

BUILDING AN UNWANTED NATION: THE ANGLO-AMERICAN PARTNERSHIP
AND AUSTRIAN PROPONENTS OF A SEPARATE NATIONHOOD, 1918-1934

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ABSTRACT

Kevin Mason: Building an Unwanted Nation: The Anglo-American Partnership and Austrian Proponents of a Separate Nationhood, 1918-1934
(Under the direction of Dr. Christopher Browning)

This project focuses on American and British economic, diplomatic, and cultural ties with Austria, and particularly with internal proponents of Austrian independence. Primarily through loans to build up the economy and diplomatic pressure, the United States and Great Britain helped to maintain an independent Austrian state and prevent an *Anschluss* or union with Germany from 1918 to 1934. In addition, this study examines the minority of Austrians who opposed an *Anschluss*. The three main groups of Austrians that supported independence were the Christian Social Party, monarchists, and some industries and industrialists. These Austrian nationalists cooperated with the Americans and British in sustaining an unwilling Austrian nation. Ultimately, the global depression weakened American and British capacity to practice dollar and pound diplomacy, and the popular appeal of Hitler combined with Nazi Germany's aggression led to the realization of the *Anschluss*. Other works on the *Anschluss* have not given adequate attention to the years 1918 to 1934, the critical American and British role in Austrian affairs, and the *Anschluss* opponents. The study of cooperation between the United States and Great Britain in terms of nation-building and economic aid has taken on renewed significance in recent years.

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LIST OF ABBREVIATIONS

<i>ADÖ</i>	<i>Außenpolitische Dokumente der Republik Österreich, 1918-1938</i>
<i>AdR</i>	Archiv der Republik, in Vienna
<i>BDFa</i>	<i>British Documents on Foreign Affairs. Reports and Papers from the Foreign Office. Confidential Print. Part II. From the First to the Second World War</i>
<i>FRUS</i>	<i>Foreign Relations of the United States</i>
<i>NPA</i>	<i>NPA (Neues Politisches Archiv) Austwärtige Angelengheiten, 1918-1934. (New Political Archive, Foreign Affairs, 1918-1934). Archiv der Republik, (Archive of the Republic), Vienna</i>
<i>ÖVP</i>	<i>Politische Akademie der ÖVP (österreichischen Volkspartei). Parteiarchiv. Christlichsoziale Partei in Vienna</i>
<i>WWA</i>	<i>Wiener Wirtschaftskammer Archiv</i>

INTRODUCTION

Building an Unwanted Nation examines American and British political, economic, financial, diplomatic, and cultural relations with Austria in the time period 1918 to 1934, with specific emphasis on the British and American policy to secure Austrian independence. This dissertation also investigates those Austrians who supported an independent Austria, worked with the Americans and British, and opposed an *Anschluss* movement that sought a union between Austria and Germany in this period. Scholars have addressed the question of Austria's internal situation in the inter-war period, primarily from 1934 to 1938, and have focused on the majority of Austrians who supported an *Anschluss*. However, the significant roles of Anglo-American diplomacy and the anti-*Anschluss* Austrians who along with the Americans and British maintained the Austrian state and encouraged the development of Austrian national identity into the mid 1930s have been overlooked. My project hopes to fill this gap in the historiography. Drawing on aspects of the "new diplomatic history," it explores the interrelationship of diplomacy, economy, domestic politics, nation-building, and culture.

Austrian independence from 1918 to 1934 was maintained by the combined efforts of the United States and Britain, as well as the minority of Austrians who also pushed for Austrian sovereignty. The Anglo-American loans for Austrian economic reconstruction and diplomatic pressure helped prevent an *Anschluss*. At the same time, Austrian patriots-- in particular the Christian Social Party that led the government, the legitimists (monarchists),

and some industries and industrialists-- resisted German nationalism and regional separatist movements and instead embraced Austro-nationalism. Without British and American aid, the anti-*Anschluss* forces in Austria would have had much greater difficulty resisting *Anschluss*, and in particular the Christian Social Party would have had far greater difficulty in maintaining its pivotal position in Austrian domestic politics. And without a receptive anti-*Anschluss* government, international aid—if received at all—would have been far less effective in restoring economic stability and lessening *Anschluss* pressures. Therefore, these dual domestic and foreign forces formed the pillars holding up Austria—a state that survived severe economic crises, a horrible global depression, and an attempted Nazi coup in this period.

After World War I, the Allies created independent Polish, Czechoslovak, and Yugoslav states, based on the principle of self-determination and in response to the perceived national aspirations of these peoples. In contrast, to invert Benedict Anderson's concept of nationalism, Austria was an "unimagined community" upon which the victorious Allies imposed statehood.¹ Although ethnically the population of Austria was mostly German, the Allies forbade Austria from joining Germany after World War I. American and British diplomacy combined self-determination and balance of power politics in Europe. Britain, the United States, and other Allies did not want to add territory to and thereby strengthen a defeated Germany.

During the inter-war period the United States and Great Britain were the top two creditor nations, and their foreign policies were the most similar and most moderate. Anglo-American policies were neither as punitive nor as strict in the enforcement of the peace

¹Benedict Anderson, *Imagined Communities: Reflections on the Origin and Spread of Nationalism* (Revised Edition, London and New York: Verso, 1991).

treaty as those of France and other European countries. Although they wanted to preserve Austrian independence, the position of the United States and Britain toward an *Anschluss* prohibition was not absolute. At times they left the door open to a possible *Anschluss* in the future as long as it took place peacefully and with the consent of an international body.

The Anglo-American friendship has been one of the most enduring relationships. The efforts of the British-American alliance in seeking local partners in order to create and sustain a nation and political culture as they imagined and desired it have renewed significance. Examples of American and British nation-building after September 11, 2001, include Afghanistan and Iraq. The Austrian case offers a window onto earlier and at least partially similar attempts by the same powers in Austria after World War I.

The *Anschluss* movement during the inter-war period was predominately fuelled by both nationalism and economic forces. Despite its picturesque Alpine scenery, Austria had few natural resources and industries. In fact, Austria had been fully dependent on the other parts of the former Austro-Hungarian Empire for its survival, in particular on agricultural products from Hungary and industrial products from Bohemia, a region which was now incorporated into the state of Czechoslovakia. During the inter-war period, the Austrians questioned the viability of their new country and sought a variety of solutions, ranging from economic unions with neighboring states, to a political union with Germany, to a Habsburg restoration. Most Austrians wanted to align with either the successor states of Austria-Hungary or Germany. However, embittered political memories and ethnic tensions in the non-German areas of the former Habsburg territories continually blocked the former option.

Because it emerged out of a hated and imposed treaty, the new and independent Republic of Austria remained unwanted by most Austrians. The inter-war *Anschluss*

movement existed as part of a much larger unresolved German question whose origins went back to the early nineteenth century prior to the *Kleindeutschland* unification of Germany. Loyalty to the Habsburgs had given the German Austrians a sense of unity and identity as part of the larger Empire. The dismemberment of the Austro-Hungarian Empire and end of the monarchy after World War I intensified the desire for a *Grossdeutschland* in Austria, which had previously only been supported by a minority. From 1918 to 1934 the *Anschluss* in Austria was supported by not only Greater Germans but also most socialists and many conservatives, making it a majority movement, especially in the years 1918 and 1919.

In response to the strong *Anschluss* movement, the United States and Britain continually sent money to stimulate the Austrian economy. The infusion of international money, much of which came with the condition that Austria remain independent, allowed the Austrian economy in the mid and late-1920s to improve from a state of near collapse. British and American diplomats reported that the desire for *Anschluss* had decreased.

However, in the early and mid- 1930s uncertainty over the fate of Austria resurfaced because of the global depression. For example, in 1931 Austria requested a customs union with Germany, thus expressing a pro-*Anschluss* sentiment that the majority of Austrians held. Perceiving the customs union as a step towards an actual *Anschluss*, French opposition brought about the collapse of the Austro-German customs union. Consequently, Britain and the United States encouraged other options, such as a trade union among the Habsburg successor states, which also failed. Moreover, due to the magnitude of the world economic crisis, and their own financial problems, the American and British dollar and pound diplomacy in Austria lessened but did not end.

This key economic relationship was supported by amicable cultural relations. In particular American movies and jazz disseminated throughout Austria in the 1920s and early and mid- 1930s. There were many exchanges of students and art exhibits between Austria, Britain, and the United States. Austrian music concert tours in Britain and the United States were especially well-received. These exchanges of people and art strengthened international bonds. In particular Americans and Britons had positive perceptions of Austrians during this time period, which facilitated their governments' providing economic support.

Alongside Anglo-American diplomacy in Austria, this dissertation also looks at the Austrian advocates of independence from 1918 to 1934. Regardless of the majority support of an *Anschluss*, there were still those Austrians who partnered with the Americans and British in sustaining an unwanted nation. The Austrian anti-*Anschluss* supporters were Austrian nationalists rather than Greater German nationalists. The three main groups of Austrian nationalists were a majority faction within the Christian Social Party, the monarchists, and some industrialists and industries. The Christian Social Party was anti-*Anschluss*, anti-socialist, anti-Prussian, and anti-Protestant. Meanwhile it supported Austrian nationalism and Catholicism and was generally sympathetic to monarchist sentiments. The party also had a pro-*Anschluss* faction within it. Although the Christian Social Party represented only a minority of Austrians, it led the government from 1920 to 1934 because it formed a coalition with other rightwing parties, especially the Greater German People's Party, with the socialists in opposition. The coalition subordinated the *Anschluss* issue to anti-socialism. The failed Austro-German customs union plan and the rise of Nazism brought about a decline in the Greater German People's Party. In 1932 Engelbert Dollfuss formed a new rightwing coalition without the Greater Germans People's Party, and then in

1933 he replaced parliamentary democracy with an authoritarian regime. This regime was an oppressive, one-party, anti-socialist, “Austro-fascist,” and anti-Nazi state. Dollfuss’ oppression of the socialist party rather than joining forces with it against a common enemy impeded the state in its battle against Nazism. Nonetheless, on a scale of relative authoritarianism, Dollfuss did not wield as much power as Hitler and Benito Mussolini.

In addition, the legitimists opposed an *Anschluss* with Germany because that would destroy their number one goal of a Habsburg restoration. The monarchists were the most committed of the Austrian nationalists but also the smallest in numbers. In the 1930s, the US, Britain, and other major European powers valued their anti-Nazism, even though they did not agree with a Habsburg restoration. Finally, the anti-*Anschluss* industries and industrialists primarily feared German competition in the period 1918 to 1934. In general Austrian industries and industrialists were split over the Anschluss question. The Austrian automobile, chemical, and electric industries in particular were anti-*Anschluss*. Altogether, Austrian proponents of an independent Austria complied with American and British policies, negotiated for loans, and helped build the Austrian nation.

With the help of the US, Britain, and other countries, the Austrian supporters of independence were successfully able to maintain Austria’s independence in the period 1918 to 1934. However, neither the Austrian nationalists nor the Americans and British were fully able to create a separate Austrian identity and nationalism during this period. The US and Britain achieved their goal regarding Austria by sending loans to revitalize the country’s troubled economy and by applying economic and diplomatic pressure.² Circumstances changed drastically in the 1930s due to the Great Depression and the rise of Nazism. When

²Examples of diplomatic pressure included not sending any more loans, economic sanctions, and possible occupation if Austria did not hinder any *Anschluss* movements.

Hitler came to power in Germany, the anti-*Anschluss* stance of Britain and the United States intensified, and they were no longer willing to compromise on a possible *Anschluss*. Also, Austria's largest pro-*Anschluss* political party, the socialists, officially abandoned its support for an *Anschluss*, along with most Austrians, because they had wanted a union with a democratic Germany. They saw Nazi Germany as anti-socialist and anti-democratic. Since neither Britain nor the United States were willing to make a military commitment to Austria, the country also turned toward fascist Italy in 1933 as its last remaining hope against Nazi Germany, which was aggressively challenging the very existence of Austria. But the rapprochement between Mussolini and Hitler ended the last support for an independent Austria and opened the way to *Anschluss* in March 1938.

The dissertation is divided into three parts and ten chapters. All three parts describe events from the perspective of the Americans and British on the one hand and the Austrian nationalist groups on the other. Part I "Contested Beginnings" discusses the period from 1918 to 1919, which was marked by economic stagnation and a strong *Anschluss* movement that reached its zenith. Part II "Emerging Independence" discusses the 1920s, a period that witnessed economic improvement with international aid and a decreased *Anschluss* movement by 1923. Part III "Increasing Crisis" discusses the period from 1930 to 1934, which was marred by the global depression, a heightened *Anschluss* movement, and the rise of Nazism.

I. Historiography

The unique situation of Austria during the inter-war period does not fit well into current historiography on nationalism and new diplomatic history. Most books on general diplomacy during the Peace Settlement and its aftermath do not cover Austria prior to 1934

or the American and British involvement in nation-building.³ There are many books on the decline and fall of the Habsburg Empire on the one hand and the *Anschluss* of 1938 on the other, but only a few books discuss Austria in the early inter-war period. Most books concerned with the 1938 annexation of Austria start in the 1930s, and there is a definite gap, especially in English-language scholarship, of books that cover the 1920s. Moreover, both the German and Anglo-American scholarship have neglected the quintessential diplomatic role that Britain and America played in maintaining Austrian independence from 1918 to 1934. My dissertation will help fill in that gap.

A body of secondary materials focuses on the *Anschluss* in the 1930s.⁴ Specific to this project are those that deal with Austrian popular sentiment. Currently, there are no works on the *Anschluss* and new diplomatic history. One book that does cover the early Austrian *Anschluss* movement is Alfred Low's *The Anschluss Movement 1918-1919*. Yet, Low does not focus on the main motives of the *Anschluss* movement. In addition, Low deals with the Austrian internal situation and not the American and British mission in Austria. In another book, *The Anschluss Movement, 1931-1938*, Low maintains that the main reason the Austrian Republic ended in March 1938 was because of Nazi Germany's military invasion

³Examples are: Manfred F. Boemeke, Elisabeth Glaser, and Gerald Feldman, eds., *The Treaty of Versailles: A Reassessment After 75 Years* (New York: Cambridge University Press, 1998); Gordon Martel, ed., *"The Origins of the Second World War" Reconsidered: The A.J.P. Taylor Debate after Twenty-Five Years* (London: Routledge, 1999); William Kehler, "A Reevaluation of the Versailles Peace," *Relevance: The Quarterly Journal of the Great War Society*, Vol. V, No. 2 (Summer 1996); Kehler, ed., *The Legacy of the Great War: Peacemaking, 1919* (Boston: Houghton Mifflin, 1998).

⁴Examples of books dealing with Austria in the 1930s and the *Anschluss* are: Jürgen Gehl, *Austria, Germany, and the Anschluss 1931-38* (London: Oxford University Press, 1963); Kurt von Schuschnigg, *The Brutal Takeover: The Austrian ex-Chancellor's Account of the Anschluss of Austria by Hitler* (New York: Atheneum, 1971).

and forced annexation, not the will of the Austrian people. When Europe and the US failed to support Austria in the late 1930s, the superior Nazi army conquered Austria. Low asserts that, unlike in 1918-1919, two-thirds of the Austrian population, including himself, had not wanted a union with Nazi Germany in 1938. Low had fled his native Austria in 1938. Low's two books on the *Anschluss* do not cover the 1920s. This dissertation disagrees with Low's argument that only a minority of Austrians desired an *Anschluss* with Nazi Germany.⁵ Recent scholarship on popular opinion and the *Anschluss* also tends to reject the notion that Austria should be considered the first victim of Nazism and argues that most Austrians wanted an *Anschluss* in 1938.⁶ Some historians, like Evan Burr Bukey in *Hitler's Austria: Popular Sentiment in the Nazi Era, 1938-1945*, even contend that the Austrians became good Nazis.⁷

⁵ Alfred Low, *The Anschluss Movement 1918-1919* (Philadelphia: The American Philosophical Society, 1974) and *The Anschluss Movement, 1931-1938* (New York: Columbia University Press, 1985).

⁶Other works on popular opinion: In *Österreichische Geschichtswissenschaft und Anschluß, 1918-1930* (Vienna: Geyer-Edition, 1974), Herbert Dachs asserts that most Austrian history professors at universities throughout the inter-war period were extremely rightist, pro-*Anschluss*, and to some degree anti-democratic. These universities then influenced students, intellectuals, and secondary teachers, who in turn influenced the youth. In a chapter titled "Aufteilungs- und Einmarschpläne um Österreich 1918-1934" in *Festschrift für Franz Loidl* (Vienna, 1975), L. Jedlicka says that most of the Austrian political parties favored *Anschluss*, and the Austrians rejected the notion of a *Kleinstaat* (small state). In addition, Michael Gehler has a more recent study on Austrian universities in Thomas Albrich, Klaus Eisterer, and Rolf Steininger, eds. *Tirol und der Anschluss: Voraussetzungen, Entwicklungen, Rahmenbedingungen 1918-1938* (Innsbruck: Haymon-Verlag, 1988). Gehler's essay "Die Studenten der Universität Innsbruck und die Anschlußbewegung 1918-1938" asserts that in general the Tyrolean universities, professors, students, and fraternities were very rightist and pro-*Anschluss*. This is in agreement with Herbert Dach's argument regarding universities and students.

⁷An invaluable book dealing with popular opinion is Evan Burr Bukey's *Hitler's Austria: Popular Sentiment in the Nazi Era, 1938-1945* (Chapel Hill: The University of North Carolina Press, 2000). Disputing Low, Bukey argues that not only did the majority of

In addition, books dealing with the Austrian inter-war economy are relevant to this project, such as *Tirol und der Anschluss* and *Ungleiche Partner?*⁸ Francis Ludwig Carsten focuses on Austria's domestic situation, namely its political and economic handicaps.⁹ These works on popular sentiment and the economy do not deny the massive appeal for the *Anschluss* in the inter-war period. However, none of the books specifically discusses the Austrian question from the perspective of British and American foreign policy in the time period 1918 to 1934.

Moreover, most books on Austria during the inter-war and the *Anschluss* focus on the *Anschluss* supporters and not its opponents. For example, Carsten's book on the First

Austrians support the *Anschluss* in 1938, but they continued to support Hitler, the war, and the persecution of the Jews until the very end. Bukey maintains that the overwhelming power of German nationalism accounts for Austrian receptivity of the 1938 *Anschluss*, not economic factors. While Bukey focuses on Austrian popular sentiment from 1938 to 1945, my dissertation looks at the early *Anschluss* movement and employs American, British, and Austrian documents that support Bukey's arguments regarding most Austrians' desire for union in 1938, because the underlying *Anschluss* desire existed long before Hitler.

⁸Michael Gehler, ed., *Ungleiche Partner? Österreich und Deutschland in ihrer gegenseitigen Wahrnehmung. Historische Analysen und Vergleiche aus dem 19. Und 20. Jahrhundert* (Stuttgart: Franz Steiner Verlag, 1996); In *Tirol und der Anschluss* Kuprian and others examine the *Anschluss* movement in Tyrol and its economic motives. In *Ungleiche Partner?* many historians, such as Rolf Steininger and Franz Mathis, also discuss the connection between the *Anschluss* and the economy. For example, Steininger focuses on the 1931 customs union between Austria and Germany. He is concerned with who initiated the customs union and what were the specific intentions, plans, and policies that both Austria and Germany pursued.

⁹ Francis Ludwig (F. L.) Carsten, *The First Austrian Republic 1918-1938* (Brookfield, Vermont: Gower Publishing Company, 1986). Regarding sources, both Carsten and this dissertation use the unpublished British Foreign Office documents. However, while Carsten uses the older published *British Documents on Foreign Policy* that appeared in the 1960s and 1970s, this dissertation uses the *British Documents on Foreign Affairs* which is a newer and expanded series. In addition, Carsten mainly discusses the Austrian internal situation, while this work emphasizes American and British foreign, economic, financial, and cultural ties with Austria. Also, he does not use American and Austrian documents, newspapers, and foreign archives.

Republic does not emphasize key anti-*Anschluss* groups.¹⁰ Thus, there is no book in the English or German language that collectively investigates the three main *Anschluss* opponents, the Christian Social Party, the legitimists, and the anti-*Anschluss* industries and industrialists and how they cooperated with the Americans and British in the time period from 1918 to 1934.

There is another gap in Anglo-American diplomacy with Austria.¹¹ The studies of Emily Rosenberg, Frank Costigliola, and Michael Dockrill are very broad and do not focus on Austria.¹² How did Britain and the United States together with their Austrian partners sustain Austrian independence from 1918 to 1934 despite the strong *Anschluss* movement? This dissertation examines this unaddressed issue in the historiography.

Furthermore, this project employs “new diplomatic history,” which places diplomatic issues in a wider socio-cultural-political context, including the context of nationalism and national identities. An example of diplomatic history that reveals the relationship between

¹⁰ Carsten’s book discusses the Christian Social Party, but he does not use the Christian Social Party archives or the only recently published documents on the Christian Social Party meetings. He has little on monarchists, and the anti-*Anschluss* industries and industrialists are not mentioned.

¹¹ Examples of general books on diplomacy are: Stephen Schuker, *American "Reparations" to Germany, 1919-33: Implications for the Third-World Debt Crisis* (Princeton, NJ: Princeton University Press, 1988); Marc Trachtenberg, *Reparation in World Politics: France and European Economic Diplomacy, 1916-1923* (New York: Columbia University Press, 1980); Akira Iriye, *Power and Culture: The Japanese-American War, 1941-1945* (Cambridge, Mass: Harvard University Press, 1981); John W. Dower, *War Without Mercy* (New York : Pantheon Books, 1986).

¹² Michael Dockrill and J. Douglas Goold, *Peace without Promise – Britain and the Peace Conference 1919-1923* (Hamden, Conn.: Archon Books, 1981); Frank Costigliola, *Awkward Dominion: American Political, Economic, and Cultural Relations with Europe, 1919-1933* (London: Cornell University Press, 1984); Emily Rosenberg, *Financial Missionaries to the World: The Politics and Culture of Dollar Diplomacy, 1900-1930* (Durham: Duke University Press, 2003).

diplomacy and the socio-cultural system is Paul Kennedy's *The Rise of the Anglo-German Antagonism, 1867-1914*. Kennedy not only examines traditional diplomacy between Germany and Britain, such as the colonial and naval rivalries, but also gives a more comprehensive comparison of the two nations, stressing competing and complimentary political cultures, the media, popular opinion, social structures, economic ties, dynastic links, and religious, cultural, and ethnic connections.¹³ Using these same methods, my project places the *Anschluss* in the context of nationalism, identity, economy, popular sentiment, and socio-cultural aspects.

Many historians attempt to explain nationalism, the creation of a nation-state, and identity. Some historians contend that a nation-state is based on a common ethnicity and culture, while other historians, like Eric Hobsbawm and Benedict Anderson, maintain that a nation is a constructed entity. Traditional theories primarily based on European examples maintain that national groups attained national identity by the creation of nation-states. The prior creation of a nation-state subsequently led to a shared feeling of belonging and identity.

However, Hobsbawm, who viewed a nation as a modern, political, social, and cultural construction, asserts the opposite. Hobsbawm contends that previous definitions of nationalism are inaccurate and states several arguments concerning nationalism. According to Hobsbawm, "nationalism comes before nations. Nations do not make states and nationalisms but the other way round." He also contends that nations are primarily constructed by the elites, but must still be examined through the eyes of the common people.

¹³Paul Kennedy, *The Rise of the Anglo-German Antagonism, 1867-1914* (London: Allen & Unwin, 1980, 1996).

Hobsbawm asserts that national awareness can spread irregularly to different regions of a nation. Hobsbawm also discusses how economic nationalism, mass schooling, printing, language, race, culture, media, and sports (Olympic Games, soccer games, and so forth) contributed to nationalism. Examples of national economies, where the states controlled commerce and financial policies, included Alexander Hamilton's US Federal Bank and Friedrich List's *Zollverein*. Hobsbawm argues that languages cannot develop without printing and schooling.¹⁴

Anderson is a second example of "constructed" nationalism with a particular emphasis on cultural transmission through print. Anderson defines a nation as an imagined political community that is limited and sovereign. A nation is "imagined" because even though a person in a particular nation will not interact with all the other people that form that nation, there is still an image of a shared community. Anderson contends that a nation is imagined "limited" because it has boundaries. According to Anderson, a nation is perceived as "sovereign," because this idea developed during a time of Enlightenment, revolution, secularization, and declining absolutism, in which each nation desired freedom. A nation is

¹⁴ Hobsbawm defines "nationalism" as "primarily a principle which holds that the political and national unit should be congruent." As a Marxist, he focused on class and mass politics in shaping nations. Industrialists sometimes used nationalism to undermine the working class solidarity. Also, Hobsbawm uses Miroslav Hroch's division of nationalism into three periods. First, nineteenth-century Europe, "was purely cultural, literary and folkloric, and had no particular political or even national implications. . ." In the second period there is the appearance of radical nationalists. While most of Hroch's book focuses on the second period, Hobsbawm concentrates on the third period, where nationalist programs acquire mass support. Using a Marxist approach, Hroch argues that the emergence of a nation is a social process marked by the transition from a feudal society to a capitalist one and a struggle between the old feudal ruling class and the common people. Eric Hobsbawm, *Nations and Nationalism Since 1780: Programme, Myth, Reality* (Cambridge/New York: Cambridge University Press, 1990), 9-12; Miroslav Hroch, *Social Preconditions of National Revival in Europe: A Comparative Analysis of the Social Composition of Patriotic Groups Among Smaller European Nations* translated by Ben Fowkes. (Cambridge: Cambridge University Press, 1985).

imagined as a “community” because it is based on a sense of “comradeship.” In examining the cultural roots of nationalism, Anderson argues that print capitalism brought about nationalism and also led to the spread of nationalism.¹⁵

On the other hand, Breuilly asserts that nationalism is a product of politics whereby the structure of the state pursues its own interests. Unlike Anderson, Breuilly places nationalism in political context. Breuilly defines nationalism as “a form of politics that arises in close association with the development of the modern state.” He contends that in order to understand nationalism one must place it in terms of “obtaining and using state power.”¹⁶ Key to his argument is that a national movement can either be opposed to or controlled by the state. National opposition to the state can either seek to break away (separation nationalism),¹⁷ reform the state from within (reform nationalism),¹⁸ or unite with other states (unification nationalism). The first real national movements were cases of either separation or unification. In the case of Germany, Breuilly argues that the elites, not the masses, drove the national movement for unification. In Germany liberal nationalist elites were isolated and divided, but allied themselves with a large existing state to achieve their goals. Meanwhile, historian Peter Alter looks at nineteenth century European nationalism from a social history perspective and asserts that nationalism at this time embraced not only

¹⁵ Anderson, *Imagined Communities*, 6-7.

¹⁶ John Breuilly, *Nationalism and the State* (New York, St. Martin’s Press, 1982), xii.

¹⁷ According to Breuilly, national separation movements took place in the Ottoman Empire and Habsburg Empire. Breuilly contends that the extent of ethnic diversity in Austria-Hungary was so great that the only way for the various ethnic groups to achieve state power was through separation not reform. He also discusses separation movements within France (Basque), Britain (Scotland), Canada (Quebec), and Spain (Basque).

¹⁸ An example of reform nationalism is Japan in the 19th century, when it changed from a feudal society to a modernized, industrialized, and militarized nation.

national unity, but also liberation from oppressors, especially from the multi-ethnic Empires of Russia, Austria-Hungary, and Turkey.¹⁹

The issues of nationalism, identity, and the creation of a nation-state has been particularly problematic and complicated for Germans, and are part of the debates over the German question and *Sonderweg* thesis. The *Sonderweg* thesis argues that politically, intellectually, economically, and culturally Germany followed a path different from the rest of western Europe. According to the negative aspects of this thesis, German political culture was highly anti-liberal, autocratic, militaristic, ultra-nationalistic, and radically anti-Semitic, and thus Germany took the “special path” to Hitler and the Holocaust rather than to stable and peaceful democracy.²⁰ The German question deals with the *grossdeutsch*, *kleindeutsch*, *Mitteleuropa* (Central Europe) controversies. What kind of a state should Germany be and what should be its borders? The many Slavic, Italian, Hungarian, and other minorities within the Habsburg Empire up until World War I, who had national aspirations of their own,

¹⁹Peter Alter, *Nationalism* (London: Arnold, 1989).

²⁰ The more positive attributes of the *Sonderweg* thesis are that up to World War I Germany had the best school and university systems in the world and was seen as a land of “poets and thinkers.” But given the rise of Nazism, some historians have focused on the negative side. German intellectuals embraced nationalism but rejected liberalism and democracy after the French Revolution and Napoleonic era, because they viewed these ideas as foreign (French). While France and Britain had long since existed as European nation-states, until the late 19th Century Germany existed more as a *Kulturnation* (an entity of common German culture), rather than a *Staatsnation* (nation-state). Politically Germany had no successful middle class revolution and no monarch lost his head. The failure of the 1848 democratic revolution paved the way for unification under Bismarck by “Blood and Iron” in 1870-1871. Economically, Germany had switched from being a mostly agrarian country to one of the world’s industrial superpowers in the late 19th Century, which led to various crises in modernization. Also, the German economy, like the political structure, was heavily controlled by the old elites (the Junkers) and powerful industrialists. Culturally, Germany was also seen as anti-liberal and nationalistic.

complicated the matter.²¹ Many German nationalists were not satisfied with the creation of a *Kleindeutschland* in 1870-1871, and particularly after the break up of Austria-Hungary they pushed for a union of Germany and Austria. Oscar Jaszi, Peter Alter, and Arthur May deal with the German question and dissolution of the Habsburg Monarchy.²²

This dissertation suggests that the Austrian case is unusual in that it contradicts the standard scenarios of nation-state development. Before World War I, the identity of the German Austrians was based on loyalty to the Habsburg dynasty that collapsed in 1918, causing an enormous identity crisis among German Austrians. After World War I, the Americans, British, and other Allies created an independent Austrian state, with which most Austrians were not connected by any sense of national identity. Specific works on nationalism and identity in Austria are Stanley Suval's *The Anschluss Question in the Weimar Era: A Study of Nationalism in Germany and Austria, 1918-1932* and Günter Bischof's and Anton Pelinka's collection of articles on *Austrian Historical Memory & National Identity*.²³ Suval argues that although people and parties in both Austria and Germany advocated a union, the desire for union was stronger in Austria where it was a life or death matter. He maintains that class, religion, and regionalism fragmented the *Anschluss* movement and prevented it from occurring between 1918 and 1938. *Austrian Historical*

²¹ The 1867 *Ausgleich*, Compromise, created the Dual Monarchy of Austria-Hungary, but failed to give other minorities more sovereignty.

²² Peter Alter, *The German Question and Europe: A History* (London: Arnold, 2000); Oscar Jaszi, *The Dissolution of the Habsburg Monarchy* (Chicago: The University of Chicago Press, 1929); Arthur May, *The Passing of the Hapsburg Monarchy, 1914-1918* (Philadelphia: The University of Pennsylvania Press, 1966).

²³ Stanley Suval, *The Anschluss Question in the Weimar Era: A Study of Nationalism in Germany and Austria, 1918-1932* (London: The John Hopkins University Press, 1974); Günter Bischof and Anton Pelinka, eds. *Austrian Historical Memory & National Identity* (New Brunswick, NJ: Transaction Publishers, 1997).

Memory & National Identity primarily focuses on Austrian identity after World War II, where Austrians saw themselves as victims of German aggression. Once again neither of these books discusses the *Anschluss* in terms of Anglo-American diplomacy and the anti-*Anschluss* Austrians who worked with the Americans and British.

II. Sources

This project primarily relies on foreign affairs documents of the United States, Great Britain, Austria, and Germany, newspapers, and party files of the Christian Social Party. These sources shed light on the American and British policies maintaining an independent Austria from 1918 to 1934 as well as those Austrians who were against an *Anschluss* and cooperated with the Americans and British. This work also relies on letters, memoirs, and the personal papers of key Austrian *Anschluss* opponents.

The policies of the three main Austrian supporters of a separate nation (the Christian Social Party, monarchists, and the anti-*Anschluss* industries and industrialists) were investigated. These three Austrian groups welcomed international aid to sustain Austrian independence and the development of Austrian national awareness. The dissertation analyzes the Christian Social Party's policies regarding opposition to the *Anschluss* and the party's relation to the United States and Great Britain through the Christian Social Party archives found in the *Politische Akademie der ÖVP (österreichische Volkspartei)* located in Vienna. Other sources on the Christian Social Party include the recently published complete transcript of the Christian Social Party meetings, *Dieses Österreich Retten: Protokolle der Christlichsozialen Parteitage der Ersten Republik*, edited by Robert Kriechbaumer, and the Christian Social Party newspaper the *Reichspost*.

This dissertation examines the anti-*Anschluss* monarchist policies through monarchist newspapers such as the *Österreichische Nachrichten: Organ der Monarchisten Österreichs* (Vienna) and the *Staatswehr* (Vienna). This work describes the industrialist policies against an *Anschluss* and their relation to American and Britain using archives of the Vienna Chamber of Economics, Industry, and Businesses, *Wiener Wirtschaftskammer Archiv*, and the papers of Robert Ehrhart, an Austrian opponent of a union with Germany who was the Vice President of the *österreichische Hauptverband der Industrie* (main Austrian industrial association), and the letters of Ludwig Urban, the anti-*Anschluss* President of the *Hauptverband der Industrie*. The Ehrhart papers and the Urban letters are located at the *Institut für Zeitgeschichte, Archiv* at the University of Vienna.

Moreover, this dissertation investigates American and British diplomacy toward Austria, using American and British foreign policy documents, from the United States Department of State documents in the National Archives II in Maryland and the Foreign Office archives of the British National Archives in Richmond, London. This work also uses Austrian documents relating to Austrian foreign affairs with the United States and Great Britain which are housed in the *NPA (Neues Politisches Archiv) Austwärtige Angelenheiten, 1918-1934* of the *Österreichisches Staatsarchiv, Archiv der Republik* in Vienna.

Published primary sources include American, British, and Austrian foreign affairs documents and newspapers, such as the *Foreign Relations of the United States (FRUS* collection), the only recently published Austrian foreign affairs documents, *Außenpolitische Dokumente der Republik Österreich 1918-1938 (ADÖ)*,²⁴ and the *British Documents on*

²⁴ Currently volumes 1-7 from 1918 to 1926 have been published.

