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Vienna, August 20, 1935.

No. 558

SUBJECT: AUSTRO-GERMAN RELATIONS WITH PARTICULAR
REFERENCE TO THE DANUBIAN PORT PROJECTIONS.

STRICTLY CONFIDENTIAL

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to refer to my strictly confidential despatch No. 551, of August 20, 1935, and to transmit the following information on Austro-German relations, particularly with reference to the proposed Danubian Port.

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Although the internal situation in Austria remains calm and from the political and economic point of view is better than it has been for a year, and although the Austrian Government continues to place its dependence on its outside support and hopes for the early signing of the Danubian Pact, there is increasing concern within the Government as to the repercussions of the developments outside of Austria on her situation. As I have reported in the despatch under reference and in previous despatches, the Austrian Government has been avoiding direct negotiations with Germany and wishes to continue to do so. There are increasing indications, however, that the Austrian Government feels its position very keenly and that developments have already put it into the position of keeping the way more open for negotiations with Berlin should external developments force this on the country.

In my despatch under reference I reported on the conversation which the German Minister, von Papen, had with the Austrian Foreign Minister on August 25, and during which the German Minister expressed the desire that there should be more moderate comment in the Austrian press on the political and economic situation in Germany, and gave the assurance that there would be no repetition in the German press of such personal attacks concerning which the Austrian Foreign Office had formally protested in Berlin. The German Minister took this up further with the Minister for Foreign Affairs and in the Vienna newspapers of August 28 there appeared a communication of the Government to the effect that the German Minister had discussed

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these press reports with the Foreign Minister, that agreement was reached that it was undesirable that such statements should appear in the press of either country, and that influence should be brought to bear in both countries to make the press a means of reestablishing normal relations (Enclosure No.1).

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The French and the British Ministers here, who are following these conversations between the German Minister and the Minister for Foreign Affairs very closely, are not particularly concerned over this communiqué which has, however, already had a very moderating effect on the Austrian press. Even the boulevard papers of Vienna which have been the only ones to carry really detailed information, for the most part correct, of developments in Germany, have carried much less German news since the communiqué was issued. The British and the French Ministers are of the opinion that this agreement with regard to the press does not for the present have much significance and that the Austrian Government will follow a policy of watching and waiting and that its policy in this and in other respects will be influenced by developments in Geneva.

I am informed on reliable authority that the Austrian delegation to the League meeting at Geneva will consist of the Foreign Minister Baron Berger-Edlenegg, the Minister of Finance Dr. Buresch, and the Austrian permanent representative at the League, Dr. Pfluger. The alternates who will accompany the Foreign Minister are Dr. Hornbostel, a ranking officer of the Foreign Office, Princess Starhemberg, the mother of the Vice Chancellor, and Dr. Schueller who is the principal economic

expert

expert of the Austrian Government. From the Austrian point of view this is an excellent delegation. It has been decided that the Chancellor will not go to Geneva, but it is believed in responsible quarters that this has no significance, so far as the internal situation in Austria is concerned, or his own position. Owing to the recent death of both the Chancellor's wife and mother by which he has been deeply affected, he prefers not to go to Geneva at this time.

It is significant that the Foreign Minister and the Austrian delegation will leave for Geneva so as to be there on September 4, although the actual meetings are not to begin until September 9. This decision to proceed so early is unquestionably due to the desire of the Foreign Minister to have ample time before the actual meetings begin for conversations with Mr. Laval, Baron Aloisi, and with Sir Samuel Hoare, who will also be there. The Foreign Minister hopes that in spite of the preoccupation of these men with the Abyssinian question he will have the opportunity to go into the Austrian situation with them very thoroughly. This contact at Geneva, I cannot escape the impression, will have very serious effects on Austrian policy.

A recent article by ~~Salpe~~ in the Italian press, and which was copied in full in the principal newspapers in Vienna, undoubtedly was intended to counteract any bad effects which the failure to bring the Danubian Pact into being in the near future might have. In this article he reviewed the history of the pact and some of the difficulties in the way, principally those raised by the Little Entente, and stated that even if

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the pact did not come into being for some time, the Italian French agreement of January 7, for consultation with Austria in case of aggression against her, remained in effect and was as much of a guarantee as the pact would be. ~~Some~~ article left the impression that Italy foresaw delays.

