Vienna, August 23, 1935.

No. 531

Subject: WITH FURTHER REFERENCE TO THE NEGOTIATION OF THE DANUBIAN PACTS.

STRICTLY CONFIDENTIAL.


The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to refer to my strictly confidential despatch No. 528, of August 22, 1935, and to my telegram No. 63, of August 26th, 11 a.m., with reference to the status of the Danubian pacts, and to transmit the following further information. Rumors kept cropping up here in Vienna and elsewhere to the effect that negotiations were in progress between Rome and Berlin for the conclusion.
conclusion of a non-aggression pact on the Brenner frontier. I was informed that a report to this effect had appeared in Le INFORMATION in Paris, and it was carried in an inconspicuous position in one of the less important papers in Vienna. There were persistent rumors in Vienna that Italy, in view of the strained position between Rome and London and the possibility of France veering to the British position, was preparing to abandon Austria by a Rome-Berlin non-aggression pact on the Brenner. It was stated here that the Italian Minister, Freziosi, had had a long conversation with the German Minister preceding a hurried trip by Herr von Papen to Berlin last week, and that these Rome-Berlin conversations had figured in this interview.

Although I could place no credence in these rumors, I thought it necessary to go into the matter, and I could find no official confirmation in any quarter. I have referred to these alleged Rome-Berlin conversations in previous despatches and deemed it advisable to telegraph the Department on August 26th that all official confirmation here of such negotiations is lacking.

I have been able to learn, however, that the German Minister here, von Papen, did make a hurried trip to Berlin towards the middle of last week and returned to Vienna on the morning of August 23rd, and immediately had an interview with the Foreign Minister, Baron Berger-Waldenegg. This was interpreted here as adding confirmation to the reports which were current that Berlin was seeking a direct arrangement with Vienna in order to embarrass the Austrian Government,
to decrease its interest in the Danubian ports, and
to sabotage the idea of the ports entirely.

I have informed myself through authoritative
sources as to what actually took place during the
interview between the Foreign Minister and Herr von
Papen on August 23rd, and can state the following:

Herr von Papen informed the Foreign Minister that
he could assure the Austrian Government that the
attacks on the Austrian Chancellor and Vice Chancellor
would not be continued. In the issues of August 9th
and 10th of the VÖLKLISCHER BESCHÄFTIG of Berlin violent
attacks had appeared against the Chancellor and Vice
Chancellor, which led to a formal protest in Berlin
by the Austrian Government. The Foreign Office in
Berlin had already assured the Austrian Government that
these attacks would not be continued.

Herr von Papen then referred to the prohibition
which has just been placed on Austrian sportsmen
participating in all competitions in Germany. The
Vice Chancellor, Prince STARHUBER, who is also the
leader of Austrian sports, as a consequence of these
attacks on him in the VÖLKLISCHER BESCHAFTIG, had
issued an order which prevented the participation of
Austrian athletes in all competitions in Germany on
the ground that when such attacks were made on the
heads of the Austrian Government in Germany such
athletic relations were made impossible by Germany.
Herr von Papen expressed great concern over this order
and expressed the hope that the Austrian Government
would be able to rescind it at an early date. He
had undoubtedly received specific instructions in this
respect.
respect in Berlin, as it is feared in Berlin that the example of the Austrian Government might be followed in other countries and would affect the Olympic Games. There is unquestionably real concern in Berlin that the units from a number of countries may not participate in the Games next year if they are held in Berlin, and Berlin wishes to avoid the Austrian action setting a precedent or leading to Austria's refusal to participate in the Games. The Foreign Minister stated in reply that he would go into this matter, but did not indicate what action the Austrian Government might take.

Herr von Papen also expressed the hope of the Foreign Office in Berlin that the Austrian press would give less space to the reports which it is publishing of the economic and financial situation in Germany.

On this point also the Foreign Minister made no definite reply.

Herr von Papen then referred to the conversations which he had been carrying on with the Foreign Minister regarding improvement of the relations between the two countries, but he brought no specific proposals. I had dined with the Foreign Minister the evening before, and it was clear he was considerably perturbed with regard to the conversation he was to have with Herr von Papen the following morning. The direct and indirect pressure on the Austrian Government for a separate agreement with Berlin has been constant and increasing, and I gathered the impression that the Foreign Minister was of the opinion that Herr von Papen would arrive the
next day with the most definite proposals that had yet been made. The Foreign Minister three times during the course of dinner communicated with his office in order to get the results of the British Cabinet Council that day, and when he got the final word, which indicated continued English cooperation with France in the Abyssinian matter, his satisfaction was evident and it was clear that he felt in a position to continue the Austrian policy of putting off all direct negotiations with Germany.

As Herr von Papen could only refer to the unsigned memorandum which he had left with the Foreign Minister some time before and to which I have referred in previous despatches, and as he brought no specific or new proposals, the interview in no way changed the position of the Austrian Government with respect to the Sanjenian peace.

I have already defined the position of the Austrian Government with regard to negotiations with Germany and on the Sanjenian peace, and there is no change in this position. The French and the English Ministers here, however, have informed their respective Governments of the continued direct and indirect pressure on the Austrian Government for a separate agreement, and have expressed the opinion that the Sanjenian peace should be completed as rapidly as possible. They have emphasized that if these notes are not brought into being the Austrian Government cannot indefinitely ignore the advances of Berlin. The Austrian Government has no confidence whatever in any agreement which it

right
might make with Berlin, but it would be placed in a
difficult position before Austrian public opinion
if the Danubian posts are not completed and it refuses
to consider the Berlin advances. While there is
discouragement in Austria generally with respect to
Germany and little confidence in the intentions of
Germany with respect to Austria's sovereignty, the
Austrian Government nevertheless would be practically
forced to enter into some agreement with Germany
falling action on the posts. The British and French
Ministers have therefore informed their Governments of
this situation, as they are in agreement with the
Austrian Government that any pact which might be
entered into between Berlin and Vienna would offer no
guarantees for Austria's independence, but would only
open the way for definite interference by Germany in
Austria's internal affairs and to gradual absorption,
even if there were no overt action.

The attitude of the Austrian Government therefore
remains definitely one of complete dependence on the
Danubian posts and against direct agreement with
Germany, and I believe it can be depended upon to
maintain this attitude definitely unless it should be
forced to change by unfavorable developments externally.

Respectfully yours,

GSM/Impt.

File No. 710

George S. Masereith.