Foreign Affairs. These sources cover the years 1918-1934 and have been invaluable to my research. I have examined various newspapers, such as the *Times* [London], *Manchester Guardian*, *New York Times*, *Chicago Daily Tribune*, and *Washington Post* for their coverage of American and British foreign policy. Finally, other newspapers used throughout the work are the *Wiener Zeitung* (Vienna) and the *Neue Freie Presse* (Vienna).

The American, British, Austrian, and German foreign affairs documents and archives contain a wealth of information because each country had diplomats stationed around the world, who were required to submit regular reports on the economic and political situation, the media, domestic affairs, status of minorities, and so forth in their country of assignment. Regarding their assigned country, the diplomats were often familiar with the language and culture and very much in tune with the current political and social situations. They met and corresponded with important leaders, politicians, and everyday people. The diplomats gave first-hand accounts on the situation in Austria, drawing on such sources as local newspapers, election results, party speeches and campaigns, government letters and statements, and conversing directly with the Austrian people and their leaders. These reports helped shape British and American foreign policy toward Austria. American and British diplomats both gave strong recommendations for policy matters to their respective home countries and implemented the foreign policies of their home countries. Certainly there existed some bias among the opinions of individual diplomats, but this dissertation shows the general perspective of the most important diplomats. Furthermore, not only do these foreign affairs documents contain reports of the diplomats sent back to their respective countries, but these foreign affairs documents also have communications sent from the governments to the

diplomats. The foreign affairs documents show how the diplomatic reports were received and acted on in London and Washington, DC.²⁵

III. Early Nationalist Forces, Germany, and the German Austrians

The possibility of including Austria in a greater Germany did not originate after World War I, for dreams of a *Grossdeutschland* had already appeared in the nineteenth century. While some countries, like Italy and Germany, emerged unified out of the era of nationalism, multi-ethnic states, like Austria, were undermined by national sentiment. Austria had once been the leader of the German states but had declined by the mid and late nineteenth century. Despite political separation after the 1866 Austro-Prussian war and the later German unification, the historical and ethnic ties between the German Austrians and the Germans in Germany remained significant factors in Austro-German diplomacy up to World War I. The national aspirations of the many ethnic groups within the Habsburg Empire contributed to its *Zusammenbruch* (collapse) into many autonomous states after World War I.²⁶

For centuries the Habsburg monarchy had controlled the imperial title to the Holy Roman Empire and German Nation. However, Napoleon's dissolution of the Holy Roman

²⁵ In comparison to the American *FRUS* documents, the British documents are a bit more thorough on the European theater, and their subject matter is better organized and catalogued. Nevertheless, both countries took a very active role in Austrian affairs, and both the American and British documents offer an extensive and accurate depiction of conditions and popular sentiment in Austria during the inter-war period.

²⁶The Habsburg Empire contained eleven main ethnic groups. Samuel R. Williamson, Jr., *Austria-Hungary and the Origins of the First World War* (New York: St. Martin's Press, 1991), 4.

Empire in 1806 severely weakened Emperor Franz II's²⁷ command of the German states, which became evident when the French Emperor controlled much of Germany through his newly-created Confederation of the Rhine.²⁸ The European statesmen of the Congress of Vienna partially restored Austrian influence in Germany when it replaced Napoleon's Confederation with a German Confederation under Austrian presidency in 1815. However, the German Confederation, which consisted of thirty-eight German states, did not fulfill the aspirations of German nationalists who wanted a united Germany.

In 1848 German intellectuals at the Frankfurter Parliament pondered over a united, democratic Germany, and what its borders should be. The delegates at the Frankfurter Parliament discussed various forms of a united Germany. Some championed a *Grossdeutschland*, a united Germany that included the hereditary Habsburg lands of Upper and Lower Austria, Tyrol, Vorarlberg, Styria, Carinthia, Bohemia, Moravia, Carniola, and the port city of Trieste. But it would not include Austrian lands that had never been part of the Holy Roman Empire proper. Austria was adamantly against this plan because it meant giving up its enormous Italian, Polish, and Hungarian holdings. Emperor Franz Joseph's stance as an avid conservative suppressing revolutionary forces that threatened him did not make him appealing to German liberals who favored a *Grossdeutschland* either. A more liberal Prussian-led *Kleindeutschland* without Austria was a second option. A third option was a trialism approach, in which power would be shared between Austria, Prussia, and the so-called "Third Germany." Extreme German nationalists called for a merger of the entire Austrian Empire, Prussia, and the other German lands into a German-dominated

²⁷ Holy Roman Emperor Franz II was also known as Franz I of Austria.

²⁸ Dietmar Hann, *Die Stellung der Christlichsozialen Partei zum Anschluß an das Deutsche Reich 1918-1934* (Vienna, 1978), 3.

Mitteleuropa. Two problems with the grand *Mitteleuropa* idea were that it would include many non-Germans, and other Great Powers would probably not accept it. None of these visions became a reality in 1848, and "Germany" remained bitterly divided.

As nationalism continued to spread across Central Europe, the other ethnic groups severely tested Vienna's hegemony. During the 1848 "Springtime of Nations" in the Czech lands, František Palacký opted for a moderate challenge to imperial power while others wanted total Czech independence immediately. Imperial troops were sent into Bohemia to stop the armed uprisings. Ardent nationalists preached the idea of Pan-Slavism as a challenge to the Germanic peoples. However, Palacký, who still believed in the necessity of the Empire, favored Austro-Slavism rather than Pan-Slavism, where only the Slavs in the Austrian Empire worked together for more rights and autonomy. The Czechs under Palacký boycotted the Frankfurter Parliament in 1848 and held a Slavic conference in Prague. A far more serious challenge to imperial authority came from the Hungarians, who unlike the Czechs had had their own independent kingdom centuries earlier, including a constitution, the Golden Bull, written in 1212. Hungary actually waged a war of independence in 1848-1849, officially declaring itself free from Austria in the April Laws of 1849. Only through the intervention of Russia's Czar Nicholas I, who wanted to maintain the balance of power in Europe according to the 1815 Congress System, was the Hungarian revolt smashed and Habsburg control upheld. Similar to the Germans, many Italians desired a unified Italy, which before 1860 was nothing more than a geographical expression. In 1848 Austria smashed Italian revolutionaries in northern Italy. However, in 1859 Austria was not so fortunate. Defeated by Italian and French troops, it lost influence over Italian affairs and had

to cede the rich province of Lombardy, which included the city of Milan, to the newly unified Italian state that emerged.

Austria's rivalry with Prussia over the political framework of "Germany," particularly competing economic unions such as the Prussian led Erfurt Union and the Austro-Bavarian bloc, the inclusion of non-German Habsburg lands into a greater Germany, and the Schleswig-Holstein issue, continued to escalate. The "humiliation of Olmütz" in 1850, when Prussia backed down and Austria reaffirmed its presidency over the German Confederation, was only a minor setback for Prussia. The Punctuation of Olmütz was achieved with the help of Czar Nicholas I who had sent a navy ship near Schleswig-Holstein to thwart Prussia. Afterwards, Prussia still remained economically stronger than Austria through the *Zollverein*, an economic trade union created in 1834 between Prussia and other German states that excluded Austria. Austria remained militarily stronger, but that was only due to its vast non-German territories, and by this time it was becoming quite clear that many of the non-Germans within the Empire no longer wanted to be a part it, showed no loyalty to the Habsburgs, and definitely did not see themselves as "Austrians." Therefore, Olmütz did not end the rivalry over German hegemony. A military showdown was still imminent.

The loss of Lombardy was unfavorable for Austria, but much worse were the ongoing demands of other ethnic groups within the Empire. The Hungarians in particular called for a renewal of the March laws of 1848 and Hungarian autonomy. Realizing that these domestic problems would weaken Austria's ability to thwart Prussian power among the German states in an impending war, Austria allowed Hungarian leaders under Ferenc Deák to begin negotiations in 1862. The unification of Italy had shown Austria how

explosive the nationalism issue had become; yet Austria, unlike Prussia, could not exploit nationalism to unify the German states under its command because this would detract from its multinational Empire. Also, the German nationalists who evolved out of the German liberals of 1848 did not like the conservative and absolutist Habsburg Empire under the oppressive Bach system that had been imposed primarily to stem Hungarian separatism following the 1848 revolution.²⁹

The seven week Austro-Prussian war broke out over the administration of Schleswig-Holstein in 1866. Austria's disastrous defeat at Königgratz in Bohemia sealed its fate. However, Bismarck did not impose harsh peace terms. Austria's only territorial loss was that of Venetia ceded to Italy. More significant was the dissolution of the German Confederation, which was replaced by a North German Confederation under Prussian leadership, and Austria's removal from German affairs. Because the Hungarians had impaired the Austrian war effort against Prussia, Austria had no choice but to accept some of the Hungarian demands for the sake of the Empire. Thus, Austrian defeat in 1866 brought about the *Ausgleich*, or compromise, of 1867, in which a Dual Monarchy was established in response to Hungarian pressure for more autonomy. The Austrian Empire now officially became Austria-Hungary. Vienna and Budapest now had their own parliaments that governed their separate halves of the Empire, but foreign policy, finance, military, and the Habsburg monarchy remained common to both.

In 1870-1871, after defeating France, Prussia chose to solve the German unification question on its own and formed the German Empire without Austria, which had always been a key German state until then. Still, Otto von Bismarck favored close ties with his fellow

²⁹ Barbara Jelavich, *Modern Austria, Empire and Republic 1815-1986* (Cambridge: Cambridge University Press, 1988), 59-64.

Germanic empire. He did not seek to create one all encompassing German nation-state because that would have weakened Prussian leadership, and he considered Austria-Hungary vital to the European balance of power. Moreover, the inclusion of Austria would have greatly increased the number of Catholics in the mostly Protestant Prussian-led German Empire. Bismarck, in particular, had a dislike of South Germans.

Nevertheless, the ongoing ideas of a *Grossdeutschland* and *Mitteleuropa* remained present and ever so complex. They contributed to the post-1848 stalemate that dominated Austrian internal politics. By the late nineteenth century and lasting until the early 20th century, Austrians were divided among three main political camps, the Christian Social conservatives, socialists, and the nationalists. Both the socialists and nationalists were *grossdeutsch* sympathizers. The National Party founded by Georg Ritter von Schönerer, a forerunner to Hitler and even mentioned in *Mein Kampf*, advocated radical nationalism and was extremely anti-Semitic, anti-Slavic, anti-Habsburg, anti-Catholic, and anti-Austrian. Schönerer dreamed of a greater Germany and the day when German troops would march into Austria. By the early 20th century the National Party had lost most of its members.³⁰

In Germany, Social Democratic leader Wilhelm Liebknecht declared in a speech in 1900 that Germany was seeking expansion in overseas colonies while forgetting Austria. Greater Germans wanted to incorporate Austria into a greater Germany. Yet, other radical German nationalists sensed that only including the German lands and relinquishing the rest

³⁰F.F. Masaidek, *Georg Schönerer und die deutschnationale Bewegung* (Vienna: F. Schalk, 1898); Heinrich Schnee, *Georg Ritter von Schönerer. Ein Kämpfer für Altdeutschland, mit ausgewählten Zeugnissen aus Schönerers Kampfzeit für deutsche Einheit und deutsche Reinheit* (Reichenberg: Sudetendeutsche Verlag F. Kraus, 1943); Andrew G. Whiteside, *Socialism of Fools: Georg Ritter von Schönerer and Austrian Pan-Germanism* (Berkeley: University of California Press, 1975); Michael Wladika, *Hitlers Vätergeneration: die Ursprünge des Nationalsozialismus in der k.u.k. Monarchie* (Vienna: Böhlau, 2005).

of the Habsburg Empire meant giving up a *Mitteleuropa* under German hegemony. These radicals realized that the coveted *Mitteleuropa* was not possible at the moment and, therefore, considered the immediate existence of two German Empires the next closest thing. Merging the entire Austro-Hungarian Empire with that of Imperial Germany would have led to increased internal ethnic conflicts. The non-German nationalities, like the Hungarians who had only recently become co-partners of the Habsburg Empire, would not tolerate being part of huge Empire with 60 million more Germans. Moreover, the other Great Powers would not have responded favorably to a German-controlled Central Europe extending from the North Sea to the Adriatic and Rhineland to the Balkans. Moderate German nationalists might have been satisfied with a *Grossdeutschland*, but radicals believed that the German Austrians served the German *Volk* best by remaining part of a Empire that stretched across Central Europe and maintaining their dominance (or jointly sharing authority with Hungarians after 1867) over the Slavic people.³¹ In 1870-1871 Prussia had opted for the *Kleindeutsch* solution-- faster, easier, and more acceptable to its neighbors--by eliminating its Austrian rival from a united German Empire. Only through a major war with several or all of the Great Powers could a German *Mitteleuropa* have been achieved.

Although having lost to Prussia in 1866, Austria-Hungary remained closely allied to Germany up to the Great War. Both countries participated in various military alliances, such as the Three Emperors' League (1873), Austro-German Dual Alliance (1879-1918), Alliance of the Three Emperors (1881-1887), and Triple Alliance (1882-1915). Each country also supported the other's foreign policy, as evident in the 1878 Congress of Berlin.

³¹Low, *The Anschluss Movement 1918-1919*, 19, 20.

Primarily through the help of Germany, Austria-Hungary gained the right to occupy and administer Bosnia-Herzegovina. Moreover, Austria-Hungary was the only country to support Germany at the Algeciras Conference in 1906 during the first Morocco crisis, and in the 1908 Bosnian crisis Germany supported Austria-Hungary's annexation of Bosnia-Herzegovina. Austrian domestic and foreign policies up to World War I were driven by traditional Austrian sentiment and above all the need to maintain the Empire and quell nationalist aspirations. The maintenance of a close relationship with Germany, as well as Austria's creation of the state of Albania and the annexation of Bosnia-Herzegovina—both meant to thwart Serbian expansion—were deemed necessary for survival.

One reason Germany purposely kept Austria-Hungary virtually intact after the Austro-Prussian war was because it served as a bridge connecting the German Empire to the Balkans and the Ottoman Empire. For radical German nationalists this held open the possibility of a *Mitteleuropa*. Some even dreamed of an even vaster *Ostraum*, where Germany stretched well into Russia.³² The radicals realized that, if not yet, perhaps one day in the near future Germany would be strong enough to risk a major war to fulfill these visions.

IV. World War I and Dismemberment

The *Anschluss* movement was neither an isolated event in 1938 nor unique to Nazi foreign policy, but part of a much larger unresolved German question whose origins went back to the nineteenth century and which reappeared with a vengeance in the inter-war period, following the destruction of the two Germanic Empires. Although prior to 1914 the

³²Low, *The Anschluss Movement 1918-1919*, 26.

Habsburg Empire had been the second largest country in the Europe in area excluding colonies and the third largest country population-wise with about fifty million people,³³ militarily Austria-Hungary was less than impressive. Once World War I began, whether Austria was fighting in Serbia, in Galicia against Russian troops, or on the Italian front, it became evident that Germany was the dominant member of the Central Powers and the only force standing between Austria-Hungary and military collapse. The military shortcomings of the Habsburg Empire during World War I were caused by the same problems that had hampered it since the French and Napoleonic wars, namely the ethnic divisions and the ultra conservatism of the army, which did not respond fast enough to technical changes.³⁴

Internal problems had engrossed the Empire as well. A Czech "Mafia" encouraged desertion, sabotage, and disruption. Some Czech soldiers even fought on the Russian side. Hungary did not start rationing until the last two years of the war in order to protect its own home front, which hurt the entire country in the long run. The Habsburg Empire would have collapsed in 1916 but for German support. With defeat imminent, the unraveling began.³⁵ On October 6, 1918, the Slovenians, Serbians, and Croats declared themselves independent

³³ Austria-Hungary had an area of approximately 241,491 square miles while excluding colonies Germany had about 208,830 square miles with a population of about 60 million and France had 207,218 square miles with a population of about 40 million. http://www.nowtranslations.com/world_100_years_ago.htm (Now Translations, March 2002).

³⁴ See, Gunther E. Rothenberg, *Napoleon's Great Adversaries: The Archduke Charles and the Austrian Army, 1792-1814* (London: B. T. Batsford LTD, 1982) and *The Army of Francis Joseph* (West Lafayette: Purdue University Press, 1976).

³⁵ Nevertheless, few people had desired the disintegration of the Habsburg Empire prior to 1914, but in the defeat of World War I its destruction was almost irreversible, and the dilemma that arose concerned the fate of the German inhabited lands of Austria. Historically the Habsburg Empire served as a buffer against the Russian and Ottoman Empires. Many scholars contended that its dissolution left a power vacuum in the region.

and part of a sovereign nation. On October 7, the Poles announced their independence in Warsaw. On October 28, the Czechs in Prague asserted their national sovereignty.

On October 30, 1918, a leading group of German Austrians met in the *Reichsrat* to discuss the impending dissolution of the Habsburg Empire and agreed on the basic foundations of a new German Austrian State.³⁶ Accepting Woodrow Wilson's principle of self-determination, the leaders of German Austria thought that their state would include the German populations of Bohemia, Moravia, and Austrian Silesia. With most of the German speaking hereditary Habsburg lands kept intact, Austria would have had an estimated population of about ten million. On November 11, 1918, Emperor Charles, who had succeeded Franz Joseph who had died in 1916, announced the end of old regime. One day later the Austrian Provisional Assembly proclaimed an Austrian Republic that was part of Germany. Most Austrians also wanted a union with Germany after World War I. The Allies, however, wanted an independent Austria.

³⁶Wilhelm Brauner, *Deutsch-Österreich 1918. Die Republik entsteht* (Vienna: Amalthea, 2000), 46-47.

PART I: CONTESTED BEGINNINGS

CHAPTER I

AMERICAN AND BRITISH DIPLOMACY, 1918-1919

I. Introduction

On September 11, 1919, the *Times* [London] described the signing of the peace treaty with Austria at the chateau in St. Germain-en-Laye, which took place on the previous day, as "pale" and "uninteresting" in comparison to the earlier one at Versailles between the Allies and Germany. The heat was unbearable and seating arrangements insufficient. The *Times* correspondent stated that the inside decoration of the chateau was unimpressive and monotonous. He even recalled that the Allied delegates had to squeeze their way through to get to the table and sign. The head of the Austrian Delegation, Dr. Karl Renner, who signed for Austria, seemed unmoved by "the dismemberment of what was once the proudest Empire in Europe."³⁷

Following World War I and the peace settlement, the new, independent Austria hardly resembled the proud Habsburg Empire, whose leading city had been the music capital of the world, or the same Empire that had withstood the attack of the Turks and after many conflicts with Napoleon had been victorious from 1813 to 1815. Under the Treaty of St. Germain, the victorious Allies dismembered Austria-Hungary, creating the new and

³⁷ "Peace with Austria: Treaty Signed. A Quiet Ceremony," *Times* [London]. 11 September 1919.

independent states of Austria, Hungary, Czechoslovakia, and Yugoslavia, while ceding other parts of the former empire to Poland, Italy, and Romania. The population of the new Austrian state was mostly German. Nevertheless, the Allies prohibited the union of Austria and Germany. Questions that this chapter answers are: what were the Allies' policies, particularly the British and American, in response to the creation of the First Austrian Republic and Austrian *Anschluss* movement during this time.

Despite a strong *Anschluss* movement in Austria in 1918 and 1919, Allied policies prevailed. Ignoring the will of the Austrians, the Allies decided the fate of Austria, which was to remain independent. However, Britain and the United States were the most moderate of the Allies, and they left open the possibility of a future *Anschluss* through international consent. The Americans and British also participated in allocating food, supplies, and loans to a shattered Austria from 1918 to 1919. In addition, both the United States and Britain favored a Danube Confederation, a free customs union among the Habsburg successor states, as a preferred alternative to the *Anschluss*.

II. Historiography

In the 1930s Charles Beard had criticized American entry into World War I. Beard saw economic reasons, in particular the interests of industry, in motivating the United States' intervention in the Great War. Even when facing the threat of fascism and totalitarianism in the mid- and late 1930s, Beard favored American isolationism and criticized Franklin D. Roosevelt's foreign policy.³⁸ Meanwhile, also in the 1930s, Charles

³⁸ Charles A. Beard, *The Devil Theory of War: Inquiry into the Nature of History and the Possibility of Keeping Out of War* (New York: The Vanguard Press, 1936) and *Giddy Minds and Foreign Quarrels: an Estimate of American Foreign Policy* (New York: The Macmillan

Seymour and Newton Baker upheld traditional views. They maintained that the United States primarily entered World War I because of Germany's unrestricted submarine warfare and not because of pro-Allied or financial interests. Ultimately, in their view, the United States entered the war to preserve peace and democracy.³⁹ Thus, already in the 1930s there was a debate concerning American entry into World War I between materialistic and idealist motives.

In the 1960s, Arno Mayer focused on various nations' World War I war aims from 1917 to 1918. Mayer argued that each state's domestic and foreign policies were determined by the internal struggle for power between the forces on the right and the left. The right championed expansionist goals and policies that continued the "Old Diplomacy" and status quo. On the other hand, the left supported non-annexation of territories and "New Diplomacy." The program of the "New Diplomacy" included open diplomacy (instead of secret treaties), freedom of trade (instead of restrictive trade barriers), no forcible annexations without plebiscites, the self-determination of people, an armaments reduction, the greater democratization of governments, and an international body that could mediate disputes (such as the League of Nations). Mayer defined these objectives as "liberal" and "progressive," and President Woodrow Wilson embodied "New Diplomacy" and international progressivism. Wilson promoted "the war to end all wars" through American

Company, 1939); Another critic of the US in World War I during the 1930s was: Charles Callan Tansill, *America Goes to War* (Boston: Little, Brown and Company, 1938).

³⁹ Charles Seymour, *American Diplomacy during the World War* (Baltimore: The Johns Hopkins Press, 1934); Newton Baker, *Why We Went to War* (New York: Harper for Council on Foreign Relations, 1936).

involvement in World War I, and once an Allied victory was secured, his Fourteen Points became an extension of his liberal war aims.⁴⁰

Wilson's antagonist in promoting a new world order was Lenin. Mayer contended that Wilson and Lenin both symbolized "New Diplomacy," but to a different extent. Wilson's "New World" and Lenin's socialist "New Society" had things in common. Both Wilson and Lenin portrayed a new era and championed open diplomacy, self-determination, and the creation of an international body, whether it be the League of Nations or a form of international socialism/communism. Nevertheless, Mayer also asserts that there were huge differences between Wilson and Lenin. Lenin, being more radically left, advocated the elimination of big industry and heavy state control. Mayer concludes that ultimately some would "turn to Wilson, others to Lenin."⁴¹

There have been many recent books reexamining the Treaty of Versailles and other World War I peace treaties.⁴² But particularly useful for its breadth of coverage and variety of interpretation is *The Treaty of Versailles: A Reassessment After 75 Years*, which contains twenty-six scholarly and thought-provoking essays on the treaty.⁴³ In one essay "The Minorities Question at the Paris Peace Conference: The Polish Minority Treaty, June 28, 1919," Carole Fink examines the post-World War I treaties in terms of how the European

⁴⁰Arno J. Mayer, *Wilson vs. Lenin: Political Origins of the New Diplomacy, 1917-1918* (New York: The World Publishing Company, 1959, 1964), 54-57.

⁴¹Mayer, *Wilson vs. Lenin*, 197, 333, 340, 350, 367.

⁴²Books written during the 1980s include: Michael Dockrill and J. Douglas Goold, *Peace without Promise – Britain and the Peace Conference 1919-1923* (Hamden, Conn.: Archon Books, 1981); Arthur Walworth, *Wilson and his Peacemakers: American diplomacy at the Paris Peace Conference, 1919* (New York: Norton, 1986).

⁴³Manfred F. Boemeke, Elisabeth Glaser, and Gerald Feldman, eds., *The Treaty of Versailles: A Reassessment After 75 Years* (New York: Cambridge University Press, 1998).

nations sought to protect the rights of minorities.⁴⁴ Given the impossibility of creating ethnically homogenous states in East Central Europe, various multi-ethnic countries, such as Poland, were obligated to respect the cultural and linguistic rights of their minorities. The League of Nations was to ensure the enforcement of these minority treaties.

Several historians challenge the harsh verdict of Versailles. William Keylor contends that Versailles was fair and Germany was not economically destroyed by the reparations, which were ultimately paid by American investors rather than German taxpayers.⁴⁵ Gerhard Weinberg maintains that Versailles actually strengthened Germany's position in Europe relative to the prewar period rather than weakening it.⁴⁶ At the other end of the spectrum, Jim Powell maintains a sweeping accusatory approach. He calls Woodrow Wilson the "worst president in American history" and blames Wilson's foreign policies, in particular entering the Great War, for causing the rise of Hitler and Stalin, World War II, and the death of tens millions.⁴⁷ With their focus on Germany, the Ottoman Empire, and Eastern Europe in general, these books on the peace settlement have little to say about Austria in particular.

⁴⁴A related book by Fink is: *National Frontiers and the Two World Wars* (Basle, 1996).

⁴⁵ "A Reevaluation of the Versailles Peace," *Relevance: The Quarterly Journal of the Great War Society*, Vol. V, No. 2 (Summer 1996). Keylor also edited *The Legacy of the Great War: Peacemaking, 1919* (Boston: Houghton Mifflin, 1998).

⁴⁶Gerhard Weinberg, *Germany, Hitler, and World War II* (Cambridge: Cambridge University Press, 1995), 2, 19.

⁴⁷ Powell states that before the US entered, the war was at a stalemate and most likely would have ended by peace negotiations in which neither side received harsh terms. However, US entry adversely altered things and made it possible for France and Britain to enact a punitive and humiliating peace against Germany that included the "war guilt clause" and huge reparations. *Wilson's War: How Woodrow Wilson's Great Blunder led to Hitler, Lenin, Stalin, and World War II* (New York: Crown Forum, 2005); Another revisionist work critical of US involvement in World War I is: William Appleman Williams, *The Tragedy of American Diplomacy* (New York: Dell Publishing Co., 1972).

Recent scholarship has left a gap in terms of American and British diplomacy with Austria in 1918 and 1919.

III. A. C. Coolidge

Most studies focus on great leaders, especially Wilson,⁴⁸ but to understand American policy toward Austria, it is important to study the role of a more obscure member of Wilson's entourage. Harvard Professor Archibald Cary Coolidge was a member of the American Peace Commission in Europe from 1918 to 1919.⁴⁹ Born on March 6, 1866 in Boston, he was the third of five sons and came from a prominent family that had lived in Boston for generations. His father John Randolph Coolidge had spent a few years in a military school in Dresden, Saxony, in his youth, and perhaps because of this his children were well disciplined and educated. All his sons attended Harvard and two were professors.⁵⁰ A. C. Coolidge graduated from Harvard with highest honors in 1887. He was fluent in German and French and got his PhD from the University of Freiburg in Germany at

⁴⁸ Other books that portray Wilson favorably are: Kendrick A. Clements, *Woodrow Wilson, World Statesman* (Boston: Twayne, 1987); David M. Esposito, *The Legacy of Woodrow Wilson: American War Aims in World War I* (Westport, Conn.: Praeger, 1996); Robert M. Saunders, *In Search of Woodrow Wilson: Beliefs and Behavior* (Westport, Conn: Greenwood Press, 1998); John A. Thompson, *Woodrow Wilson* (New York: Longman, 2002).

⁴⁹ Woodrow Wilson and a team of American diplomats headed to Europe in late 1918 for the Paris Peace Conference, which opened on January 18, 1919. Besides Wilson, the American Peace Commission (officially called the American Commission to Negotiate Peace) had five key commissioners, and at least two of them were present for each meeting of the plenipotentiary. They were Secretary of State Robert Lansing, Christian Herter, Henry White, General Tasker Bliss, and Colonel Edward House. The American Commission to Negotiate Peace had many agencies, offices, and individuals working for them, such as the secretariat, administrative and intelligence offices, and various technical advisers. A team of scholars, including A. C. Coolidge, also worked for the Peace Commission.

⁵⁰ Robert F. Byrnes, *Awakening American Education to the World: The Role of Archibald Cary Coolidge, 1866-1928* (London: University of Notre Dame Press, 1982), 17, 19, 25.

a time when many American graduate students went to either Germany or France for advanced degrees. While studying in Germany, he extensively traveled throughout Europe. Turning down an offer to work at the American embassy in Vienna, he returned to the United States and taught history at Harvard in 1893. He helped modernize Harvard based on the German model of universities.⁵¹ He became first director of the Harvard University Libraries from 1910 to 1928. He was also an expert on diplomacy, and at Harvard he trained many Americans for foreign service careers in the State Department.

In 1918 A. C. Coolidge was appointed by the American Peace Commission as director of the Special Commission of Study in Austria. Through his position, he encountered many notables, like Wilson, Secretary of State Lansing, Lord James Balfour, Sir Austen Chamberlain, and Edouard Benes. A. C. Coolidge was well aware of the dangers of attempting to redraw European borders along national lines because the different ethnicities were inextricably mixed together in so many regions. He hoped that the peace treaties would protect the rights of ethnic minorities. He and his team of scholars sent many reports from Vienna to Wilson in Paris expressing these concerns.

Some of Coolidge's reports influenced the drawing of Austria's borders, while other reports were not followed by the Allies. Although he had positive perceptions of Germans because he had studied there, his biographer Robert Byrnes characterized his reports as "accurate and objective."⁵² Overall, his reports expressed sympathy for the self-

⁵¹ Archibald Cary Coolidge (1866-1928) wrote numerous letters, statements, papers, and reports on Austria to the American Peace Commission, many of which are in the *FRUS* documents; Harold Jefferson Coolidge and Robert Howard Lord, *Archibald Cary Coolidge: Life and Letters* (New York: Houghton Mifflin Company, 1932), 58. Harold Jefferson Coolidge was A. C. Coolidge's brother.

⁵² Byrnes, *Archibald Cary Coolidge*, 167-170.

determination of the Germans and German Austrians. Official American policy, however, did not advocate an *Anschluss* at this time. Coolidge's pro-Austrian sentiment was rare in the American team, with the exception of a few others who had studied or lived in a German-speaking country.

After the Paris Peace Conferences, A. C. Coolidge worked for the American Relief Administration in Russia from 1921 to 1922. From 1922 to 1928 he worked for the Council of Foreign Relations and edited the *Foreign Affairs* journal.⁵³ He died on January 14, 1928, in Boston where he had been raised. His greatest legacy concerning Austria was his effect—however less than he had hoped—upon the decisions of Wilson and the Allies concerning that country's borders.

IV. Allied Political Policies and Austria's Neighbors

The Allies made sweeping territorial changes in Central Europe after World War I. Unable to satisfy all the different ethnic groups' desires for sovereignty, they created multi-ethnic states, such as Czechoslovakia and Poland. The dismemberment of Austria-Hungary left more than one-third of the Habsburg Empire's ten million ethnic Germans scattered around East Central Europe governed by different countries, thereby creating many potential conflicts. The First Republic of Austria was left with about six and a half million ethnic Germans. The Austrians were upset over the unequal application of the Allied principle of self-determination, which they saw as biased against German speakers. With minor exceptions, Austrians felt that they had lost all territories that had even the smallest Slavic or Italian minorities, regardless of the wishes of the German population.

⁵³Coolidge, *Archibald Cary Coolidge*, 297, 306.

Austria's bad relations with its neighbors in East Central Europe in the immediate aftermath of World War I thwarted the Allied attempts of creating a Danube Confederation and fuelled the Austrian *Anschluss* supporters. Territorial disputes hampered an Austrian post-war reconciliation with Czechoslovakia in particular. Of major concern to Austria were the Germans living in Bohemia, Moravia, and Austrian Silesia, later known collectively as the Sudeten Germans.⁵⁴ In a letter to the Commission to Negotiate Peace in January 1919, A. C. Coolidge wrote that Germans in these border regions of Bohemia, Moravia, and Austrian Silesia vehemently protested against being incorporated into a "Czech-Slovak state." Coolidge said that by putting the Sudeten Germans in that state against their will and ignoring their pleas, the Allies would create an Austria Irredenta and destroy any hope of friendship between Czechoslovakia and its German neighbors; thereby, endangering any chance of a lasting peace in Europe.⁵⁵ In his reports he stated that the Sudetenland should be separated from Bohemia and Moravia. However, neither Wilson nor the other Allies were persuaded.⁵⁶

The Allies gave the Sudetenland to Czechoslovakia because without the mountainous Sudetenland regions, Czechoslovakia would have had no militarily defensible border and thus been very vulnerable to an attack from Germany. In addition, the Allies

⁵⁴A. C. Coolidge's Report on the Peace Conference. United States Department of State. *Foreign Relations of the United States (FRUS). The Paris Peace Conference, 1919*. 13 vols. (Washington D.C: United States Government. Print. Office, 1942-1947), 12:336-347. 354-367.

⁵⁵Professor A.C. Coolidge to the Commission to Negotiate Peace, 12 January 1919. *FRUS. The Paris Peace Conference, 1919*. 2:233-236.

⁵⁶ A. C. Coolidge's Report on the Peace Conference. *FRUS. Paris Peace Conference*. 12:337-346. 355-366.

contended that the German Sudetenland, which contained core industrial areas,⁵⁷ was and always had been economically tied to the rest of Bohemia and Moravia, not Germany or Austria. Hence, the Allies found it easier to include the entire historical provinces of Bohemia and Moravia within the borders of Czechoslovakia. The post-war borders left about three and a half million Germans in newly created Czechoslovakia.⁵⁸ The Sudeten Germans, who had formerly been citizens of Austria-Hungary, suddenly became a minority group within Czechoslovakia. Ironically, Czechoslovakia claimed historical boundaries with Germany and Austria, where it was to their benefit, but ethnic borders with Hungary.

If the Austrians and Sudeten Germans resented the borders of the new Czechoslovakia, the Czechs in turn still nursed resentments concerning their past treatment under domination from Vienna. When Austria was suffering from a severe coal shortage after World War I, Czechoslovakia refused to give Austria any of its coal, although Austrians had previously owned many of the coal mines there. Also, the Czechs refused to allow transports of German coal to Austria to pass through Czechoslovakia. The reason for this according to American Food Administration Representative Dr. Alonzo Taylor was anti-German and anti-Austrian sentiment.⁵⁹ Professor Coolidge regarded the distribution of

⁵⁷About 60% of the industries in Czechoslovakia were owned by German-Czechs Memorandum respecting the Proposed Austro-German Customs Union. *British Documents on Foreign Affairs (BDFA). Reports and Papers from the Foreign Office.* Confidential Print. Part II. From the First to the Second World War. Series I. *The Paris Peace Conference of 1919.* 15 vols. (University Publications of America, 1989), 3:72.

