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ADDRESS BY THE HONORABLE GEORGE S. MESSERSMITH, AMERICAN
MINISTER TO AUSTRIA,
AT THE ANNUAL DINNER OF THE AMERICAN SOCIETY OF INTERNATIONAL
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As an officer of the Foreign Service of our Government who has followed for years with deep interest the constructive work of the American Society of International Law, I consider it an unusual privilege to address this distinguished assembly. To a gathering such as this, which includes so many who enjoy well merited distinction in public and private life in our country, I cannot hope to bring anything novel. The limitations imposed by an after-dinner speech at this closing session of your annual meeting preclude any possibility of an extensive consideration of any one of the many vital problems which these troubled times in which we live have thrust on the attention of all everywhere interested in international relations, and the law and practice which underlie and govern them.

This dinner is a most pleasing close to your deliberations which have covered a wide range of subjects, discussed by men who have made, and are making constructive studies of the many-sided problems arising out of the relations of States and their peoples. The relations between States and the principles and rules of international law are based on the necessity for mutual tolerance and respect among the nations, founded on mutual understanding; just as the principles of domestic law are based on the necessity for mutual

respect, tolerance and understanding between individuals. As historical background and actual conditions play so important a part in our understanding and interpretation of the position and acts of any country, it occurs to me that, as I have just returned home for a brief leave of absence from my post in Austria, it may interest you to hear something this evening of that country - which to those interested in international law and practice has come to assume an importance which may seem out of proportion to its comparatively small territory and population.

The Austria of today is a small country with a population of about six and one-half millions of people, of which two millions live in the capital, Vienna. But this little Austria is the gateway to that complex of important states we collectively speak of as Southeastern Europe, and her geographical, strategic, cultural and historical position have made her of primary interest not only to her neighbors but to all Europe. She is a product of international agreements and her existence and welfare are therefore matters of real concern to all students of international law.

The historical background of modern Austria is so well known to you that I cannot even begin to touch on it even if time permitted. Sufficient it is to say that Vienna and so many sections of the country are alive with reminders of past glories which stir not only Austrians, but in which the peoples of the other States of Europe take pride as a

part of their heritage.

~~The~~ The dismemberment of the Empire by the post-war treaties put an end to the political domination of Vienna, and Prague, Budapest, Belgrade and other capitals have assumed a new importance, but the Austrian cultural tradition has remained unbroken and Vienna rests a principal intellectual and cultural center of Europe. That during the post-war years in which the new and little Austria had to adjust her economic life to her new frontiers, and that during a good part of that period the adjustment was made more difficult by political pressure and a general European depression, and that she succeeded not only in maintaining her cultural tradition but in deepening and strengthening it, is one of the interesting and encouraging features of modern Europe.

The Vienna opera remains perhaps the finest in Europe. The great orchestras are intact. The Salzburg Festivals are now the finest of their kind in the world. The Burg Theatre is perhaps a unique theatre which has tenaciously held to its high traditions. The universities are more frequented than ever. Her public monuments are kept in good repair. Her museums are being expanded, rearranged and made more accessible and full of meaning to the masses. The Vienna medical faculty and her philosophers and scholars draw visitors and students from all over the world.

In the spirit of true culture Vienna has in a period when narrow nationalism has gained so much ground, kept her doors open to artists, scholars, scientists, and ideas. No less than four of the leading artists of the State opera this last season were Americans. The Burg Theatre on its slender financial resources did not hesitate to give Maxwell Anderson's Queen Elizabeth, a production which from every point of view was an artistic achievement of first order. An American opera reached its première at the Volksooper. No less than eight modern American plays were produced on the Vienna stage this past season. The most enthusiastic reception given by the public to musicians this year, I may remark, was accorded to some of the many foreign artists who can be heard every day in Vienna.

The tenacity with which Austria has held on to what it deemed precious of its past must and has commanded respect, especially among those who have realized the financial sacrifices involved. Even such institutions as the Vienna boy choristers, founded six years after the discovery of America by Maximilian, Emperor of the Holy Roman Empire and ruler of Austria, have not been allowed to suffer. The Spanish Riding School, founded by Maria Theresa, in the middle of the 18th century, continues to function. The famous Consular Academy, founded by Maria Theresa for the training of the diplomats of the

old Empire, no longer necessary for the new Austria and much too expensive to function as such, has been turned into an international training school for diplomats which is frequented by young men from all over Europe, and from our own country.

It is perhaps, however, in the economic field that the new Austria presents the greatest surprises. It was customary up to a few years ago even for economists to say that Austria could not possibly live within the borders assigned her by the peace treaties - at least not without constant help from her neighbors and Europe as a whole. The experience of the years immediately following the peace treaties seemed to show that this opinion so generally held, and shared to a considerable degree in Austria itself, was substantiated. But now in more recent years she has shown that not only is she able to live within these borders, but gives promise in more normal times and with more normal relations with her neighbors to prosper.

