Vienna, October 26, 1934.

CONFIDENTIAL.

No. 180.

SUBJECT: SOME OBSERVATIONS ON THE SITUATION OF THE JEWS IN AUSTRIA.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to transmit herewith (Enclosure No. 1) the official German text of a statement which has been given by the official press service of the Austrian Government to the Austrian newspapers, which has particular reference to the situation of the Jews in the country. In view of the alleged increased discrimination against the Jews in official, professional, and business circles, Jewish leaders within and without Austria have been considerably disturbed and within the last week have had two long conversations with Chancellor Schuschnigg.
Schuschnigg during the course of which they laid before him in detail definite information with regard to discriminations in various fields. As a result of these interviews the Austrian Government has today given out the official communiqué hereewith transmitted and of which the following is a translation.

"The Presiding Officers of the Vienna Jewish Community called on the Chancellor."

"Official Communiqué. The Federal Chancellor, Dr. Schuschnigg, yesterday received the presiding officers of the Jewish Community, that is, the President, Dr. Friedmann, the Vice President, Dr. Löwenherz, and Dr. Ziehen. In a long conference the various questions of first importance to the Jews of Austria, which had already been presented in the form of a detailed memorandum, were thoroughly discussed.

"The Federal Chancellor took this opportunity to have himself entirely informed on all these questions and was given complete information with regard to prevailing conditions. He repeated the declaration which he had already made on a previous occasion, that the Federal Government without any question intends to adhere to the constitutional principle of equality and of like treatment of all its citizens before the law."

This declaration, with all of its implications, has particular significance at this time. The Chancellor made a similar statement while he was in Geneva attending the recent League of Nations meeting. The two statements, together with the more direct and specific assurances which the Chancellor gave to the officers of the Jewish Community here this week, indicate that it is the intention of the Austrian Government to stop, so far as it is in its power, discriminatory treatment of the Jews in the country.

In order that the Department may have certain information for background purposes I shall in this dispatch give a brief résumé of the more recent developments in this situation in Austria.

There was
There was already before the outbreak of the World War a Jewish problem in Austria. In the days of the Empire Vienna was the center of the business and professional as well as of the political life of the states which made up the Austro-Hungarian Empire. Vienna was a cosmopolitan city in the real sense of the word and was a melting pot for the cultures of Southeastern Europe. It was the great capital of Southeastern Europe and it was inevitable that it should have a large Jewish population. At the outbreak of the war in 1914 there were approximately 168,000 to 175,000 Jews in Vienna, but there were very few living in the other cities of Austria proper or in the rural districts. In 1923 the number of Jews in Vienna had increased to approximately 200,000, but in 1933 it had dropped to 173,000. This gradual decrease from 1923 to 1933 was brought about partially by a decrease in the birth rate and partially by emigration to other countries. The Jews have for many decades in Vienna played an important part in its business, professional, financial, and social life.

The Jewish problem in Vienna and Austria is not a new one, just as it is not a new one in many other centers in Europe. Anti-Semitism in Austria proper has been more common in the smaller cities and rural districts where there are few or no Jews than in Vienna where there are now approximately 175,000 Jews in a total population of about 2,000,000. The Jewish population of Vienna was slightly augmented during, and more particularly after the War. The disturbed conditions in Southeastern Europe caused a certain number of Jews to gravitate towards Vienna, and this was particularly true on the breaking up of the Empire after the close of the War. This influx, however, to which reference is so frequently made in Austria, as it is
Germany, was by no means as great as one might believe it to have been from the emphasis which has been laid upon it and this is clearly demonstrated by the figures which have already been quoted in this despatch.

During the Socialist regime which was in control during a good part of the past war period, the Jews in the Socialist Party played, for the first time, a fairly important role in the political life of the city. In the professional and business world they have been for decades an important factor. That anti-Semitism there was was held in very strict control and it was with the economic depression in 1929 that anti-Semitism became a factor in the political and social life of the country. As in Germany, this anti-Semitism made itself felt first and most strongly in professional circles. The depression brought with it a decrease in the earnings of lawyers and doctors and practically all professional people, and the overcrowding of these professions together with decreased earnings directed attention to the unquestionably large percentage of Jews who had achieved a place of prominence. With the development of the depression and undoubtedly somewhat under the stimulus of the anti-Semitism movement in Germany, increasing difficulties were made for the Jews in Austria.