⁵⁸Population figure from *BDFA: The Paris Peace Conference of 1919.* 10:66.

⁵⁹ Austrian Relief: Coal and Transport Problems. Taylor to Herbert Hoover. 30 December 1918. Bern. *Organization of American Relief in Europe 1918-1919.* 2 vols. Suda Lorena Bane and Ralph Lutz, eds.(Stanford University Press, 1943), 1:133.

coal as vital in alleviating the unemployment and heating problems in Austria.⁶⁰ The American assessment of the situation was shared by British observers as well. According to the British High Commissioner Mr. Francis Lindley, who was stationed in Vienna, the Czechs were "so determined to maintain their newly won supremacy over the German-speaking population, and so jealous of Vienna, that they regarded the ruin of the latter as a positive advantage to themselves."⁶¹ In response to Czechoslovakia cutting off the supply of coal to Austria and the supply of wood to Hungary in the winter of 1919, British diplomat Sir George Clerk⁶² wrote in his report that because of the "selfish and callous policy pursued by these newly created States" the Great powers would have to take it upon themselves to "provide remedies out of their own resources" to prevent further chaos in Europe.⁶³ Clearly, this degree of Czech hostility toward Austria did not bode well for the prospects of creating a Danube Confederation.

Austria's relationships with its other neighbors were no better. After World War I, hostilities erupted between Austria and the new country of Yugoslavia over contested border regions. Yugoslavia was awarded the southern parts of the Austrian province of Carinthia, all of Carniola, and a huge portion of Styria. Although these provinces had been a part of

⁶⁰Minutes of the Daily Meetings of the Commissioners Plenipotentiary, 26 May 1919. *FRUS: The Paris Peace Conference, 1919*. 11:187.

⁶¹Mr. Lindley to Earl Curzon, 4 November 1919. Document 197 *B DFA: The Paris Peace Conference of 1919*. 9:397.

⁶² Sir George Clerk was a member of the British Peace Delegation at the Paris Peace Conference, 1918-1919. He was British ambassador to France 1934-1937. British Embassy, France.<http://www.britishembassy.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1098086321125>. (April 2007).

⁶³ Report by Sir George Clerk, 29 November 1919. *B DFA: The Paris Peace Conference of 1919*. 10:34-35. The Czechs even confiscated property from the estate of Archduke Joseph, which was in Czechoslovakia.

Austria for centuries, they were inhabited by Slovenians. Both Austria and Yugoslavia claimed the Klagenfurt-Villach basin, whose 150,000 inhabitants were mostly German with some Slavic minorities. In a letter to Professor Coolidge, Austrian Foreign Minister Otto Bauer stated that the Carinthian government wanted American soldiers in the area. The Carinthian population said it trusted “only in the United States” to maintain security and provide for the peaceful transfer of the territory to whichever party the Allied commission decided.⁶⁴ Yugoslavia sent troops to occupy Klagenfurt, and local skirmishes over the disputed territory broke out in 1919.⁶⁵ The United States of course did not send American troops to Carinthia, but it did send A. C. Coolidge to investigate the situation and make recommendations.

Hungary, Austria’s partner in the Dual Monarchy and fellow loser whose kingdom was also territorially dismantled in the aftermath of World War I, ought to have been Austria’s best possible friend. Like Austria, the peace settlement had left Hungary with few natural resources, no real industrial regions, and no access to the sea. The peace settlement reduced Hungary’s land area by two-thirds and population by three-fifths. The geographical area of Transylvania and that part of the Banat⁶⁶ that Romania acquired from Hungary was larger than what remained of the new state of Hungary itself. Yet, in 1919 disputes over a

⁶⁴ Staatssekretär für Äußeres Bauer an Professor Coolidge. Vienna, 9 February 1919. *Außenpolitische Dokumente der Republik Österreich (ADÖ), 1918-1938*. 12 vols. (Vienna: Oldenbourg Verlag, 1993-2004), 2:436.

⁶⁵ Staatssekretär für Äußeres Bauer an Professor Coolidge. Vienna, 18 February 1919. *ADÖ 1918-1938*. 2:457.

⁶⁶ After World War I the territory known as the Banat was divided between three countries. The eastern and largest part went to Romania. The western part went to Yugoslavia (modern day Serbia), and the northern and smallest part went to Hungary.

small German populated part of western Hungary, known as Burgenland,⁶⁷ kept any lasting friendship from developing. Unlike Romania, Czechoslovakia, and Yugoslavia, countries which seized Hungarian territory outright, Austria had asked for a plebiscite. Nevertheless, the matter damaged relations between the former partner nations. A bitter Hungary blocked its grain supply to Austria, which led to a food shortage in the mostly mountainous country. Relations between the two deteriorated even more, when in order to force Hungary into accepting the peace terms, the Allies obligated Austria to enforce a blockade against Hungary if the Allies deemed it necessary.⁶⁸

Austria's relationship with Italy was also strained after the war. The Italians rejected a Danube Confederation because a strong economic union might eventually lead to another political union somewhat similar to the Austro-Hungarian Empire. Italy, which had received the Austrian territories of South Tyrol, Trieste, and the Istrian peninsula as promised to it in the secret Treaty of London, wanted to prevent the revival of a strong Austria at all costs.⁶⁹ At this time, the Italian government considered an Austrian union with Germany "less undesirable" than a Danube Confederation or Habsburg restoration.⁷⁰

As with the Sudetenland, Carinthia, and Burgenland, an equally acrimonious conflict broke out between Austria and Italy over South Tyrol. Despite an alliance with Austria-

⁶⁷ This region had about 389,000 people and was 22,000 square miles.

⁶⁸ Francis Deak, *Hungary at the Paris Peace Conference: The Diplomatic History of the Treaty of Trianon* (New York, 1942), 86-87, 89, 193.

⁶⁹ A. C. Coolidge, "The New Austria." *History of the Peace Conference of Paris*, H.W.V. Temperley, ed. vol 4. (London, 1920), 470-471.

⁷⁰ Memorandum respecting the Development of Italian Policy and Influence in the Internal Affairs of Austria. 25 June 1935. *BDFFA*. Part II. From the First to the Second World War. Series F, Europe, 1919-1939. (University Publications of America, 1990-1993), 11:355.

Hungary prior to World War I, Italy had initially remained neutral and then entered the war on the victorious Allies' side, hoping to satisfy its expansionist desires at Austria-Hungary's expense. The area around Trent (Trento) was mostly Italian, but the other parts of South Tyrol were unquestionably inhabited by a majority of German-speakers.

According to A. C. Coolidge, historically Tyrol had been one of Austria's most loyal provinces, and the people of Tyrol associated themselves with Andreas Hofer.⁷¹ A. C. Coolidge had said even though South Tyrol was small and not economically significant, it was important to Germans because of its "beauty and its romance." As in the case of the Sudetenland, he suggested this territory be given to Austria on the basis of self-determination.⁷² Additionally, a representative from the small Ladin speaking area of Tyrol claimed that most of the Ladin speaking people could also speak German, got along very well with them, and had no desire to be detached from Austria. Even though Ladin is Latin-based, it is a distinct language and not a dialect of Italian. Therefore, linguistic affinity did not justify the area being annexed by Italy. A. C. Coolidge concluded that the Ladin people preferred Austrian rule over Italian. He also argued that the Ladin region was mostly barren and like the rest of Tyrol had been economically connected to and dependent on Austria, not Italy.⁷³

⁷¹ Andreas Hofer was the Tyrolean hero who had fought the French and their allies the Bavarians, to whom Napoleon had ceded Tyrol. French troops executed Hofer in 1810, but as a symbol of Tyrolean loyalty to Austria his spirit continued to be invoked.

⁷² Professor A.C. Coolidge to the Commission to Negotiate Peace, 9 January 1919. *FRUS: Paris Peace Conference 1919*. 2:225-226; A. C. Coolidge. *FRUS*. Paris Peace Conference. 2:224-226.

⁷³ Professor A.C. Coolidge to the Commission to Negotiate Peace, 9 January 1919. *FRUS: Paris Peace Conference 1919*. 2:225-226; Professor A.C. Coolidge to W.E. Lunt, of the

However, at the end of World War I the Italian army occupied Tyrol all the way to the Brenner Pass, ignoring clear ethnic boundaries. Italy based its claim on the fact that in the past the territory of South Tyrol had given the Habsburg Empire an unfair advantage when attacking Italy. Thus, a more militarily defensible border along the Alps was strategically necessary for Italy to protect itself. In the peace treaty with Austria, the other Allies agreed with Italy and gave it South Tyrol.

Like Coolidge, the British Sir Francis Oppenheimer⁷⁴ was also sympathetic to the German Tyroleans. Sir Francis Oppenheimer said that the entire area of South Tyrol was ceded to Italy despite the population's wishes, splitting apart "an old independent race of free German peasants" whose history went back more than a thousand years. South Tyrol, along with its German population of 250,000, was incorporated into Italy as the province of Trentino-Alto Adige. Sir Francis Oppenheimer asserted that now with the Empire gone and Tyrol divided, the inhabitants of the Austrian part of Tyrol were bitter and no longer felt any connection to the dying Vienna government. Losing its two important districts of Bozen and Meran to Italy, Tyrol was reduced to a minute "speck" in the Alps.⁷⁵ Also, within Austria

Commission to Negotiate Peace, 13 January 1919. *FRUS: Paris Peace Conference 1919*. 2:236-237.

⁷⁴ Sir Francis Oppenheimer (1870-1961) was one of few Jewish British diplomats from 1900 to 1920. He served in various countries including Germany. In Frankfurt he was British Consul-General. He was a member of the British Peace Delegation at the Paris Peace Conference, 1918-1919. Anti-Semitism in the British Foreign Service prevented him from furthering his career. Thomas G. Otte, " 'Alien Diplomatist': Antisemitism and Anti-Germanism in the Diplomatic Career of Sir Francis Oppenheimer," *History*. Vol. 89. April 2004. p. 233.

⁷⁵ Memorandum by Sir Francis Oppenheimer Relative to the Situation in Austria, *B DFA: The Paris Peace Conference of 1919*. 9:391.

eastern Tyrol was separated from the northern Tyrol (even though the two parts are considered one province in Austria).⁷⁶

Although A. C. Coolidge's suggestions for South Tyrol and the Sudetenland were not accepted, his reports successfully influenced Wilson and the other Allies, in particular Britain, in giving Austria two other disputed areas. In his reports to Wilson in early May 1919, and in a meeting with the Commissioners Plenipotentiary on May 26, Professor Coolidge had said that the Burgenland should be given to Austria. Consequently, the United States, Britain, and other Allies agreed to let Austria have the disputed territory of western Hungary, the so called "Kitchen Garden of Vienna."⁷⁷ In the Treaty of St. Germain, the Allies allocated Burgenland to Austria primarily because it was mostly settled by Germans and was part of the Danube valley, which meant it contained fertile agricultural areas that could supply Austria, particularly Vienna, with some much needed grain since the rest of Austria was mostly mountainous. Burgenland, which had belonged to the Hungarian half of the Dual Monarchy, added Hungarian and Croatian minorities to Austria.

Professor Coolidge had also greatly influenced the outcome of the Klagenfurt-Villach basin dispute between Austria and Yugoslavia that had started in January 1919.⁷⁸ Following Wilson's principal of self-determination, Coolidge and Major General Sherman Miles who headed American study missions had agreed on the borders of Austria and

⁷⁶See a modern map of Austria. The region of South Tyrol had connected Northern and (South) Eastern Tyrol. With South Tyrol ceded to Italy, Eastern Tyrol was cut-off from Northern Tyrol. The Austrian Eastern Tyrol borders the Austrian provinces of Salzburg to the north and Carinthia to the east and Italy in the west and south.

⁷⁷Minutes of the Daily Meetings of the Commissioners Plenipotentiary, 26 May 1919, *FRUS: The Paris Peace Conference, 1919*. 11:187.

⁷⁸Minutes of the Daily Meetings of the Commissioners Plenipotentiary, 26 May 1919, *FRUS: The Paris Peace Conference, 1919*. 11:187.

Yugoslavia (today Slovenia). At the Paris Peace Conference the Allies used the recommendations of Coolidge and Major General Miles and sanctioned a plebiscite in the Klagenfurt-Villach region. It was held on October 20, 1920, and three-fifths of the voters favored joining Austria. Klagenfurt became the capital city of the southern Austrian province of Carinthia.⁷⁹ Karl Renner thanked A. C. Coolidge in 1920. Many decades later, on September 4, 1995, the then Governor of Carinthia, Christof Zernatto, led an official delegation to the United States to mark the 75th anniversary of the October 1920, Carinthian plebiscite. The Carinthian delegation in particular honored the three men who were critical in that decision—Wilson, Coolidge, and Major General Miles—and placed wreaths on their graves.⁸⁰

Archibald. C. Coolidge became an advocate of the Austrian point of view and offered insightful arguments on its behalf, some of which were followed. Yet, faced with mixed population areas that defied easy partition as well as demands for more defensible frontiers, the Allies could not satisfy every ethnic groups' wishes. Consequently, the Allies sometimes used inconsistent policies in re-drawing Europe. In Czechoslovakia, they kept the historic political provinces of Bohemia and Moravia together, favoring defensible but ignoring ethnic borders. In Yugoslavia they based borders on ethnicity, not historic provinces. And in Tyrol they followed neither ethnic nor historic political borders but favored militarily defensible borders. The Allies gave Poland access to the Baltic Sea, but they did not give Austria access to the Adriatic. The Allies used plebiscites in the

⁷⁹Yugoslavia would try again to get Klagenfurt after World War II, this time with backing from the Soviet Union, but the Allies ultimately kept Austria's borders the same after World War II for better or worse.

⁸⁰Commemoration of the 75th Anniversary of the Referendum on the Unity of the State of Carinthia/Austria. <http://www.austria.org/press/prel0914.htm>. (January 2007).

Burgenland and Carinthia, but they refused to allow plebiscites in South Tyrol and the Sudetenland. Although the United States and Britain intervened on Austria's behalf in its borders with Yugoslavia and Hungary, the Habsburg successor states' hostility towards Austria did not change. The massive conflicts between Austria and its neighbors shattered the Allies' ability to create a Danube Confederation in 1918 and 1919, and thereby strengthened the Austrian *Anschluss* movement.

V. The British and American Agenda in Austria

Besides the partial Allied accommodation to Austrian desires concerning the drawing of new borders, some of the Allies—particularly Britain and the US—were not unsympathetic to the domestic consequences facing the new state, particularly the twin perils of Bolshevik threat on the one hand and *Anschluss* fervor and its potential strategic consequences on the other. The British and Americans realized that they were dealing with a major crisis in Austria and wanted to prevent an *Anschluss*. The British diplomat Sir Francis Oppenheimer advised that Austria was "surrounded by enemies [and] can only survive by leaning on Germany or the Allies." Oppenheimer wrote that fusion between Austria and Germany was inevitable if the Allies did not immediately help Austria and modify the reparation clauses concerning Austria.⁸¹ Another British diplomat Sir George Clerk likewise described the desperate condition of Austria, as well as Hungary, and argued that any immediate demand for reparations from Austria and Hungary should be abandoned. Clerk asserted that:

⁸¹Memorandum by Sir Francis Oppenheimer, *B DFA: The Paris Peace Conference of 1919*. 9:391.

. . . if we are not to be responsible for a catastrophe almost as great, and in its ultimate consequences possibly even greater, than the war itself, so far from exacting reparation, we have to find funds to keep Austria and Hungary alive. I should be the last to deny that this can be exaggerated. There is a feeling of helplessness in both countries which leads them to expect everything to be done and to feel incapable of doing anything for themselves. But their financial situation and their losses through the war are such that unless they get some measure of immediate help they will inevitably collapse into utter ruin and despair.⁸²

Similar to Sir Francis Oppenheimer and Sir George Clerk, the Allied Commission on the Relief of German Austria concluded that the Allies had immediately to help Austria in order to prevent the possible turn to Bolshevism, a merger with Germany, and the further spread of disorder in Europe.⁸³ The danger of Bolshevism was likewise very real at this time, especially in light of the Bela Kun seizure of power in neighboring Hungary,⁸⁴ and the attempt to create a socialist republic in Bavaria.⁸⁵

Besides a threat of Bolshevism that lingered because of Austria's poor economic condition in 1918 and 1919, Britain and the United States were additionally worried about a

⁸²Report by Sir George Clerk, 29 November 1919. 10:35-36.

⁸³ Sir William H. Beveridge, Interim Report by British Delegate on the Inter-Allied Commission on the Relief of German Austria. *B DFA: The Paris Peace Conference of 1919*. 9:344-348.

⁸⁴ In the wake of Allied demands on Hungary and occupation by Czechoslovakian and Romanian troops of former Hungarian territory, Communist leader Bela Kun had seized power. By drawing equally if not more on nationalistic forces rather than communist doctrine and thereby winning the broad support of Hungarian masses including the aristocracy, Bela Kun successfully established the first non-Soviet Bolshevik state. He openly defied the Allies and refused to withdraw Hungarian troops out of northern Hungary (Slovakia) and Transylvania. The advance of the Romanian army to Budapest in August 1919 ended Bela Kun's regime. The open hostility of the Hungarians towards the Allies and the Allies' refusal to recognize Bela Kun's Soviet state delayed the official signing of the Treaty of Trianon until June 4, 1920. Kun went into exile in Vienna in 1920 and later moved to the Soviet Union where he was eliminated in 1937 in one of Stalin's purges.

⁸⁵ The socialist republic in Bavaria lasted from November 1918 to May 1919 when the German army and *Freikorps* took control of the government.

resurgent Germany moving into East Central Europe.⁸⁶ Both the Treaty of Versailles with Germany (Article 80) and the Treaty of St. Germain⁸⁷ (Article 88) with Austria, signed in September 1919, strictly prohibited any union unless the League of Nations was to decide otherwise. Germany was forced to recognize Austria's independence. Regarding the reasons for the *Anschluss* prohibition, the Allies agreed that union of Austria and Germany would be a threat to their national security and feared a strong, revived Germany that would no doubt seek revenge. An *Anschluss* might trigger a sequence of falling dominoes, with disastrous consequences. It was feared that an enlarged Germany would use Austria as a launching pad for its continued expansion east. Germany's *Drang nach Osten* would then be a menace to recently established Czechoslovakia and Poland. Then all German minorities in South Tyrol, the Sudetenland, Danzig, and other areas would also desire to join Germany, which would lead to the dismantling of the entire peace settlement. The culmination of this doomsday scenario would be a strong, powerful, and unified Germany that would dominate Europe. The Allies had just fought a long and hard war against Germany, and their intention after World War I was to weaken Germany, not strengthen it with additional territory and a larger and more homogenous population. The inclusion of Austria in Germany would have more than offset Germany's losses in Alsace-Lorraine and the Polish corridor.⁸⁸ After

⁸⁶ Memorandum by Sir Francis Oppenheimer, *B DFA: The Paris Peace Conference of 1919*. 9:391.

⁸⁷ For a complete version of the Treaty of St. Germain, see, "Treaty of Peace between the Allied And Associated Powers and Austria: St. Germain-en-Laye, 10 September 1919." <http://www.austlii.edu.au/au/other/dfat/treaties/1920/3.html> (October 2006).

⁸⁸ British Foreign Office. Clauses relating to the Independence of Austria in (a) Treaty of Saint-Germain (Article 88) and (b) Protocol No. 1 of 1922. *B DFA: Europe, 1919-1939*. 3:68; Memorandum by Sir Francis Oppenheimer, *B DFA: The Paris Peace Conference of 1919*. 9:393-394.

Mussolini came to power, another reason for preventing a merger between Austria and Germany was that it would set up a German-Italian block that would divide Europe in half, separating the Allies, especially France, from their friends in the east.

Despite the Allies' agreement that an Austrian union with Germany was dangerous and not in their best interests, their foreign policies regarding a possible union between Austria and Germany were not always uniform. According to the British Foreign Office, of the "Big Four" (Woodrow Wilson, David Lloyd George, Georges Clemenceau, and Vittorio Orlando who had represented the victorious Allies at the Paris Peace Conferences), Clemenceau had been the harshest concerning punishing Germany. He also pushed the most for the prohibition of any *Anschluss*. France in its resolute *Anschluss* prohibition went as far as threatening Germany and Austria with occupation. France also threatened higher reparations, loss of loans, and even the loss of additional territories. Concerning this ultimate sanction, France threatened that Germany would lose additional territories in the Rhineland or Eastern Germany, and Austria would not receive the disputed territories of Burgenland and Carinthia. Meanwhile, of all the Allies, the United States under Wilson and Britain under Lloyd George were the most moderate in their policies toward Austria (and Germany).⁸⁹

Britain and the United States wanted Austria to remain independent, but their *Anschluss* opposition was not absolute. Britain and the United States could foresee a possible *Anschluss* in the future with international consent. A British document stated that Great Britain believed that the union "must come sooner or later," but it should not be

⁸⁹ At the peace conference, Lloyd George wanted to punish Germany, in particular he wanted reparations, but his policies were never as severe as those of Clemenceau. British Foreign Office. Clauses relating to the Independence of Austria, 3:68.

allowed without approval of the League of Nations. Concerning American foreign policy, the United States Secretary of State said "anything which would keep Germany and Austria apart was worthy of encouragement," but the United States was not willing to directly oppose Austria's right to self-determination nor obligate itself to militarily intervene in the event that Austria and Germany would join in the future.⁹⁰ Overall, the American and British policy represented a compromise between Wilson's principle of self-determination and the balance of power.

In his reports in 1918 and 1919 A. C. Coolidge had said that Austria could not survive as an independent nation, and anticipating French refusal to allow union with Germany, he advocated a Danube Confederation that would heal the economic wounds of Central Europe.⁹¹ The Danube Confederation plan of 1918 and 1919 was politically and financially desirable to Britain and the United States because it would lead to an economically stable East Central Europe, re-open trade in the Danube region, bolster Hungary, and prevent a union between Austria and Germany. Britain joined France and other European countries in negotiating with the governments in Prague, Budapest, Vienna, and other successor states but made no progress. The United States welcomed a Danube Confederation, but because it did not want to directly intervene, it did not attempt to implement it.⁹²

⁹⁰British Foreign Office. Clauses relating to the Independence of Austria, 3:68; Minutes of the Daily Meetings of the Commissioners Plenipotentiary, 26 May 1919. *FRUS: The Paris Peace Conference, 1919*. 11:187.

⁹¹ Coolidge, "The New Austria," 478-484; A. C. Coolidge. *FRUS*. Paris Peace Conference. 2:220-224, 12:260-264.

VI. American and British Aid

In November 1918 Austrians desperately asked the British and Americans to send food, as well as other necessary supplies, and to re-open old trade routes in the Danube region.⁹³ With Austria unable to help itself and receiving little sympathy from Czechoslovakia, Hungary, and Yugoslavia, who were blocking supplies to Austria,⁹⁴ Great Britain and the United States sent food, fuel, and other basic necessities in 1918 and 1919. Britain and the United States led an international effort to send thousands of tons of cereal grains and millions of dollars in loans to Austria.⁹⁵

Britain began sending food stuffs to Austria in January 1919.⁹⁶ In June 1919 Sir Francis Oppenheimer recommended that the Allies allocate 45,000,000 dollars in loans to Austria for food and raw materials, using Austrian salt mines, state owned forests, and gold

⁹² Memorandum by Sir Francis Oppenheimer, *B DFA: The Paris Peace Conference of 1919*. 9:391; Professor A.C. Coolidge to the Commission to Negotiate Peace, 9 January 1919. *FRUS: Paris Peace Conference 1919*. 2:225-226.

⁹³ Vienna Free Press Association. "Food or Bolshevism?" Vienna, 25 November 1918. *Politische Akademie der ÖVP (österreichischen Volkspartei). Parteiarchiv. Parlamentsklub*. Adr/Gruppe 09. Box 95. "League of Nations."

⁹⁴ Lack of Direct Diplomatic and Economic Communication between Czecho-Slovakia, Austria, and Poland, and the Difficulties Growing out of the Situation. American Relief Administrator A. C. Goodyear to Colonel W. G. Atwood. 21 June 1919. Vienna. *Organization of American Relief in Europe 1918-1919*, 2:561.

⁹⁵ Sir William H. Beveridge, Interim Report by British Delegate on the Inter-Allied Commission on the Relief of German Austria. *B DFA: The Paris Peace Conference of 1919*. 9:344-348.

⁹⁶ Further Surveys and Arrangements for Administering Relief. Allied Competition in Yugoslavia and Austria. McIntosh to the Food Administration. 12 January 1919. Trieste. *Organization of American Relief in Europe 1918-1919*, 1:179. (McIntosh spelled Yugoslavia with a "J").

and silver currency as foreign security guarantees. There were talks on being more lenient on Austria specifically to lessen the chances of a close Austro-German bond forming.⁹⁷

The principle source of American food and other necessities to Austria in 1918 and 1919 was the American Relief Administration, ARA, which Herbert Hoover with President Wilson's approval had established and directed. The main purposes of American food relief were to prevent famine and disease and to plant the seeds for democracy. Hoover had said "if European civilization is to live, they must be fed."⁹⁸ Thus, the food relief program had both humanitarian and political motives.

Hoover had begun the American Relief Committee in August 1914, in order to aid American citizens trapped in Europe at the beginning of World War I. Later Hoover organized the Belgium Relief Commission (October 1914 to August 1919) that provided \$1.5 billion in aid to war-torn Belgium and France. The American government raised another \$1 billion dollars for the War Finance Corporation (WFC). The American Relief Committee, the Belgium Relief Commission, and the United States Food Administration were predecessors of the ARA. In December 1918 Hoover's ARA allocated food, clothing,

⁹⁷ Sir Francis Oppenheimer, Memorandum prepared at the request of the Chancellor of the Exchequer relative to the situation in Austria, 20 June 1919. *B DFA: The Paris Peace Conference of 1919*. 376-381. By taking into consideration the needs of the Austrian population, the amount needed for sowing purposes, and the total amount of Austria's own harvest, Sir Francis Oppenheimer estimated in June 1919 that in order to feed its population for one year Austria desperately needed to import foodstuffs that included 850,000 tons of wheat and rye, 850,000 tons of barley, maize, and oats, 900,000 tons of eggs, 34,000 tons of beans and peas, 130,000 tons of meat, 100,00 tons of fat, 85,000 tons of rice, 2,400,000,000 eggs, and 150,000 tons of sugar. Austria needed an estimated three and half billion dollars to pay for these imports.

⁹⁸ Hoover, "We'll have to Feed the World Again." 28 November 1942. *Organization of American Relief in Europe 1918-1919*, 1:6-14. Hoover discussed American economic aid during and after World War I and stated in 1942 that the US will have to follow similar policies.

and other essentials to countries in Central and Eastern Europe—even former enemies. The countries included Germany, Austria, Poland, Russia, Latvia, Lithuania, Poland, Czechoslovakia, Estonia, Romania, and Yugoslavia. In addition, organizations like the Children’s Relief Bureau (March 1919 to March 1921) and the American Relief Administration European Children’s Fund (summer 1919 to December 1922) fed 12-15 million children.⁹⁹

The American led food relief program that distributed food to a total of twenty-eight nations and 375 million people in 1918 and 1919 was a colossal undertaking that had never been done before on this scale.¹⁰⁰ From November 1918 to November 1919, the total amount of food sent to Europe was 27 million tons, of which about 5 million tons were grains, peas, vegetable oil, beans, flour, cocoa, milk, sugar, and rice. The United States sent more than 16 of the 27 million tons of food, while Great Britain, other Allies, and neutral nations provided the remaining 11 million tons.¹⁰¹

From June 1917 to June 1919 the ARA purchased food in the amount of \$7 billion.¹⁰² The total cost of the food from November 1918 to November 1919 alone was \$6 billion, of which the Americans paid \$3.3 billion. The American money for the ARA came

⁹⁹ Resume of American Relief Operations in Europe 1918-1922. Herbert Hoover to Mr. Alexander Loveday of the League of Nations. 18 January 1943. *Organization of American Relief in Europe 1918-1919*, 1:6. This letter contains a retrospect of Hoover’s economic diplomacy in 1918-1919; Herbert Hoover, “We’ll have to Feed the World Again.” 28 November 1942. *Organization of American Relief in Europe 1918-1919*, 1:15.

¹⁰⁰ The 28 nations represented 5 Allied, 4 enemy, 6 neutral, and 13 liberated states.

¹⁰¹ Hoover, “We’ll have to Feed the World Again.” 28 November 1942. *Organization of American Relief in Europe 1918-1919*, 6-10.

¹⁰² Harold Jefferson Coolidge, *Archibald Cary Coolidge*, 271. In 1919 Hoover was also a member of the Allied Supreme Economic Council.

from the United States government which allocated \$2.4 billion in credit, charities which raised \$325 million, and private American organizations which paid the rest, like US Grain Corporation that provided \$25.1 million. Other Allied and neutral governments also paid a part of the \$6 billion total figure. In 1918 and 1919 Great Britain furnished \$100 million, while France and Italy furnished \$30 million each.¹⁰³

In 1942, Hoover wrote that problems that the ARA had encountered during and after the Great War were finding enough ships, keeping the flow of aid constant, unloading, distribution, and storage. Many of the American staff had a 112 hour work-week. Hoover had concluded that many of these same problems would occur again during American relief organizations after World War II.¹⁰⁴

Specifically regarding Austria, Hoover appointed Lieutenant Colonel William Bowdoin Causey¹⁰⁵ and Captain T. C. C. Gregory to head the American mission in Austria on December 23, 1918.¹⁰⁶ One of Causey's immediate jobs was to find out the best way to transport food from Trieste to Vienna. According to Hoover's memoirs, 170,000 tons of food were stuck in Trieste, and Causey was to use his expertise in railroads to get the trains running again.¹⁰⁷

¹⁰³Hoover, "We'll have to Feed the World Again." *Organization of American Relief in Europe 1918-1919*, 6-14.

¹⁰⁴ Hoover, "We'll have to Feed the World Again." 28 November 1942. *Organization of American Relief in Europe 1918-1919*, 24.

¹⁰⁵ Causey had been an engineer and the head of the Allied Railway Mission.

¹⁰⁶ Appointment of an American Food Mission to Vienna. Hoover to Dr. Alonzo Taylor (Representative of the Food Administrator on the War Trade Board). 23 December 1918. Paris. *Organization of American Relief in Europe 1918-1919*, 1:111-113.

From December 1, 1918 to August 31, 1919 Austria received a total of 508,344 tons of food, clothing, and other necessities from the United States and other countries, which were worth \$108,057,702. In comparison Germany had received the most food stuffs, which totaled 1,041,356 tons and were valued at \$256,149,040. The Allies sent Belgium the second highest amount of foodstuffs. Austria received the third largest number of tons, but the net worth was valued fourth after Poland. The grand total of American and Allied food shipments to Europe during this period was 3,955,110 tons valued at \$968,338,222.¹⁰⁸ In addition, Lieutenant Colonel Anton Julius Carlson had stated in August 1919 that the Children's Relief Program had been "most successful in German Austria" because the Austrian government had cooperated the most with the Allies.¹⁰⁹

VII. Conclusion

Many reports from foreign observers in 1918 and 1919 on Austrian popular sentiment concluded Austria would seek solace with Germany. Coolidge's reports were especially sympathetic to the plight of Austria.¹¹⁰ He contended that Vienna's future

¹⁰⁷ *The Memoirs of Herbert Hoover. Years of Adventure. 1874-1920* (New York: Macmillan Company, 1951), 314-315.

¹⁰⁸ The table listed Austria as "German Austria." Belgium got 794,071 tons valued at \$173,616,091. Poland had received 411,821 tons that were worth \$122,089,061. The least amount of foodstuffs went to Denmark, which received 9,912 tons worth \$1,189,440. All the figures come from a table in the Report to the President of the Supreme Council on Relief Operations Undertaken in Co-Operation with the Supreme Economic Council. 3 September 1919. *Organization of American Relief in Europe 1918-1919*, 2:714.

¹⁰⁹ Colonel Carlson's Final Recommendation for Children's Relief. Memorandum to Hoover. 11 August 1919. Paris. *Organization of American Relief in Europe 1918-1919*, 2:671. Colonel Carlson had talked about other countries that thought it was acceptable for poor children to die.

"certainly looks most discouraging from every point of view." Regarding the Allies' rejection of a an *Anschluss*, Coolidge stated: "This decision is open to grave criticism. If the world, under the League of Nations, is to be governed according to the principles of a new freedom, what could be a more crass violation of it than to forbid two portions of the same nationality from forming a union that is desired by both, especially when one of them bids fair to go to ruin without it?"¹¹¹ British diplomat Mr. A. Akers-Douglas likewise asked: "Why, if the Allies laid so much stress on the right of self-determination, did they not permit Austrians to exercise this right, as they undoubtedly would have done in 1918-19, by joining the German Empire?" Akers-Douglas said that for "purely political reasons" the Allies maintained "a State in which few, if any, Austrians believed."¹¹² Reporting on the immediate aftermath of the Great War, British diplomat Sir Walford Selby¹¹³ noted that:

Austria emerged from the war broken and dispirited. The problem of the country, as of the population, was one of existence. Austrians generally felt that the country could not live alone, and to them the most natural solution seemed to lie in close

¹¹⁰ Also, the *FRUS* documents mention a plebiscite in 1919, which before it was stopped by the Allies indicated that about 95% of the Austrians wanted a union with Germany (Memorandum by the Councillor of Embassy in Germany (Gilbert): Austrian Development– Information and Opinion. Berlin, 28 March 1938. *FRUS: 1938*. (Washington, DC, 1955), 1:467). However, there is no other documentation of this plebiscite, bringing its accuracy into question.

¹¹¹ Coolidge, "The New Austria," 477, 481.

¹¹² Memorandum by Mr. Akers-Douglas on the Present Position of Austria. (Received by the Foreign Office, 28 February 1925.) *B DFA: Europe, 1919-1939*. 2:106. Although written in 1925 it discussed the years 1918 and 1919.

¹¹³ Sir Walford Selby (1881-1965) began his diplomatic career in 1904. He worked in Berlin, London, Cairo, and the Hague. He was British ambassador to Austria 1933-1937, and he was anti-*Anschluss*. Catalogue of the papers of Sir Walford Selby. <http://www.bodley.ox.ac.uk/dept/scwmss/wmss/online/modern/selby/selby.html> (February 2007).

