Vienna, November 29, 1938.

No. 619

SUBJECT: WITH REFERENCE TO THE PRESENT SITUATION OF THE JEWS IN AUSTRIA.

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to transmit the following information to the Department with reference to the present situation of the Jews in Austria.

I have not addressed the Department on this subject for some months as there has not been anything of major interest to report. This, however, is not an indication that this Legation is not following developments with close interest, for the problem of the Jews in Austria is an important one.
one and has major internal and external implications.

In the despatches which I have already transmitted to the Department I have, I believe, adequately covered the situation and have made it clear that the attitude of the Austrian Government is definitely one of opposition to discrimination against the Jews. I have pointed out, nevertheless, that in spite of this attitude there is a certain amount of indirect discrimination within the Government and that the position of the Jews in the country is one which remains a constant source of concern.

While the situation of the Jews in Austria remains practically unchanged from that which has been set forth in the despatches already transmitted, I believe it is advisable to return briefly to it, particularly as it may be affected by the recent Cabinet changes.

The Department is aware that former Chancellor Dollfuss was in many respects a man of liberal views and who understood very thoroughly the importance of the Jewish problem for Austria both from the internal and external point of view. He realized that discrimination against the Jews within Austria would cause serious disturbance of her social and economic structure and that it would interfere with the active support which Austria was getting in the maintenance of her independence from England and France and from public opinion in so many countries. He realized that there was within Austria a Jewish problem which had to be dealt with with the greatest discretion and that the Government must be firm
firm and prevent discrimination as far as was in its power. During the time that he was Chancellor there was a certain amount of discrimination, but it was kept within such limits as to cause no major concern.

When he was succeeded by Chancellor Schuschnigg there was considerable concern as to the course of developments which was not altogether unfounded. Chancellor Schuschnigg is an intellectual of high principles and of decent impulses and was in principle opposed to any form of discrimination. There was reason to believe, however, that he was not altogether unsympathetic with the idea that there was too high a percentage of Jews in certain professions. The uncertainty as to his attitude on the part of some, and the belief on the part of others that he sympathised with a certain degree of discrimination, led to an increase in discriminatory action in the earlier weeks of his term as Chancellor. During the first months of his term the Chancellor made at Geneva statements with respect to the situation of the Jews in Austria which caused concern and disappointment in England and in France and which could easily have prejudiced the support which the Austrian Government was getting from these countries.

The Chancellor's attitude was largely dictated by a lack of appreciation of the implications of this problem. Close as Austria is to Germany, he was at the outset not fully informed with regard to the nature of the discrimination against the Jews in that country. Although a highly educated man, he had traveled little outside of Austria and had an inadequate appreciation of public opinion in other countries.
It was therefore necessary for friends, and in certain cases for the diplomatic representatives of powers friendly to Austria, to bring the disastrous effects of discrimination to his attention. He rapidly learned to appreciate the importance of the matter and during the year and more which he has been Chancellor, he has taken a determined stand against official discrimination and has decreased it in the commercial field. It is his attitude which has dominated the attitude of his Cabinet and as a consequence it cannot be said that discriminations have increased. In view of the difficult economic situation which has prevailed in Austria and which it is true has happily been improved, the fact that there has been no increase in discrimination in the past year may, in my opinion, be considered as already a very great progress.

There has recently come into my hands a report on the present situation of the Jews in Austria, which has been prepared by a Jew, but which is a very objective document. The report clearly shows that there is increasing difficulty for young Jews to enter the medical and legal professions. There is no legal basis for this discrimination, but it is based on a desire to bring about a better equilibrium between Jews and non-Jews in certain professions. I believe it is correct that for the present it is very difficult for a young person who is a Jew to enter certain professions unless he has influence and powerful friends. This is an unhappy and undesirable state of affairs in the opinion of many people here, but it is a situation which for the time being is difficult to control and which it is believed will be corrected.
with the return of more normal conditions in Austria. The number of Jews in the employ of the Government has without question decreased, and it is more and more difficult for a Jew to get into a Government position. In the commercial field the advantages for the Jews have been considerably decreased through the shrinking of the Austrian banking system, but in this field there cannot be said to be active discrimination.

It is extremely difficult to describe accurately the situation which actually exists in Austria in this respect. The social position of the Jews has in no sense changed. There is no active anti-Semitism. In the theater, in business, in the newspaper field, in literature, in art, there cannot be said to be any real discrimination. At the same time in certain professions there is increasing difficulty for young people to enter them, although in those same professions the outstanding persons in them in Austria are in many cases Jews, and the position of these has in no sense been diminished or interfered with. The most correct way in which the situation can be described is, I believe, to say that there is an indirect endeavor being made in certain professional organizations to bring about a better equilibrium between Jews and non-Jews.

While the attitude of the Austrian Government under the Dollfuss and Schuschnigg Cabinets has been definitely against discrimination, I am inclined to believe that the new Schuschnigg Cabinet, which was formed a few weeks ago, will take an even more determined stand in this respect. The Huremberg decree and the decrees growing out of it in Germany have brought about a revolution of feeling even in those circles in Austria.
in Austria which looked upon discrimination against the Jews in Germany with a certain complacency.

The developments with respect to the treatment of the Jews in Germany, and more particularly the recent drastic action which shows the unalterable intention of the present German Government to eliminate the Jews from the political, economic, and social structure of the country, have emphasized within Austria the danger of even mild discrimination in this country. Anti-Semitism has become much less popular in Austria as a result of the excesses in Germany. The new Cabinet, headed by Dr. Schuschnigg, can for this reason be depended upon to take an even more definite attitude against discrimination.

