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*Extra*

Vienne, August 26, 1935.

No. 581

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. 580, 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 Vienne 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 LA 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, Preziosi, 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-Saldenegg. 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,

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to decrease its interest in the Danubian pact, and  
to sabotage the idea of the pact 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 22nd, 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 VOLKSCHE BEOBUCHTER 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 had just been placed on Austrian sportsmen  
participating in all competitions in Germany. The  
Vice Chancellor, Prince Starhemberg, who is also the  
leader of Austrian sports, as a consequence of these  
attacks on him in the VOLKSCHE BEOBUCHTER, 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 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 antiposition 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 Danubian ports.

I have already defined the position of the Austrian Government with regard to negotiations with Germany and on the Danubian ports, 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 Danubian ports should be completed as rapidly as possible. They have emphasized that if these ports 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 with it

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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 disillusionment 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 failing 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 post 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/lsp.

George S. Meeson Smith.

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