[connection] of *Anschluss* with Germany. This solution, however, was refused by the Great Powers.¹¹⁴

Although Great Britain, the United States, and other Allies ultimately agreed on an independent Austria in the time period 1918 to 1919, their policies were not always clear or well defined. Fearing a revived Habsburg Empire or Danube Confederation, Italy had considered the idea of allowing a union between Austria and Germany, whereas France adamantly opposed such a union. The United States and Britain were essentially forbidding an *Anschluss*, but their actions, which were a compromise between Wilson's principle of self-determination and the reality of needing to weaken the German juggernaut, sometimes gave the impression that an *Anschluss* might be possible sometime in the future with international consent. At the end it was Allied policy that was decisive in keeping Austria independent and not Austrian or German popular sentiment.

Simultaneous with their opposition to *Anschluss*, the United States and Britain also sent massive aid to Austria. In 1918 and 1919 Britain and the United States intervened to bolster Austria's broken economy by sending food, supplies, and money, whereas Austria's immediate neighbors simply blocked trade and worsened conditions in Austria. In particular, Herbert Hoover's American Relief Administration, ARA, helped feed Europe, which included Austria, from 1918 to 1919. The ARA, initiated by Hoover but approved by Wilson, represented a positive American policy to feed, clothe, and economically revitalize Austria and the rest of Europe. Following A. C. Coolidge's recommendations, President Wilson and Prime Minister Lloyd George helped Austria acquire disputed territories in

¹¹⁴Sir Walford Selby to Mr. Eden. Vienna, 18 July 1936. *BDFP: Europe, 1919-1939*. 12:343. Even though written in 1936, he discussed what happened in 1918-1919.

Carinthia and the Burgenland. Both the United States and Britain had also desired a Danube Confederation.

Regardless of American and British aid policy in Austria, there still were many Austrians in 1918 and 1919 who were upset at what they perceived as Allied hypocrisy. They contended that Americans, British, and other Allies had proclaimed the principle of the self-determination of peoples, and they had asked for no less in 1918 and 1919. The many pro-*Anschluss* Austrians asked themselves whether the Allies really believed that the Italians, Romanians, and Poles could form sovereign nations, but they the German Austrians had no right to join Germany. Many Austrians believed that the Allies seemed to dismiss their grievances, as well as the grievances of the South Tyroleans, Sudeten Germans, and other German minorities. Most Austrians never fostered feelings of deep loyalty toward their new republic immediately after the Great War. Although most Austrians and Germans favored a union, their governments could not act on it. The Allies, especially France, threatened retaliation. If there was ever a moment in history where a union would have been welcomed by the majority of people on both sides but did not happen, this was it. Only the Allies prevented—or delayed—a merger from occurring in 1918 and 1919.

CHAPTER II

AUSTRIAN CHOICES, 1918-1919: INDEPENDENCE OR *ANSCHLUSS*?

I. Introduction

German Austria had been fully dependent on the other parts of the Austro-Hungarian Empire for its needs. The new Austria, having inherited the poorest regions of the late Empire with few industries and raw materials and lacking a sea port, was so economically and politically weak that most Austrians thought it was incapable of standing on its own in the period 1918 to 1919. With astronomically high unemployment and its livelihood in ruins, the fate of Austria after World War I hung by a narrow thread.¹¹⁵ Questions that this chapter answers are: What were the problems of the First Republic of Austria, and what motivated the desire for alternatives in the period 1918 to 1919?

Most Austrians believed that an independent Austria was not viable. Some hoped for a trade confederation or monarchist revival. Others even turned towards Bolshevism as a possible answer. But more than anything the horrendous economic conditions served as a catalyst for the immediate postwar *Anschluss* movement. The *Anschluss* movement during the inter-war period was at its zenith in 1918 and 1919, when socialists, nationalists, many conservatives, and ultimately most Austrians favored a union with Germany. The *Anschluss*

¹¹⁵ Sir William H. Beveridge, Interim Report by British Delegate on the Inter-Allied Commission on the Relief of German Austria, 17 January 1919. *B DFA. The Paris Peace Conference of 1919*. 9:344 353.

desire was manifest in the political agenda of the main parties and Austrian leaders, election results, and reports from foreign diplomats.

II. Historiography

Most books on the *Anschluss* movement in Austria focus on the 1930s.¹¹⁶ One exception is Alfred Low's book that traces the long background of the *Anschluss*, which was a revived *grossdeutsch* longing. Low correctly contends that the immediate post-war *Anschluss* movement in 1918 and 1919 was supported by a majority of Austrians.¹¹⁷ This chapter agrees with Low that there was already broad support and a strong push for an *Anschluss* in 1918 and 1919.

In addition, there are many German language books on Austria that cover the period from 1918 to 1919. The tragedy of post-war Austria according to Viktor Bibl's *Die Tragödie Österreichs* (Vienna, 1941) was the loss of South Tyrol and the Sudetenland, as well as the *Anschluss* prohibition. This book written during the Nazi period supported the *Anschluss* and Nazism. Hellmut Andics' *Der Staat den keiner wollte. Österreich 1918-1938* (Vienna, 1962) argues that hatred of the Treaty of St. Germain hampered Austria. Friedrich Heer's *Der Kampf um die Österreichische Identität* (Vienna, 1981) contends that Austria suffered from an identity crisis after World War I.

Neither Low nor any of the German language books on Austria during this time period mention clear motives for the *Anschluss* movement in Austria from 1918 to 1919.

¹¹⁶ See, Jürgen Gehl, *Austria, Germany, and the Anschluss 1931-38* (London: Oxford University Press, 1963); Kurt von Schuschnigg, *The Brutal Takeover: The Austrian ex-Chancellor's Account of the Anschluss of Austria by Hitler* (New York: Atheneum, 1971).

¹¹⁷ Low, *The Anschluss Movement 1918-1919*, 1.

Low's book and the other German language works do not place emphasis on the economic turmoil, which in addition to other factors, like the ethnic and national issues, identity crisis, long-time historical ties, lack of patriotic ideology, and socialist brotherhood before 1933 fuelled the *Anschluss* fervor. Also, this chapter uses additional sources, including the Christian Social Party archives (*Parteiarchiv*), the records of the Christian Social Party meetings (*Parteitage*), and A. C. Coolidge's essay "The New Austria." Moreover, it investigates the reports of foreign observers found in the *Foreign Relations of the United States* and the *British Documents on Foreign Affairs* as informative about internal Austrian affairs.

III. Economic Viability of Austria

The Austrian people were already starving due to the Allied blockade initiated during the Great War. Even though an armistice ending the war had been concluded on November 11, 1918, the Austrian economy continued to be crippled by severe fuel and food shortages, because the blockade remained in effect until Germany signed the Treaty of Versailles on June 28, 1919. The hundreds of thousands of returning soldiers added to Austria's problems.

Landlocked and reduced to a third-rate power, the new Austria could not even feed or support its own population. Most of the Austrian Republic was mountainous with relatively poor and unproductive land. Before World War I, Hungary had supplied the German speaking regions with grain, and Galicia, which was ceded to Poland, had supplied

potatoes, beans, peas, and eggs.¹¹⁸ Now, without access to the Hungarian agricultural basin and other regions of the Habsburg Empire to obtain foodstuffs, the entire population of Austria was at the brink of starvation. Reporting on the conditions in Austria, Harvard Professor and member of the American Peace Commission, A. C. Coolidge, wrote that "meatless days were soon followed by meatless weeks." The food crisis was more devastating to the lower classes than any other group, because the wealthy had connections and even resorted to smuggling from Hungary. Though the Americans were supplying food through the Allied Food Administration headed by Herbert Hoover, A. C. Coolidge contended it was not enough.¹¹⁹

Also adding to the economic dislocation was the fact that Austria had lost Bohemia, which had been the Empire's most important industrial district. Bohemia, incorporated into Czechoslovakia, had been the source of 90% of the coal, 80% of the iron and steel, 90% of the cotton, the entire wool and ceramics trade, and 95% of the sugar industry in Austria-Hungary.¹²⁰ Industrially, Austria had no Ruhr Valley or Skoda Works, but was left with small undeveloped industrial areas in Styria and around Vienna. Due to a shortage of coal, Austria had restrictions on lighting, manufacturing, and transportation. Factories came to a standstill, and in the face of freezing winter temperatures, there was not enough coal for heating. To conserve heating, restaurants and theatres had to close early. The First Republic of Austria, now a country slightly smaller than the state of Maine, was in a state of turmoil,

¹¹⁸ Sir Francis Oppenheimer, Memorandum prepared at the request of the Chancellor of the Exchequer relative to the situation in Austria, 20 June 1919. *B DFA. The Paris Peace Conference of 1919.* 9:379.

¹¹⁹ A. C. Coolidge, "The New Austria." *History of the Peace Conference of Paris.* ed. H.W.V. Temperley. vol 4. (London: H. Frowde, Hodder & Stoughton, 1920), 471-472.

¹²⁰ Sir William H. Beveridge, Interim Report. 17 January 1919. 9:346.

and the extremely high unemployment rate was conducive to a rise in support for Bolshevism.¹²¹ Unemployment in the city of Vienna in 1918 and 1919 was between 90,000 to 120,000 in a city of one and a half million.¹²² With the lack of coal and transport, high unemployment, rampant disorder, and threat of Bolshevism, British economist Sir William H. Beveridge¹²³ concluded that Austria was in "a state of general economic paralysis," and the Allies must immediately intervene.¹²⁴

On top of these vital shortages, Austria was in deep financial trouble. The Austrian economy was saddled with debt because of the disastrous war. Having no significant sources of food and coal of its own, Austria even lacked the cash and credit needed to import these necessities from its neighbors.¹²⁵ The Austrian government had printed a large quantity of paper money in order to temporarily relieve its troubled condition, which led to high inflation.¹²⁶ Vienna's importance, lying in the heart of the Habsburg Empire as a center of transport, finance, and commerce, was gone.

Another problem that worsened the dire economic situation in Austria concerned responsibility for the war, reparations, and the assets and liabilities of the late Empire. A. C.

¹²¹Sir William H. Beveridge, Interim Report. 17 January 1919. 9:344-353.

¹²²Coolidge, "The New Austria," 473.

¹²³ Sir William Henry Beveridge (1879-1963) was a British economist, an advocate for social improvement, and member of the Labour Party. During the Great War he was secretary for the ministry of food.

¹²⁴Sir William H. Beveridge, Interim Report. 17 January 1919. 9:349.

¹²⁵Mr. Lindley to Earl Curzon, 4 November 1919, Document 196. *B DFA: The Paris Peace Conference of 1919*. 9:396-397.

¹²⁶Minutes of the Daily Meetings of the Commissioners Plenipotentiary, 26 May 1919. *FRUS*: 11:187. The meetings of the commissioners plenipotentiary were held daily in Paris throughout the peace talks of 1919.

Coolidge stated that the Austrians and Hungarians were left with the liabilities that the Czechs, Poles, and Yugoslavs did not feel any responsibility to share, like the debt that was jointly accumulated by all regions and the question of war guilt, for which the other ethnic groups blamed the German speaking Austrians. Prior to the war, Austria-Hungary had even invested a large amount of its money into Bohemia. According to Coolidge, in 1918 the other ethnic groups maintained that they were innocent victims of Austria. Coolidge said the other ethnic groups considered themselves "enslaved nationalities, and that their guilty masters could not shed responsibilities in this easy way by merely changing their own name."¹²⁷

On September 3, 1919, the *Times* [London] reported that the Austrian delegates claimed that German Austria should not be held accountable for the actions of the entire Habsburg Empire. The Allies, however, rejected the Austrians' pleas and maintained that the majority of Austrians had vigorously supported the Great War from start to finish. The *Times* stated that the people of Austria and Hungary, by initiating the conflict in Serbia, bore the "responsibility for the calamities which have befallen Europe in the last five years." Vienna, together with Berlin, had plotted "against public law and the liberties of Europe" and now had to assume the "full measure of responsibility for the crime which had brought such misery on the world."¹²⁸

Thus, according to Coolidge, of the new states emerging from the wreckage of the Austro-Hungarian Empire, the greatly reduced and impoverished Austria was made to carry the major burden of responsibility of World War I, including the payment of reparations. On

¹²⁷Coolidge, "The New Austria," 479.

¹²⁸"Allies To Austria: Council's Stern Note," *Times*, 3 September 1919.

the other hand, when it came to any assets of the Austro-Hungarian Empire, like works of art and leftover weapons arsenals, everyone suddenly claimed equal share as former members of the Empire. With both Austria and Hungary landlocked, Admiral Nicholas Horthy had no choice but to hand over the remnants of the Austro-Hungarian fleet to the Yugoslavs. The Czechs wanted back everything from Vienna that they felt they had lost since the Thirty Years War. Italy claimed many of the paintings in the Vienna art museums.¹²⁹ By being held responsible for the war and forced to pay reparations, not only was the Austrian economic recovery impeded, but also any postwar reconciliation with its neighbors, even though cooperative solutions to the vast economic problems they all faced would have benefited all parties.

IV. Political Problems and Possible Solutions

Despite the Allied policies that sought to establish Austrian independence, in 1918 and 1919 most Austrians saw an independent Austria as unviable, mainly because of the deplorable state of the Austrian economy. Austrians considered three options: a revived Habsburg Empire, an Austrian *Anschluss* with Germany, or an independent Austria as part of a greater trade confederation.¹³⁰ Support for these policies broke down along political lines.

¹²⁹Coolidge, "The New Austria," 479-480.

¹³⁰Political alternatives for Austria are given by A. C. Coolidge in his chapter "The New Austria" and throughout the *BDFP: The Paris Peace Conference of 1919*. Coolidge omits Habsburg restoration as a legitimate alternative. This chapter includes Habsburg restoration as an alternative because however unlikely it was, attempts were made in Hungary and a fraction of the Austrian populace did advocate it.

The first option was a revived monarchy. After World War I, there were traditionalists and monarchists who had no love for the Republic and desired a return to the old days of the Empire. A complete imperial revival had little hope, though, for the Empire had already collapsed from within, and each former subject ethnic group was now claiming the right of self-determination and sovereignty. Still, attempts to revive the monarchy on a more limited national scale did occur, particularly in neighboring Hungary.

The second option was a union with Germany. Many Austrians, particularly the socialists, the Greater German People's Party, and the communists, despised Austria's independence and longed for this alternative. The Austrian socialists, who formed one of the largest parties, supported a merger with Germany because that would unite them with their socialist brothers who formed the plurality party in Germany. The Austrian communists likewise supported an *Anschluss*, but unlike the socialists they remained a fringe group. The Greater German People's Party, another minority group, were ultra-nationalist and wanted a union of all the German speaking lands.

In addition, many Christian Socials wanted Austria to become part of a proposed trade association, and this third alternative was referred to as the Danube Confederation in 1918 and 1919. As proposed, the Danube Confederation would have been an economic partnership among all the former parts of the Austro-Hungarian Empire, encompassing Austria, Hungary, Czechoslovakia, Yugoslavia, Romania, other Balkan states, and maybe even Poland. Politically each of the members would have remained independent, but Vienna would have maintained its importance in this confederation as the leading city of commerce.

In November 1918 the Christian Social *Reichspost* avoided the *Anschluss* excitement of other Austrian newspapers and instead advocated a Danube Confederation. In doing so, it

realistically anticipated the issue of Entente response, a foreign policy factor that would increasingly shape Christian Social politics. According to the *Reichspost*, “we are afraid of the threats of the Entente.”¹³¹ At the fourth Christian Social Party meeting in Vienna on December 15, 1918, the official party platform in 1918 also avoided the *Anschluss* issue directly and instead called for strong economic ties with the neighboring states.¹³²

The Danube Confederation was also favored by those Austrians who harbored strong resentment towards Prussia, a resentment that reflected more than a century of deep-seated rivalries that had culminated in Prussian victory over Austria in 1866.¹³³ A union with just south Germany looked appealing to those Austrians who were anti-Prussian. But union with all of Germany meant domination of a predominately Catholic country by both Prussian Protestantism and Prussian socialism. Moreover, Vienna with its beauty and culture would become just another regional town under the authority of Berlin.

Although the Danube Confederation plan sounded advantageous to many, it was soon abandoned, despite support from the Christian Social Party and those Austrians who especially hated Prussia. The creation of a Danube Confederation depended on the cooperation of all the former regions of Austria-Hungary. However, after the dissolution of Austria-Hungary, each newly independent nation wanted to go its own way. Because of border disputes, ethnic tensions, and past grievances, relations between Austria and the

¹³¹*Reichspost*, 12 November 1918.

¹³² *Dieses Österreich Retten: Protokolle der Christlichsozialen Parteitage der Ersten Republik*, Robert Kriechbaumer, ed. (Vienna: Böhlau Verlag, 2006), 22.

¹³³ Coolidge, "The New Austria," 466. This resentment even survives today in parts of southern Germany.

surrounding countries were severely strained and the Danube Confederation proposal was doomed.¹³⁴

To be viable, the Danube Confederation needed the support of Czechoslovakia in particular, since Bohemia had been Austria-Hungary's most important industrial region. However, Czechoslovakia wanted nothing to do with Austria. Finally, getting their independence after the Great War, the Czechs had absolutely no desire to join a union with Austria, even if it was just an economic one and each of the members would maintain its political sovereignty. Having inherited the main industrial regions of the late Habsburg Empire as well as the Slovak inhabited areas of northern Hungary (modern day Slovakia) that were rich in raw materials, Czechoslovakia was economically the strongest of the successor states and saw no advantage in the Danube Confederation. The Czechs possessed the two prestigious cities of Prague and Pressburg (Bratislava) and had no need for Vienna as an administrative and financial center. Furthermore, over-estimating the potential of a great land route from Constantinople to the North Sea, the Czechs hoped Prague would soon surpass Vienna as the leading city of Central Europe.¹³⁵

The peace settlement left the situation in Austria so dismal that some of the most loyal German Habsburg provinces no longer desired to remain under Viennese rule following World War I, and there were many separatist movements. In February 1919 the Tyrolean *Landtag* wrote a letter to Wilson stating that the German and Ladin populations of South Tyrol wished to remain together with the rest of Tyrol, and that they would "under no

¹³⁴Coolidge, "The New Austria," 466-468.

¹³⁵Coolidge, "The New Austria," 470.

condition whatsoever” accept the partition of Tyrol.¹³⁶ In May 1919 the Tyrolean *Landtag* declared itself an independent state,¹³⁷ which neither the Austrian government nor Allies recognized.

Also on May 11, 1919, eighty percent of the population of Vorarlberg, a small western Austrian province, voted in favor of becoming a canton of Switzerland, which the Allies promptly forbid.¹³⁸ Certainly, not all the Swiss were supportive of adding Vorarlberg as another canton. The other ethnic groups in Switzerland feared a strengthening of German influence with the addition of Vorarlberg, and the Swiss German Protestants feared an expansion of Catholicism. However, at least some Swiss were upset that the Allies made the decision to forbid such a development without even once consulting them.¹³⁹ Deprived of the prospect of becoming part of Switzerland, Vorarlberg then cast its lot with Germany over the crumbling Viennese government, which many Vorarlbergers now perceived as coming under the control of socialists and turning ”Red.” On December 16, 1919, the Salzburg *Landtag*, which was controlled by the Christian Social Party, unanimously voted for an economic union with Bavaria, which once again the Allies promptly prohibited.¹⁴⁰

¹³⁶Tiroler Landesregierung an Präsident Wilson (Paris). Innsbruck, 26 February 1919. *ADÖ 1918-1938*. 2:465.

¹³⁷Jelavich, *Modern Austria*, 159-160.

¹³⁸ In Vorarlberg 47,131 votes went in favor of joining Switzerland and 11,386 against. The plebiscite represented 70% of all eligible voters. The Vorarlberger *Landtag* was made up of twenty-two Christian Socials and eight members belonging to other parties. Minutes of the Daily Meetings of the Commissioners Plenipotentiary, 26 May 1919.” *FRUS: The Paris Peace Conference, 1919*. 11:188.

¹³⁹ Lord Acton to Earl Curzon, 12 June 1919. *B DFA: The Paris Peace Conference of 1919*. 9:373-374.

Politically in shambles, devoid of key resources, and with its new boundaries and provinces like Tyrol, Carinthia, and Styria severely mutilated, the new Austria had little cause for hope in 1918 and 1919. There was no chance for the Danube Confederation. Austria was cut off from the rest of Europe by the deep animosity toward it among its neighbors. Austria's upcoming harvest was inadequate to feed its population. Old channels of food and fuel were broken. Thus, the new republic was on the verge of both bankruptcy and starvation.

By the spring of 1919 most Austrians, even many within the Christian Social Party, had given up on the proposed Danube Confederation.¹⁴¹ The other two largest Austrian parties, the socialist party and the Greater German People's Party, had never been supportive of the Danube Confederation in the first place. Although attempts at creating a Danube Confederation would reoccur throughout the inter-war period, they continued to fail for the same reasons.

The Danube Confederation plan fell through due to the lack of interest and cooperation from Austria's neighbors, who having received their independence did not want to be part of an economic federation that mirrored the hated Habsburg Empire. With few agricultural and industrial areas, no access to the sea, and a mostly mountainous terrain, Austria was the poorest of the successor states. Whereas Austria was completely dependent on its neighbors, the other states did not necessarily need Austria. Most of the successor states enforced tariffs and trade barriers against Austria in 1918 and 1919. Especially Czechoslovakia considered Austria a rival and source of competition. Moreover, in 1920-

¹⁴⁰*Neue Freie Press*, 18 December 1919; Hermann Kuprian, "Tirol und die Anschlußfrage 1918 bis 1921." *Tirol Und der Anschluss*, 59.

¹⁴¹Coolidge, "The New Austria," 469-470.

1921 Czechoslovakia, Yugoslavia, and Romania formed their own economic and military alliance, the Little Entente, under French influence. Besides blocking German and Bolshevik expansion, the Little Entente was formed to maintain the territorial gains of the successor states against Austria and Hungary. Created for political and strategic reasons, the Little Entente blocked the creation of a Danube Confederation and hindered possible economic stabilization in Eastern Europe.

V. The Christian Socials from Fall 1918 to February 1919

The Christian Social Party was divided on the *Anschluss* question in 1918 and 1919, and it had many *Anschluss* supporters within its ranks.¹⁴² The *Reichspost* asserted that during these two years Jodok Fink¹⁴³ and Josef Stöckler led the anti-monarchist and pro-*Anschluss* Christian Social movement in the Austrian provinces of Vorarlberg, Lower Austria, Upper Austria, Styria, Tyrol, and Carinthia, gaining the support of many Austrian farmers. Fink, like many Christian Socials, contended that the time of the monarchy was over.¹⁴⁴ In contrast, those Christian Socials who had monarchist leanings, like Heinrich Mataja and Kurt von Schuschnigg, were anti-*Anschluss*. Thus, the party was sharply divided in opinion following the defeat and collapse of the Austro-Hungarian Empire.

¹⁴²Mr. Bridgeman to Earl Curzon. Vienna, 2 September 1919. *B DFA: Europe, 1919-1939*. 1:130; Mr. Bridgeman to Earl Curzon. Vienna, 16 September 1919. *B DFA: Europe, 1919-1939*. 1:135; Barbara Jelavich, *Modern Austria*, 214.

¹⁴³ Jodok Fink (1853-1929) became a Christian Social delegate in the Vorarlberg *Landtag* in 1897 and the *Reichsrat* in 1911. In 1918 he was a member of the Austrian Provisional National Assembly. In 1919-1920 he was Vice Chancellor to Karl Renner. *Protokolle der Christlichsozialen Parteitage*, 16.

¹⁴⁴*Reichspost*, 19 November 1918. Fink held the monarchy responsible for the Austrian political crisis in the immediate aftermath of World War I. The newspaper was found in the *ÖVP Parteiarchiv*. Box 55, "The Anschluss."

The German-speaking members of the Austrian parliament,¹⁴⁵ who had been elected in 1911 before the outbreak of World War I, formed the Provisional National Assembly or *Provisorische Nationalversammlung* on October 21, 1918. It consisted of seventy-two Christian Social Party members, forty-two socialists, and one-hundred and two members who belonged to smaller parties, such as the German nationalist parties.¹⁴⁶ The Provisional National Assembly chose three presidents, one from each of the three largest parties, in October 1918. Christian Social Johann N. Hauser became one president. Franz Dinghofer¹⁴⁷ of the Greater German People's Party and Karl Seitz¹⁴⁸ of the socialist party were the other two presidents.¹⁴⁹

The socialists, not the Christian Socials, had played the predominant role in bringing about the downfall of the monarchy and creating the First Austrian Republic. Socialists welcomed the immediate revolutionary period in Austria, while Christian Socials had been comfortable in the Habsburg Empire. Also, the defeat and collapse after World War I

¹⁴⁵ This consisted of representatives from all the German speaking regions of Austria-Hungary, including Bohemia and Moravia.

¹⁴⁶ At this time the German nationalist groups were divided and the Greater German People's Party has not formed yet. Jelavich, *Modern Austria*, 151.

¹⁴⁷ Franz Dinghofer had also supported a customs union with Germany since 1926. *Neue Freie Presse*, 17 January 1926. The newspaper was found in the *ÖVP Parteiarchiv*. Box 55, "The Anschluss."

¹⁴⁸ Karl Seitz (1869-1950) was a socialist politician. He was a member of the Austrian Provisional National Assembly from 1918 to 1919, the Constituent National Assembly from 1919 to 1920, and *Nationalrat* from 1920 to 1934. He was also the provisional federal president of Austria from 1919 to 1920 and mayor of Vienna from 1923 to 1934. The Nazis sent him to the concentration camp in Ravensbrück in 1944. He survived the war and became an honorary statesman until his death. *Protokolle der Christlichsozialen Parteitage*, 16.

¹⁴⁹ *Österreich Lexikon*. <http://www.aeiou.at/aeiou.encyclop.p/p903374.htm>.

created some resentment towards those associated with the “old regime,” and therefore many Austrians “turned naturally to the socialists.”¹⁵⁰ Consequently, the socialists led the Austrian provisional government, which was formed on October 30, 1918.¹⁵¹ Dr. Karl Renner, a moderate socialist, became the first Austrian Chancellor, and he headed the Austrian peace delegation.¹⁵² Otto Bauer, a left wing Jewish socialist, succeeded Viktor Adler who died on November 11, as foreign minister. Fellow socialist Julius Deutsch established the Austrian republican army, and Karl Seitz was the first Austrian federal president. From November 1918 to June 1920 the socialist party formed a coalition with the Christian Social Party. The Christian Socials initially agreed to compromise with the socialists in order to prevent an even more radical left-wing government—an Austrian Soviet regime—from coming to power.¹⁵³

The Austrian Provisional National Assembly also issued two shocking declarations on November 12, 1918, one day after the armistice between the Allies and Germany. With the exception of three delegates (Wilhelm Miklas,¹⁵⁴ Karl Prisching, and Athanasius

¹⁵⁰ Mr. Lindley to Earl Curzon. 14 June 1920. Vienna. British Foreign Office (FO) 371/3538. Lindley wrote this in 1920, but it discussed the situation in 1918-1919.

¹⁵¹ Jelavich, *Modern Austria*, 151.

¹⁵² Karl Renner (1870-1950) was a member of the Provisional Austrian National Assembly, 1918-1919, and member of the Constituent National Assembly, 1919-1920. He was chancellor from 1918 to 1920 and a member of the *Nationalrat* from 1930 to 1934. He was strongly pro-*Anschluss*.

¹⁵³ Klemens von Klemperer, *Ignaz Seipel: Christian Statesman in a Time of Crisis* (Princeton, NJ: Princeton University Press, 1972), 96-104, 121.

¹⁵⁴ Wilhelm Miklas (1872-1956) who had received a doctorate in philosophy became a Christian Social member of the *Reichsrat* from 1907 to 1918 and *Nationalrat* from 1920 to 1928. He was Austrian president 1928-1938. *Protokolle der Christlichsozialen Parteitage*, 24; See also, Anneliese, Harasek, *Bundespräsident Wilhelm Miklas* (Vienna, 1967) and

Guggenberg), the Christian Socials voted for the first declaration that proclaimed Austria to be a Republic. Except for Dr. Anton Jerzabek, most Christian Socials also voted for the second declaration stating that Austria (including Bohemia and Moravia) was a part of Germany.¹⁵⁵ Therefore, immediately at the end of World War I, the Christian Social Party's official position on the *Anschluss* and the First Republic was similar to that of other parties.

Nevertheless, in contrast to the socialists, the Christian Socials were not unanimous on either the *Anschluss* or the republican issue, regardless of their overall support of the two November declarations. The *Neue Freie Presse* maintained that the Christian Social delegate in Vienna, Franz Spalowsky, spoke out in favour of a monarchy in 1918,¹⁵⁶ at a time when the divisions within the Christian Social Party were so severe that they threatened to tear the party into two factions, with a monarchist party in Vienna and a republican party in the provinces.¹⁵⁷ In order to prevent such a rupture, Ignaz Seipel stated on November 27, 1918, that the party needed to defer crucial decisions until a functioning democratic process was in

Hilde Verena Lang, *Bundespräsident Miklas und das autoritäre Regime 1933 – 1938* (Dissertation, University of Vienna, 1972).

¹⁵⁵ Law over the form of the state and government of German Austria. Vienna, 12 November 1918. *ADÖ. 1918-1938*. 12 vols. 1:141-143. Article 1 of the laws established by the Provisional Assembly stated that "German Austria is a democratic republic. All public powers will be carried out by the people." Article 2 said that "German Austria is a part of the German Republic. Special laws regulate the participation of German Austria in the legislation and administration of the German Republic, as well as the extension of the area of laws and institutions of the German Republic over German Austria."

¹⁵⁶ Franz Spalowsky (1875-1938) was a Christian Social member of the Constituent National Assembly from 1919 to 1920 and the *Nationalrat* from 1920 to 1934. *Protokolle der Christlichsozialen Parteitage*, 57.

¹⁵⁷ *Neue Freie Presse*, 11 November 1918.

place.¹⁵⁸ Seipel was one of the main Christian Social Party leaders at this time, and he was anti-*Anschluss*.

There was also a strong pro-*Anschluss* faction within the Christian Social Party in the immediate aftermath of World War I. According to the *Reichspost*, the Christian Social-controlled *Landtag* or provincial assembly in Carinthia demanded a national referendum on the *Anschluss* issue, while the Christian Social Party faction in the provincial assembly in Upper Austria stated the necessity of the *Anschluss* for the Austrian economy. Regardless of differences between the provinces and city, the Christian Social Party in Vienna, too, fostered a German nationalist ideology. In February 1919, the Christian Social mayor of Vienna, Dr. Richard Weiskirchner,¹⁵⁹ agreed with the Lower Austrian Farmers' League that "the *Anschluss* was the fulfilment of the national ideal," and he stated the "the *Anschluss* was the dream of the German youth for the last twenty years and the party should not stand against the *Anschluss*." Although in 1918 and 1919, the Christian Social Party in Vienna had strong monarchist sympathies, Weiskircher represented an exception. However, Weiskircher questioned the timing of an *Anschluss* and said an *Anschluss* did not necessarily have to occur immediately.¹⁶⁰ Like Weiskircher, Christian Social Dr. Gottfried Hugelmann also offered a partial compromise to the *Anschluss*. Hugelmann called for a *Zusammenschluss*

¹⁵⁸ Klaus Berchthold, ed., *Berchthold: Programme, Österreichische Parteiprogramme 1868-1966* (Vienna, 1967), 355.

¹⁵⁹ Dr. Richard Weiskirchner (1861-1923) was a Christian Social mayor of Vienna from 1917 to 1918. He became a member of the Constituent National Assembly from 1919 to 1920 and *Nationalrat* from 1920 to 1923. In late 1919, Weiskircher lost much influence to Seipel. *Protokolle der Christlichsozialen Parteitage*, 25; *Reichspost*, 4 February 1919.

¹⁶⁰ *Reichspost*, 4 February 1919. Also, after the success of the socialists at the February 16, 1919 election, Christian Social delegates in Tyrol and Vorarlberg contended that only provincial referendums should decide the *Anschluss* issue.

(partnership rather than an annexation) of Austria and Germany in the newspaper he edited, *Deutschen Volksblattes*.¹⁶¹ A *Zusammenschluss* meant that Austria would join Germany as one state with Vienna as its capital, and as partners, Austria would not be subordinate to Germany. An opposing view was that each of the separate Austrian provinces would join Germany and Vienna would no longer have any authority over the provinces.

Clearly Seipel was aware of the enormous popularity of the *Anschluss* movement and predicted if a national referendum were to be held, the vast majority of Austrians, perhaps even ninety-five percent, would vote for the *Anschluss* movement in the immediate aftermath of World War I.¹⁶² In February 1919, Seipel warned against an *Anschluss* because of the uncertain situation and spectre of revolution in Germany. He argued that, “if there is danger that the German people established a *Republic* based on terror, or a dictatorship of one party or class, then nothing should drive us into a union with Germany.”¹⁶³

In addition to fear about the domestic situation in Germany, Allied pressure also certainly had a strong affect on the Christian Social Party politics. To prevent the *Anschluss* of Austria and Germany from occurring immediately after the Great War, the Allies could threaten Austria and Germany with an even harsher Peace Treaty, involving increased military occupation, cancellation of loans, higher reparations, and above all further loss of

¹⁶¹*Protokolle der Christlichsozialen Parteitage*, 275; Dietmar Hann, *Die Stellung der Christlichsozialen Partei zum Anschluß an das Deutsche Reich 1918-1934* (Vienna: University of Vienna, 1978), 12, 27.

¹⁶²Statistic from “Dr. Seipel and Austria’s Future.” *Österreichische Nachrichten*. 11 February 1926. Vienna. M695: US Department of State. Roll 8.

¹⁶³Johannes Hawlik, *Die politischen Parteien Deutschösterreichs bei der Wahl zur konstituierenden Nationalversammlung* (Dissertation, Vienna: University of Vienna, 1971), 104.

territory. On October 1918, the Austrian Christian Social *Reichspost* had expressed the fear of losing other territories if an *Anschluss* took place:

what would the German Reich have if the union of the German Austrian Republic and the German Reich came at the price of the left-bank of the Rhine? We are responsible to the German people for not making things harder through thoughtless propaganda based on mere feelings and by adding unsolvable problems.¹⁶⁴

Thus, the *Reichspost* reflected many Christian Socials' caution and reservations toward union with Germany, especially due to the Allied policies. Besides Seipel, Mataja, Schuschnigg, Michael Mayr, Rudolf Gschladt, and Dr. Anton Jerzabek represented *Anschluss* opponents. Overall, from the fall of 1918 to February 1919 the Christian Social Party was evenly divided on the *Anschluss*.

