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Berlin, Germany
February 15, 1938

Dear Mr. Messersmith:

I have your several letters which I appreciate very much and which I will reply to as follows: First with regard to the draft of the probable Executive Order governing the functions of the various attachés. This document has interested me immensely and has readily and vividly recalled to my mind the amount of time and thought you put into such matters in 1931 and 1932 when you were working chiefly on reorganization problems affecting the Service. I think what you have now proposed is excellent and very well thought out in every detail. A final clarification of the duties of the attachés is historically (in the long annals of our Service) necessary; and it will be a work of genius to give lasting directives to the functions of the attachés. I am grateful, indeed, for letting me have a copy of the proposed draft. I have no substantial suggestions to offer, as it seems to me you have drawn up the document with great skill and with a perfect understanding of the problems involved. I quite agree with you that the time has probably come to withdraw the Technical Advisors of the Department of Labor. I am interested that you have sensed this point; for it is only generally apparent to those who are actively and daily handling the visa work in the field where the technical advisors are functioning. Fortunately I have been able to get Warner to work along with us in a very satisfactory manner; but he naturally has tendencies to obstruct carrying our certain policies which the tragedies of the times make imperative; and so, in fact, his part in the work becomes "intervention" and often an added hindrance preventing in a certain measure the Consul from exercising a free and logical judgment in different cases. Often ways and means must be found to overcome the technical advisors objections, when it is clear to the Consul that the visa should be granted and can be granted under the terms of the laws and regulations. There is always the threat that the technical advisor will refuse to initial a visa. You may be assured that I shall guard the memorandum with strict secrecy.

I have your letter about the new Ambassador, Mr. Wilson, and the probable policies which he will pursue. I am preparing to cooperate with him in every conceivable way, and I am sure from all I hear that we will work in perfect harmony together. I know that he is ultra-conservative and non-commital and will probably conduct all his business with extreme caution. I shall in no way interefere with any course which he chooses to follow, and will be very circumspect about recommending any course or action which I know instinctively

might appear to him to be a little more aggresive than he is used to. One will have to allow him sufficient time to see all angles of the situation here and acquire his own momentum. I had a talk last night with an important official in the Foreign Office who is a liason officer between the Foreign Office and the Secret Police and the Propaganda Ministry. I complained about the apparent unwillingness of both the Secret Police and the Propaganda Ministry to see our side of problems which came up and that obviously judging by recent events the Foreign Office was not able to make its views, which I judged were closer to the American standpoint, prevail when the Secret Police or the Propaganda Ministry had part decision in matters. This hit the nail on the head and he assured me that sympathy in connection with American matters had very much deteriorated during the last part of 1937 owing to the unfriendly mission of Ambassador Dodd, and with the advent of the new Ambassador he believed that a marked improvement would be noted. He was very friendly and not at all offended by the plain way I described the situation and asked me to share with him the belief that relations would get better and that our requests would be dealt with more cautiously and sympathetically in the future. With respect to several matters pending, he suggested that I wait several weeks and then we would speak again, and he would come to my house for lunch and take stock of the questions (protection matters) pending. He told me that when the new correspondent of the Jewish Telegraphic Agency arrived ten days ago and began his work (only shortly after the closing of the Agency here) the Secret Police insisted upon expelling him at once, but that he had succeeded in preventing this. I appreciated his cooperation in this regard and assured him that I was most anxious to resolve all our problems in a spirit of mutual understanding.

I have taken note of what you have written regarding the former relations between Mr. Gilbert and Mr. Wilson. I hope that they will be able, in spite of their former feelings toward each other, to cooperate for the general good. I consider the tasks here so delicate and difficult and the demands upon us so urgent that nothing must be allowed to weaken the strength of our mission here. I shall do everything in my power to contribute in every way I can to augmenting that prestige and work together with both in the most friendly and loyal spirit. Be assured I shall deeply bury in absolute silence what you were good enough to advise me about concerning their relations and the probable future of Mr. Gilbert.