The support of the Little Entente to the idea of the pact is not so sure as it seemed to be some days ago. The new Yugoslav Premier is a man of a good deal of force of character and has his own views, and even though he may not be inclined to a pro-German policy, it is clear that he is not as definitely inclined towards a pro-French one as his predecessor. There are increasing indications that the attitude of Yugoslavia is giving concern to its associates in the Little Entente. A semi-official communiqué issued the first day after the session of the Little Entente at Blod, yesterday, is encouraging, but it will be some days before the definite attitude of the Little Entente Conference towards the pact is clear. It is in view of developments such as these that the concern of the Austrian Government is increased, that it feels its position more keenly, and cannot take as definite an attitude towards Germany as it desires to take and knows that it should take.

If the developments with respect to Abyssinia are not such as to make a re-establishment of the Stresa front possible, and if the preoccupations of the powers with respect to possible developments out of the Abyssinian situation are so great as not to enable them to give the attention necessary to the early conclusion of the Danubian Pact, and if the Austrian Foreign Minister is not able to get adequate assurances from Italy,

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France, and England during his stay in Geneva, the steadiness of the situation in Austria will be very deeply influenced and the Austrian Government will be obliged to change its attitude towards direct negotiations with Berlin.

It is in some ways tragic, in the opinion of objective observers here, that at a time when the Austrian situation is better than it has been for years and when there is a really highly developed feeling in Austria to defend with all its means its integrity and independence, that the developments in the general situation are such as to threaten the effective maintenance of the outside support which it has been receiving and which is still essential. The Austrian Government is aware that the course of external developments in the last few weeks has been distinctly unfavorable to it. It is determined to maintain its present attitude until it realizes it is a hopeless one, even though the Danubian Pact may be further delayed I believe that the Austrian Government will maintain its definitely adverse attitude towards negotiation with Berlin if the Foreign Minister can get adequate assurances of support from Italy, France, and England during his stay at Geneva.

It is therefore a development in the Austrian situation which was entirely unforeseen that it should become so dependent and inter-related with the Abyssinian question. It is clear that Italy maintains her interest in Austria and has not let go, and the English interest, which had been very lukewarm, is now greater. If the developments with respect to Abyssinia should be such that Italy or England, or both, lose their interest in
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this situation, it will leave France alone and in an impossible position. Even if Italy and England should abandon Austria, France is not able to do so without giving up the whole of her policy in Eastern and Southeastern Europe, and without involving a definite breaking up of the Little Entente. This would be the most serious blow which France could receive as it would definitely place her in a secondary position in Europe and leave the way open for the most complete German plans for expansion through Southeastern Europe. The maintenance of the Strass front and the putting through of the Danubian Pact is essential if Austrian independence is to be maintained and German expansion through Southeastern Europe made impossible.

Reliable information reaches Vienna that a few days ago high officers of the Reichswehr had a conference with Chancellor Hitler at Kiel, which was also attended by a very considerable number of high ranking Party officials. It is believed here by some well informed observers that this meeting has more than an inner political significance in Germany and that one of its principal objects was to consider the procedure which was to be followed by Germany in case of certain developments in Europe arising out of the Abyssinian question. I have no direct information which confirms that this was the object of the Kiel meeting, but it is clear that in Germany the possibilities of action under certain circumstances are being considered. If any action should be taken it will undoubtedly be in this direction and this is a situation which is definitely recognized in Vienna.

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The position here therefore is, very briefly, that the Austrian Government remains definitely opposed to direct negotiations with Germany as offering it no guarantee or safety whatever, but realizes that developments in the European situation may force it eventually to negotiation of such an agreement. There has as yet been no change in the Austrian position, and whether there will be one or not depends on the conversations which the Foreign Minister will have in Geneva and on external developments, the course of which no one can now definitely foresee.

Respectfully yours,

George S. Messersmith.

Enclosure:

1. Translation of article
from WINNER JOURNAL

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