VI. The *Anschluss* Movement in 1918-1919

With even the Christian Social Party split on the *Anschluss* issue, especially following the demise of any expectations for either the Danube Confederation plan or a Habsburg revival, most Austrians strongly favored an *Anschluss* with Germany in 1918 and 1919. Certainly many *Anschluss* supporters at this time were avid pro-German nationalists, while many others were simply ready to support any solution that offered relief to Austria's beleaguered economic situation.

The pro-German nationalists were influenced by the historic and ethnic ties between Austria and Germany and asked rhetorically why not join with Germany? They both had so much in common, even a recent devastating defeat by the Allies. More so, as A.C. Coolidge stated: "for a period of ten centuries, Austria had been an integral portion of Germany, and

¹⁶⁴*Reichspost*, 31 October 1918.

had for generations furnished the German nation its Emperors.”¹⁶⁵ Vienna had been a leading German and European city long before the emergence of Berlin. Only recently, since 1866, had Austria and Germany really become separate, and many “pan-German” Austrians never reconciled themselves to that separation.

In fact in *Franz Joseph of Austria and his Empire*, Anatol Murad contends that even after Austria’s defeat by Prussia in 1866, Emperor Franz Joseph never gave up his desire to become German Emperor, like so many of his ancestors before him.¹⁶⁶ One of the reasons that Franz Joseph agreed to the *Ausgleich* of 1867 with Hungary was because he had hoped that this would more closely bind the Hungarians to the Empire and pave the way for revenge against Prussia. Likewise, in the Franco-Prussian War in 1870, Franz Joseph even considered helping Napoleon III defeat Prussia in order to regain Austrian dominance among the German states. However, the creation of the Dual Monarchy strengthened the Hungarians who did not share Franz Joseph’s desires to reassert dominance among the German states or add German-speaking territories to the Empire because that would undermine their own new found authority. The *Ausgleich* further pushed Habsburg diplomacy away from the German states and eastward towards the Balkans where Austria increasingly came into conflict with Russia.

According to the Austrian pro-*Anschluss* perspective, an Austria excluded from German affairs had turned its energy towards maintaining its Central European Empire, which, ultimately, had given it heartache. The rebellious ethnic groups had posed to Austria one insoluble problem after another. Now, the territories Austria had once dominated had

¹⁶⁵Coolidge, "The New Austria," 468.

¹⁶⁶Anatol Murad, *Franz Joseph of Austria and his Empire* (New York, 1968).

fragmented, and the various nationalities had departed, each their own way to Yugoslavia, Czechoslovakia, Poland, and Italy. Coolidge gave his own pro-*Anschluss* opinion when he stated:

What was more natural and proper than that the Germans of Austria should rejoin their brothers in their old fatherland? The separation from it had been accidental and a short duration. The reunion would not mean a triumph of North Germany over South. On the contrary, it would be a reinforcement of the Southern element which might thereby well regain the preponderance it had exercised at an earlier age. In the same way, it would not mean a success for Protestantism, but rather the strengthening of the Catholic element in Germany.¹⁶⁷

The Austrian government was in shambles, and Austria badly needed Germany's strength, support, and security. The German mark would once again provide Austria with a much needed stable currency; coal from Germany would keep Austria's factories going. Under an *Anschluss*, Berlin would no doubt overshadow Vienna. But as Coolidge stated, "Vienna, with her splendid position on the Danube, would be the second capital of the German State, a centre of enterprise and industry, and would draw under her influence the South German regions which had always had more affinity with her than Berlin."¹⁶⁸

The strong desire of most Austrians for an *Anschluss* with Germany was shown by the February elections and the policies carried out by the Austrian government, such as the secret *Anschluss* negotiations between Austria and Germany. And even though Austria had changed its name from German Austria (*Deutsch-Österreich*) to the Austrian Republic (*Österreichische Republik*) in early 1919 due to Allied pressure, some Austrian leaders and newspapers continued to use the term "German Austria." Indeed, until 1922 the Austrian

¹⁶⁷Coolidge, "The New Austria," 468.

¹⁶⁸Coolidge, "The New Austria," 468.

postage stamps continued to say “German Austria.” After 1922 that became simply “Austria,” and only after 1945 did the stamps say “Republic of Austria.”¹⁶⁹

The *Anschluss* question, which concerned the future of the Austrian Republic and was considered a life or death issue, was by far the most important political issue during the post-World War I elections. The three largest Austrian parties, the Christian Social Party, the socialist party, and the Greater German People’s Party, had all sympathized with the *Anschluss*, though to varying degrees. The greatest support for an *Anschluss* came from the socialists and Greater German People’s Party.

In the elections of February 16, 1919, which were the first elections of the Austrian Republic, the Christian Socials won in the provinces, but the socialists triumphed in Vienna. Vienna comprised one-third of the total population of Austria. Anti-socialists dubbed it “Red Vienna.” The Austrians had elected seventy-three socialists, sixty-nine Christian Socials, and twenty-five Greater German People’s Party members to the Constituent National Assembly (*Konstituierende Nationalversammlung*),¹⁷⁰ which replaced the Provisional National Assembly and was the first elected legislative body of the First Republic of Austria.¹⁷¹ The pro-*Anschluss* socialists did not gain a majority, but they did gain a decisive plurality. Moreover, the two largest pro-*Anschluss* parties, the socialists and German nationalists, together received a total of 60% of the votes in Austria.¹⁷² The Austrian demand

¹⁶⁹Wilhelm Brauneder, *Deutsch-Österreich 1918. Die Republik entsteht* (Vienna, 2000), 216-217.

¹⁷⁰ The Constituent National Assembly was formed the same day as the new elections, February 16, 1919. Fink replaced Hauser as the Christian Social President of the Constituent Assembly on October 30, 1919.

¹⁷¹Mr. Lindley to Earl Curzon. Vienna, 14 June 1920. *B DFA: Europe, 1919-1939*. 1:94.

for an *Anschluss* in 1918 and 1919 was higher than in any other time period because it had support from both the socialist and nationalist parties, even though they were on opposite ends of the political spectrum. Moreover, there was the sizable group within the Christian Social Party that advocated a political union with Germany as well.¹⁷³ This alignment of political forces did not reoccur in the 1930s because the Austrian socialists wanted a union with a democratic Germany and opposed a union with a totalitarian, anti-socialist, Nazi Germany.

Another important factor was that the socialists maintained control over Austrian domestic and foreign policy after the February 1919 elections. Renner remained Chancellor and Bauer remained foreign minister until June 1920.¹⁷⁴ Both Bauer and Renner were pro-*Anschluss* and attempted to push Austrian diplomacy in that direction. The socialist *Arbeiter-Zeitung* had supported the union since November 1918, as did the Viennese *Neue Freie Presse* and the *Wiener Mittag*.¹⁷⁵ Speaking at the *Länderkonferenz*¹⁷⁶ on February 1, 1919, Renner stated that Austria could not stand alone and had to seek an *Anschluss* with

¹⁷²Carsten, *The First Austrian Republic*, 6, 7.

¹⁷³Mr. Bridgeman to Earl Curzon. Vienna, 2 September 1920 and 16 September 1920. *B DFA: Europe, 1919-1939*. 1:130,135. Although this was written in 1920 it discussed events in 1918 and 1919.

¹⁷⁴Mr. Lindley to Earl Curzon. Vienna, 14 June 1920. *B DFA: Europe, 1919-1939*. 1:94.

¹⁷⁵*Arbeiter Zeitung*. 9 November 1918; *Neue Freie Presse*. 24 January 1919; Low, *The Anschluss Movement, 1918-1919*, 101, 157. Other Austrian newspapers opposed an *Anschluss*.

¹⁷⁶ *Länderkonferenz* was a conference attended by the Austrian provinces, which were represented by *Landtag* delegates, and the Austrian Chancellor. *Österreich Lexikon*. <http://aeiou.iicm.tugraz.at/aeiou.history.docs/51003.htm> (February 2007).

Germany. Through the *Anschluss*, Vienna would be Germany's gateway to the east and regain its commercial importance.¹⁷⁷

In addition, in early February 1919 Bauer headed an Austrian delegation to the Constituent Assembly in Weimar to obtain favorable terms for Austria's incorporation into Germany. Negotiations between Austria and Germany concerning the *Anschluss* then continued in Berlin from February 27 to March 3.¹⁷⁸ On March 2 Bauer and German Foreign Secretary Count Ulrich von Brockdorff-Rantzau signed a secret *Anschluss*, or *Zusammenschluss*, agreement, despite Allied warnings against a union. Under the agreement, Austria would get representation in the *Reichstag*, and it could keep close ties to the Vatican. Germany would assume part of Austria's debt and absorb many of the Austrian civil servants into its workforce. The *Anschluss* agreement, which was not made public for fear of Allied retaliation, was to be certified by a state treaty and approved by the parliaments of both countries.¹⁷⁹ Then on March 12, 1919, the Austrian Constituent National Assembly renewed the declaration of the previous November, stating that Austria was a part of the German Republic. The Constituent National Assembly stated its main foreign policy goal was to bring about a union as fast as possible.¹⁸⁰ Joint Austro-German Commissions were also established to pave the way for union. A financial commission met in Vienna in

¹⁷⁷Siegfried Nasko, "Ein 'Deutschösterreichischer' Staatsmann? Karl Renners Haltung zur Anschlußidee 1918-1938." *Ungleiche Partner?* Michael Gehler, ed. (Stuttgart, 1996), 403.

¹⁷⁸Deutschösterreichisch-deutsche Anschlußverhandlungen. Berlin, 27 February 1919. *ADÖ 1918-1938*. 1:472-474; 28 February 1919, 1:475-484; 1 March 1919, 1:487-489; 2 March 1919, 1:489-496; Staatsrat: Beschlußprotokoll zur Sitzung. 3 March 1919. 1:497.

¹⁷⁹ 2 March 1919. *ADÖ 1918-1938*. 1:489-496.

¹⁸⁰ Konstituierende Nationalversammlung für Deutschösterreich. Vienna, 15 March 1919. *ADÖ 1918-1938*. 2:47-48.

April to discuss the troubled Austrian economy and a possible monetary union with Germany. A transportation committee looked at such things as a possible Rhine-Main-Danube canal and standardization of the trains, and the Austrian Minister of War met with a German general and talked about a common army.¹⁸¹

Nevertheless, both Germany and Austria agreed to postpone any final decisions regarding the *Anschluss* until after the peace settlement. The secret *Anschluss* agreement remained a “program for future negotiations.”¹⁸² However, Allied pressure and the eventual *Anschluss* prohibition in the peace treaties ended any hopes of an Austro-German union in 1919. On May 16, 1919, Austrians carried out protests and demonstrations in Braunau am Inn, Graz, and other cities against the anticipated peace terms and the *Anschluss* prohibition, even before Germany officially signed the Treaty of Versailles on June 28, 1919.¹⁸³

VII. The Peace Settlement

Although Renner officially signed the Treaty of St. Germain on September 11, 1919, Austrian newspapers had already condemned the treaty’s peace terms in June. The newspapers predicted a dismal future for the new Austrian state. The *Neue Freie Presse* called the Treaty of St. Germain “unacceptable,” and the *Arbeiter-Zeitung* said, “They have

¹⁸¹Staatsamt für Äußeres an Referenten für die Anschlußverhandlungen. Vienna, 9 April 1919. *ADÖ 1918-1938* ; Deutschösterreichisch-deutsche Anschlußverhandlungen. Berlin, 2 March 1919. *ADÖ 1918-1938*. 1:489-496; Low, *The Anschluss Movement, 1918-1919*, 202, 192-194, 204-206.

¹⁸²Low, *The Anschluss Movement, 1918-1919*, 200.

¹⁸³“Deutscher Volksverein Braunau am Inn: Protestkundgebung.” 16 May 1919. *Österreichisches Staatsarchiv, Wien, Archiv der Republik, AdR. Anschlussfrage 1918-1920*. Collection: *Politische Akten des Bundeskanzleramtes Auswärtige Angelegenheiten, 1918-1938*. (Deutschland I/1) 109/110, Box (Karton) 106.

taken everything from us;” “No peace but death for German Austria.”¹⁸⁴ The conservative, Christian Social *Reichspost* also came out against the Peace Treaty.¹⁸⁵ At the Peace Conference Austria had made a case for the self-determination of the German Austrians, German South Tyroleans, and Sudeten Germans.

The *Neue Freie Presse* contended that in response to the Allies’ infringement on Austria’s right to self-determination, in June 1919 Renner asserted German Austria was a country that was “left over,” “a mountainous country which cannot live and cannot die.”¹⁸⁶ Bauer likewise made the poor economic status and small size of Austria the main point in his attempts to convince the Allies of the necessity of an *Anschluss*.¹⁸⁷ In July 1919 Bauer resigned from office due to antagonism from France and the Habsburg successor states over his pro-*Anschluss* position and disappointment that his main foreign policy vision was not being achieved. Yet Bauer still maintained that an *Anschluss* was foreseeable in the near future.¹⁸⁸

Most Christian Socials also opposed the peace terms. The Treaty of St. Germain, signed on September 10, 1919, both took away South Tyrol and through Article 88 forbade a union between Austria and Germany. When Austria was not only denied union with Germany but also stripped of key territories to the south, such as South Tyrol and Trieste,

¹⁸⁴*Neue Freie Presse*. 4 June 1919; “Überzeugen!” *Arbeiter -Zeitung*. 8 June 1919. These newspapers were aware of the terms of the treaty before it was officially signed.

¹⁸⁵ *Reichspost*, 6 June 1919. This newspaper was found in the *ÖVP Parteiarchiv*. Box 95. “League of Nations.”

¹⁸⁶*Neue Freie Presse*. 11 June 1919.

¹⁸⁷Franz Mathis, “Wirtschaft oder Politik? Zu Den ‘Wirtschaftlichen’ Motiven Einer Politischen Vereinigung Zwischen 1918 Und 1938.” *Ungleiche Partner?* 428.

¹⁸⁸Low, *The Anschluss Movement, 1918-1919*, 424-425, 428.

some Christian Socials became embittered. In protest Austrian Christian Social delegates from Styria and Carinthia left the conference hall before the treaty had been signed.¹⁸⁹ The *Neue Freie Presse* asserted that in response to the official Allied prohibition of the *Anschluss* in the Treaty of St. Germain, the Christian Social President Johann Hauser of the Constituent National Assembly issued a protest note in September 1919 that condemned the prohibition. Hauser hoped that in the future, after war animosities had subsided, Austria would receive the same right to self-determination as given to other nationalities.¹⁹⁰ Because of the Allies' anti-*Anschluss* policies, on October 21, 1919, Austria officially withdrew the *Anschluss* declaration of November 12, 1918.¹⁹¹

Then at the fifth Christian Social Party conference on November 15 and 16, 1919, N. N. Zuck of the Christian Social Party announced that Austria should seek an *Anschluss* and demand the return of lost German territories.¹⁹² Nevertheless, the Christian Socials Dr. Heinrich Mataja and Rudolf Gschladt raised objections to the pro-*Anschluss* declaration. Mataja argued that he did not want a union with a "Bolshevik Republic."¹⁹³ During the early months of the Republic, the anti-*Anschluss* Christian Socials combated a strong *Anschluss* movement within their own party and among the Austrian populace.

¹⁸⁹ Ernst Georg Baumgärtner, *Die Österreichische Presse in ihrer Stellung zur Anschlussfrage 1918-1938* (Dissertation, Vienna: University of Vienna, 1950), 120-122.

¹⁹⁰ *Neue Freie Presse*, 7 September 1919.

¹⁹¹ Nasko, "Ein 'Deutschösterreichischer' Staatsmann?" *Ungleiche Partner?*, 405.

¹⁹² *Protokolle der Christlichsozialen Parteitage*, 46. N. N. Zuck stated: "Der Parteitag erwartet, dass die christlichsozialen Abgeordneten in der Nationalversammlung nichts unversucht lassen werden, um mit Zustimmung des Völkerbundes den für Österreich eine Lebensnotwendigkeit bedeutenden Anschluss an das Deutsche Reich und die Wiedervereinigung mit den losgerissenen deutschen Gebieten zu erreichen."

¹⁹³ *Protokolle der Christlichsozialen Parteitage*, 46-49.

VIII. Germany and the *Anschluss*:

A conceivable *Anschluss* obviously had to have the cooperation of Germany. There was a strong *Anschluss* movement in Germany as well, where Kurt Eisner of the Independent Socialists (USPD) had already called for a democratic and socialist Bavarian Republic and the eventual creation of a "United States of Germany including Austria" at a workers', peasants', and soldiers' council in Munich on November 8, 1918.¹⁹⁴ And in February 1919 Chancellor Friedrich Ebert (SPD) proclaimed, "They [the German Austrians] belong to us, and we belong to them."¹⁹⁵

Similar to the Austrian case, the Allies intervened in Germany to forbid an *Anschluss*. On September 3, 1919, the *Times* reported that the Allies had given Germany an ultimatum to immediately remove Article 61 from its new constitution. Article 61 of the German constitution considered Austria part of the German Empire and discussed the provisions for allowing Austrian representation in the *Reichstag*. The Allies maintained that this was an outright violation of the peace treaty signed with Germany. Article 80 of that treaty explicitly stated that "Germany acknowledges and will strictly respect the independence of Austria" within its new boundaries set forth by the Allies. The Allies gave Germany fifteen days to withdraw Article 61 from its constitution or else suffer Allied

¹⁹⁴ Holger H. Herwig, *Hammer or Anvil? Modern Germany 1648-Present* (Lexington, Massachusetts, 1994), 217.

¹⁹⁵ Low, *The Anschluss Movement, 1918-1919*, 167.

military intervention and the expansion of its occupation in the Rhineland. Germany removed Article 61, but the desire for union with Austria certainly did not end.¹⁹⁶

Most German parties, such as the Centre Party, socialist party, and national parties, favored a union because they believed the annexation of Austria would fulfill the *grossdeutsch* vision and speed up Germany's return to power. The German press was likewise pro-*Anschluss*.¹⁹⁷ On January 17, 1919, the German press had collectively asked the German government to execute the November 12 *Anschluss* Resolution of the Austrian National Assembly and incorporate Austria into Germany.¹⁹⁸ But at this time Germany was not in a position to oppose the Allies over the *Anschluss*.

IX. Conclusion

Isolation and resentment from hostile neighbors added to the First Republic of Austria's many handicaps and increased Austria's desire for union with Germany. Defeated, humiliated, starving, and economically and politically broken, Austria had no one else to turn to but Germany. Because a fair and democratic national referendum on the *Anschluss* was never conducted at this time, the exact degree of Austrian popular sentiment toward union is unknown. Nonetheless, the prospect of joining the Fatherland looked extremely

¹⁹⁶“Sharp Note To Germany: A Violation of the Peace Treaty,” *Times* [London], 3 September 1919.

¹⁹⁷Summarization of the overall attitude of the German press by “Für Grossdeutschland!“ *Augsburger Postzeitung*. 19 January 1919. AdR. *Anschlussfrage 1918-1920*. Deutschland I/1 109/110, Box 106.

¹⁹⁸Low, *The Anschluss Movement, 1918-1919*, 4, 450-451, 454, 141, 161-162. Leading German newspapers that were pro- *Anschluss* included the *Frankfurter Zeitung*, *Deutsche Allgemeine Zeitung*, and the *Vossische Zeitung*.

appealing for Austria, as the November declaration, the pro-*Anschluss* sympathies of the main political parties, the February 1919 election results, the pro-*Anschluss* policies pursued by Austrian leaders (like the secret *Anschluss* negotiations), the *Anschluss* demonstrations carried out in many Austrian cities, and reports from foreign diplomats showed.

Supported by parties and groups on the left, right, and center of the political spectrum, the *Anschluss* movement in 1918 and 1919 was stronger than in any other time period. Austrian socialists appealed to the working classes and ardently embraced a union with Germany because the German Social Democratic Party (SPD) was the preeminent political party of the Weimar Republic. Austrian socialists wanted to join with their socialist comrades in Germany to solve Austria's economic and political chaos and create a socialist experiment. The socialists had even pointed to *grossdeutsch* support in Karl Marx and Friedrich Engels.¹⁹⁹ The Austrian socialist paper *Arbeiter Zeitung* likewise favored a union with Germany.²⁰⁰ The Greater German People's Party fervently supported an *Anschluss*, as well. The Christian Social Party also had a sizeable pro-*Anschluss* faction within it.

The miserable economic conditions of the First Republic—triggered by the sudden collapse of the Habsburg Empire and the peace treaty terms—German nationalism, the Austrian identity crisis, the long-time historical ties between Germany and Austria, and the socialist brotherhood motivated the *Anschluss* movement in 1918 and 1919. The fact that the majority of the inhabitants of Vorarlberg had first wanted to separate from the shattered Austrian state and become a part of Switzerland, not Germany; the fact that Salzburg had first wanted a customs union (not *Anschluss*) with Bavaria, and the initial popularity of the

¹⁹⁹Low, *The Anschluss Movement, 1931-1938*, 51.

²⁰⁰*Arbeiter Zeitung*, 18 May 1919. This newspaper said the *Anschluss* was the only solution for Austria. This newspaper was found in the *ÖVP Parteiarchiv*. Box 55. "Anschluss."

Danube Confederation plan before it collapsed, indicated the significance of the economic factor. While neither the *Anschluss* opponents within the Christian Social Party nor the Allies could change emotional feelings about the Treaty of St Germain, the sense of historic ties to Germany, and the lack of any indigenous Austrian national tradition, they could seek to improve the economy. This was in effect the only card they had to play, and time would thus tell to what extent diffusing the economic crisis would also diffuse *Anschluss* sentiment. Ultimately, supported by socialists, nationalists, and many conservatives, the *Anschluss* movement ascended in 1918 and 1919.

PART II: EMERGING INDEPENDENCE

CHAPTER III

ANGLO-AMERICAN SUPPORT, 1920-1929

I. Introduction

(Karl Seitz to Hoover, March 1920)

. . . In that terrible time you were foremost among a few to draw the attention of an adverse world to our need. It is your humanity, and to your matchless energy that we owe the well-timed intervention of the United States and Western Powers which so far averted a catastrophe from our country. . . That's why your name has become a household word in our country. Allow me to be the interpreter of the grateful feelings of our people, and to assure you that you will live for ever in our memory, and that we look upon you as the messenger of a new epoch, when in place of the petty hostilities the civilised nations will be knit together by bond of lasting friendship. . . .²⁰¹

This chapter focuses on British and American political, economic, financial, and cultural relations with Austria from 1920 to 1929, and in particular on how the United States and Great Britain sought to hinder the *Anschluss* movement and maintain an independent Austria. After World War I, a series of Republican presidents succeeded Woodrow Wilson. The Republicans and many Americans in general opposed the Treaty of Versailles, in particular the League of Nations, because it represented a commitment to internationalism

²⁰¹ Austrian Federal President Karl Seitz to Herbert Hoover, 6 March 1920. *Organization of American Relief in Europe 1918-1919*. 2:719.

and possibly another war.²⁰² Wilson's foremost opponent was Republican Senator Henry Cabot Lodge from Massachusetts who was chairman of the Foreign Relations Committee. Besides opposition to the League of Nations, contempt for Wilson and partisanship motivated Lodge. The Republicans needed a political issue on which they could contest the Democrats. Wilson suffered a stroke in September 1919 while touring the country and giving speeches in support of the League. Because of Republican opposition, as well as Wilson's poor health, the United States did not ratify the Treaty of Versailles and other World War I peace treaties, and the United States did not join the League of Nations.

Although the Republican Party rejected Wilson's League of Nations, it had nothing against diplomatically and financially intervening in the affairs of other countries.²⁰³

Realistically the United States could not completely isolate itself from the rest of the world in the 1920s. The Republican presidents Warren G. Harding (1921-1923), Calvin Coolidge (1923-1929), and Herbert Hoover²⁰⁴ (1929-1933) continued Wilson's economic aid to Europe. Members of their respective administrations, especially Charles E. Hughes,²⁰⁵ Frank

²⁰² Many Americans contended that the League would compromise the Monroe Doctrine and the US Supreme Court.

²⁰³ Ironically, prior to World War I and going back to William McKinley and the Spanish-American War of 1898, the Republican Party had fiercely supported an imperialist foreign policy. Republicans Theodore Roosevelt and Lodge were also ardent imperialists. Lodge (1850-1924) was a Republican Senator from 1893 to 1924. During the American Philippine War from 1898 to 1902, Lodge attacked anti-imperialist Democrats in Congress.

²⁰⁴ Before he became President, Herbert Hoover had headed the American food relief program in Europe during and immediately after World War I. Hoover had been the Secretary of Commerce from 1921 to 1928.

²⁰⁵ Hughes (1862-1947) was a Republican from New York. He had been Governor of that state and had worked for the High Court under President Taft. He ran against Wilson for President and lost. Hughes was the Secretary of State from 1921 to 1925. Afterwards he became Chief Justice for the Supreme Court.

B. Kellogg,²⁰⁶ Henry L. Stimson,²⁰⁷ and Andrew Mellon²⁰⁸ likewise supported their policies, as did Senator Lodge.

Meanwhile in Britain, the Conservative Party dominated following the end of Liberal David Lloyd George's six-year run as prime minister.²⁰⁹ Conservatives Andrew Bonar Law and Stanley Baldwin, and then Laborite Ramsay MacDonald followed Lloyd George in succession.²¹⁰ Like their American counterparts, the British prime ministers were increasingly reluctant to engage in political and military commitments on the continent in the 1920s. For example, Britain made no security guarantee to France and did not join the Little Entente in Eastern Europe. Yet, similar to the US, Britain gave financial support to many countries, including Austria. Thus, while the US and Britain were "isolationist" in terms of their political and military commitments, they were activist in economic dollar/pound diplomacy.

Although sometimes it only sent unofficial delegates, the United States, along with Great Britain, participated in many significant international conferences in the 1920s (such

²⁰⁶ Kellogg was the Secretary of State from 1925 to 1929.

²⁰⁷ Stimson was the Secretary of State from 1929 to 1933.

²⁰⁸ Mellon was the Secretary of Treasury from 1921 to 1932.

²⁰⁹ Lloyd George (1863-1945) of the Liberal Party was prime minister from 1916 to 1922.

²¹⁰ Andrew Bonar Law of the Conservative Party was prime minister from October 1922 to May 1923. Another Conservative Baldwin was in office from May 1923 to January 1924 and November 1924 to June 1929. MacDonald of the Labour Party was prime minister from January 1924 to November 1924 and from June 1929 to June 1935. Regarding British foreign secretaries, Lord George Nathaniel Curzon of Kedleston, a Conservative, was in office from 1919 to 1924. Sir Joseph Austen Chamberlain, also a Conservative, was foreign secretary from 1924 to 1929. Arthur Henderson of the Labour Party was foreign secretary from 1929 to 1931.

as the Geneva and London Conferences). The main American and British foreign policy goals in Europe during the 1920s were preserving world peace, re-building war-torn economies, disarming countries, establishing free trade, and preventing the spread of Bolshevism. The continued financial aid to Europe, for example the 1924 Dawes Plan that allocated loans to Germany, the US support of the Treaty of Locarno in 1925,²¹¹ and the Kellogg-Briand Pact²¹² in 1928 reflected these common interests.

Within this wider foreign policy framework, Great Britain and the United States had political interests in maintaining Austrian independence because an *Anschluss* would disturb the peace settlement and European balance of power. In 1921 Arthur Frazier, an American diplomat in Vienna, told Secretary of State Hughes that it should allow neither the collapse of the First Austrian Republic nor its annexation by Germany, both of which could mean the destruction of world peace.²¹³ Despite its preference for Austrian independence, the United

²¹¹ The Coolidge government sent “America’s Peace Ultimatum to Europe” through the United States’ ambassador to Great Britain, Alan Houghton. In this ultimatum the United States threatened to stop all loans to Europe, if the Europeans did not, as Houghton said, “make a ‘permanen[t]’ peace.” Therefore, the United States used its economic might to influence European politics and set in motion diplomatic negotiations. On December 1, 1925, the former Chancellor and current German Foreign Minister Gustav Stresemann officially signed the Treaty of Locarno with other European powers. Frank Costigliola, *Awkward Dominion: American Political, Economic, and Cultural Relations with Europe, 1919-1933* (London: Cornell University Press, 1984), 126.

²¹² Sixty-two nations (including Austria, Germany, the United States, France, and Britain) signed the Kellogg-Briand Pact that outlawed war on August 27, 1928. Fearing that Germany might seek revenge, France had pressured the US in the 1920s to form an alliance against Germany. Again, because the US did not want to make any official commitments to France and the rest of Europe during this time, the US Secretary of State Frank Kellogg (during Coolidge’s presidency) and the French Foreign Minister Briand worked out this general anti-war treaty instead.

²¹³ American Mission in Vienna. Arthur Frazier to the Secretary of State. 15 March 1921. M695: Records of the United States Department of State Relating to Internal Affairs of Austria-Hungary and Austria, 1910-1929. Roll 26. National Archives II, Maryland.

States did not want to directly intervene in the affairs of Austria in the 1920s. Compared to other European nations, like France, Italy, and Czechoslovakia; the United States, followed by Great Britain, had the least to fear concerning a Greater Germany. Also, in contrast to other powers, both the United States and Great Britain left open the possibility of a union of Germany and Austria in the future, if it took place through consent of the League of Nations and occurred peacefully.²¹⁴ Similar to 1918 and 1919, the Americans and British also supported a Danube Confederation plan as an alternative to the *Anschluss* in the 1920s, though it was never implemented.²¹⁵

The British and Americans tended to discount the power of autonomous pro-German nationalist sentiment and firmly believed that the strength of the *Anschluss* movement was primarily influenced by the economic conditions in Austria. They observed that during times of economic crisis, the *Anschluss* fervor peaked.²¹⁶ The 1920s can be divided into two periods; the early 1920s (1920-1922) showed no sign of improvement in the economic and political turmoil in Austria that began in the aftermath of World War I, while the period from 1923 to 1929 showed some stability and economic recovery.²¹⁷ Especially in the early 1920s Austria's relations with its fellow East Central European neighbors remained strained, and the latter continued to block Austrian trade. This hindered economic recovery, as every

²¹⁴The Treaty of St. Germain had a clause that stated an *Anschluss* would only be allowed with permission from the League of Nations.

²¹⁵ Albert Washburn to the Secretary of State. 7 February 1925. Vienna. M695: US Department of State. Roll 32.

²¹⁶Memorandum by Mr. Akers-Douglas on the Present Position of Austria, *BDFFA*. Series F, Europe, 1919-1939. 2:110-111.

²¹⁷*BDFFA*. Introduction. 2:xvii.

import not balanced by an export substantially increased Austria's trade deficit.²¹⁸ In 1921 pro-*Anschluss* referenda took place in three Austrian provinces. In particular, because the referenda had not occurred with international consent, Great Britain and the United States made it clear they would neither recognize the plebiscites nor accept an *Anschluss*, but they refrained from putting the kinds of immediate pressure on the Austrian government as did France and others. Thanks to American and British economic aid, the Austrian economy finally improved from near collapse in the mid- and late 1920s, and although the desire for *Anschluss* did not disappear, it nonetheless decreased.²¹⁹

In addition to the United States and Great Britain, France, Italy, and smaller European countries (Switzerland, Czechoslovakia, Belgium, Holland, and Denmark) also allocated loans to Austria throughout the 1920s in order to stabilize its economy and weaken the *Anschluss* movement.²²⁰ But it was the United States and Great Britain that emerged out of World War I victoriously as the world's pre-eminent economic and political powers and could therefore exercise the greatest economic clout. The Anglo-American policies of rebuilding Europe included re-integrating Austria (and Germany) into a peaceful, prosperous Europe. As the economic heavy-weight, the United States allocated the greatest amount of money for reconstructing Austria and the rest of Europe, while Great Britain was the second largest creditor nation in the 1920s.

Because the United States and Great Britain invested tens of millions of dollars into Austria, they increasingly had not only a political but also a financial stake in keeping

²¹⁸Memorandum respecting (1) the Financial Collapse of Austria; (2) the Postponement of Foreign Liens on Austrian Assets. *B DFA*. 1:341.

²¹⁹Memorandum by Mr. Akers-Douglas on the Present Position of Austria, 2:110-111.

²²⁰Memorandum respecting the "Anschluss" Movement. 16 March 1925. *B DFA*. 2:128.

Austria independent during the 1920s. If Austria collapsed or sought a union with Germany, the British and Americans faced the possibility of losing their money. US international philanthropy as seen in Hoover's American Relief Administration, ARA, had not stopped after Wilson but continued under his successors. In addition, private American investors who participated in sending loans included companies, like the United States Grain Corporation, and bankers, like J. P. Morgan & Company. The total amount of American loans, primarily from private investors, to Austria during the 1920s was about \$225 million.²²¹ Great Britain sent yearly "relief" loans to Austria totaling 101,526,000 pounds from 1920 to 1929.²²²

Most of the money from the United States came from private American bankers, but the American government also contributed. The loans and philanthropy to Austria were based on both political and humanitarian motives. In general, most of the international loans in the 1920s came with the explicit condition that Austria refrain from joining a union with

²²¹ *Statistical Abstract of the United States. 1920-1929.* http://www.census.gov/prod/www/abs/statab1901_1950.htm (October 2006) This figure is a best estimate. Because most of the US loans to Austria were private, they were not always listed in the annual US census reports; therefore, one must also consult the US State Department records; M695: US Department of State. Rolls 47 and 49 on relief credits and Rolls 35-45 on financial conditions.

²²² This is an exact figure from the British budget table list. *Statistical Abstracts for the United Kingdom.* No. 76. 1918-1931. Reprinted by arrangement with her Majesty's Stationary Office, London, by Kraus Reprint LTD, Nendeln, Liechtenstein, 1966. In the 1920s, most of the British loans went to its colonies and other major powers. The British statistical records do not list any British loans to Germany in the 1920s. From 1920 to 1929 Great Britain had sent annual loans varying from 120,000,00 pounds to 156,000,000 pounds to its colonies (Australia, New Zealand, South Africa, and Canada). Britain sent yearly loans from 1.3 to 2 billion pounds to the "Allies" (France, Italy, and Russia). Britain sent an annual loan between 5 and 10 million pounds in "relief" annually to countries in Central Europe (Poland, Czechoslovakia, Romania, Hungary, and Yugoslavia). *Statistical Abstracts for the United Kingdom.* No. 76. 1918-1931. Reprinted by arrangement with her Majesty's Stationary Office, London, by Kraus Reprint LTD, Nendeln, Liechtenstein, 1966.

