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March 22, 1938.

Personal

Dear Mr. Haskell:

I have your note of March 21, which to my regret I must acknowledge very briefly as I am working more hours a day than I should and I see no release in prospect. I need not tell you that the burden is getting constantly heavier.

As for your specific question, there has unquestionably been in Austria a so-called Pan-German group which was largely confined to certain professional and university circles. It had very little root in the masses of the population. The Pan-German movement also had a certain following in the industrial group. During the time of the Republic in Germany this group in Austria, while not strong numerically or active, undoubtedly was gaining a certain amount of ground. All except a few of the most advanced Pan-Germans still conceived the Pan-Germanic movement as something possible and not incompatible with Austrian independence.

When the change came in Germany to the Hitler regime, the Austrian character repudiated almost everything that was being done in Germany in the political, social and economic fields. The Pan-German group lost strength and I doubt whether the Nazi movement, which in some respects took its place during the last three years, has ever had more than about 27 percent of the Austrian population. We must not forget that a great many Nazis in Austria thought of a Nazi Austria and not of one absorbed into Nazi Germany. When I left Vienna last July certainly the most optimistic estimates of the Nazis would not go beyond claiming 30 percent of the Austrian population. Since then the Nazi movement, while it increased in activity, certainly did not increase its strength. I know you will be surprised but I believe that at the time Schuschnigg had to go to Berchtesgaden some weeks ago not more than 15 percent of

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Haskell, Henry J.

Mr. Henry J. Haskell,
The Kansas City Star,
Kansas City, Missouri.

the Austrian population was in favor of union with Germany. In spite of the virulency of the Nazi movement in Austria, the position of Schuschnigg's Government was becoming stronger. This is one of the major reasons, although there are several others, why Germany accelerated her program of absorption.

I am sure that you have not been misled by the radio programs which have brought us the so-called enthusiasm of the Vienna crowds. I am sure that you have not been misled by some of the newspaper accounts from Vienna describing the "enthusiasm" of the last days. As a matter of fact, we have every reason to believe that the great majority of the Austrian people are tremendously depressed for they know what the change means.

I wish that I could go into a little detail but it is impossible with the demands on my time. There may be some people in Austria who were enthusiastic at the change because they thought it meant jobs for them through the discriminatory measures applied against certain Austrians. They are already finding that these jobs are going to Germans who are pouring into Austria in large numbers. Aside from the really terrible things which are happening there, and which in the press are only reflected in a small degree, I might say just this one thing,-the first thing that the Germans did in Austria was to clamp down an exchange control in one of the few countries in Europe which had been paying all of its external obligations in foreign currencies. The next day the new German Government in Austria decreed that the German mark was to be worth schillings 1.50 although the Austrian schilling had a gold cover of 36 percent and I think it is only a slight exaggeration to say that the mark has a gold cover of 1 percent. This decree was followed by another to the effect that the schilling is to be replaced in Austria by the mark and that the gold reserves of the Austrian National Bank, valued at 400,000,000 schillings, are to be taken over by the German Reichsbank in Berlin. Has there ever been the rape of a country and a people more complete? For years Austria has been struggling through sound financial policy to build up her economic situation and now her people are to be impoverished as a whole by this absorption into the Reich and the painfully accumulated gold reserves go to Berlin.

This is only a little sector of what is happening in the country. I take it that under the circumstances even the gentle and docile Austrian people can hardly be happy.

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The foregoing, of course, is for your background and I regret to have to write so briefly.

With every good wish to you and Mrs. Haskell and hoping to have the pleasure of seeing you here before long,

Cordially and sincerely yours,

A-M:G-SM:VNG