Vienna, July 3, 1938.

No. 473.

Subject: RECENT CONVERSATIONS BETWEEN THE AUSTRIAN FOREIGN MINISTER AND THE GERMAN MINISTER VON FAPEN ON THE POSSIBILITY OF IMPROVING RELATIONS BETWEEN AUSTRIA AND GERMANY.

STRICTLY CONFIDENTIAL.

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to transmit, as of interest to the Department, the following information with respect to recent conversations between the Austrian Minister of Foreign Affairs, Baron Berger-Saldenegg, and the German Minister, Herr von Papen, on the question of the possibility of improving the relations between the two countries. Information had reached me through several...
several of my colleagues to the effect that serious negotiations were under way between the Foreign Minister and the German Minister, which had reached the point of actual exchange of views on paper. I had reason to doubt whether this information given me by my colleagues was correct and to believe that what had actually happened was merely another effort on the part of the German Minister, on his own initiative and without definite instructions from his Government, to do something which would help his falling prestige in Berlin.

In view, however, of the intense diplomatic activity of the German Government in London, Paris and in several capitals in South-Eastern Europe, there was at least a probability that the German Minister here might have received instructions to open conversations in Vienna, and I have, therefore, informed myself definitely and can make the following report.

In the early part of last week Herr von Papen called on the Foreign Minister and remained with him for an hour and a half. He started by saying that the relations between Germany and Austria showed no improvement and that his own position was increasingly difficult and almost intolerable. He remarked that he had now been in Austria for about half a year and that he had not succeeded in improving relations and had been able to make no progress on his special mission. He expressed a real desire to accomplish something, and to this the Foreign Minister replied...
that it was regrettable that relations had shown no improvement, but that the responsibility for this could not be laid to him or to his Government.

Herr von Papen then began to refer to what he called the impossible tone of the Austrian press with respect to Germany. To this the Foreign Minister replied that in this respect the Austrian press was only following the German; that as long as the German press assumed the attitude towards Austria which it did, the Austrian press was of necessity obliged to reply, but that the German Minister must admit that they did it in a much more measured manner and confined themselves to facts, which could not be said for the German press reports concerning Austria. Herr von Papen said that he wished to bring about an arrangement by which the German newspapers would again be freely admitted into Austria.

The German Minister then talked at considerable length on various aspects of Austro-German relations. The Foreign Minister asked him whether the statements which he was making represented his personal views or those of his Government. Herr von Papen replied that he was so far expressing only personal views. The Foreign Minister responded by saying that little useful could result from conversations on that basis and that he suggested that Mr. von Papen should put his suggestions in writing and secure his Government's approval thereof, and then submit them to him. The
Foreign Minister said that any such communication from the German Government would be most carefully examined and a reply thereto made. I understand that among the statements put forth in this conversation by Herr von Papen was one to the effect that Germany had no designs on the independence of Austria or desire to interfere in her internal affairs. To this the Foreign Minister remarked that this personal view of Mr. von Papen's did not seem to be in accord with the expressed views of Chancellor Hitler and that it would undoubtedly help the situation very much if the Chancellor made an unequivocal statement to this effect.

The German Minister as usual was, I understand, quite nervous and disturbed during the interview. Towards its close he referred in very strong terms to a passage in one of the recent speeches of President Miklas, in which the President spoke of the attacks on the Christian faith in Germany. He condemned in very strong terms the references which the President had made. To this the Foreign Minister replied by asking whether the German Minister in Vienna had received instructions from his Government to make representations on behalf of the cult of Satan. To this Mr. von Papen made no reply.

It was agreed between the Foreign Minister and Herr von Papen that the German Minister would put his suggestions for the improvement in relations between the two countries in writing and submit them to ...
to his Government for approval and would then approach the Foreign Minister. The German Minister stated that he would make an immediate draft of these proposals and show them to the Foreign Minister before submitting them to his Government.

Since this conversation, however, the German Minister has failed to approach the Foreign Minister further and has not submitted any suggestions. It is interesting in this connection to note that although Herr von Papen is in Vienna, he did not appear personally at the usual diplomatic reception this week of the Foreign Minister, but sent the Counselor of the Legation, Prince Ehrbach.

I have determined through absolutely reliable sources that the foregoing is a correct statement of what has actually passed between the Foreign Minister and the German Minister in this connection. It is, I believe, quite clear, and in this opinion I am supported by that of my best informed colleagues here, that this conversation was merely an exploratory endeavor on the part of Herr von Papen to accomplish something to prop up his falling prestige in Berlin. Whatever else may be said of the German Minister, he is exceedingly active, and it is known that his failure to accomplish anything has irked him exceedingly. As it is extremely unlikely that any of the suggestions which he advanced to the Foreign Minister would receive the approval of his Government, it is probable that nothing whatever will come out of this conversation.
I have, however, thought it advisable to make this report to the Department, in view of the impression which exists in some quarters that serious negotiations were under way.

It is interesting, in this connection, to note that Herr von Papen has indicated his intention of remaining in Austria the entire summer. The British Minister is remaining in Austria, although he will spend the month of July in the mountains, remaining in close touch with his Legation. The French Minister intends to remain here continuously except for the month of July, during which he will be in Paris, but the Legation will be in charge of the Counselor, who is an unusually capable man of high rank in the French service. Practically all of the principal diplomatic representatives in Vienna are remaining in Vienna for the summer. I am mentioning this, as there is usually a summer exodus from Vienna, which continues during the months of July and August, and as a rule practically all the chiefs of mission follow this custom.

Perhaps of most interest is the fact that the Italian Minister is remaining in Vienna and is not taking his usual summer leave. I have good reason to believe that Herr von Papen's decision to remain here during the warm months was not uninfluenced by the fact that the Italian Minister is remaining. Herr von Papen feels that it is a part of his special mission to counteract in every possible way the influence of the Italian Minister. I happen to know
that after Chancellor Hitler’s Reichstag speech Mr. von Papen made every effort to have the speech made by the Austrian Chancellor a very mild one and practically avoid all reference to the Austro-German question. The Department is aware from the Legation’s report on the Chancellor’s speech that it was a very strong one and particularly clear in its references to Austro-German relations. The German Minister considers that this was a great failure on his part and that it seriously further injured his already diminished prestige in Berlin and Chancellor Hitler. He places a good deal of the responsibility for his failure on the Italian Minister, who, however, I believe, had little to do with determining the text of Chancellor Schuschnigg’s speech in reply to Chancellor Hitler’s, although undoubtedly its contents were pleasing to him.

Should there be any developments in connection with the conversation reported on in this despatch which would be of interest to the Department, I shall not fail to report the same.

Respectfully yours,

George S. Messrs. Stith.

GSM/LGW
890.