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Vienna, July 10, 1935.

No. 404

SUBJECT: WITH FURTHER REFERENCE TO RECENT CONVERSATIONS BETWEEN THE AUSTRIAN FOREIGN MINISTER AND THE GERMAN MINISTER VON PAPAN ON THE POSSIBILITY OF IMPROVING RELATIONS BETWEEN AUSTRIA AND GERMANY.

STRICTLY CONFIDENTIAL.

The Honorable  
The Secretary of State,  
Washington.

Sir:

I have the honor to refer to my strictly confidential despatch No. 478, of July 8, 1935, reporting on recent conversations between the Austrian Foreign Minister and the German Minister, Mr. von Papan, on the possibility of improving relations between Austria and Germany, and to transmit the following information.

As the Foreign Minister had indicated to me recently that it was his intention to take a two-weeks holiday with his family on his estate in Styria and that he would be

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leaving at the end of this week, I sought an opportunity to see him and was able to have a conversation with him yesterday afternoon during which, for the course of an hour, he discussed quite freely the Austrian situation. As the views which he expressed do not differ from the estimate of the situation which I have given in my recent despatches, I shall in this despatch only report on those matters covered by him which were of major interest.

I asked the Minister whether he could give me any information concerning his conversation with the German Minister, Mr. von Papen, and he talked very freely confirming in every respect what I have already transmitted to the Department in my despatch No. 473, of July 3. He added, however, that when he learned that Mr. von Papen had actually gone to Berlin probably with the intention of endeavoring to secure approval of some of the propositions which Mr. von Papen had made to him, he thought it advisable to make a public statement of the Austrian attitude so that there could be no possible misunderstanding in Berlin. He therefore called a press conference in the Foreign Office to which the representatives of the Austrian and the foreign press were invited and made a fairly long statement which is being fully covered in my despatch No. 482, of July 9, 1935. His references to Austro-German relations, as will be seen from this despatch, were quite clear and made it evident that from the Austrian point of view there could be no improvement in Austro-German relations until there was an unequivocal statement from "an

authoritative

authoritative source" in Germany that it was prepared in every way to respect the authority and independence of Austria as a separate state.

That the Foreign Minister should have felt it advisable to make this statement to the press at the time when he knew that the German Minister was in Berlin is interesting as it is an indication of the complete lack of confidence which there is in Mr. von Papen here. The Minister practically inferred that the Austrian Government could have no confidence that Mr. von Papen correctly interpreted to his Government the statements of attitude made to him in his conversation with the Foreign Office here.

It is further interesting in this connection that the statements with respect to Austro-German relations made by the Foreign Minister and reported in my despatch No. 482, of July 2, are practically a repetition in different words of the statements made by Prince Starobinski in Budapest on the subject and reported in my despatch No. 474 of June 28, 1933.

I asked the Minister for Foreign Affairs whether he could give me any idea as to his own opinion if these conversations with Mr. von Papen would lead to any results. To this he replied that in his opinion they could lead to no improvement in Austro-German relations for it was well known that Mr. von Papen had no influence in Berlin and with his own Government and was certainly persona non grata in Austria. He said further that "an authoritative

declaration

declaration", that is, a statement by Chancellor Hitler that he intended to respect Austrian independence and integrity, was essential to the beginning of any real negotiations leading to improvement in relations and that such a declaration could not be expected under present circumstances as Chancellor Hitler had in no sense given up his views with respect to Austria and further that it would be too great a blow to his prestige in the Party in Germany for him to make such a statement. He said that the Chancellor had himself made it practically impossible to make such a statement even though he should wish to do so, and that the Austrian Government knew very well that not even the wish was there.

The Foreign Minister said that Mr. von Papen had returned from Berlin and that he expected to see him the next day on the usual diplomatic reception day, but that the fact that Mr. von Papen had not asked for a special appointment and that he knew that he (the Foreign Minister) was leaving on a holiday, was sufficient indication that he had brought nothing of significance from Berlin.

I found the Foreign Minister very confident as to future developments in Austria, although undoubtedly concerned with respect to developments between London and Paris and London and Rome. He expressed his belief that British policy although for the present not clear, would eventually recognize the importance of Austria's position in the maintenance of peace in Europe.

I told the Minister that I had noted with interest

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his statements to the press that the law concerning the restoration of the Habsburg property had no real or immediate connection with the question of restoration. He remarked that he was entirely sincere in this statement and that the new law would be definitely enacted the next day and he hoped that the excitement would rapidly die down outside as it had been much exaggerated. He said that the restoration of this property was merely an act of justice which they had long contemplated and which could no longer be delayed. I asked him whether he could give me any information as to the possibility of the return of the former Empress Sita and Otto to Austria for residence here instead of in Belgium. He said there was much speculation on this subject in the press abroad. He replied that neither the former Empress Sita nor Otto would be returning to Austria for the purpose of residence and that the Government had assurances to this effect. He said that there was a possibility that two of Otto's brothers might come to Austria to go to school and that in this case the former Empress Sita might come to Austria for a few days stay to see her children from time to time, but that she would not take up her residence here. He remarked that among the Legitimists there were those who would like to see both the former Empress Sita and Otto return to Austria to live, but that these were very ill-advised people for nothing could be more disastrous for the cause of those who were interested in restoration than that they should return now. He said that if Otto came here to live as a simple citizen, which he would have to do

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now, the Austrian people would lose all interest in him as a possible future head of the state.

Should there be any developments in the matter of the conversations between the Foreign Minister and the German Minister under reference, I shall not fail to keep the Department informed.

Respectfully yours,

George F. Messersmith.

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