Germany. However, in the 1920s the British and American policy on preserving Austrian independence was not backed by warnings to the same degree as France, Italy, and the Habsburg successor states, which threatened economic sanctions, military occupation, cancellation of loans, and the loss of more territories if Austria did not stay independent.

Moreover, this chapter examines cultural ties among the Americans, British, and Austrians during the 1920s. Besides money, culture, in particular American music and films, spread throughout Austria and the rest of Europe. Most Austrians embraced American culture, although some Austrians feared Americanization as much as they did “Germanization.” Cultural interactions occurred between Austria, Britain, and the United States through various international organizations and the exchange of people and art. These cultural interactions facilitated positive political and economic relationships. Ultimately, American and British diplomacy and economic aid successfully helped maintain Austrian independence throughout the 1920s.

II. Historiography

Four historians who have covered the themes of diplomacy, reparations, loans and the U.S. relationship to Europe in the 1920s are Frank Costigliola, Stephen Schuker, Emily Rosenberg, and Marc Trachtenberg. Trachtenberg is a revisionist historian writing in the early eighties who challenges the traditional view of the Allies imposing an impossible settlement on Germany. He defends French inter-war policies and claims that France was actually the most moderate of the Allies when it came to war reparations against Germany. Moreover, Germany could have come to a negotiated settlement with the Allies on reparations. After World War I, France’s main goal was to revive its ravaged economy

through economic cooperation, not at the expense of Germany. Trachtenberg argues that overall Germany “made little effort” to pay post World War I reparations. Trachtenberg also argues that Great Britain only moved to a more moderate position by 1920, and because France was so dependant on Britain, it could not effectively enforce the treaty stipulations on its own.²²³ This chapter in contrast argues that Britain and the United States, not France, were the moderate nations concerning reparations and treaty enforcement.

Schuker, another revisionist, argues that the United States through its numerous loans in effect paid “reparations” to Germany during the inter-war period from 1919 to 1933. Germany was the biggest debtor nation in the world during the 1920s while the United States was the number one creditor. Then when the global depression hit in 1929 and Germany began defaulting on its payments from 1931 to 1934, American investors lost huge sums of money. Schuker compares the international debt crisis of the 1920s to what happened in the 1970s and early 1980s, when a similar sequence of borrowing and defaulting occurred. The lessons of the 1920s were not learned because the United States continued the same policies of sending loans to third-world countries, especially Latin America and Africa. These countries then also defaulted on loans to the United States due to a decline in the price of raw materials. Similar to Trachtenberg, Schuker rejects the traditional myth of the harsh reparations that the Allied victors imposed on a broken and defeated Germany. Schuker argues that Germany was able to pay reparations. In fact, Schuker maintains that when one subtracts the money Germany paid for reparations from

²²³ At the Peace Conference, according to Trachtenberg, it was the British who pursued the “more demanding” and “more intransigent” reparation policy among the Allies. The British sought a more punitive peace that included Germany paying for war costs and pensions to British soldiers. Meanwhile, the French and Americans had similar interests of a more moderate peace. See Marc Trachtenberg, *Reparation in World Politics: France and European Economic Diplomacy, 1916-1923* (New York: Columbia University Press, 1980).

the money that Germany received in loans primarily from the United States, Germany actually received a net plus or positive influx in money. The author's study also brings to light the strong connection between the economy and politics.²²⁴

Costigliola decisively debunks the "isolation myth" of American foreign policy in the inter-war period and argues that the period from 1919 to 1933 was a time of American diplomatic and financial dominance. Yet the American leaders during the inter-war wielded the "American dominion" with caution, restraint, and an absence of military threat. They firmly believed that "private enterprise and minimal government intervention could safeguard world prosperity." Costigliola contends that the American leaders, such as Herbert Hoover, Charles E. Hughes, Owen Young, and Henry Stimson, believed in American predominance, but they also believed in the necessity of setting limitations to national power and avoiding foreign entanglements. He states that "ironically, their caution also ensured that American predominance would be limited and at times ineffectual, what Reinhold Niebuhr in 1930 called 'awkward' dominion."²²⁵

Combining diplomatic, economic, and cultural history, Rosenberg analyzes dollar diplomacy from 1900 to 1930, during which period the United States extended private bank loans to make foreign governments accept American financial advisors. She establishes the great significance of "dollar diplomacy," the use of international lending and advising in early twentieth-century American foreign policy. Presidents Theodore Roosevelt and William Taft first implemented this policy in countries that American officials considered unstable. Dollar diplomacy was initially justified as a progressive means to extend

²²⁴ See Stephen Schuker, *American "Reparations" to Germany, 1919-33, Implications for the Third- World Debt Crisis* (Princeton, NJ: Princeton University Press, 1988).

²²⁵ Costigliola, *Awkward Dominion*, 9-24.

"civilization" and raise standards of living by promoting economic stability. Yet, Rosenberg also discusses the bad side of dollar diplomacy, which had already become controversial in the late nineteenth century because it represented new imperialism and exploitation.²²⁶

Meanwhile, Michael Dockrill, John Douglas Goold, and Gaynor Johnson have written on British diplomacy. Co-authors Michael Dockrill and J. Douglas Goold give no specific emphasis on Britain and Austria in the period 1919 to 1923.²²⁷ While focusing on Germany and the Ottoman Empire, their book devotes three pages to Austria after World War I. The more recent book edited by Gaynor Johnson is also a very general and global study that does not focus on Austria.²²⁸

Costigliola, Rosenberg, Schuker, and Trachtenberg offer scant information on American foreign policy toward Austria in the 1920s. Rosenberg focuses on dollar diplomacy throughout the entire world. She discusses Latin America, Europe, and Asia. However, Rosenberg only writes a few sentences on Austria. Schuker's main focus is Germany while Trachtenberg's main emphasis is France. Costigliola has the most on Austria; nevertheless, altogether he only discusses Austria in a few pages, while he treats Germany in much greater depth. In addition, Michael Dockrill, John Douglas Goold, and

²²⁶ Dollar diplomacy depended on three groups, the private banks who issued the loans, financial experts who undertook financial and administrative reorganization in the borrowing nations, and government officials who supervised the bankers and economic experts on behalf of American foreign interests. The economic advisers introduced central banks, stabilization on the gold standard, and other fiscal policies. See Emily Rosenberg, *Financial Missionaries to the World: The Politics and Culture of Dollar Diplomacy, 1900-1930* (Durham: Duke University Press, 2003).

²²⁷ Michael Dockrill and J. Douglas Goold, *Peace without Promise – Britain and the Peace Conference 1919-1923* (Hamden, Conn.: Archon Books, 1981).

²²⁸ Gaynor Johnson, ed. *The Foreign Office and British diplomacy in the twentieth century* (London: Routledge, 2005).

Gaynor Johnson offer little on British relations with Austria in the 1920s. Indeed, none of these authors used the Austrian foreign affairs archives in Vienna (the *NPA*, *Neues Politisches Archiv, Austwärtige Angelengheiten, 1918-1934, Archiv der Republik*. Even F. L. Carsten a British historian focusing on internal Austrian affairs did not consult Austrian foreign affairs archives.²²⁹ Therefore, these authors have left a gap in American and British diplomacy in Austria in the 1920s.

III. American and British Perceptions of Austria in the 1920s

Ordinary citizens in Great Britain and especially in the United States in the 1920s were more or less ignorant of Austrian political problems. Not surprisingly, they had no real knowledge about local Austrian events, such as the reasons for the provincial referenda of 1921. Those who did know at least something about Austria regarded it as a politically and economically troubled state. Nevertheless, most Americans and British had a positive attitude toward Austria because of its rich cultural history and natural beauty. When the Americans and British in the 1920s thought of Austria, they thought of the same things that people today think of, the music of Mozart, a rich Viennese culture exemplified by figures like Freud, and Alpine winter landscapes.²³⁰

An example of what the most well-read and best informed Americans understood about Austria can be seen in a detailed article in the August 13, 1922 issue of the *Washington Post*. According to this article, the new Austrian Republic was one-eighth the size of the old Austro-Hungarian Empire. Thus most Austrians in the immediate aftermath

²²⁹ See, Carsten, *The First Austrian Republic*.

²³⁰ "Salzburg Land of Untouched Millions." May 1921. M695: Records of the US Department of State. Roll 26.

of World War I and dissolution of the Habsburg Empire had considered an independent Austria an “impossible proposition” and sought a union with Germany. However, by 1922 the idea of “a fusion [was] losing force.”²³¹ The *Washington Post* article was optimistic and said that Austria could become a stable and prosperous country if it reorganized its key resources of water and wood. Austria’s future rested on its hydro-electric energy. Austria could also become a center of trade.

Moreover, the newspaper article described the Austrians to the American public. It said that the Austrians loved to dance, especially the waltz, enjoyed music, and played outdoor sports. The Austrians had a rich music tradition that included Mozart and Strauss. The article described the typical Austrian dress. Women traditionally wore the *dirndl*, while men wore *Lederhosen*. The *Washington Post* concluded that most American tourists found that Austria was similar in landscape, culture, and climate to Switzerland.²³²

A similar view is found in a US State Department report of 1921. It also called Austria a cultural center and was optimistic about its future in the 1920s. The report cited Alexander von Humboldt, who had called Salzburg “one of the most beautiful towns” in the world. The report stated that within several years Austria would become a “self-supporting and self-respecting” state. According to State Department, Austria’s “natural resources are

²³¹ *Washington Post*, 13 August 1922. According to the *Washington Post*, half of Austrian food supplies were imported from its neighbors. Forty percent of Austrians relied on agriculture, while thirty-five percent relied on industry. Seventeen percent worked in trade and commerce.

²³² *Washington Post*, 13 August 1922; Although Austria was similar to Switzerland, the *Washington Sunday Star* stated that, unlike Switzerland, Austria had a metropolis almost the size of Paris. “*Washington Sunday Star*, 25 April 1926. This newspaper was found in the NPA (*Neues Politisches Archiv*) *Austwärtige Angelegenheiten, 1918-1934. Archiv der Republik*, Vienna. Box 495.

equal, if not superior, to those possessed by Switzerland,” a country which also lacked a sea port. Austrians only needed better confidence in their state.²³³

The British view of Austria was similar to the American. A special titled “The Republic of Austria” aired on British Broadcasting Corporation (BBC) radio in November 1929 for an audience of one million. The Austrian ambassador called the report “terrific propaganda for our land.”²³⁴ The BBC special especially focused on Innsbruck, Salzburg, and Vienna. In describing Austria, the BBC said:

During your trip you will visualize beautiful mountains, rivers and lakes, a Paradise for winter sports or summer holidays; romantic old castles and monasteries, and above all the great capital of Vienna with its splendid palaces and vistas. The rich collection of treasures in Vienna will not surprise you, for you will remember that Austria is the heir of one of the greatest Empires in history.

The BBC report then went on in detail about Austria’s rich musical heritage.²³⁵ Thus, the British and American publics had very favorable views about Austria, focusing on its culture and natural beauty rather than its recent role as a wartime enemy, that facilitated the pro-Austrian positions of their governments.

IV. American and British Money and Austrian Independence in the Early 1920s

In the early 1920s, British and American observers were uniform in their assessment that Austria suffered from a poor economy and had a strong *Anschluss* movement. By securing loans for Austria in the early 1920s, Great Britain and the United States hoped to

²³³ “Salzburg Land of Untouched Millions.” May 1921. M695: Records of the US Department of State. Roll 26.

²³⁴ “Propaganda für Österreich im britischen Rundfunk.” Letter written by the Austrian Ambassador to Chancellor Johann Schober. 22 November 1929, London. *NPA. Archiv der Republik*. Box 565.

²³⁵ BBC Report. *NPA. Archiv der Republik*. Box 565.

achieve their main foreign policy goals of improving the devastated Austrian economy, keeping the country independent, and hindering the growth of *Anschluss* movements, whether national or local. Besides loans, American and British philanthropy toward Austria was also generous.

The Austrian economy was quite fragile in the early 1920s and like the economies of so many other European countries at that time particularly devastated by inflation. The British diplomats stated that the price of meat in 1920 was eighteen times its pre-World War I level, and the price of fuel and potatoes was thirty times higher. The Austrian currency had fallen to one fifteen-hundredth of its 1914 value.²³⁶ The *Washington Post* asserted that due to ongoing inflation, by 1922 one American dollar was worth 19,000 Austrian kronen.²³⁷ In 1922 alone the cost of living in Austria had gone up ninety-four percent, food and fuel prices doubled, and many restaurants closed. According to the *New York Times*, there was “an atmosphere of gloom and apprehension in the city [Vienna].”²³⁸

Besides major inflation, the Austrian economy suffered from massive unemployment, shortages of food and heating supplies, and a lack of trade. Economic and political unrest was such that British High Commissioner Mr. Francis Lindley discussed the

²³⁶Memorandum respecting the “Anschluss” Movement. 16 March 1925. *B DFA*. 2:124-126; Carsten, *The First Austrian Republic*, 46. At this time the Austrian currency was the kronen. In December 1924 the currency became the schilling, which remained the national currency until the introduction of the euro in 2002.

²³⁷ *Washington Post*, 22 August 1924.

²³⁸ “Austrian Cost of Living Up 94% in Month; Rapid Rise in Food Prices Closed Restaurants.” *New York Times*, 9 August 1922.

possibility of a civil war in Austria in 1920.²³⁹ An American economic survey of 1920 reported that the Austrian “food and coal situation was critical.” The survey also reported widespread strikes and unrest throughout the First Republic.²⁴⁰ In 1922 the unemployment rate had increased, and almost half the workers of Austria had been without a job.²⁴¹

In 1922 British diplomats in the British Embassy in Vienna stated that Austria had two main problems. First, its existing industries needed to be restarted, and, second, trade with its neighbors restored. In the early 1920s Czechoslovakia, Hungary, Yugoslavia, and Italy continued to block most trade with Austria, as they had in 1918 and 1919. In order to solve these problems, the diplomats suggested an international credit scheme for Austria and a conference of East Central European states to discuss economic issues, in particular trade. The diplomats also recommended that Austrian reparations should be suspended for twenty years.²⁴²

American and British observers reported that, in connection with this economic hardship, support for the *Anschluss* movement in Austria was extremely high in the early 1920s. Regarding the popular sentiment towards *Anschluss*, in 1920 Lindley reported that in Austria the desire for union with Germany was not limited to the Greater German People’s Party; instead, this desire expanded to most Austrians who wanted to escape the existing

²³⁹ Mr. Lindley to Earl Curzon. Vienna, 14 June 1920. *B DFA*. 1:95; Mr. Lindley to Earl Curzon. Vienna, 18 June 1920. 1:95. Mr. (later Sir) Francis Oswald Lindley (1872–1950) was a British diplomat in Austria.

²⁴⁰ Economic Survey of the Week. 24 December 1920. M695: US Department of State Roll 26.

²⁴¹ Memorandum respecting (1) the Financial Collapse of Austria; (2) the Postponement of Foreign Liens on Austrian Assets. *B DFA*. 1:359.

²⁴² Memorandum respecting (1) the Financial Collapse of Austria; (2) the Postponement of Foreign Liens on Austrian Assets, *B DFA*. I:342, 346.

economic stagnation. Lindley also stated in 1920 that the Greater German People's Party had almost unanimous support from intellectuals and the educated middle class, like university professors, doctors, and lawyers.²⁴³

The diplomatic reports shaped the British and American governments' response to the Austrian problem in the early 1920s. Regarding the American stance on the *Anschluss*, in May 1921 the United States recognized the new Austrian Republic and its borders but reiterated the *Anschluss* prohibition.²⁴⁴ Because the United States Senate had ratified neither the Treaty of Versailles nor the Treaty of St. Germain, the United States signed separate treaties with Germany and Austria. On July 2, 1921, the United States officially concluded the peace treaty with Austria, two months after granting recognition.²⁴⁵

In the American peace treaty with Austria the United States reserved the right to participate in the Reparation Commission. However, the United States assumed no official obligation for the League of Nations, borders of Austria, and political clauses including Article 88 that forbade an *Anschluss*. Austrian Chancellor Johann Schober and the President Warren Harding signed the treaty.²⁴⁶ Therefore, although the United States recognized the

²⁴³Carsten, *The First Austrian Republic*, 59, 62.

²⁴⁴ "Gegenstand Vereinigte Staaten. Volkerrechtliche Stellung Österreichs. 16 May 1921. NPA. *Archiv der Republik*. Box 492.

²⁴⁵ In July 1921 the Knox-Porter Resolution, which Secretary of State Charles Evans Hughes of the Harding administration backed, formally ended the war. Then the Senate approved the separate peace treaties. "The Peace Treaty between Austria and the United States." 2 July 1921. NPA. *Archiv der Republik*. Box 492; See also, "Treaty of Peace between the Allied And Associated Powers and Austria: St. Germain-en-Laye, 10 September 1919." <http://www.austlii.edu.au/au/other/dfat/treaties/1920/3.html> (October 2006).

²⁴⁶ "The Peace Treaty between Austria and the United States." 2 July 1921. NPA. *Archiv der Republik*, Box 492.

First Austrian Republic in May 1921, the United States made no official commitment to maintain Austrian independence or its borders in the peace treaty. Nonetheless, the United States, like Britain, preferred that Austria remain independent in the early 1920s.

As in 1918 and 1919, the main organization for food relief and philanthropy in Europe in the early 1920s was the American Relief Administration, ARA.²⁴⁷ The early food relief and philanthropy to Europe was primarily based on humanitarian and political concerns because the Americans wanted to bring about economic and political stability to post-war Europe.²⁴⁸ Although most of the ARA food shipments to Europe came in 1918 and 1919, Herbert Hoover's ARA had raised another \$212.4 million through 1923. The ARA funds came from private Americans, the British government, and other countries.²⁴⁹

The British and American policy to aid Austria poured tens of millions of dollars of food relief and philanthropy into the country during the early 1920s. In addition to preventing an *Anschluss*, the immediate goal of the food relief was to improve welfare conditions in Austria. In 1920 the lack of food in Austria was so severe that the United

²⁴⁷ Hoover sent American ARA agents throughout Europe, including East Central Europe. By withholding food, the ARA caused the collapse of a socialist government in Poland, but the ARA was not able to alter political regimes in Hungary or Russia. Thus, the Polish example showed that the ARA mission in Europe was not simply humanitarian but had political dimensions as well. Costigliola, *Awkward Dominion*, 48-50.

²⁴⁸ Hoover, "We'll have to Feed the World Again." 28 November 1942. *Organization of American Relief in Europe 1918-1919*, 1:6-14.

²⁴⁹ Private Americans allocated \$32.5. The United States government paid \$25.1 million. The British government gave \$18.2 million. The Central European states paid \$14.7 million, and other countries also contributed. Although the ARA officially left Austria in 1922, it continued to help other countries, like Russia until 1923. Costigliola, *Awkward Dominion*, 48-50, 276.

States, Great Britain, and other countries sent food supplies to help starving Austrians.²⁵⁰ On March 30, 1920, the United States Congress “authorized the United States Grain Corporation, with the approval of the Department of State, to furnish flour on credit to relieve populations in the countries of Europe or countries contiguous thereto suffering for the want of food.”²⁵¹ Based on this resolution, on September 4, 1920, the United States Grain Corporation allocated flour to Austria. In return for the flour, the United States government held an Austrian bond in the amount of \$24, 055,708.92.²⁵² The US Grain loan was an example of the United States government working together with private companies in order to rebuild Austria.²⁵³ The British reaction to the Austrian food crisis paralleled that of the Americans. According to the *Daily Telegraph*, the Austrian ambassador in London

²⁵⁰ Wallace to the Secretary of State. Washington D. C. 6 February 1920. M695: US Department of State. Roll 35. This letter described the urgency in the declining Austrian economy. Wallace suggested that the US send \$50 million in aid to Central Europe.

²⁵¹ Secretary of Treasury Andrew W. Mellon to President Coolidge. 19 March 1928. Washington D. C. M695: US Department of State. Roll 47. The United States had similar relief bonds totaling \$95 million with the following countries Great Britain, Netherlands, Italy, Denmark, France, Norway, Switzerland, and Sweden.

²⁵² Secretary of Treasury Andrew W. Mellon to President Coolidge. 19 March 1928. Washington D. C. M695: US Department of State. Roll 47; US Census Records. *Statistical Abstract of the United States*. 1921. <http://www.census.gov/prod/www/abs/statab19011950.htm> The obligation date was September 4, 1920. The maturity date was January 1, 1925, and the interest rate: 6%. Although United States Grain Corporation was a private company, its loan was listed under the United States census records under “Obligations due to the United States Government: Foreign Loans.”; “Bankers, Asked to Mold Public on Allied Debt.” *New York Times*, 4 October 1922.

²⁵³ Most of American imports to Austria arrived through Trieste, Hamburg, or Rotterdam. Commercial Description of Austria. By Consul Carol H. Foster, American Mission in Vienna. 29, January 1921. M695: US Department of State. Roll 26.

Baron Georg Franckenstein²⁵⁴ had informed the British government of the Austrian food shortage in October 1920. In response Great Britain pledged 10 million pounds in food credits for wheat, fat, sugar, rye, barley, corn, and milk.²⁵⁵ In 1920 the *Neue Freie Presse* reported that British food credits included 100,000 tons of potatoes sent to Austria.²⁵⁶ Thus, Britain participated with the United States in food relief to Austria and was the second largest donor.

Also in 1920 Americans and British organized various charitable groups to help Austria. These organizations included the *American Red Cross* and the *Friends' Relief Mission*.²⁵⁷ In May 1920 the *American Relief Committee for Sufferers in Austria* purchased

²⁵⁴ Baron Georg von Franckenstein (1878-1953) was the Austrian ambassador to Britain from 1920 to 1938. He came from an aristocratic family in Austria that traced its origins to the year 1670. His father had been a diplomat for Austria-Hungary and had worked in Berlin, Dresden, Copenhagen, Bern, London, Washington, London, and St. Petersburg. Georg was born on March 18, 1878, in Dresden while his father was stationed in Saxony. Georg's mother died in 1884 when he was six years old. While he lived in Washington in the early 1900s, he had befriended Alice Roosevelt the daughter of Theodore Roosevelt. Sir George Franckenstein, *Zwischen Wien und London: Erinnerungen eines österreichischen Diplomaten/ Georg von Franckenstein* (Graz: Leopold Stocker Verlag, 2005), 11, 25, 43. Franckenstein's published memoirs also contain letters from Hugo von Hofmannsthal to Franckenstein. Hofmannsthal was an Austrian poet and close friend of Franckenstein. There are two prefaces one by Otto Habsburg and other one by Franckenstein's son Clement von Franckenstein. Regarding his political views in the 1920s, Franckenstein was a monarchist and anti-*Anschluss*. As ambassador to Britain, he fostered close relations between Austria and Britain, and he had many prestigious friends in Britain, including Winston Churchill. In 1920 Franckenstein said that Austria's future was dependent on the US and League of Nations. He also stated that Austrian loans would be put to good use because the "Austrian people are neither beggars nor loafers, but excellent workmen." "Future of Austria. Views of the New Minister in London." *Fall Gazette*, 31 August 1920. This newspaper was found in the *NPA. Archiv der Republik*. Box 573.

²⁵⁵ "Food Shortage in Austria. New Appeal by Minister." *Daily Telegraph*, 2 October 1920. This newspaper was found in the *NPA. Archiv der Republik*. Box 565.

²⁵⁶ *Neue Freie Presse*, 27 November 1920.

Austrian kronen with dollars and deposited money into Austrian banks.²⁵⁸ The *Friends' Relief Mission* was a joint American and British group that sought to rescue Austrians from starvation and hopelessness. The group's "vast numbers of humane persons" raised money and charitable donations for Austria. The main goal of these philanthropic societies was to "promote measures of economic reconstruction in Austria without delay."²⁵⁹

On August 13, 1922, the American Relief Administration left Austria, but not before it had given Austria a final donation that was to feed and clothe 30,000 Austrian children for the next two years. Even after the ARA departed, the Austrian government pledged to continue working with the "American-Austrian relief work." As of June 21, 1922, the United States government had fed about 362,000 Austrian children.²⁶⁰ From 1919 to 1924 Austria received 46,934.5 metric tons of relief materials valued at \$13,193,794.30 from the American Relief Administration European Children's Fund. Austria received more money than Germany from this particular organization, and altogether Austria received the third largest amount after Russia and Poland.²⁶¹ The *Chicago Daily Tribune* maintained that most

²⁵⁷ Friends' Relief Mission to President Woodrow Wilson. 23 December 1920. M695: US Department of State. Roll 26.

²⁵⁸ American Relief Committee for Sufferers in Austria to the State Department. 27, May 1920. Washington D.C. M695: US Department of State. Roll 35.

²⁵⁹ Friends' Relief Mission to President Woodrow Wilson. 23 December 1920. M695: US Department of State. Roll 26.

²⁶⁰ "Austrian Kids To Get US Food for Next 2 Years." *Chicago Daily Tribune*. 13 August 1922; Dr. Siegel of the University of Vienna to Dr. Otto Glogau of the Committee of the American Convalescent Home for Vienna's Children. 10 February 1922, Vienna. *NPA. Archiv der Republik*. Box 498. The University of Vienna also received money from the US. In this letter Dr. Siegel thanks the US for aiding Austrian children and the university.

²⁶¹ Summary of Relief Deliveries Directed by the European Children's Fund. *Organization of American Relief in Europe 1918-1919*, II:673. In Austria the ARA's European Children's

of the \$13 million came from the United States.²⁶² The fact that Austria received the third largest ARA donation in Europe showed the gravity of the Austrian economic and political problem in early 1920s and the American desire to help.

Regarding American nation-building in Austria in the early 1920s, Herbert Hoover organized a plan for the reconstruction of Austria, in which the Austrian government received private loans and had to employ American Relief Administration agents. William B. Causey, whom Hoover had hired in late December 1918, continued to serve as the United States adviser to Austria until 1923. Causey and his staff of American experts had worked tirelessly to solve Austria's economic problems and assist Austria in procuring American investments. The American agents in Austria helped build a capitalist economy and lessen national and social tensions. They often arranged contracts between American businesses and Austrian utilities and railroad companies. Causey also accompanied the Austrian

Fund founded the *Vienna Emergency Relief Fund* to specifically aid Austrian children, as well as the elderly. In comparison, Russia received about \$29 million and Poland \$25.5 million. Czechoslovakia received \$5.4 million and Germany \$3.2 million. Hungary got \$1.8 million and Yugoslavia \$1.7 million. The total amount that European Children's Fund spent from 1919 to 1924 was \$84,639,241.40. While some of the US relief tables listed Austria as "German Austria" in 1919, this table that included the 1920s, used the name "Austria."

²⁶² "Austrian Kids To Get US Food for Next 2 Years." *Chicago Daily Tribune*. 13 August 1922.

representatives to Genoa,²⁶³ Geneva, and other conferences that dealt with Europe's financial and economic problems.²⁶⁴

Furthermore by 1921 and 1922 there was a shift from immediate food relief and philanthropy, to long term loans to jumpstart the Austrian economy. Britain and other European countries allocated loans to aid Austrian economic recovery and lessen the *Anschluss* movement. In 1921 Great Britain had advanced 250,000 pounds to Austria; France had advanced the same amount, and the Czechs contributed 500 million Czech crowns (\$16 million).²⁶⁵ In 1922 Great Britain advanced an additional two million pounds credit to Austria,²⁶⁶ and France agreed to send 50 million francs.²⁶⁷ In addition, Italy, Czechoslovakia, Belgium, Holland, Denmark, and Spain promised funds to Austria by the

²⁶³ The international conference in Genoa, Italy, took place from April 10 to May 19, 1922. At Genoa, Britain, France, Italy, Germany, Russia, Austria, and others met to resolve the Russian problem and world economic crises. The Genoa conference ended when France wanted Russia to repay its pre-war debts. Therefore, nothing was resolved at the Genoa Conference for it highlighted continued European disputes over peace treaty enforcement and economic problems. League of Nations Archive. <http://www.indiana.edu/~league/1922.htm> (October 2006).

²⁶⁴ Appointment of an American Food Mission to Vienna. Hoover to Dr. Alonzo Taylor (representative of the Food Administrator on the War Trade Board). 23 December 1918. Paris. *Organization of American Relief in Europe 1918-1919*. 1:111-113; Costigliola, *Awkward Dominion*, 48-50; Österreich und Amerika. <http://ezines.onb.ac.at:8080/ejournal/pub/ejour-98/buecher/cocola/wga5.html> (January 2006).

²⁶⁵ Memorandum by Mr. Akers-Douglas on the Present Position of Austria. (Received by the Foreign Office, 28 February 1925), *B DFA*. 2:106. Originally the Czechs had been opposed to aiding Austria, but due to fear of an *Anschluss*, the Czechs supported the League's financial reconstruction of Austria.

²⁶⁶ Memorandum by Mr. Akers-Douglas, 107.

²⁶⁷ Memorandum respecting the *Anschluss* Movement, 2:126.

end of 1922.²⁶⁸ Switzerland also considered an independent Austria to be in its best interests and participated in the League of Nations' Austrian relief fund by allocating 20,000,000 francs.²⁶⁹

The United States also participated in loans to improve the Austrian economy. According to the *Chicago Daily Tribune*, on August 7, 1922, the Boston banker Edward Filene allocated a \$50 million loan to Austria. Filene was hopeful that Austria should at least be as economically stable as Switzerland in a couple of years. He had surveyed Europe and concluded that Austria had enough security for the loan. He believed Austria could repay the loan within three months. Filene recommended that the Austrian government cooperate and make Austria as economically sound as possible by retiring unnecessary civil servants, terminating paper money, balancing the budget, and lowering taxes. The loan was to be given directly to the Austrian government and paid out in installments. Disagreeing with Henry Morgenthau who had said that Austrian railroads offered the best security, Filene stated that Austrian financial security rested in the country's wood, tobacco, and salt monopolies. Filene also believed that Vienna would quickly "prosper" and become a center of commerce due to its location in the "heart of Europe."²⁷⁰ The Boston banker loan was an example of the massive American private investment to improve the Austrian economy during the early 1920s.²⁷¹

²⁶⁸Memorandum by Mr. Akers-Douglas on the Present Position of Austria, (Received by the Foreign Office, 28 February 1925) 2:107.

²⁶⁹ Mr. Russell to the Marquess Curzon of Kedleston. Berne, 7 October 1922. *B DFA*. 1:373-374; Memorandum by Mr. Akers-Douglas on the Present Position of Austria, 2:108.

²⁷⁰ "Boston Banker for \$50,000,000 Loan to Austria." *Chicago Daily Tribune*. 7 August 1922.

Most Austrians regarded the food relief and loans favorably with the exception of the socialists. Even though Chancellor Karl Renner was pro-*Anschluss*, the United States still negotiated food credits with his socialist government in 1920.²⁷² Regarding food relief, the socialist Austrian Foreign Minister Otto Bauer regretted foreign credits, but said he had no choice other than to accept them. Bauer stated: “We had to receive foodstuffs from foreign countries and to accept them on the terms which the foreign countries dictated to us without asking us.”²⁷³ On the other hand, in April 1921, the state official from Salzburg, Adalbert Preschke, wrote a letter thanking President Harding and Americans for their “noble work done in feeding the starving children.”²⁷⁴ Overall, the US State Department report said that Austrians had “cordial” feelings toward Americans in the early 1920s.²⁷⁵ In addition, Austrians expressed tremendous gratitude toward Great Britain and its efforts. Baron Franckenstein greatly thanked Britain for its enormous assistance in the reconstruction of Austria.²⁷⁶

²⁷¹ For other examples of American investments in Austria during the early 1920s see, M695: US Department of State. Rolls 47 and 49 on relief credits and Rolls 35-37 on financial conditions.

²⁷² Henry Breck to Mr. Merle-Smith of the Department of State. 21 January 1920. Washington D. C. M695: US Department of State. Roll 32; Mr. Halstead to the Department of State. 22 January 1920. Washington D. C. M695. Roll 35. Dr. Reisch was the Austrian finance minister in 1920 under Renner, who worked with the major powers to procure loans.

²⁷³ Letter to the Secretary of State in Washington D. C. 11 June 1928. The letter was anonymous and discusses loans in the early 1920s. M695: Records of the United States Department. Roll 35.

²⁷⁴ Adalbert Preschke to the President of the United States. 19 April 1921. M695: US Department of State. Roll 26. For other examples of Austrians supporting the US, see also, Roll 35.

²⁷⁵ Commercial Description of Austria. By Consul Carol H. Foster, American Mission in Vienna. 29, January 1921. M695: US Department of State. Roll 26.

As in 1918 and 1919, the early 1920s marked another period of almost unanimous support for the *Anschluss* in both Austria and Germany, which only foreign opposition prevented. Immediately after World War I, the Americans and British, motivated by humanitarian impulses and political reasons, sent food relief and charity to suffering Austrians. In addition, the Americans and British sent loans to bolster the Austria economy and prevent an *Anschluss* in the early 1920s, a policy that continued throughout the entire 1920s.²⁷⁷ They thus sought both short-term relief from suffering as well as long-term economic recovery.

V. American Investors during the Early 1920s

In general, most of the money for philanthropy and loans in the early 1920s came from American private investors. Back in the fall of 1919, United States treasury agents headed by Russell Leffingwell had put together a European financial reconstruction plan that limited federal government spending and stipulated that further loans would mainly come from private investors. This plan determined United States foreign policy up to 1938. The Federal Reserve, which Woodrow Wilson created, lowered interest rates to encourage the private loans.²⁷⁸

²⁷⁶ “Britain and Austria. Interesting Interview with Baron Franckenstein. Fostering Good Relations.” 31, July 1920. Newspaper title not given. *NPA. Archiv der Republik*. Box 573.

²⁷⁷ According to the *Chicago Daily Tribune* on November 9, 1923, “where people were starving America has tried to feed them. It has tried to feed Belgium, Russia, Austria, Asia minor, China, India, etc. It has made great loans of money freely.”

²⁷⁸ Costigliola, *Awkward Dominion*, 48-50.

