I have the distinct impression that the avalanche has started and that nothing can hold it back. In previous reports I referred to certain periods in time when the balance of power began to weigh heavier on the side of the ~~dictators~~ democracies. That period is now past and every month will weigh the scale heavier and heavier against England and France and her possible allies. This is a situation to which we cannot remain indifferent and which will require America to step in and force the weight of power on the side of democracy and freedom. I think Mr. Buell in his Foreign Policy Association report of last year was not far off when he said that our frontiers were also on the Rhine and this fact is becoming more and more real. It is undoubtedly due to the appalling realization that a very definite balance of power is accruing to the dictators that many circles in Europe have the feeling that war is inevitable.

The Germans are already beginning to think of Russia and in the secret conferences held in the Propaganda Ministry with the German press instructions

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have gone out to make a difference between the Russian Government and the Russian people. An attack against Russia is the final act of aggression that the regime here has in mind, and while this seems far off I am convinced that we will be before this possibility in a comparatively short time. The next year or two will now be used to extend the hegemony of Germany towards the East, involving Czechoslovakia, Poland, Hungary and the Baltic States, and probably Rumania, and the hope is through a complete control economically of the Danube basin to fortify the reserves of raw materials and food sufficiently to be able to defy the Western powers in a most formidable way. The plan is feasible and will no doubt be carried out without any bloodshed, but the net result will be a powerful Germany against which no combination of European powers will dare to move.

This possibility, if not probability, must naturally have great importance to us as it will not only affect our trade but the weight of our position in the whole world, and I am afraid even threaten to a certain extent our security, if not at least our tranquillity and prosperity.

Faithfully yours

Raymond Leist