It is interesting in this respect, however, to note that Prince Starhemberg, the Vice-Chancellor, continues to maintain a definite attitude against racial discrimination. The Minister of Commerce, Dr. Stockinger, has well defined views on this subject and through his energetic efforts and determined attitude has prevented discrimination in the commercial field from gaining ground. The Under Secretary for Education, Dr. Fraster, has succeeded in keeping discrimination from making any progress in the Opera and in the theater, but has not been able to stop altogether the discrimination already referred to in certain professions. The new Minister of Finance, Dr. Draxler, is himself not anti-Semitic in his personal views, and can be depended upon to take the lead of Prince Starhemberg. The new Minister of Social Welfare, Dr. Schoetersberger, is a man of comparatively liberal views.

Without
Without going into further detail, I believe that it is correct to say that the attitude of the present Cabinet will be definitely against discrimination.

It is interesting in this connection to note also that it is not improbable that the Government will take a more liberal attitude toward the Social Democrats. The Social Democratic Party, as the Department knows, was the strongest single Party before the present semi-authoritarian govern-ment came into power. The forcible suppression of the Social Democratic Party in February of last year, and the trial and imprisonment of Socialists since that time have done much to keep the resentment of the Party adherents against the Government alive. The Social Democrats had been the principal bulwark against the National Socialists in Austria and it has always been felt by certain observers in Austria that the Government deprived itself of very real strength by its policy with respect to the Socialists. Several abortive efforts have been made by the Government to conciliate at least a section of the former Social Democrats. The principal effort was made through Dr. Winter, formerly a Vice Burgomaster of Vienna, and a friend of the former Chancellor, Dr. Dollfuss. The efforts of Dr. Winter failed completely, probably because he did not receive adequate support from the Government. Prince Starnberg has consistently maintained a definitely unconciliatory attitude towards the Social Democrats and this attitude has probably largely been influenced by Italian pressure which wishes to see the Austrian state definitely a Fascist one.

As the
As the strong pro-Italian attitude of Prince Starhemberg is not shared by the Austrian population, and as there is a definite lack of sympathy in Austria for the Italian attitude toward the League and on sanctions, Prince Starhemberg has seen his prestige unfavorably affected by the falling Italian prestige in the country. There is reason to believe that he is not only not unwilling, but prepared to explore methods of increasing the base of power of himself and of his Government in which he is one of the most powerful figures. Should this be the case, it is an important change in the orientation of the Austrian Government.

The new Minister of Social Welfare, Dr. Schretzberger, has a very real desire to increase the base of power of the Government through the conciliation of the Social Democrats. He is a young, energetic, intelligent man of views which are undoubtedly more liberal than those of his predecessor. He has indicated in his public statements during the past few weeks, as well as in private conversation, that he intends to explore every avenue through which the Government can safely conciliate at least a considerable group of the former Social Democrats.

How far he will be able to go on this path will depend upon the attitude of the Vice Chancellor, Prince Starhemberg. He can already count upon the support of the Chancellor, Dr. Schuschnigg. The way will not be an easy one. Italian pressure has already been exerted in direct and indirect ways to interfere with the development of Mr. Schretzberger's program. How far he will be able to follow on the road he has traced for himself is not yet clear, but that he will
start out on this road and endeavor to travel on it as far as possible is, I believe, clear. It is still too early to say what progress he will be able to make. Should he be able to make appreciable progress it will be the most notable step which the Government has been able to take in increasing its base of power, and this is increasingly important for inner stability in view of the general European situation.

I have mentioned this program of Dr. Dobretsberger with respect to the Social Democrats as it will have its direct and indirect effects on the Jewish question in Austria. Authoritarian states cannot operate without the exercise of discriminations and even in such a mild semi-authoritarian state as Austria certain discriminations are inevitable. They may not be racial, and racial discrimination itself may be frowned upon officially, but in any authoritarian state these discriminations exist and come from various sources. The Social Democrats have suffered from definite discrimination in Austria under the present Government. If a more liberal attitude is assumed by the Government toward the Social Democrats it will strengthen the already popular attitude towards any form of discrimination and will inevitably also weaken discriminatory measures against the Jews.

I have transmitted this rather complete review of the position as it stands today as of possible interest to the Department and for background. The economic situation continues to play an important part in this problem of discrimination. Austria is not joining in the sanctions against Italy, but Italian payments for Austrian goods are slowing up.
This will inevitably decrease in the end Austrian shipments to Italy which are so important in the present delicate state of Austria's economy. There may be, and probably will be, a slowing up in the economic betterment which has been noticeable in Austria during the past eighteen months. This will not have any tendency to decrease discrimination against the Jews, for in Austria as elsewhere this problem of discrimination is to a very considerable extent an economic one. The problem therefore remains a very real one in Austria and one which requires constant thought and attention by the Government and by observers here. I don't believe, however, that the time is favorable towards any direct action by the Government here other than the maintenance of the definite attitude against discriminations which it now has. It is holding the situation and holding it well.

I shall not fail to keep the Department informed of any further developments in this situation which may be of interest to it.

Respectfully yours,

George S. Messersmith.

Enclosure:
1. Translation of article
   Neue Freie Presse.

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