When the late Dr. Dollfuß became Chancellor, the discrimination against the Jews in the political and in the professional field had reached such a point that it was becoming a cause for concern not only to the Jews but to liberal thinkers within and without the country. There was in Austria a National Socialist Party which was receiving support from the National Socialist movement in Germany and which planned its program in most respects after that of the German Party. This is not the place to consider
consider the composition of the National Socialist Party in Austria, but it is necessary to state for the purposes of this despatch, that undoubtedly a good deal of the support which this Party received came from so-called intellectual circles in the country and was based on the adoption by these circles of the anti-Semitism of the parent Party in Germany. It is, I believe, quite warranted by the circumstances to say that a very good portion of the support of the National Socialist Party in Austria was based on anti-Semitism rather than other factors, and that this anti-Semitism was the outgrowth of the economic situation rather than out of basic feeling against the Jews. That this anti-Semitism existed and that it was the basis of a good deal of the National Socialist feeling in the country was a factor which the late Chancellor Dollfuss had seriously to consider. His principal problem was to combat the growth of National Socialism and its endeavor to get control of the Government either by slow penetration or by a coup d'etat. As the National Socialist movement in Austria had behind it the force, and as it was later shown the material aid, of the National Socialist movement in Germany, the problem of the Chancellor was by no means an easy one.

Chancellor Dollfuss himself was a very devout and a very good man, and although the head of a semi-Fascist Government, was himself a man of liberal and tolerant views and by no means an anti-Semite. He realised the important part which the Jews had played in maintaining the old Empire and the contribution which they had made to Austria in the past war years. He realised that in business and in the professions, as well as in the arts and sciences, the Jews had contributed to the strength and the reputation of the country. He was a real patriot and believed that
that all patriotic elements in the country, irrespective of race and religion, had rights which must be respected. He therefore believed that the rights of the Jews before the law must be respected, but on the other hand he had many and serious problems to face with at no time a certain majority of the population behind him. He knew that it would be difficult for him and his Government to take any open and determined attitude on this question of discrimination against the Jews. If he took such an attitude against discrimination he would complicate his political difficulties and increase opposition. If he allowed the anti-Semitism to have free play he would lose the moral support not only of the Jews, but of a good part of the thinking and responsible population.

Chancellor Dollfuss therefore followed a neutral course. It was his policy to allow at no time the Jewish question to become a problem. He made no public proclamations that there could be no discrimination, but on the other hand where he found discrimination he put a stop to it. He realized the international implications of the problem and the dangers which existed for Austria if there should be real discrimination against the Jews. He maintained close contact with the Jewish community and discussed matters with them freely and it is not too much to say that he had the full support and confidence of the Jews. They may not have been entirely satisfied with his attitude, and he may not at all times have acted as rapidly or gone as far as they wished him to go in the protection of what they believed to be their rights, but they retained their confidence in him and in his desire and power to keep anti-Semitism within reasonable limits. The Dollfuss Government therefore retained until the death of the Chancellor the full support and confidence of the Jews.
This, however, cannot be taken as an indication that during the administration of Chancellor Dollfuss there was not a Jewish problem and what may be called discrimination against the Jews. It was inevitable that with a National Socialist movement in Austria there should be discrimination which the law could not control, and this discrimination did exist. In the business field it was kept in very careful control. In the professional field it had freer play because here the animosities and prejudices of individuals could have more effect. It was inevitable too, that in the public administration the number of Jews would gradually decrease. The whole movement, however, as has already been indicated, through the wise and understanding policy of Chancellor Dollfuss, was kept under careful control.

