R Walton Maore Papes Dodd, W.E. (1934) Box 5

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Berlin, March 3, 1936. Personal and Confidential.

I am enclosing a letter to you written a day or two ago about a Consular matter here, and also a letter to the President which I wish you would send to him if you think he has time to look it over. Since writing these letters some additional and rather serious information has come to our knowledge. The German newspaper reports say that the League is trying to force Mussolini to terms, and that if he refuses to negotiate, the oil sanctions will be applied. I would not have taken this quite seriously if I had not learned this morning confidentially from Cologne and Hamburg that the Standard Oil and Sinclair Oil companies are withholding shipments to Germany and that the control of the great refinery at Hamburg has been turned over to an English firm. Information also comes from the same sources that Rumania stops her shipments of oil to Germany. The reason they all give is that Germany does not pay in foreign exchange. The French Consulate in Cologne made it quite clear to our Consul there that the French Government is interested. 1 have no chance this morning to verify this news from other sources. In fact, each of the men who wrote us insisted that it was exceedingly confidential. As I wrote you before, the Sinclair and Standard companies have been preparing great storage plants during last autumn. This news seems to me to indicate that England, France and Rumania are beginning actually to cooperate, and the reason they apply this rule in Germany is that other oils were supposed to be shipped to Italy from Hamburg, either by sea or transported through Switzerland. I merely mention these reports, not quite sure of their motivation.

Another curious information which came to us yesterday is that Fritz Thyssen told our Consul

The Honorable R. Walton Moore. Assistant Secretary of State, Washington, D.C.

in Cologne on the night of February 28 two things: First, that he had contributed huge sums to enable Hitler to win his dictatorship, and second, that the Hitler regime is very unsatisfactory to him in two ways: (a) maltreating the Frotestants and Calvinists shamefully, and (b) that its radical wing is becoming almost Communistic. He actually said that the time is approacing for another "June 30." This might not appear very important, except for the fact that he said he had had a long conference with Hitler a day or two before, and we know that Hitler and Göring had long conferences with him and the Krupps about June 26 or 27, 1934. While I do not now believe that such a violent procedure is coming soon, this conversation does seem to me to indicate the likelihood of trouble. I believe the cause of this feeling is the fact that the economic life is so difficult to manage and that the treatment of religious people has become so drastic that large numbers of people in all sections are seriously troubled. Of course all of us know that in our time when absolute control of press, telephone, telegraph, film and letter-writing are all under a dictator, anything like popular resistance is nearly impossible. I am giving you the statement because in case a war should break and general public feeling is truly represented by the news we get, there might be serious difficulty.

Sincerely yours,

William & Dodd

Cordial thanks for Jonn latters of Febry 18 and 21, just arrived