I was glad to hear that you had decided to do nothing about Truman Smith. You will remember when I first answered your question in regard to him , I suggested that it would not be worth your while to give yourself undue trouble about him, as his influence is not so that he could do any harm. It was rather significant

during the recent "purge" of the army Smith did not seem to know anything about it, and it came to him as suddenly as it did to the rest of us. I think too that he has lost his contacts with the big army chiefs since General Reichenau has been transfered from Berlin. While Reichenau was in office in the capitol here, Truman Smith enjoyed rather close contacts with the pro-party elements in the Army headed by Reichenau; but since their eclipse, I am sure that his contacts have been as conventional as those of the rest of the military attachés in Berlin. He is,no doubt, an exceptional type of soldier and has a bent for statemanship, economics, finance, social questions and diplomacy and would like to have his hand in "big political movements". He had great influence on Mayer, but I believe he has none on Gilbert, especially since you have given Gilbert the benefit of your advice and observations with regard to Truman Smith. Besides Gilbert is an independent individual and is very shrewd to detect the truth of any situation himself. There is no question but that he will not be able to put anything over on so experienced a man as Mr. Wilson, who will know how to evaluate the "political information" which Truman Smith may be able to obtain. Therefore I am positive that with the type of men who are now to be in the Embassy there is little danger in allowing Truman Smith to finish out his term of office.

I had Fritz Eichberg in this morning and read your letter to him. He is very grateful to you for writing and sends back to you and to Mrs; Messersmith their warmest greetings and thanks. I have gone into the situation with him carefully, and will be able to grant the immigration visa without making any note in the passport. I have gone into the question of the necessary documents he has to present, and will be able to grant the visa on the basis of an affidavit from his wife and from his mother-in-law and a statement from his Swiss company as to his salary abroad. I learn it is sufficient to meet our requirements. I expect to prepare the visa and send it to Jenkins in London for delivery to Fritz when he calls there enroute to the United States. He feels that requiring the "police certificate" of good conduct might get him in trouble with the police; so I am waving that, which under the Regulations of 1936 is allowable under certain circumstances. I have, however, insisted in his own behalf,and in protecting him from grave danger when he returns here,that he duly deposit and settle the question of flight tax, which he understands that he must do. Both he and Bonnie Lee must make a move of this sort; for the both of them are very nervous and extremely uneasy. I feel very much like a mother chick with the scared ones under my wings. Emil Baerwald has had his passport marked "invalid for foreign countries", and I anticipate sooner or later having to do something energetic not only for the Baerwalds but for others in the same position. The situation is very difficult and the Secret Police are handling all these matters with a very high hand. The situation in Germany was never so stolidly

tense,cruel and sadistic as it is today. I am still caryying Saxon along outside of prison, but his matter has gone to the Staatsanwalt, which makes it a little harder. I believe still that I shall be able to save him,and am bringing every pressure to bear to give him fullest protection. I appreciate the support I am getting from Gilbert, who backs me up at the Foreign Office whenever the situation demands it. Saxon has not been arrested.

Mr. Bernstein, the new Correspondent of the Jewish Telegraphic Agency is hear and functioning, as it were, every day under my personal protection; but I do not know how long it will be before he will be arrested and expelled. At any rate the ne xt conflict with the all-powerful Gestapo on this score will be a battle royal; and I am counting on the prestige of the new Ambassador to tip the scales in my favor.