The murder of the Chancellor during the July 25 putch had the effect of bringing the National Socialist Party, which was already under a legal ban, into a position of disrepute, but the disappearance of the Party as a legal entity and the prohibition of membership in it did not do away with anti-Semitism and this is perhaps the best proof that this problem in Austria, as in so many places, is an economic as much as a racial one. Although the economic situation in Austria has somewhat improved and is undoubtedly better than it was last year, there is still considerable poverty and unemployment in the country and the standard of living has suffered. The position of the intellectual and professional classes has not improved and the basic reasons for anti-Semitism existing in professional circles are as strong as, if not stronger than before. With the death of Chancellor Dollfuss and the disappearance of his controlling hand, there was an increase in activity on the part of those inclined to anti-Semitism.
Chancellor Schuschnigg, who succeeded Chancellor Dollfuss, is a man of considerable intellectual attainments and very high personal qualifications. He had been Minister of Education in the Dollfuss Cabinet. He is a man of fine feelings and of liberal views. Although a devout Catholic and deeply attached to the Catholic Church and its institutions, he recognizes the importance of religious toleration. There was, however, a feeling in Jewish and in some other circles that the Chancellor is inclined to be slightly anti-Semitic in his feelings, or if this be not so, that he does not have the understanding of the implications of discrimination and of the Jewish problem as a whole which his predecessor, Dr. Dollfuss, had. There was no reason, however, to believe that the new Chancellor would tolerate any anti-Semitic activity or in any way permit the constitutional rights of the Jews to be infringed upon.

Following July 36, however, there were evidences that in certain branches of the Government administration individuals were permitting their anti-Semitic tendencies to influence them. This did not show itself in such Ministries as that of Commerce and Social Welfare, the heads of which were carrying out the Dollfuss policy in the Jewish problem. There were indications, however, of increased discrimination in the administration of the Ministry of Education, of which the Chancellor remained the titular head, but more particularly so in the administration of the municipality of Vienna.

The Bürgermeister of Vienna, Dr. Schmitz, is in a particularly powerful position. Under the present Government he is practically the dictator of the affairs of the municipality and in this connection it will be remembered that in Vienna live almost
almost one-third of the population of Austria and certainly
30% of the Jews in the country. The hospitals, the professions,
and all of the various social and philanthropic institutions
serving these two millions of Austrians are largely controlled
by Dr. Schmitz as Bürgermeister. He is believed to be an
open and pronounced anti-Semite by conviction. There is, how-
ever, reason to believe that displacement of Jews in various
parts of the city administration and the discrimination which was
permitted in the institutions controlled by the city was as much
due to the desire of Dr. Schmitz to build up his own organization
and power as it was to anti-Semitic prejudices. Whatever may
have been the impelling reasons for his action and attitude,
the leaders of the Jewish community in Austria became very much
disturbed and felt that something must be done if the Jewish
problem was not to become acute.

The concrete and far-reaching action of the Government
was taken at the time that the Chancellor, Dr. Schuschnigg, and
the Foreign Minister, Baron Berger-Baldowegg, were attending the
League of Nations meeting at Geneva last month. A decree was
issued by the Austrian Government which provided for so-called
parallel classes. It provided that the Minister of Education,
when he sees fit, can set up separate classes for Protestants,
Catholics, and Jews. This is not a new thing in Austria and
the Jews, as perhaps the Catholics and Protestants also, are not
in principle against this separation. The Jews in Austria, for
example, I understand would welcome separate schools for Jews in
which there shall be Jewish teachers and which would be under a
certain amount of control of the Jewish community and supported
by the Government, provided that there should be similar separa-
tions for Catholics and Protestants and other religious creeds.

The Jews
The Jews, however, object to the creation of parallel classes or separate schools when the separation shall have the effect of placing the Jews in an invidious position or when the action is taken obviously with the intent of treating them as a people in a secondary category.

When this decree was issued the Jews in Austria raised violent objections thereto as they believed that the whole object of the decree was to place the Jewish community in a secondary category and that it was a part of the discriminatory program against them. The Jewish leaders in Vienna got into immediate touch with certain Jewish leaders who were in Geneva and there had a conference with Chancellor Schuschnigg and with the Foreign Minister, Baron Berger-Waldenegg. From the Foreign Minister they received assurances that the decree would not be carried into effect. The results of the conversation with the Chancellor were not so satisfactory, although he did agree that the decree should not go into effect.

I have confidential information from responsible and altogether trustworthy sources that the Jewish leaders who happened to be in Geneva and who had this conversation with Chancellor Schuschnigg and who, it may be remarked, were not Austrians, were not satisfied with the attitude of the Chancellor. I am informed that these leaders gathered the definite impression that the Chancellor was somewhat anti-Semitic in his own personal attitude and the declaration which he made from Geneva was not an accurate nor as clear as they felt under the circumstances it should be.

I may say that I have at least one of the Jewish leaders who was in conference with the Chancellor in Geneva, and I have in him the greatest confidence and for his judgment I have very high respect. I must therefore, while not considering him altogether
objective in Jewish matters, believe that there must have been very real basis for his dissatisfaction with the attitude of the Chancellor.