The private financial structure has been placed on a sound basis. This involved heavy sacrifices for the people of Austria and for many other countries. The results, however, have been noticeable and beneficent to a degree that Austria was again beginning to offer interest to foreign capital. The public finances are subject to a

certain control by the financial committee of the League of Nations, which has a resident representative in Austria. Although the infant years of the new Austria were years of severe and drastic readjustment during which the entire economy of the country had to be contracted from an empire basis, and during which economic depression harassed all Europe, and political problems assumed great importance within the country and at times caused additional financial burdens, the budget in recent years has been brought closely to balance. The position of the public finances today is considered by European experts quite sound and it is well known that the Austrian schilling is considered as one of the most stable and sound currencies in Europe.

Certainly during the last two years the financial, economic and general situation in Austria has slowly but steadily improved. I can unfortunately do no more than state the fact here, for the factors and conditions which have brought about this so unexpected result are so numerous and require so much background that time does not permit any discussion. [I may just say in substantiation that, a few days before leaving Vienna, the Minister of Finance informed me in a private conversation that the government receipts from taxes during the first two months of this year were about twenty millions of

schillings in excess of the collections during the same period of last year. When it is observed that taxes have not been increased, the significance of those figures is apparent.]

The public credit of Austria has as a consequence of this quite sound financial policy acquired more strength. In spite of the advice given to her government from certain quarters within and without the country to follow the example of so many other countries in repudiating or ceasing payment on her internal and foreign obligations, Austria has continued to meet service on all her foreign obligations except those from which she has been exempted for the time being. I shall always remember with what pride Chancellor Dollfuss one day told me that Austria would continue to meet her obligations as long as she possibly could, and it was clear from his tone that he meant what he said. He remarked that when Austria's friends were so loyally and strongly supporting her in the hard struggle to build up her new life and to maintain her independence, simple loyalty demanded that she meet her obligations which included service on her debts. ///

The economy of Austria is perhaps better balanced than that of some of her neighbors, and although this has proved a precious factor in these difficult years, Austria, like

all of her neighbors in the Danubian basin and in all Southeastern Europe, cannot really prosper until close economic relations are established between these States. The dismemberment of the old empire through the post-war treaties has been much criticized. Certainly we know now, seventeen years after these treaties, that while from the political point of view this division of the empire may have been on the whole wise and expedient, from the economic aspect a healthy situation can be brought back only through the close economic coöperation in the whole Danubian basin which prevailed under the empire. A great deal of lip service has been rendered to this idea in recent years but little real progress was made as there was not sufficient incentive and pressure to subordinate selfish interest to the general good. This coöperation, it is now appreciated, in no way prejudices the territory or the sovereignty of any of the Succession or Southeastern European States, and should be realizable on a basis of internal preferences for which Europe is showing understanding.

The road to this cooperation has been opened by the commercial treaty just signed by Czechoslovakia and Austria. It is needless to say that no Danubian agreements can be fully effective which are not open to and provide for the coöperation, or have the blessing, of the great European Powers. The Danubian States, and in this Austria and Czechoslovakia have led the way, have shown that in any and all commercial agreements they make they

are prepared to admit all interested States as equal partners with equal responsibilities, but insisting on excluding political domination or immixtion from any source. Southeastern Europe definitely wishes to follow this road towards cooperation, and one hears very frequent reference now to that much quoted remark of Talleyrand that if the Austro-Hungarian Empire did not exist, it would be necessary to invent it.

I am sure most of you saw a very charming and well-done play several years ago Reunion in Vienna which depicted so dramatically and effectively the manner in which a certain small class in Austria and the Succession States looked backward. I have endeavored in these few remarks to give you a more real picture of the New Austria looking forward. While clinging to the best and finest in her culture and traditions, she has gallantly and courageously adapted herself to the new conditions. She has proved that she can live and has the will to live. She is not the object of charity which some have pictured her. She is a self-respecting and self-sustaining member of the family of nations. She has developed in her population a keen will to maintain her independence and integrity, and desires, as so frequently stated to me by the Chancellor and Vice Chancellor, nothing more ardently than to be friends with her neighbors and the whole world.

There are many misconceptions which prevail concerning

Austria, the conditions which exist there, the form of her government, and about her leading statesmen. Her two leading figures - her Chancellor and her Vice Chancellor - so different in many ways, are both ardent patriots whose course of action is guided by the single desire to maintain Austrian independence and culture. Chancellor Von Schuschnigg is in his early forties and the son of a former general in the Imperial Army. Prince Starhemberg, in the middle thirties, is a man of strong character and romantic background. His family is older, it is said, than the Habsburgs. Both are keenly conscious of the fact that the New Austria is a product of international agreements and that there is no country in Europe whose future is more dependent on international agreements, international confidence, and international law. Their public declarations and Austrian policy have been based on this confidence in international agreements and international law.

In aiding to bring about a renewal of enlightenment and allegiance to international law, and in a restoration of confidence and mutual respect among the nations, this Society and similar organizations in the new and the old world, may play a great constructive role, realizing that it would be futile to study and define the details of international law unless these are to safeguard in actual practice the foundations of the life of States.