In the early 1920s, Hoover agreed with Leffingwell that private loans should be used to revitalize European economies. In 1921 President Harding invited Secretary of Commerce Hoover, Secretary of State Hughes, Secretary of Treasury Andrew Mellon, J. P. Morgan, and several other bankers and businessmen to the White House. At the White House Hoover advocated federal government regulation and strict standards for loans to Europe. For example, he wanted investors to check the security of the bonds they were purchasing. The Department of Commerce provided investors, like Dillon, Reed & Company and Chase Security Corporation, reports of specific financial conditions in European countries. The United States government preferred that American loans be used to purchase American materials. Altogether American loans to foreign countries totaled “many hundreds of millions in 1921 alone.”²⁷⁹

A banking conference in 1922 showed how the American and international banking communities thought and spoke about the European crisis and their role. The *New York Times* asserted that on October 4, eleven-hundred bankers met at the American Bankers’ Association in the Commodore Hotel in New York City to discuss financial relief to Europe.²⁸⁰ The delegates included foreign bankers and diplomats from Britain and France. The Bishop of New York William T. Manning likewise attended and gave a speech.²⁸¹

²⁷⁹ Joseph Brandes, *Herbert Hoover and Economic Diplomacy. Department of Commerce Policy 1921-1928* (Pittsburgh: Pittsburgh University Press, 1962), 152-163.

²⁸⁰ “Bankers, Asked to Mold Public on Allied Debt.” *New York Times*, 4 October 1922.

²⁸¹ “First General Session of the American Bankers’ Convention: Lamont Outlines Duty of America.” *New York Times*, 4 October 1922.

At this banking conference, Thomas W. Lamont,²⁸² an international banker of J. P. Morgan & Company, said the “debt problem must be solved before Europe can be economically stabilized.” Thomas B. McAdams, President of the American Bankers’ Association and Vice President of the Merchant National Bank in Richmond asserted that the United States should not isolate itself from solving European problems. British bankers, such as Reginald McKenna the head of a bank in London, also attended and spoke on reparations and international debt issues. According to McKenna, most American bankers were not aware of the reasons for and against the cancellation of war debts.²⁸³

Lamont told American bankers that they had a “responsibility to foreign affairs as well as domestic. American prosperity is interwoven with European stability. There can be no settlement over there until the debt question is resolved.” Lamont maintained that Americans should bring their values to the rest of the world. The American Bankers’ Association President McAdams agreed with Lamont and said American banks had an obligation to aid Europe.²⁸⁴

Lamont, like the British economist John Maynard Keynes, argued that Germany could not pay its reparations and United States should cancel war debts, or at least postpone them for several years. According to Lamont, in the 1920s the United States produced half of the world’s cotton, 45% of its grain, and 60% of its copper. Moreover, the United States

²⁸² Besides being an American banker and partner of J. P. Morgan, Thomas William Lamont, Jr. (1870-1948) undertook diplomatic jobs for the US government that included being a representative of the US Department of Treasury on the American delegation at the Paris Peace Conference in 1919.

²⁸³ “Bankers, Asked to Mold Public on Allied Debt.” *New York Times*, 4 October 1922.

²⁸⁴ “First General Session of the American Bankers’ Convention: Lamont Outlines Duty of America.” *New York Times*, 4 October 1922.

controlled 40% of the world's gold. Lamont praised the charity record of Americans, who had already given \$1.2 billion to Hoover's American Relief Administration after World War I and spent another \$200 million on sending food to Europeans. Yet, Lamont said the United States needed to do even more. Lamont asked, "shall we meet the responsibility that has come with our power – or shall we fail? Should we do something or enrich ourselves with more of the world's gold?"²⁸⁵

Lamont asserted that American bankers should not be silent; rather they should be politically active and urge the United States government to assist in the economic recovery of Europe. The United States should not be indifferent. It should seek the readjustment of reparations and war debts so that debtor nations could pay off their debts. Lamont wanted some debts owed to the United States canceled, while other countries should get a time extension for repayment. Seward Prosser, the President of the Bankers Trust Company and Chairman of the Committee of One Hundred agreed. Prosser said Europe could not revitalize without American help. In addition, British and French bankers and diplomats concurred.²⁸⁶ Furthermore, S. W. Straus, an American investor from New York, contended that the United States should send loans to European countries. These loans would be used for highways, industry, and agriculture.²⁸⁷

²⁸⁵ "First General Session of the American Bankers' Convention: Lamont Outlines Duty of America." *New York Times*, 4 October 1922.

²⁸⁶ "First General Session of the American Bankers' Convention: Lamont Outlines Duty of America." *New York Times*, 4 October 1922. Moreover, at the October 4, 1922 American Bankers' Convention in New York, Dr. George E. Vincent of the Rockefeller Foundation addressed the issue of declining health in Europe.

²⁸⁷ "Scheme for Foreign Loans." *New York Times*, 4 October 1922. These loans would be guaranteed by sufficient interest rates.

Therefore, in the 1920s, many American and foreign bankers, who provided most of the money for loans, came out in favor of assisting European economic reconstruction that included Austria. In discussions held among themselves, such as that in October 1922, at least some of the bankers not only wanted to do well for themselves but talked about doing good in the world. The United States' relief effort would not have been possible without their help.

VI. The American and British Perspectives of the Provincial Plebiscites in 1921

The general European response to help Austria in the early 1920s was particularly threatened in 1921 due to a series of local plebiscites that the Austrian government was unwilling and unable to prevent. According to the *Times* [London], when “deaf to Allied threats, expostulations, and coaxing,”²⁸⁸ three out of eight provinces in Austria conducted their own referenda on the *Anschluss* question in which most of the inhabitants voted in favor of a union with Germany,²⁸⁹ Great Britain, France, Italy and the other European nations informed Austria of their objections. The European nations, including Britain, threatened to halt loans if the Austrian government did not do more to stop the provincial

²⁸⁸ “Salzburg Plebiscite Result: Credits Willfully Risked.” *Times* [London]. 31 May 1921. Most primary sources, such as the American, British, and Austrian foreign affairs documents, letters, newspapers, speeches, and memoirs, still frequently used the terms “Allies” and “Allied loans” in the 1920s to refer to the victors of World War I — namely the US, Britain, France, and Italy, with the exception of Russia/the Soviet Union. However, this chapter uses the term “Allies” sparingly because in the 1920s the war was over, there was no official post-war alliance, and strictly speaking there were no more “Central Powers” and “Allies.”

²⁸⁹ The three provinces were Tyrol, Salzburg, and Styria. Today there are nine provinces in Austria, Vienna being the ninth. But before World War II, there were only eight; For exact voting results and domestic Austrian motivations of the 1921 plebiscites, see chapter 4 on the Christian Social Party.

plebiscites, which they considered steps toward a complete *Anschluss* and, therefore, forbidden. The United States Department of State took no direct action in this matter because it perceived it as a European problem. However, especially because this represented a unilateral policy on the part of the Austrian provinces to destroy Austrian integrity and alter the balance of power and there was no international consent, the United States, similar to Britain and the other European nations, did not recognize the separatist movements.²⁹⁰ Although it protested the plebiscites, Great Britain never came out as forcefully as other European countries, in particular France and the Little Entente, in demanding a strict enforcement of the peace treaties in the early 1920s. France and the Habsburg successor states not only threatened to halt credits, but they once again threatened occupation and loss of territory, as they had earlier in 1918 and 1919.²⁹¹

Already on March 12, 1920, the American Commissioner in Austria Albert Halstead had informed the US Secretary of State about the strong separatist movement in the provinces of Tyrol and Salzburg, which he had said was intensified by German propaganda and the idea that Germany was Austria's only salvation.²⁹² Eight days later, Halstead stated that Tyrolean delegates wanted to discuss the idea of union with the Americans, British, French, and Italians. Halstead wrote, "Without express permission from the Department of State or unless the other Missions consider it wise, I shall refuse to receive any delegation from Tyrol, which seeks to over come the provisions of the Peace Treaty which prohibit

²⁹⁰ The 1921 Plebiscites. M695: US Department of State. Roll 6.

²⁹¹ Mr. Lindley to Earl Curzon. Vienna, 12 May 1921. *B DFA*. 1:239-240.

²⁹² The American Mission in Vienna. Albert Halstead to the US Secretary of State. 12 March 1920. M695: US Department of State. Roll 6.

union with Germany.”²⁹³ Moreover, in May 1920, Christian Social Under-Secretary of Foreign Affairs von Flugel asked Halstead what the US position was regarding the separatist movement in Tyrol. Halstead told von Flugel that:

It was, of course, impossible for me to say definitely what would be the attitude of the United States in such an event, but it was necessary to be noncommittal and at the same time to indicate perfect loyalty to the provisions of the Treaty of St. Germain. Accordingly I stated that it was impossible to announce officially the policy of the Government of the United States, but that he should be privately reminded that in the Treaty of St. Germain union with Germany was prohibited.²⁹⁴

Halstead also reminded von Flugel that the Austrian *Nationalrat* had confirmed the peace treaty, and since Tyrolean delegates had participated, the Tyroleans had bound themselves to the treaty terms. Furthermore, Halstead told von Flugel that the treaty contained provisions by which a union could be implemented, that is only with League of Nations approval. Halstead concluded that if some time in the future Tyrol wished to legally join Germany, then “there could be no question of bad faith on the part of Tyrol.”²⁹⁵ Thus, Halstead reiterated the main American policy toward an Austrian *Anschluss* that had not changed since 1918 and 1919. Although it opposed an *Anschluss*, the US refused to directly intervene. Also, the US was willing to see a union happen with international permission.

²⁹³ Tyrol and Germany. Albert Halstead to the US Secretary of State. 20 March 1920. M695: US Department of State. Roll 6; In addition, in April 1920, the Tyrolean City Council in Innsbruck had made a plea to the US and the League of Nations to recognize the will of the Tyroleans and revise the peace treaty. Effort of the Recent Disturbances in Germany on Austria. 17 April 1920. M695: US Department of State. Roll 6.

²⁹⁴ Inquiry as to America’s Attitude regarding Tyrol’s Union with Bavaria. 31 May 1920. M695: US Department of State. Roll 6. No first name was given for Flugel.

²⁹⁵ Inquiry as to America’s Attitude regarding Tyrol’s Union with Bavaria. 31 May 1920.

Concerning a possible *Anschluss* in 1921, the *Times* reported that British Foreign Secretary Lord George Nathaniel Curzon of Kedleston²⁹⁶ asserted that the United States, Great Britain, and other countries would “not tolerate the reappearance in the heart of Europe of a great and dangerous Power which is always rattling the sword in the scabbard and is a perpetual menace to the peace of the whole world.” Lord Curzon contended that the League of Nations and the US must enforce the treaties to ensure peace. He was visiting the United States when he made those statements to the *Times*.²⁹⁷ Therefore, Great Britain, the other European countries, and the United States contended that the pro-*Anschluss* plebiscites would compromise the peace settlement. Moreover, the League of Nations and the US emphasized their financial stakes. According to the *Times* in May 1921, the US, Britain, France, and Italy said they were not sending millions of dollars in loans to Austria so that it can join with Germany.²⁹⁸

Despite its opposition to the plebiscites, the United States took no direct action regarding the separatist movements in 1921.²⁹⁹ On the other hand, British, French, and Italian foreign ministers had regularly informed the Austrian Chancellor Dr. Michael Mayr and various Austrian ambassadors of their opposition to the provincial plebiscites. Czechoslovakia, Poland, Romania, and Yugoslavia likewise expressed their strong

²⁹⁶ George Nathaniel Curzon (1859-1925), 1st Earl Curzon (1st Marquess Curzon of Kedleston, 5th Baron Scarsdale), was foreign secretary from January 1919 to January 1924.

²⁹⁷ “Lord Curzon on World Peace.” *Times* [London], 25, November 1921.

²⁹⁸ “Salzburg Plebiscite Result: Credits Willfully Risked.” *Times* [London]. 31 May 1921.

²⁹⁹ The 1921 Plebiscites. M695: US Department of State. Roll 6. Overall, the 1920s State Department records have very little on the US opinions and actions concerning the 1921 plebiscites. The opinions expressed in 1920 had not changed in 1921. There was no evidence of official US threats or demands to the Austrian government in 1921.

opposition. The *New York Times* reported that Mayr concurred with Britain and the US and admitted that “the whole question of credits for Austria is endangered by this inopportune unionist agitation.”³⁰⁰ Mayr’s government was placed in a particularly difficult situation because he had been negotiating with the League of Nations for loans. In March 1921, one month before the first plebiscite had occurred, Mayr had met Lord Curzon in London, where Curzon told Mayr that before Austria could receive additional loans, it had to abide by the Treaty of St. Germain.³⁰¹

On April 21, 1921, the French government told the Austrian Minister in Paris that Austria must end the *Anschluss* plebiscites, or else France would withdraw financial aid.³⁰² According to the *Times*, on April 30, the Italian government told the Austrian Minister in Rome, “the continued *Anschluss* agitation was very serious and that in these circumstances, it would be difficult to achieve a favorable result for Austria.” In addition, in April the British Foreign Office sent Austria a letter stating that: “The plebiscites could not be in Austria’s interests.” British Foreign Secretary Curzon stated, “His government would not make any direct demand for the plebiscite demonstrations to cease: England would look on until the first act of union was attempted, and then it would prevent every such attempt.”³⁰³ Britain said keeping Austria independent was its political mission. Thus, while France and

³⁰⁰ “Salzburg A Unit For German Union.” *New York Times*, 29 May 1921.

³⁰¹ Mr. Lindley to Earl Curzon. Vienna, 12 May 1921. *B DFA*. 1:240-241.

³⁰² The Allied Opinions of the Plebiscites. April 1921. M695: US Department of State. Roll 6.

³⁰³ “Salzburg Plebiscite Result: Credits Willfully Risked.” *Times* [London]. 31 May 1921. Although written on May 31, the newspaper contains a detailed report of the April 24th Tyrol plebiscite and international responses.

Italy had wanted the Austrian government to stop the plebiscites immediately, the British position was to take action only if the plebiscites actually led to imminent *Anschluss*.

Britain, France, Italy, and the Habsburg successor states refused to recognize any of the provincial plebiscites, which they saw as unofficial and invalid. The French foreign minister called the plebiscites "*Anschluss* manoeuvres." Britain, France, and Austria's neighbors had wanted to keep Austria intact and had no intention of allowing any of the individual provinces to separate, for if one province did so, the rest would almost certainly follow.³⁰⁴

Besides the termination of loans, Italy, France, and the Little Entente (especially Czechoslovakia and Yugoslavia) threatened military occupation of Austria if the "*Anschluss* agitation" and referenda continued.³⁰⁵ The *Times* contended that Yugoslavia even had troops ready to invade the Austrian province of Carinthia.³⁰⁶ The *New York Times* asserted that France and the Little Entente exercised another form of diplomatic leverage by threatening to return the Burgenland region to Hungary.³⁰⁷ Even though it did not go quite as far as the other European countries in their threats during 1921 provincial plebiscites, Britain wanted the continuance of Austrian independence. Although it did not send official protests or threats to the Austrian government, like other countries, the United States refused to

³⁰⁴With the Danube Confederation plan seemingly dead, Italy too, came out more strongly against an *Anschluss*, which it never really had wanted but would have accepted over a Danube Confederation. Mr. Lindley to Earl Curzon. Vienna, 2 June 1921.1:245-246; Introduction. *BDF*. 1:xviii.

³⁰⁵Mr. Lindley to Earl Curzon. Vienna, 2 June 1921.1:246; "Salzburg A Unit For German Union." *New York Times*, 29 May 1921.

³⁰⁶"Salzburg Plebiscite Result: Credits Willfully Risked." *Times* [London]. 31 May 1921.

³⁰⁷"Salzburg A Unit For German Union." *New York Times*, 29 May 1921.

recognize or support the plebiscites. Because of the US, Britain, and other countries, no *Anschluss* took place in 1921, whether local or national.

VII. The Lodge Resolution in 1922

The issue of granting further loans was inevitably tied to the issue of collecting previous short-term debts that were coming due. Many Americans advocated the postponement of Austrian debts in the early 1920s. President Harding and the US Congress received several petitions. *The American Friends Service Committee* (Quakers) wrote a letter to President Warren Harding on February 9, 1922. The Quakers had contacts in Austria who had told them that conditions were grim. The Quakers asked Harding for a moratorium of Austrian debts because Austria was not in a condition to pay them.³⁰⁸

In addition, on February 12, 1922, about sixty-five American students from Rockford College signed a petition demanding immediate legislation on postponing Austrian debts for twenty years. The petition said, "Be it resolved, that we hereby petition our Senators and Representatives in Congress to take immediate action in the form of special and immediate legislation that payment of Austria's debt to the United States be suspended for at least twenty years." The students argued that the situation in Austria was worsening. They urged immediate action to prevent starvation and death.³⁰⁹

Moreover, William Causey and the US State Department wrote and rallied Congress to give Austria more time to pay off debts. Causey and US Secretary of State Charles Evans

³⁰⁸ American Friends Service Committee to President Warren G. Harding. 9 February 1922. Washington D. C. M695: US Department of State. Roll 45.

³⁰⁹ Congressional Petition and Letter to President Harding. 12 February 1922. M695: US Department of State. Roll 45.

Hughes argued that a moratorium would give Austria a chance to recover, reestablish its industries, balance its budget, stabilize its currency, lessen the *Anschluss* desire, and put the country in a position where it can repay future debts. In the US Senate Henry Cabot Lodge campaigned for a temporary moratorium on Austrian debt repayment. The Lodge Resolution that postponed Austria's debt and reparation payments finally passed on March 16, 1922.

According to the Lodge Resolution:

[Because] the economic structure of Austria is approaching collapse and great numbers of people of Austria are, in consequence, in imminent danger of starvation and threatened by diseases growing out of extreme privation . . . this government wishes to cooperate in relieving Austria from the immediate burden created by her outstanding debts: Thereby be it resolved by the Senate and House of Representatives of the United States of America in Congress assembled, that the Secretary of the Treasury [Mellon] is hereby authorized to extend, for a period not to exceed twenty-five years, the time of payment of the principal and interest of the debt incurred by Austria . . .³¹⁰

Thus, United States offered the carrot while France was threatening the stick. The United States had refused to intervene in the 1921 plebiscites and had offered loans instead. The realization that Austria could not immediately repay the loans led to the Lodge Resolution, which made it possible for Austria to get additional loans.

VIII. The London Conference in 1922

Great Britain, France, Italy, Germany, Austria, Belgium, Japan and other countries met at the London Conferences from August 7 to August 14, and again from December 9 to 11, 1922, to discuss war debts and reparations, but for Austria the meeting was crucial because of the loan issue. According to the *New York Times*, the United States was not

³¹⁰ Secretary of Treasury Andrew W. Mellon to President Coolidge. 19 March 1928. Washington D. C. M695: US Department of State. Roll 47. This letter described what had happened in 1922. Mellon extended the maturity date of the United States government relief bond to Austria to June 1, 1943.

officially present, and Secretary of State Charles Hughes did not attend. However, Ernest Harvey was sent as an American observer to represent the United States in an unofficial capacity.³¹¹ The biggest problem at the London Conferences was reparations with Germany. At the end of the first London Conference, however, the League of Nations also agreed to grant an international loan to Austria. In the end, these conferences were a failure concerning any solution to German reparations, but a smashing success for Austria in terms of demonstrating broad international support for additional loans.

On August 15, 1922, after the conference had deadlocked on the reparations issue, Ambassador Franckenstein met British Prime Minister David Lloyd George.³¹² He relayed the Austrian government request for a loan in the amount of fifteen million pounds. The major powers³¹³ could not look upon a possible collapse of Austria with indifference, he pleaded. Lloyd George, Poincaré, and other statesmen then met Austrian Chancellor Ignaz Seipel in London, where they reached an agreement on the reconstruction of Austria.³¹⁴ The League of Nations allocated an international loan in the amount of 650 million gold kronen (crowns),³¹⁵ or \$126 million.³¹⁶ Even though the United States was not a League of Nations

³¹¹ “Allied Chiefs Open Momentous Debate in London Today.” *New York Times*, 7 August 1922. Harvey’s position was not given.

³¹² David Lloyd George (1863-1945) of the Liberal Party was Prime Minister from 1916-1922.

³¹³ The term major powers in this chapter refers to the US, Britain, France, and Italy.

³¹⁴ “Austrian Plea for Help.” *Times* [London]. 15 August 1922; League of Nations Archive <http://www.indiana.edu/~league/1922.htm> (October 2006).

³¹⁵ Memorandum. *Documents on German Foreign Policy 1918-1945: Series D (1937-1945)*. Washington, DC: United States Government Printing Office, 1949. 1:551-552; “Austria and Powers Sign Loan Protocol: Vienna Accepts League Oversight and Pledges Customs and Tobacco Monopoly.” *Washington Post*, 5 October 1922.

member, most of the money still came from American bankers. In fact, \$78 million of the \$126 million international loan came from the United States.³¹⁷ Also, Great Britain funded 25% to 30 % of the loan.³¹⁸ Austria received the loan in 1923.³¹⁹

In addition to supporting the Austrian loan, the British played a particular role in overseeing Austrian stabilization through the League of Nations Financial Committee, which London officials and the Bank of England controlled. As one condition of the 1922 loan, this League of Nations Financial Committee enforced strict rules in Austria on budget balancing, tax collection, and expenditures, and it created a politically independent national bank that employed foreign advisers.³²⁰

³¹⁶ R. O. Hall, Acting Chief, Finance Investment Division to Secretary Hoover. 25 January 1928. Washington D. C. M695: US Department of State. Roll 47. This letter discusses loans in 1923.

³¹⁷ R. O. Hall, Acting Chief, Finance Investment Division to Secretary Hoover. 25 January 1928. Washington D. C. M695: US Department of State. Roll 47. Out of the \$78 million, about \$25 million went to the Austrian government, \$15.4 million went to Austrian provinces, \$21.2 million to Austrian cities, and \$16.4 million went to Austrian industries, businesses, and utilities, such as the Austrian electric company, *Allgemeine Elektrizitäts-Gesellschaft Union Austria (AEG)*. Austrian banks, like *Oberösterreichische Landes-Hypothekenanstalt*, also received American loans.

³¹⁸ Although the League of Nations loan agreement was drafted in 1922, it was not actually paid out until 1923. Harold Margreiter, *Die Österreichischen Staatsanleihen seit 1918 und ihre Probleme* (Dissertation. University of Vienna, 1968), 106.

³¹⁹ Austria used the money to pay for a currency reform from the kronen to the schilling. The money also paid for reparations, interest payments, banks, pensions, industries, railroads, building/housing projects, museums, the military, and education. James William Miller, "Engelbert Dollfuss and the Austrian Agriculture," *The Dollfuss/Schuschnigg Era in Austria: A Reassessment*. Günter Bischof, Anton Pelinka, and Alexander Lassner, eds. (New Brunswick, New Jersey: Transaction Publishers, 2003), 132; Margreiter, *Die Österreichischen Staatsanleihen seit 1918*, 110.

³²⁰ Rosenberg, *Financial Missionaries to the World*, 167-169.

Although there was no evidence in the US Department of State documents that the United States government directly pressured Austria into remaining independent in order to receive loans, many American investors, as well as many British and other foreign investors, made it a condition in the August 1922 League of Nations loan that Austria maintain its independence, because otherwise they feared losing their money. Investors were worried that in the event of an *Anschluss*, Germany might seize foreign investments in Austria without any compensation.³²¹ Therefore, the League of Nations set two kinds of conditions on Austria for loans. The first condition was prohibition of the *Anschluss*—which in contrast to France and Little Entente for the bankers was motivated by fear of losing their investments rather than fear of growing German power—and the second one was the close supervision of domestic Austrian financial practices and fiscal responsibility. Despite these conditions, the significance of this loan for Austria was great, for it was the largest international loan to Austria that the United States, Britain, and other countries agreed to pay during the entire inter-war period.

IX. The Geneva Protocols of 1922

The major powers held another conference in Geneva, Switzerland, in 1922 to specifically deal with Austrian sovereignty. While the conferences in London in August and December dealt with global financial issues, in particular reparations and world economies, and included countries like Japan, the conference in Geneva was much smaller and only some European countries attended. On October 4, 1922, Great Britain, France, Italy, and Austria met in Geneva and signed the three protocols, collectively called the Geneva

³²¹ \$25,000,000 Austrian Government Guaranteed Loan. June 1923. M695: US Department of State. Roll 45.

Protocols, which guaranteed Austrian independence.³²² The conference in Geneva occurred on the same date as the bankers meeting in New York, but there was no connection. The *Washington Post* stated that the United States was not present at the meeting in Geneva, but the United States had unofficial delegates present, such as William Causey, who represented American interests in Austria.³²³ The *New York Times* wrote that Lord Balfour headed the British delegation, while M. Hanotaux headed the French team.³²⁴ Chancellor Seipel represented the Austrian side. Germany was not present at this meeting.³²⁵

According to the *Times*, protocol number one concerned the “sovereignty” of Austria. Great Britain, France, Italy, Czechoslovakia, and other countries recognized Austria’s “territorial integrity.” At the same time, Austria renewed its pledge to maintain its own independence. No economic or financial measures could be taken that would compromise Austrian independence.³²⁶ Therefore, whereas, the Treaty of St. Germain only forbade a political union, the Geneva Protocols explicitly forbade Austria from seeking any form of economic union with Germany as well without the consent of the League of Nations.

The American and British press stated that protocol number two described the League of Nations loan that the major powers had promised Austria in the London

³²² League of Nations Archive. <http://www.indiana.edu/~league/1922.htm> (October 2006).

³²³ Austria and Powers Sign Loan Protocol: Vienna Accepts League Oversight and Pledges Customs and Tobacco Monopoly.” *Washington Post*, 5 October 1922.

³²⁴ “Plan to Save Austria is Made Effective.” *New York Times*, 5 October 1922.

³²⁵ Memorandum. *Documents on German Foreign Policy 1918-1945: Series D (1937-1945)*. Washington, DC: United States Government Printing Office, 1949. 1:551-552.

³²⁶ “Austria’s Chance: The League Agreement Signed.” *Times* [London]. 5 October 1922. This newspaper article contains an official copy of the Geneva Protocols.

Conference in August 1922 and listed the obligations of the Austrian government. The main creditors to whom Austria had to pay interest were Great Britain, the US, France, Italy, and Czechoslovakia. Austria had to secure the interest with its customs and tobacco monopoly. Austria could also not take out additional loans from any other country, thus burdening itself with further debt and possibly jeopardizing its capacity to repay, without permission from Britain and other creditors.³²⁷

In protocol number three, Seipel granted the League of Nations control of Austrian finances for two years and agreed to conduct various financial reforms in Austria. The London Conference had already given the League limited financial powers over Austria. Examples of Austrian financial reforms necessitated by the League at Geneva were balancing the state budget, controlling the issuance and printing of paper money, and increasing postal, railway, and telephone taxes. The League of Nations appointed commissioners to monitor and observe Austria and to make sure the reforms were made. In addition, each of the creditor nations, such as Britain and the United States, established a committee to control and oversee its interests. These committees met regularly in Geneva or London.³²⁸ Thus, the Geneva Protocols mandated foreign supervision and set conditions for ensuing loans.

The Austrian Chancellor Seipel welcomed American and British diplomacy. According to the *Washington Post* at Geneva, “Seipel had tears in his eyes as he signed,”

³²⁷ “Austria and Powers Sign Loan Protocol: Vienna Accepts League Oversight and Pledges Customs and Tobacco Monopoly.” *Washington Post*, 5 October 1922; “Austria’s Chance: The League Agreement Signed.” *Times* [London]. 5 October 1922.

³²⁸ “Austria and Powers Sign Loan Protocol: Vienna Accepts League Oversight and Pledges Customs and Tobacco Monopoly.” *Washington Post*, 5 October 1922; “Austria’s Chance: The League Agreement Signed.” *Times* [London]. 5 October 1922.

and he predicted a “brighter” future for Austria.³²⁹ The *Times* asserted that Seipel said that it would be most satisfying if in several years, an Austrian Chancellor could stand before the League of Nations and tell its members that Austria has been “rehabilitated” and its economic administration was “sound.” Seipel also said that once Austria was stable, it should be released from League of Nations financial control.³³⁰

Like Seipel, Britain and the United States supported the international policy in promoting Austrian sovereignty. According to the *Times*, at Geneva Lord Balfour thanked the participating countries for their help in “preventing the collapse of Austria, which was in a state of destitution to which there was no parallel in past history except for Russia.” Lord Balfour said Austrian recovery would take time but asserted that “the League of Nations had given the Austrians something to hope for and something to struggle for.” He was confident of the success of the Geneva Protocols and optimistic about Austria’s future. Austria, he said, was much “better off.”³³¹ The *Washington Post* stated that the United States, although not officially present, also believed that “the League of Nations [would] save Austria.”³³² Therefore, the Geneva Protocols marked a culmination of efforts to bolster and stabilize Austria economically in return for political concessions.

³²⁹ “Plan to Save Austria is Made Effective.” *New York Times*, 5 October 1922; “Austria and Powers Sign Loan Protocol: Vienna Accepts League Oversight and Pledges Customs and Tobacco Monopoly.” *Washington Post*, 5 October 1922.

³³⁰ “Austria’s Chance: The League Agreement Signed.” *Times* [London], 5 October 1922.

³³¹ “Austria’s Chance: The League Agreement Signed.” *Times* [London], 5 October 1922.

³³² “Austria and Powers Sign Loan Protocol: Vienna Accepts League Oversight and Pledges Customs and Tobacco Monopoly.” *Washington Post*, 5 October 1922.

X. The Anglo-American Client-State, Economic Recovery, and the *Anschluss* 1923-1929

With the help of the Americans and British who backed the First Republic with loans and support between 1923 and 1929, Austria enjoyed economic recovery, reconstruction, political stability, a hard currency, and some prosperity. Britain and the United States intended the aid to stabilize conditions in Austria and lower the desire for *Anschluss*.³³³ Because Austria was so dependent on American and British funds and because the partnership also played a limited, but not insignificant, role in Austrian financial, domestic, economic, and foreign affairs, Austria approached the status of an Anglo-American client-state during this time period.

During the mid- and late 1920s three key things happened to Austria. It received massive conditional loans from abroad. It experienced economic recovery. And the attraction of an *Anschluss* lessened when compared to the early 1920s. However, even in the mid- and late 1920s there was still a strong *Anschluss* movement, in which economic—and not just nationalist—factors continued to play a roll.³³⁴ First, the United States and Great Britain continued to send new loans to Austria in the mid- and late 1920s, many of which continued to stipulate explicitly that Austria remain independent. J. P. Morgan & Company allocated a \$25 million loan to Austria on June 11, 1923. The loan was a product of the

³³³Memorandum by Mr. Akers-Douglas on the Present Position of Austria. (Received by the Foreign Office, 28 February 1925.) *B DFA*. 2:106-107, 110-112.

³³⁴ “Austro-German Union is Seen as Inevitable. Economic Necessity Will Force Amalgamation—Not Patriotic Issue, But Result of Circumstances.” *Washington Sunday Star*, 25 April 1926. This newspaper was found in the *NPA. Archiv der Republik*. Box 495. This article argued that Austrian nationalism died with the Empire, and that despite strong German nationalist sentiment in Austria, economic factors predominated the desire for *Anschluss* up to 1938.

Wilson and Harding administrations' policies of government officials and private investors cooperating in European reconstruction.³³⁵ Most of the money came from J. P. Morgan & Company,³³⁶ but other American investors included the First National Bank of New York, Dillon, Read & Company, Kuhn, Loeb & Company, Harris, Forbes & Company, and the Guarantee Company of New York. The J. P. Morgan & Company loan of 1923 was conditional upon "the political integrity and economic independence of Austria."³³⁷

Many other American businesses pumped money into Austria in the mid- and late 1920s with consent from the US State Department. In May 1925 Morgan, Livermore & Company received permission from the US Department of State to send a \$2 million loan to the Lower Austrian Hydro-Electric Power and the Alpine Mountain Steel Corporation for development and expansion.³³⁸ Moreover, in December 1926 the US State Department granted Messars and F. J. Lisman & Company of Washington D.C. permission to allocate a \$4 million loan to the *Tiroler Wasserkraftwerke Aktiengesellschaft* (Tyrol Hydro-Electric

³³⁵ *New York Times*, June 12, 1923; \$25,000,000 Austrian Government Guaranteed Loan. June 1923. M695: US Department of State. Roll 45; The Secretary of State to the Honorable Willis C. Hawley. Washington, 11 April 1928. *FRUS*. 1928. 1:904-905.

³³⁶ In the year 1924 alone, J. P. Morgan played a role in the allocation of international loans worth \$435 million. By 1929 American investments totaled \$1.3 billion in overseas businesses, many of which they at least partly controlled. In the mid- and late 1920s about two hundred American businesses owned 4,000 overseas businesses. For example, Ford had a plant in Italy, and General Motors had purchased the German automaker Opel. Brandes, *Herbert Hoover*, 158, 163, 166.

³³⁷ \$25,000,000 Austrian Government Guaranteed Loan. June 1923. M695: US Department of State. Roll 45. In addition, Austria had to follow the domestic reforms agreed to in the Geneva Protocols that included reducing the size of ministries and the number of civil servants and increasing revenues through higher taxation.

³³⁸ Morgan Livermore & Company to the US Secretary of State. 27 May 1925. M695: US Department of State. Roll 26; US Secretary of State to Morgan Livermore & Company. 3 May 1925. M695: US Department of State. Roll 26.

Power Company) to build a second hydro-electric station in Innsbruck, Tyrol.³³⁹ J. P. Morgan & Company, Morgan, Livermore & Company, and Messars and F. J. Lisman & Company were three examples of many American investors in Austria during the late 1920s.³⁴⁰

On October 12, 1927, the Committee of Control of the Guarantor States for the Reconstruction of Austria met in London.³⁴¹ In a letter written by Seipel in October 1927 to Dr. Albert H. Washburn, an American Minister in Austria, the Austrian government requested another loan of 723 million schilling. Seipel stated that “Austria succeeded, thanks to the magnanimous support it received from all the nations participating in the work of its reconstruction, to save its finances from utter ruin and to establish the permanent equilibrium of the budget.” However, according to Seipel these funds were now “exhausted,” and he wanted money for “further reconstruction.”³⁴² On October 17, 1927,

³³⁹ Curtis, Mallet-Provost, Colt and Mosle to Secretary of State Frank B. Kellogg. 27 December 1926. Washington D. C. M695: US Department of State. Roll 26. Curtis, Mallet-Provost, Colt, and Mosle were attorneys representing Messars and F. J. Lisman & Company; Frank Kellogg to Curtis, Mallet-Provost, Colt and Mosle. 31 December 1926. M695: US Department of State. Roll 26. The loan was to be paid in 25 years, and it had an interest rate of 7 ½ %.

