GERMANY'S AUSTRIAN POLICY

Restoration of the Habsburgs as a Bait

(From our Diplomatic Correspondent.)

It was commonly assumed that once she had recovered the Saar Germany would turn her attention to Austria. As a matter of fact, Germany's new Austrian policy had taken definite shape before the Saar plebiscite, and there is at present no reason to suppose that the result of the plebiscite will cause her to change that policy, which is one of extreme caution, although its ultimate purpose is to bring about the absorption ("Gleichschaltung") of Austria through the instrumentality of the Austrian Nazis.

Germany is careful to avoid everything that might lead the Powers to believe that she is interfering in Austrian internal affairs. At the same time, she is promoting reconciliation amongst the dissident factions within the Austrian National Socialist party. There was a good deal of disillusionment in the party, which was beginning to feel that it had been abandoned. This feeling is to be counteracted, and a considerable sum (200,000 marks a month apparently) will be paid into the party fund by the German Government. The party is also to have a nucleus of German Nazis.

With regard to the rulers of Austria, Germany's tactics vary with the persons and the occasion. Overtures of an informal kind have been made to Major Pey (State Commissioner for Security in the Austrian Cabinet), who has been given to understand that there may be a restoration of the Hohenzollerns in Germany - a restoration which will not prevent the return of the Habsburgs in Austria. In this way Germany hopes to win the support of Major Pey and of the leading officers in the Heimwehr (he himself - so it is insinuated - would play a very important part of a military nature in bringing the Habsburgs back).

At the same time the German military attaché in Vienna, General von Muff, manages to convey to the Austrian Government that the Reichswehr and not the Nazis are the real rulers of Germany (which, as a matter of fact, is not altogether untrue) and that the Reichswehr will respect Austrian independence. Thus, while playing with the supporters of the Habsburgs and attempting to reassure the Austrian Government, Germany is discreetly consolidating the force - that is to say, the Austrian Nazis - with which she hopes to consummate her Austrian policy when her time will have come.

To promote the belief that she no longer has anything to do with the Austrian Nazis the German Legation in Vienna is not allowed to receive them or have any dealings with them. The superintendent of Germany's Austrian policy is Herr von Papen, the Ambassador.