I saw the telegraphic report which the Embassy sent to Washington reporting the facts and significance of the recent sensational purge in the German army. Mr. Gilbert was kind enough to wish me to read it and give my opinion as to the contents. I thought it was a most careful and conservative estimate of the importance of the events which transpired and which caused so many sensational rumours in the world. Everyone with whom I have talked sees a partial victory for Hitler and for the Army. It is significant that the Army is not represented in the Cabinet (von Blomberg was the Cabinet representative); but it is also significant that no Nazi has become Minister of Defense, a place for which Himler has been working hard for nearly two years. Hitler has skillfully bridged over the crisis; but one thing now stands out and may be taken for a positive truth, namely this: Hitler has irrevocably lost the undoubted loyalty of the military leaders, the nobility, the industrialists and the leaders in the banking world. The alienation of the intelligent classes through the church question, both catholic and protestant, is practically complete. The Regime has its popular appeal to the lower middle classes; but there is no assurance that the mass of workers would utter one "hurrah" for all that Nazidom stands for. The situtaion is bound to become more precarious as time goes one, and consequently the terror will increase. The country is conscious of a deep family quarrel and the slow development of a "feud" will impress itself more and more upon public life. I think the enmities that have been engendered and which have been revealed are here to stay, and that the myth of the so-called national unity can no longer be sustained w ith any degree of reality.

I learned from a friend in the Foreign Office today that Baron von Neurath did not know up to 8 P.M. on the night of Friday February 4th that he was to be replaced in several hours by Ribbontrop. The announcement was made over the radio at midnight on February 4th. You can well imagine how things are done in Germany when such things are possible. It shows how crises arise and how quickly decisions are made. No one seems to have any idea of what Hitler will say on the 2oth of February. You will know

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by the time this letter arrives.

I think the events which have transpired will convince you now that the memorandum which I sent you last December forshadowing action in Austria was pretty well correct. At this writing Europe is pretty well excited about the German ultimatum to Austria and the consequent re-organization of the Austrian cabinet with Nazis sharing in the Government. This is the beginning of the end of a free and independent Austria, and a deepening of the shadows over Europe. It is believed here now that the wholesale dismissals in the Army and the other changes were intimately concerned with the fate of Austria and the drastic measures which it was intended to take before the 30th of January. These events have taken place since I wrote page 4 of this letter; and I am now convinced that the telegram sent to the Department by Gilbert last week and which I commented on on the previous page did not portray the facts behind this whole drama and that the whole quarrel was over Austria and the measures which the German Government had decided to take. I learn now from reliable sources that Hitler had argued vigorously with the Generals before they were dismissed and when the quarrel was at its height that the German agrarian situation was bad and that the soil had been artificially fertilized to such an extent that the yields might deminish and that he would not suffer the German people to undergo a "Verschlecterung in der Näahrungslage" and that he would resolve this difficulty with force if necessary. We are anxiously awaiting his speech on Sunday.

Mrs. Stresemann has been to our house today and I discussed her general situation. Her passport still remains intact. She is following my advice and not doing anything until a critical situation arises, that is until they take up her passport or make it invalid for "Ausland" and then she will try to see Ribbontrop, who used to come to her house and used to play tennis with Wolfgang at the Tennis Club. Her foreign securities are held by the bank and they have asked her to sell some of them, but she has been able to resist this until now. I understand that the transfer of spare marks will be forbidden for emigration purposes. The rate has fallen very greatly and large amounts are offered at Amsterdam and the Gold Discount Bank is about the only purchaser, the rate is about 9%, that is a discount of 91% after 25 % has been confiscated for "Flight Tax". Who would want to sacrifice their fortune at such a rate? This is what our unfortunate friend is faced with if she attempts to leave the country. Neither she nor Wolfgang see their way clear to make any kind of move; and I think she would better stay as long as she can, where she can have the comforts she is used to physically, whereas if she left she would be a poor women completely ruined financially. I am doing everything I can to cheer her up and assure her at least of some friendly protection and sympathy. We could always plead her cause if she got into real difficulty; but at the present time she suffers mental depression, though she has not been bothered directly. and I

My sister/send our love to you and Mrs. Messersmith and wish above all your enjoyment of good health - I hope you will watch

yours- Faithfully Raymond

P.S. My sister is very much worried feeling quite good.