As the Department is aware, one of the principal subjects under consideration at Geneva, if not the principal one, was the measures which could be taken to support the independence of Austria as a primary element in the maintenance of peace in Europe. The English, French and Italian delegations were all interested when this decree with respect to parallel classes was brought to their attention. An internal peace in Austria and a fair treatment of minorities were matters of primary interest to the representatives of these powers at Geneva, the Jewish leaders discussed the situation with the delegations of at least two, if not all, of these countries. As a result of the conversations in Geneva instructions were issued by the Chancellor and by the Foreign Minister from Geneva to Vienna that the decree was to be modified in such a way as not to give cause for concern to the Jews in Austria. This was done and appropriate articles appeared in the Austrian press.

The leaders of the Jewish community in Austria, however, were particularly concerned. Information kept coming to them of further discriminatory actions, particularly in the administration of the city of Vienna. In the hospitals, for example, Jewish graduate students were finding it extremely difficult, if not impossible, to engage in that hospital practice which is essential under the law before they could enter into private practice. This is only one of the many types of discrimination which the Jewish community felt it had definite proof of. The various Jewish organizations in Vienna, in fact the whole Jewish community, are bound up in an organization which is known as the "Israelitische Kulturgemeinde"
Kultusgemeinde. This organization is officially recognized by the Government as the Jewish organization which can speak for the entire Jewish community. The President of this organization, Dr. Friedmann, and the Vice President, Dr. Löwenhers, are both men of very high intellectual qualifications and men whom I know from direct contact to be of high personal character. This organization is the Jewish organization in Austria which maintains contact in the United States with the American Jewish Committee in New York and with similar committees in London. While this Legation naturally does not concern itself in the internal affairs of Austria, it has to keep itself informed of developments in the Jewish situation as an important factor in the general Austrian problem and for that reason the Legation has maintained constant contact with the officers of the Kultusgemeinde.

Dr. Löwenhers, the Vice President of the Kultusgemeinde, recently returned from the United States where he spent several weeks visiting Jewish organizations and institutions. On his return he gave a lecture at the Military Casino on "America as I saw it". In view of his subject he asked me to attend this lecture which I did. It was a very large meeting, attended by at least several thousand people. Dr. Löwenhers made an excellent address in which he spoke in cordial and glowing terms of his American visit. To my great surprise, however, in the course of his address he made several statements which were quite critical of the Austrian Government in its attitude towards discrimination against the Jews. I was not happy that he should make these remarks critical of the Government, in my presence, but what seemed to me of much greater importance was that
that in these troubled times in Austria he, as the Vice President of the Jewish Community, should make a statement critical of the Government. The particular statement which I have reference to in his speech was one in which he made reference to the decree on parallel classes and the unsatisfactory statement which the Chancellor had made with reference thereto from Geneva. Quoting him roughly he said, "In the United States it is not necessary for the President to make any declaration that the Jews will be treated with equality as our Chancellor had to do at Geneva in defending himself before the other Powers, because in the United States it is taken for granted that all people are treated with equality".

