March 12, 1938.
4:30 p.m.

MEMORANDUM

I had a talk this afternoon with Prince René de Bourbon-Parme the youngest, and according to general repute, the favorite brother of the Ex-Empress of Austria, Zita. It is certain at any rate that he is invariably employed as the Hapsburg go-between in matters affecting Steenookerzeel, Vienna, Rome, and Paris in which latter city he lives.

After the usual aimless preliminaries, Prince René brought up of his own accord the Austrian crisis, saying "Well Adolf has made his third and last mistake!" Upon my query he then went on substantially as follows with, of course, the necessary interpolations intervening.

He had come (he said) to Rome yesterday morning from Paris to urge the Vatican to intensify a church campaign (already started) in Austria in support of the Schuschnigg plebiscite since the Family realized that Schuschnigg being not only a Jesuit, was a confirmed monarchist as well and their principal Austrian hope of an eventual return to Vienna.

He had seen Cardinal Pacelli yesterday afternoon and reached an agreement on all points and was to leave for Vienna this morning when the "bombshell" burst. He was now to return to Paris.

Immediately upon hearing of the Stefani communiqué announcing the Schuschnigg resignation he had telephoned Archduke Otto at Steenookerzeel because he knew that Otto for some days had been planning a dramatic return to Austria in view of the present crisis.

He told Otto to make no move of any sort (he spoke in "the rôle of favorite uncle") as he would only make himself ridiculous before
before a "fait accompli", and to await his (René's) return (tomorrow) to Belgium.

Upon his return to Belgium (Steenockerzeel) he intended to advise Otto who, he said, always listened to him, to make no rash move for some time so as not to be termed "that young man who is disturbing the peace of Europe", and, above all, bring Yugoslavia into the mess.

His reasons for such counsel were that he was certain Hitler was looking around for a Royal House for a super German Empire in order to catch up with what Mussolini had achieved by keeping Savoy, and which, of course, England has always done by keeping Windsor.

He detested Hitler and thought that this last step was the beginning of the end, but believed that Hitler before falling might be the instrument of a Hapsburg return to a "version" of the old Holy Roman Empire.

As a result he felt Otto would keep quiet, especially since if Otto returned now he would simply be put into an automobile and escorted over the frontier.

Otto, he said, was now very much "a man", and "my sister no longer runs him as she used to do".

With regard to the present crisis in Austria he said substantially:

"The last stronghold of influential Jewish and Jewish Capital in Central Europe has been Vienna. They will now be thrown forth, but their Capital has already left to places where they will rejoin it. That solidifies 'international money' against Hitler and 'international money' will in the end defeat him."

He did not understand the Italian attitude, felt they were going to take it "lying down" and had told Ciano "they were crazy".
crazy". ("I can do this because in reality I am a French Prince.")

He felt the Italians were in a weaker position than generally known and had "been padding figures".

His sister-in-law (Princess Aage of Denmark) was staying at the Quirinal and it was true that Prince Hesse arrived there yesterday with a message from Hitler to the King. (What, he did not know, but believed it conciliatory.)

Finally, he felt, the Hitler objective was not complete annexation but the reduction of Austria to a position similar to that enjoyed by Bavaria vis-a-vis Prussia just prior to 1870. This would soothe the souls of Austrian officials "who after all must live", and as a result serious internal trouble in Austria would be averted. Remember, (he said) Hitler is an Austrian!

In the end, (he returned to the statement) he felt Otto would eventually be called back to head a new "Deutsches Volkstum" and that Hitler would be the intermediary.

Concerning eventual German domination of Central Europe, he had no doubt but that it would be so.