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Vienna, November 23, 1934.

Confidential

MEMORANDUM OF CONVERSATION WITH HERR X, THE PRINCIPAL REPRESENTATIVE IN AUSTRIA OF THE INDUSTRIAL HOUSE OF THYSSEN IN GERMANY.

In view of the well known fact that the members of the Thyssen family of Germany have from the beginning subsidized the Nazi movement, the following remarks of Herr X are of outstanding interest.

Herr X stated that during the last several months there had been at least twenty known attempts on the life of Hitler, the majority of which were made by discontented Nazi elements. He said that Hitler was in constant danger of his life and, therefore, remained in heavily guarded seclusion. It was exceedingly difficult for German industrial leaders to confer with the Chancellor on this account. He added that Hitler was openly criticized throughout Germany, especially by industrial workers. He also said that it was noticed recently that the prestige of General Goering was on the decline. This, he explained, was due to the fact that Goering was the head of the hated secret police, and because of the growing criticism of Goering in the Reichswehr.

The uniforms of the S. A., as well as of the S. S., he said, were now becoming very shabby, and there was no prospect of obtaining new uniforms. Likewise, the discipline of these two organization was noticeably on the decline. There was also a growing demand, principally

principally in Reichswehr circles, for an early investigation of the murder of General Schleicher and his wife. These same interests also demanded the removal of General Blomberg, the Reichswehr General who has openly espoused the Nazi cause. The Reichswehr felt that because of General Blomberg's open sympathy for the Nazi movement, it was no longer a non-political organization.

Herr X also said that there was a very decided popularity of the Stahlhelm. The Stahlhelm is now looked upon as the center of the movement throughout the country to lead in the overthrow of the Hitler régime. He pointed out further that the economic conditions of the country demanded inflation, and that the deflation at the moment was bringing Germany to industrial ruin. The Government, however, was unable to introduce any form of controlled inflation, because of the objection of the masses, principally of the followers of the Nazi movement. Likewise, Dr. Schacht's position and influence as President of the Reichsbank was considerably undermined. There was also a growing objection to Hitler's demand for Ersatz materials, especially among the shop workers. Herr X added, however, that the supply of raw products in Germany was sufficient for all purposes for at least another year. There was also a growing opposition to the Nazi military program. The former Socialists were again successful in using this point in winning popularity among the workers. He also pointed out that the steady increase of prices was resulting in a decided decrease in the standard of living. The dissension within the Nazi

Party

Party, he said, was now openly discussed, and was a source of much danger to the régime.

The Church dispute, he said, had considerably weakened the Nazi movement. The so-called Protestant rebellion was measurably greater than the difference of opinion among the Protestant clergymen showed, as the clergymen were largely dependent upon the Government for their jobs. He said there were numerous instances of church congregations which had in a majority vote opposed the Government's church policy, although the pastors of the congregations, for fear of losing their jobs, had voted affirmatively.

Goebbels' retirement, he said, was now openly demanded in Nazi circles, but Hitler continued to protect him. There were days at a time when Goebbels remained in hiding in Hitler's apartment for fear of being "railroaded".

Herr X also made the startling statement that Herr von Papen himself had demanded a foreign diplomatic assignment as a last request of the former President Hindenburg, and that he had used Hindenburg's "will" to get this appointment from Hitler. Von Papen had demanded the post in Paris, but was forced to accept Vienna. He said that one of the remaining strong assets of Hitler was the French policy regarding the Saar. This situation may change, however, as soon as the problem of the Saar plebiscite was settled.

In conclusion, he stated that in view of the change of loyalty of the Thyssen family to Hitler, they feared very much, not only for their lives, but for the property of the family. As a consequence, they were secretly

transferring

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transferring as much property as possible to foreign countries, principally in the form of valuables.

A. W. K.