Realising the difficult situation with which Chancellor Schuschnigg has to deal within the Government and to which I make reference in another strictly confidential despatch transmitted by this pouch, it seemed particularly unfortunate that the Jewish community should express its dissatisfaction so openly and so strongly at a time when the Chancellor is confronted by major difficulties, and at a time when the maintenance of the status quo in Austria is considered so important not only for Austria, but as a primary factor in the maintenance of peace in Europe. I therefore felt it advisable to ask Dr. Friedmann and Dr. Löwenhers to come to the Legation in order to express to them my disappointment that statements critical of the Government had been made at a meeting which I had attended as their guest and where I expected the speaker to make reference only to his visit to the United States. Dr. Friedmann and Dr. Löwenhers came to see me yesterday and I expressed to them my regret at the foregoing and my concern over what appeared to be their attitude. Both of them expressed regret that the criticism should
should have been made not only in my presence but that it should have been made at all, and explained that it was due to Dr. Löwenherz's having allowed his feelings to carry him further than he intended. They did say, however, that in view of the really increasingly difficult situation and the fear that the Jewish community might withdraw or become luke-warm in its support of the Government that they had deemed it advisable to have several conferences with the Chancellor. They informed me that they had drawn up a complete memorandum covering the specific evidence of discrimination in various lines and had presented it to the Chancellor for his study. They had one meeting with him during which this memorandum was discussed and he asked them to return for a second conference. They said that they had just had a second conference which had lasted well over an hour and a half in which the Chancellor had shown that he had gone into their memorandum with the greatest care. He said to them that he wished to give them the most categoric assurances that the Jews would be given fair and proper treatment in Austria. With specific reference to the Bürgermeister in Vienna the Chancellor said that he had already discussed this matter of discrimination with the Bürgermeister and that he would do so again. Both Dr. Friedmann and Dr. Löwenherz stated that whatever doubts they had had about the attitude of the Chancellor were now dissipated. They said that the Chancellor had treated them not only with extraordinary consideration and courtesy, but that he had given them the most thorough going assurances that they could hope for. They further said that the Chancellor had taken them into his confidence to the extent of telling them that the problems which they raised with him concerning the Jews were only a small part of the serious problems which he was required to face at this time, but that he nevertheless
nevertheless would give the various points which they had
brought before him his attention and that they could depend
upon his seeing that the constitutional rights of the Jews in
Austria were in every way protected. Both Dr. Friedmann and
Dr. Loewenscba said that they had assured the Chancellor of the
full and complete support of the Jewish community for him and
his Government, of which assurance the Chancellor seemed greatly
appreciative.

It was agreed at this last conference with the Chan-
cellor that an official communication would be given by the
Government to the press on the question of discrimination, and
the communiqué was submitted to the Kulturgemeinde before being
issued. The communiqué had been quoted at the beginning of
this dispatch and the Department will see from the picture which
I have given that it has quite unusual significance, for it seems
to definitely bind the Government to an attitude of non-discrimination.

It is of particular interest in this connection that
Cardinal Innitzer, who is the head of the Catholic Church in
Austria, in an address which he made on October 22, said the
following:

"During the last few years we have always had to
deplore the spirit of materialism which rules
science and culture. Although this spirit may
have been dethroned in science, it continues to
live and permeate in a large section of the people.
It is the spirit of brutality and of material cul-
ture. More recently a special kind of material-
ism has made its appearance — materialism of
blood and of race. This is a new heresy which
is spreading as a form of new heathenism. I need
not tell you who preaches this materialism. It
is a curse denial of God. God's command is de-
nied and this new heathenism operates only by
command of blood and of race. There is a great
danger that this materialism spreads among the
people by the cloak of nationalism and ensnares our people
with this spirit."

There is
There is evidence that the Jews in Austria have been giving patriotic support to the Government. It is quite clear that they gave their complete and very valuable support to the Dollfuss Government. There was reason to believe that this support might be considerably weakened at a time when the Austrian Government needs all the support it can get internally and from without. If discrimination against the Jews in Austria continues it is bound to weaken the Government within the country and will take away from the Government a very considerable part of that excellent support which it has been receiving. Some of the implications in the problem have not been understood by those most actively interested in carrying through this discrimination and if Chancellor Schuschnigg did not have the complete appreciation of the problem which Dr. Dollfuss had, the developments which have more recently taken place and which have been recalled in this despatch would indicate that under the present Chancellor the Austrian Government is now definitely oriented in the direction of a policy of restraining discrimination in every possible form. The Jews in Austria and the leaders of the Jewish community in Vienna, as well as the Jewish leaders in other countries appreciate the fact that the problem is one that cannot be settled by any decree nor by any policy of a Government no matter how determined the attitude behind that policy. It is, however, gratifying that this attitude has been assumed by the Austrian Government for it means that the Jewish problem will not be allowed to become a disturbing factor in a country where so many other inescapable and unavoidable disturbing situations already exist, and in which the maintenance of the status quo is of primary importance as an element in the maintenance of peace in Europe. There is reason to believe that if the Jewish community
community can see evidences of the sincerity of the declaration of the Government that they will give the Government that whole-hearted support which they gave the Dollfuss regime and will not unduly exaggerate the importance of individual cases of discrimination which in view of the general situation are perhaps inexcusable and unavoidable.

The legation is following this question with careful and sympathetic interest as one of the important factors in the general Austrian problem and will not fail to report any further developments which may be of interest.

Respectfully yours,

George S. Messersmith.

Enclosures:
1. Copy of German text of communique.

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