³⁴⁰ For other examples of US investors in the late 1920s see, M695: US Department of State. Rolls 47 and 49 on relief credits and Rolls 37-45 on financial conditions.

³⁴¹ Ignaz Seipel to Dr. Albert H. Washburn, Envoy Extraordinary and Minister Plenipotentiary of the United States of America. 15 October 1927, Vienna. M695: US Department of State . Roll 47.

³⁴² Ignaz Seipel to Dr. Albert H. Washburn, Envoy Extraordinary and Minister Plenipotentiary of the United States of America. 15 October 1927, Vienna. M695. Roll 47. Seipel had stated that Austrian had installed long distance telephone lines and electric tractions in railroads. Taxes from the telephone and railway were used to help secure the loans.

Austria, whose national debt equaled \$300 million,³⁴³ also requested a thirty year postponement of loan repayments.³⁴⁴ On December 6, 1927, the United States agreed to send Austria an additional loan, payable in twenty years.³⁴⁵ Because Austria had successfully revitalized its economy and balanced its state budget, Austria received a second international loan of about \$100 million, most of which would be funded by the American investors.³⁴⁶

As in the early 1920s, Austria expressed gratitude for American loans in the mid-1920s. There had been a minor incident, though, concerning the loans. The *New York Tribune* reported in February 1924 that when German and Austrian embassies did not lower their flags at half-mast in honor of Woodrow Wilson, who had died, many Americans, in particular war veterans, expressed outrage, and some threatened the termination of loans to Austria and Germany. Ultimately tensions died down, and the United States did not stop sending loans. Nevertheless, this affair demonstrated how vulnerable Austria was to shifts in American public opinion.³⁴⁷ In May 1925 the Austrian ambassador in Washington D. C.,

³⁴³ US Department of State. Office of the Economic Advisor. October 1927. Washington D. C. M695: US Department of State. Roll 47.

³⁴⁴ Albert H. Washburn to the Secretary of State. 17 October 1927, Vienna. M695: US Department. Roll 47. Austria wanted to suspend loan payments until 1957. This included previous loans from the early 1920s and additional loans that Austria would receive in the late 1920s.

³⁴⁵ Secretary of State Frank B. Kellogg to Austrian Legation. 6 December 1927. Washington D. C. M695: US Department of State. Roll 47; Assistant Secretary of State to the Secretary of Commerce. 18 November 1927. Washington, D. C. M695. Roll 47.

³⁴⁶ Secretary of Treasury Andrew W. Mellon to President Coolidge. 19 March 1928. Washington D. C. M695: US Department. Roll 47.

³⁴⁷ "Say Flag Blunder Kills German Loan." *New York Tribune*. 7 February 1924. This newspaper was found in the *NPA. Archiv der Republik*. Box 492; The Austrians had been

Edgar Prochnik,³⁴⁸ sent a letter to President Calvin Coolidge and the Secretary of State thanking them for the loans.³⁴⁹ Writing to the President, Prochnik noted: “That the United States repeatedly expressed their readiness to lend a helpful hand to those, who seriously and conscientiously strive to help themselves, stimulates their spirit and encourages them to increased activity.”³⁵⁰ Coolidge responded that the sentiments of “appreciation” were “gratifying” and that the United States “admired the courageous struggle of Austria toward reconstruction.” Coolidge concluded that he would be happy to strengthen good relations between Austria and the United States.³⁵¹

Second, in the mid- and late 1920s the Austrian economy had greatly improved. In conjuncture with foreign loans, Chancellor Seipel’s domestic reforms, which included currency stabilization and a return to the gold standard, improved economic conditions in

very gracious a year before when Harding died in August 1923. Prochnik had sent reeves to Washington. Edgar Prochnik to the Austrian Foreign Affairs Office. 18 August 1923. *NPA. Archiv der Republik*. Box 493.

³⁴⁸ Edgar Prochnik was the Austrian ambassador to the USA throughout the 1920s, as well as the 1930s. He was a loyal member of the Christian Social Party. In 1918 and 1919 he had been a member of the Austrian Peace Delegation. A US reporter for the Washinton D. C. *Sunday Star* stated that “. . . his charm and kindness, and graciousness erase all signs of bitterness . . . After the treaty was signed at St. Germain, . . . he said ‘God save us from another war but, if not that, God please save us from another peace! . . .’ “ During his term as ambassador, he was anti-*Anschluss* and favored close relations with the USA. *Österreicher im Exil. USA 1938-1945. Eine Dokumentation. Band 1*. Dokumentationsarchiv des österreichischen Widerstandes, ed. (Vienna: Österreichischer Bundesverlag. 1995), 181.

³⁴⁹ Prochnik to the Secretary of State. 19 May 1925. M695: US Department of State. Roll 26; Edgar Prochnik to President Coolidge. May 1925, Washington D. C. *NPA. Archiv der Republik*. Box 495.

³⁵⁰ Edgar Prochnik to President Coolidge. May 1925, Washington D. C. *NPA. Archiv der Republik*. Box 495.

³⁵¹ President Coolidge to Edgar Prochnik. May 1925, Washington D. C. *NPA. Archiv der Republik*. Box 495.

Austria. The Austrian economy was further helped by the fact that Germany experienced hyper-inflation. Germany's economic crisis temporarily eliminated it as a major economic competitor and contributed to "the sudden boom of 1923" in Austria.³⁵²

The *Times* repeatedly reported that economically Austria was doing much better in the mid-and late 1920s.³⁵³ In 1925 a British reporter in Vienna stated, "Though all the world heard of the tragedy of Vienna, few have heard of her recovery. Vienna . . . presents a smiling, nonchalant face to the world again."³⁵⁴ Austria's economic betterment was confirmed by two League of Nations' experts, Charles Rist and W. T. Layton, who in 1925 gave the Austrian economy a "clean bill of health" and concluded that Austria had made "slow but definite improvement." Rist and Layton also said that the Austrian economy would improve further if it continued modernizing its industry and agriculture. Austria's trade deficit would be eliminated when Austrian products competed in the global market.³⁵⁵

Third, the *Anschluss* desire was lower from 1923 to 1929 than it had been earlier due to the economic recovery,³⁵⁶ therefore, through loans and pressure, the Americans and British had played a pivotal role in securing not only Austria's economic recovery but also

³⁵²Memorandum by Mr. Akers-Douglas, *B DFA*. 2: 208; Alfred Low, *The Anschluss Movement, 1931-1938*, 18.

³⁵³ "Austrian Financial Inquire." *Times* [London]. 22 August 1924; 18 August 1925.

³⁵⁴ *Times* [London]. 18 August 1925.

³⁵⁵Suval, *The Anschluss Question*, 180.

³⁵⁶ Alfred Low states that in general the *Anschluss* was not a primary concern in the mid- and late 1920s compared to other time periods, although *Anschluss* demonstrations continued. See Low, *The Anschluss Movement, 1931-1938*, 19, 22; The British, American, and Austrian foreign affairs documents also report few major pro-*Anschluss* activities, and overall the period 1923-1929 is calmer and economically and politically more stable than the periods 1918-1922 and 1930-1938.

its independence. In the year 1923 the *Anschluss* desire was especially low because Austria had begun to make a recovery with the help of foreign loans while Germany was at the point of total economic breakdown.³⁵⁷ The fact that Germany was undergoing an economic crisis in 1923 made union with Germany less appealing. Moreover, throughout the period from 1923 to 1929, there were no further provincial plebiscites favoring union with Germany as there had been in 1921, and the number of major pro-*Anschluss* demonstrations or disturbances declined when compared to the more turbulent 1918 to 1922 period. Except for one huge riot in July 1927, the mid- and late 1920s in Austria were relatively stable. On July 15, the political conflict between socialists and Christian Socials intensified after the announcement of a trial verdict in which a group of men who had killed workers were set free. Angry socialists set the Austrian Justice Palace on fire, and in a confrontation with rightwing groups about eighty people died and hundreds more were injured in Vienna. The Greater German People's Party also used the occasion to harass Jews at the University of Vienna. This was the largest such disturbance in the 1920s.

In addition, during this period the Christian Social Party, whose conservative leaders wanted to uphold Austrian independence, remained firmly in power with the socialists in opposition. The Americans and British greatly cooperated with the Christian Social government, in particular Chancellor Seipel, who had been largely responsible for securing the international loan from the League of Nations. The United States State Department favorably viewed Seipel as the "foremost protagonist of an independent Austria."³⁵⁸ During

³⁵⁷Memorandum by Mr. Akers-Douglas on the Present Position of Austria, 2:110-111.

³⁵⁸ Political Parties in Austria. 17 February 1926. Vienna. M695: US Department of State. Roll 8. The Austrian finance minister of the Seipel government who worked with the major powers to secure loans was Viktor Kienböck. Also under Seipel, Dr. Richard Schüller, the

the intense internal fighting among the Christian Socials, socialists, Greater Germans, and communists, which culminated in the July 1927 revolt, Britain gave solid support to Seipel and his government. After the revolt, Seipel attempted to disarm paramilitary organizations that both contributed to political destabilization in Austria and had the potential to frighten away foreign loans. Although he was unsuccessful in his disarmament campaign, he at times managed to lessen the factionalist fighting.³⁵⁹

Despite the relative lessening of the *Anschluss* desire in Austria when compared to the early 1920s, the *Anschluss* movement during the second half of the 1920s was still significant.³⁶⁰ Nonetheless, the late 1920s was a time of enormous economic recovery and fewer incidents overall of pro-*Anschluss* activity as compared to the chaotic early twenties due to American and British money. The Americans, British, French, and Hungarians reacted somewhat differently to Austria's *Anschluss* endeavors in the mid- and late 1920s. Britain and the United States continued their position of opposing an *Anschluss* without international consent. According to British diplomatic reports, in 1927 Hungary's official position on the *Anschluss* was mixed but more accepting of a possible *Anschluss* than any of Austria's other neighbors.³⁶¹ Meanwhile that same year a French newspaper contained a serious warning on the dangers of the increasing *Anschluss* movement in Austria. In December 1928, the French Foreign Minister Aristide Briand made it clear in a meeting with

Austrian foreign minister, and an Austrian economic advisor visited the US in November 1928 to come to an agreement on loans.

³⁵⁹ Carsten, *The First Austrian Republic*, 124, 131.

³⁶⁰ See also, chapter 4 on the *Anschluss* movement's continued strength in the 1920s.

³⁶¹ as reported by Viscount Chilston to Sir Austen Chamberlain. Vienna, 17 May 1927. *BDFFA*. 2:284.

the German Foreign Minister Gustav Stresemann and the British Foreign Secretary Sir Austen Chamberlain that France considered any attempt of Germany to annex Austria an act of war; this warning by a French moderate showed the deep concern over the *Anschluss* movement in France.³⁶² Once again in Europe, France came out more strongly against the *Anschluss* than Britain, the United States, and Hungary.

Despite its economic recovery in the late 1920s and somewhat dampened support for *Anschluss*, Austria was still fragile and volatile. Austria's neighbors, particularly the Habsburg successor states, continued to maintain high tariffs, import prohibitions, and transit obstructions against Austria. Therefore, the Americans and British continued to help. American and British loans to Austria during this time period included the Morgan & Company loan, the second international loan of 1927, and several smaller loans. American and British loans had brought about times of stability and economic improvement to their Austrian client-state, which successfully lessened the *Anschluss* movement in the late 1920s, but never eliminated the *Anschluss* desire entirely. The slightest economic problem would bring another crisis in Austria. American and British diplomacy in the mid- and late 1920s regarding loans, economic reconstruction, and world peace, was further exemplified by the Dawes Plan, Locarno Treaty, and the Kellogg-Briand Pact, which brought about a sense of stability throughout Europe.

XI. Cultural Exchanges between the US, Britain, and Austria during the 1920s

Besides economic and political issues, cultural issues were important to Austria's relations with the US and Britain. The primary cultural challenge facing Austria

³⁶²Low, *The Anschluss Movement, 1931-1938*, 39-40.

and the rest of Europe in the 1920s was how to deal with modernization and increasing American influence that extended all over Europe. Examples of American cultural penetration were Hollywood movies, American cigars, jazz, American household appliances, automobiles, assembly line production, and literature.³⁶³ The hundreds of thousands of American soldiers who fought in the American Expeditionary Force in France during World War I, as well as the many who participated in the occupation of the German Rhineland after the war from 1919 to 1923, likewise spread American ideas and customs. France, in particular, received droves of American tourists. For example, in 1929, 251,000 American tourists visited Europe, and they spent about \$323 million. The number of tourists only declined after 1930 with the onset of the Great Depression.³⁶⁴ Most Austrians embraced American culture, although some Austrians were anti-American and expressed these sentiments simply through a refusal to buy American products. However, there were no overt instances of anti-Americanism in Austria, such as occurred occasionally elsewhere in Europe in the 1920s, like demonstrations in front of the American Embassy or the harassment of Americans in France.³⁶⁵

³⁶³ American authors popular in Europe were Ernest Hemingway and F. Scott. Fitzgerald. The African American entertainer Josephine Baker performed in Paris. The American aviator Charles Lindbergh was also an icon in Europe.

³⁶⁴ Costigliola, *Awkward Dominion*, 19-21, 167, 173; The major powers, including the United States, occupied the German Rhineland. "Debt Holiday Plan to Lift 246 Million Burden From Europe." *Chicago Daily Tribune*, 21 June 1931.

³⁶⁵ The Austrian foreign affairs archives reported no major anti-American disturbance in Austria in the 1920s. See, the NPA. *Archiv der Republik*; See also, Rob Kroes and Maarten van Rossem, eds., *Anti-Americanism in Europe* (Amsterdam: Free University Press, 1986); Paul Hollander, ed, *Understanding anti-Americanism: its origins and impact at home and abroad* (New York: New York University Press, 2004); Russell A. Berman, *Anti-Americanism in Europe: a cultural problem* (Stanford, CA: Hoover Institution Press, 2004).

There were many cultural exchanges between the Austrians and the Americans and between the Austrians and the British during the 1920s. Cultural exchanges took place through international organizations and through the exchange of people and art. An *Anglo-Austrian Society* was formed in London in 1923 along with its counterpart, the *Anglo-österreichischen Gesellschaft*, in Vienna. The objective of the *Anglo-Austrian Society* was to promote good relations between Britain and Austria in art, culture, science, education and commerce. In 1924 Lord Balfour addressed the first annual dinner of the *Anglo-Austrian Society*, which Austrian Ambassador Baron Franckenstein attended. Franckenstein conceded that Austria could not have recovered without Britain and lauded Lord Balfour in particular. According to the *Daily Telegraph*, the *Anglo-Austrian Society* called Lord Balfour the “guardian angel of Austria.”³⁶⁶

An American counterpart, the *Austro-American Society (Amerika –Österreich Gesellschaft)*, was formed in the 1920s. In March 1926 the *Austro-American Society* helped establish the *Austro-American Institute of Education* in New York and its partner the *Amerika-Institut* in Vienna.³⁶⁷ Many professors of the University of Vienna and other state employees were members of the *Amerika-Institut*, such as Dr. Josef Redlich, Dr. Anton Rintelen, and Johann Schober.³⁶⁸ These international organizations represented a collective effort to stress friendship between the Austrian, Britain, and the United States.

³⁶⁶ “Austria’s Recovery. Tributes to Lord Balfour.” *Daily Telegraph*, 13 February 1924. This newspaper was found in the *NPA. Archiv der Republik*. Box 565.

³⁶⁷ Anglo-American Institute of Education to the Austrian Ambassador. 3 February 1927. *NPA. Archiv der Republik*. Box 498.

³⁶⁸ *Das Amerika-Institut. Jahresbericht*. 1926. Vienna, 1927. *NPA. Archiv der Republik*. Box 498.

In addition, there were many exchanges of people among the Americans, Austrians, and the British in the 1920s.³⁶⁹ Even though Austria in contrast to Germany was not occupied by the British, French, and American troops,³⁷⁰ there was a massive interchange of people, in particular tourists, students, and professionals. In 1925 Stanford organized a student exchange with the University of Vienna. Also, in 1925 Ms. Caroline Porter of the Institute for International Education visited Austria, and the St. Louis College of Physicians sent American doctors to Austria.³⁷¹ In 1926 British charity groups funded British teachers, policemen, doctors, school principals, professors, and researchers to go to Austria.³⁷² Also, in 1926 the *Anglo-Austrian Society* funded Austrian students who wanted to study in Oxford.³⁷³ In September 1926 the New York University organized an eight month cruise around the world for four-hundred and fifty college students and forty university professors. The trip featured thirty-five countries and included several Austrian cities, like Vienna and

³⁶⁹ BBC Report. *NPA. Archiv der Republik*. Box 565.

³⁷⁰“Debt Holiday Plan to Lift 246 Million Burden From Europe.” *Chicago Daily Tribune*, 21 June 1931.

³⁷¹ Cultural Exchanges. *NPA. Archiv der Republik*. Box 498.

³⁷² One British specialist wanted to investigate Austrian church organs. British teachers had wanted to look at Austrian schools. British policemen examined the Austrian prison system. Cultural Exchanges. *NPA. Archiv der Republik*. Box 578.

³⁷³ “Stipendium der anglo-österreichischen Gesellschaft für österreichische Studenten.“ 30 March 1926. *NPA. Archiv der Republik*. Box 578.

Graz.³⁷⁴ In 1928 Viennese Rotarians visited London, a trip that Chancellor Ignaz Seipel called “propaganda for Austria.”³⁷⁵

In April 1929 four American children who had won the First Annual Flag Contest visited Austria.³⁷⁶ According to the *New York Times*, in June 1929 the Foreign Students Committee, an American philanthropic organization, assisted Austrian and other foreign students who wanted to study in the United States.³⁷⁷ Individuals participating in these exchanges were to establish first-hand contacts with different people and countries. Austrians in Britain and the United States and Americans and Britons in Austria formed opinions about one another based on these interactions.

Large-scale cultural exchanges were also instituted. In September 1926 the Vienna *Philharmoniker*, one of the most prestigious music orchestras in the entire world, had a concert tour in the US.³⁷⁸ The concert tour helped Americans become more familiar with Austrian music. Also, in the spring and fall of 1927 Britain held a British Art Exhibition in Vienna under the care of the *Anglo-Austrian Society*. It featured paintings from William Hogarth to more modern ones.³⁷⁹ Although the Austrians were familiar with German and

³⁷⁴ College students from various US colleges participated. Dr. Charles F. Thwing, President-Emeritus of Western Reserve University, headed the trip. “College Cruise Around the World. September 1926.” *NPA. Archiv der Republik*. Box 573.

³⁷⁵ Rotarians. *NPA. Archiv der Republik*, Box 573.

³⁷⁶ The First Annual Flag Contest. Edgar Prochnik to Colonel J. A. Moss. 10 April 1929, Washington D. C. *NPA. Archiv der Republik*. Box 499. There had been 250,000 participants in the contest.

³⁷⁷ “Friendly Relations Among Foreign Students Committee.” *New York Times*, 9 June 1929.

³⁷⁸ Vienna *Philharmoniker*. *NPA, Archiv der Republik*. Box 499.

³⁷⁹ William Hogarth (1697-1764) was an important English painter and engraver.

even French art (due to a past French exhibit), British art was relatively unknown in Central Europe. The British art exhibit's purpose was to show Austrians examples of British art.³⁸⁰ In addition, the Austrian government founded an English library in Vienna in November 1927.³⁸¹ The opening of the British library in Vienna affected what Austrians thought of British literature, while the art exhibit influenced the Austrians' opinion of British art.³⁸²

The purpose of these exchanges was educational and cultural-- to encourage interest in foreign affairs and greater awareness of different cultures. Cultural exchanges fostered perceptions of cultural identity. Furthermore, these interactions strengthened international understanding and good-will between Austria and Britain and between the United States and Austria.

XII. Conclusion

During the 1920s, the United States and Great Britain had fostered strong political, economic, financial, and cultural connections with Austria. In addition, of all the major powers, Britain and the United States had the most similar foreign policies. Both preferred that Austria remain independent and wanted no *Anschluss*, unless the League of Nations allowed it. Meanwhile, France and the Little Entente (Czechoslovakia, Yugoslavia, and Romania), as well as Italy, strongly opposed an *Anschluss* and took more aggressive actions

³⁸⁰ "British Art in Vienna." *Morning Post*, 28 May 1927. This newspaper was found in the *NPA. Archiv der Republik*. Box 565.

³⁸¹ Anglo-Austrian Relations. *NPA. Archiv der Republik*. Box 565.

³⁸² To see more examples of student and cultural exchanges between the US, Austria, and Britain in the 1920s see the, *NPA. Archiv der Republik*. Boxes 498, 499, 500, 565, 573, 578.

in enforcing the peace settlement, such as the threats to occupy Austria in 1921 and the French occupation of Germany's Ruhr region in 1923.

British and American diplomats correctly believed that *Anschluss* sentiment from 1920 to 1929 was strongly linked to the economic status of Austria. In the early 1920s there had been great economic distress in Austria, and *Anschluss* demand had been high as shown by the unofficial plebiscites in three Austrian provinces where the vast majority of the population voted to join Germany. The United States and Britain refused to recognize the referenda which had taken place without international consent. While the United States took a wait and see attitude, choosing not to place demands on the Austrian government to stop the referenda, Britain took a more active role and officially protested the plebiscites. However, British policy never went as far as France and others who threatened occupation and loss of land.

The United States and Britain were also the biggest creditor nations. Aided by their pocketbooks, the British and Americans pumped massive amounts of money into Austria. Most of the money on the American side came from private investors, many of whom preferred that Austria remain independent because they did not want to lose their investment in case of an *Anschluss*. The Americans and British succeeded in their goals of economic betterment in Austria and lowering, although not terminating, *Anschluss* desire in the mid- and late 1920s.

Furthermore, cultural exchanges, like the Vienna *Philharmoniker* concert in the United States, strengthened the ties between Americans, British, and Austrians. The generally positive image of Austria held by the American and British publics was reinforced by tourist visits and cultural exchanges. The Lodge Resolution, London Conference, and

Geneva Protocols represented American and British foreign policies regarding Austrian independence and economic stability. Although the American and British loans immensely helped the Austrian economy in the 1920s, the loans made Austria greatly dependent on outside aid and the health of the world economy—a problem that would severely cripple Austria during the Great Depression in the 1930s.

CHAPTER IV

THE CHRISTIAN SOCIAL PARTY, 1920-1929

I. Introduction

The Christian Social Party was a Catholic, conservative, party in Austria, whose origins went back to the nineteenth century. Most Christian Socials³⁸³ were anti-Greater German and anti-Marxist, and many were also anti-Semitic.³⁸⁴ In 1897 the party achieved electoral success in Vienna, a city that they controlled until 1919.³⁸⁵ During the 1920s its members predominantly came from the rural provinces, while the socialists dominated Vienna. The official publication of the Christian Social Party was the Austrian *Reichspost*, which first appeared in 1894.

The Christian Social Party dominated Austrian affairs and provided all but one chancellor in the succession of the coalition governments from 1920 to 1929.³⁸⁶ The

³⁸³ Also referred to as the “Christian Socialist Party” in some English texts. In German the party is called the *Christlichsoziale Partei*. The terms “Christian Social Party” and “Christian Socials” are used in this dissertation rather than “Christian Socialist Party” and “Christian Socialists.”

³⁸⁴ Bruce F. Pauley, *From Prejudice to Persecution: A History of Austrian Anti-Semitism* (Chapel Hill, NC: The University of North Carolina Press, 1992), 38-44, 150-168.

³⁸⁵ John W. Boyer, *Culture and Political Crisis in Vienna. Christian Socialism in Power, 1897-1918* (Chicago: University of Chicago Press, 1995), 1-10.

³⁸⁶ The one exception was Johann Schober (1874-1932) of the Greater German People’s Party. Schober had been a lawyer and politician. He became a Viennese policeman in 1898 and was the chief of the Viennese police from 1918 to 1932. He was Austrian Chancellor from June 1921 to May 1922 and from September 1929 to September 1930. See also, Rainer

Christian Social Party regularly received about one-third of the vote throughout the 1920s. The socialists also received about one-third of the vote. The final one-third of Austrian votes went to various minority parties, such as the *Heimabloc*,³⁸⁷ communist party,³⁸⁸ Agrarian League (*Landbund*),³⁸⁹ and Anti-Semitic League (*Antisemitenbund*).³⁹⁰ The strongest of the minority parties in the 1920s was the Greater German People's Party (*Grossdeutsche Volkspartei*, GDVP).³⁹¹

Hubert, *Johannes Schober und seine Bedeutung für die österreichische Politik in den Jahren 1929 und 1930: eine Untersuchung der politischen Basis des parteiunabhängigen Bundeskanzlers und deren Bezug zur innenpolitischen Krisensituation* (1974); Rainer Hubert, *Schober: "Arbeitermörder" und "Hort der Republik;" Biographie eines Gestrigen* (Vienna: Böhlau, 1990); Petra Holzer, *DDDr.h.c. Johannes Schober: eine "persona non grata"* (1990).

³⁸⁷ The *Heimabloc* was the political party of the fascist and paramilitary *Heimwehr* (Home Guard). The *Heimwehr*, which was short for the *Österreichische Heimatschutz*, originated in the 1920s in response to the socialist threat. During the 1920s, the *Heimwehr* regularly fought the socialists and the socialist paramilitary organization, which was called the *Schutzbund*. The *Schutzbund* had about eighty-thousand members in the mid-1920s. The *Schutzbund* was likewise well armed and better financed and organized than the *Heimwehr*. Altogether, hundreds of people died and thousands were injured in the fighting that took place in Austria among the different political groups. For example, in July 1927 alone eighty people died. Memorandum by Mr. Akers-Douglas on the Present Position of Austria, 28 February 1927. *BDF*. 2:107.

³⁸⁸ The communists had about 5,000 members in the 1920s, and they received their party program from Moscow. Their official newspaper was *Der Abend* (The Evening). The party leaders were Toman Koutschoner, Dr. Frey, and Gustav Wegerer. Political Parties in Austria. 17 February 1926. Vienna. M695: US Department of State. Roll 8.

³⁸⁹ In 1920 Austrian peasants formed the German Peasant Party, and in 1922 the group changed its name to the Agrarian League. They opposed importing cheap wheat from Russia. Dr. Schönberger was the party leader. Political Parties in Austria. 17 February 1926. Vienna. M695. US Department of State. Roll 8.

³⁹⁰ The Anti-Semitic League was formed in 1919 and at its peak in the early 1920s had forty-thousand members. Pauley, *From Prejudice to Persecution*, 185.

³⁹¹ It was surpassed in the early 1930s by the Austrian Nazi Party.

Although the Christian Socials and socialists were equal in strength during the 1920s, coalitions allowed either party to head the government. The coalition of socialists and Christian Socials that began in 1918 broke up in 1920 because of irreconcilable political differences. The Christian Social Party joined a new *Große Koalition* or "Great Coalition" with the Austrian Greater German People's Party and other smaller right-wing groups from 1922 to 1932 with the socialists in opposition. Despite their different positions on the *Anschluss* issue, the Christian Social and *Grossdeutsch* alliance was primarily held together by their shared antagonism to the socialists. Thus, anti-socialism was more important to the Greater German People's Party than the *Anschluss* issue. Therefore, the "Great Coalition" allowed the Christian Socials to lead the government in the 1920s while excluding their socialist rivals from sharing power.

The two most important questions facing the Christian Social Party concerning the fate of Austria in the 1920s were independence or union with Germany on the one hand and republic or monarchy on the other. In contrast to the Austrian socialist and Greater German People's Party, both of which strongly advocated a *Grossdeutschland* based on a union of Austria and Germany, the majority of the Christian Social Party members officially opposed the union with Germany and forbade any of its members from participating in the *Anschluss* movement.³⁹² Instead it supported a free and independent Austrian Republic and

³⁹² Ernst Hoor, *Österreich 1918-1938: Staat Ohne Nation. Republik ohne Republikaner* (Vienna: Österr. Bundesverlag, 1966), 46, 49, 68; Max Löwenthal, "Deutscher als die Grossdeutschen waren aber die Sozialdemokraten." *Doppeladler und Hakenkreuz: Erlebnisse eines österreichischen Diplomaten* (Innsbruck: Wort und Welt Verlag, 1985), 54.

championed the American, British, French, and Italian proposal for a Danube Confederation that called for a trade union among the successor states.³⁹³

However, the position of the Christian Social Party on the *Anschluss* question was complicated and inconsistent because there was an important splinter group within the party that supported a union. Particularly in the years 1918-1919, when the *Anschluss* movement in Austria was at its peak, many Christian Socials called for a union with Germany. The early 1920s marked a split between national Christian Social Party policies and some local Christian Social factions regarding the *Anschluss*. However, by 1922 economic prosperity had begun to return to Austria, and Christian Social leaders, in particular Ignaz Seipel, were able to form a strong anti-*Anschluss* platform based on anti-socialism, opposition to Germany and Prussia, Austrian nationalism, and Catholicism. From 1922 to the rise of Nazism in the early 1930s, about one-fourth of the Christian Socials belonged to this pro-*Anschluss* splinter group. Therefore, the anti-*Anschluss* Christian Socials were a majority within their own party, but because most Austrian political parties and most Austrians themselves embraced a union with Germany up to the early 1930s, overall, the anti-*Anschluss* Christian Socials were a minority.

To bolster their opposition to the *Anschluss*, the Christian Social Party and its leaders also wanted to create a sense of Austrian separateness from Germany. However this proved very difficult because the Austria Republic was a new state that had not existed before World War I. The Christian Social Party members who wanted to forge a separate Austrian national identity struggled against strong forces of regionalism and greater German nationalism.

³⁹³ The Americans and British attempted to create a Danube Confederation plan in 1918-1919, in the 1920s, and in 1932.

Moreover, unlike the socialists who fervently championed a Republic, the Christian Social Party had no clear stance on the monarchy issue. Many leading Christian Socials such as Engelbert Dollfuss and Kurt von Schuschnigg had monarchist leanings. When Austrian Chancellor Johannes Schober organized a public mass for the funeral of Kaiser Karl at the Stephan's Cathedral on April 6, 1922, most Christian Social Party members attended.³⁹⁴ In the 1920s Schuschnigg became a member of several legitimist organizations.

Furthermore, there was a strong link between the Christian Social Party and Catholic Church. The Christian Social Party was with few exceptions a "Catholics only party." Besides Seipel, who was both a theologian and a priest, other Christian Social members, like Franz Martin Schindler and Ambros Optiz were clergymen.³⁹⁵ The Catholic Church, to which most Austrians belonged, likewise distanced itself from a union with Germany and its Protestant majority.

The most important leader of the Christian Social Party in the period from 1920 to 1929 was Ignaz Seipel. He contended against great odds in order to keep Austria independent. He also fostered close relations with American, British, and other European governments. The Christian Social Party government received many loans from the Americans and British during the 1920s.

II. Historiography

Historians who have written on the Christian Social Party include John Boyer and Dietmar Hann. Boyer investigates the early Christian Social movement in Austria. Hann

³⁹⁴ *Staatswehr*, January 6, 1922, 5 May 1922, and 26 May 1922.

³⁹⁵ *Dieses Österreich Retten: Protokolle der Christlichsozialen Parteitage der Ersten Republik*, Robert Kriechbaumer, ed. (Vienna: Böhlau Verlag, 2006), 205.

examines the Christian Social Party and the *Anschluss* movement. Boyer examines the rise and decline of the Christian Socialism in Austria-Hungary. The roots of Christian Socialism in Austria-Hungary can be traced back to the mid-eighteenth century; however the book mainly focuses on the years 1897 to 1918. It begins with the Christian Social Party's electoral triumph in 1897 and ends with World War I and the disintegration of the Austro-Hungarian Empire. The party in the late nineteenth century was conservative, Catholic, and anti-*Anschluss*, unlike its main opponents, the socialists and Greater German People's Party. After winning the elections in Vienna, the Christian Social leader Karl Lueger was appointed by Franz Joseph as mayor in 1897. For the first time, the Christian Socials controlled the administration and bureaucracy in the capital city. Following victory in urban Vienna, the party also stressed rural and agrarian interests and reached out to peasants and clerical politicians. According to Boyer, the party also tended to favor German Austrians over other ethnic groups and appealed to anti-Semitic circles. The Christian Socials also won big in the imperial parliamentary election of 1907, the year when Franz Joseph introduced universal male suffrage, and became the largest single party in the *Reichsrat*.³⁹⁶

However, Boyer contends that after 1907 the Christian Socials declined, while the socialists rose. The death of Lueger in 1910 was a great loss for the Christian Socials. Lueger's successors, Albert Gessmann and Richard Weiskirchner, did not have his public appeal, and the 1911 elections were a major defeat for the Christian Socials. During World War I, the party continued to decline, and in 1919 the socialists, who appealed to the

³⁹⁶John Boyer, *Culture and Political Crisis in Vienna*, 1-30. Boyer also wrote an earlier book on Christian Socialism: *Political Radicalism in Late Imperial Vienna: Origins of Christian Social Movement 1848-1897* (Chicago: University of Chicago Press, 1981).

working class, won big in elections.³⁹⁷ Dietmar Hann's work contends that throughout the inter-war era the Christian Social Party had a split and sometimes indifferent view on the *Anschluss*, and his main emphasis is on the pro-*Anschluss* Christian Social faction. He also focuses only on Austrian domestic politics and not on diplomacy or the Christian Social Party's relation to the Americans and British.³⁹⁸

This chapter offers a different perspective from Boyer and Hann. Boyer investigates the roots of Christian Socialism and its pre-war dominance—a period of time in which the pro-*Anschluss* challenge was not a major factor. In contrast, in the 1920s the Christian Social Party had to contend with a much stronger *Anschluss* movement in the wake of the collapse of the Habsburg Monarchy. Also, Hann mostly uses newspapers and secondary sources. Hann does not use internal party documents pertaining to the Christian Social Party. This chapter uses the Christian Social Party archives found in the *Politische Akademie der ÖVP (österreichischen Volkspartei)* in Vienna and the recently published *Dieses Österreich Retten: Protokolle der Christlichsozialen Parteitage der Ersten Republik*, edited by Robert Kriechbaumer, which is a primary source document that offers a complete transcript of the Austrian Christian Social Party assemblies and meetings that were held regularly several times a year. The document contains a first-hand account of party members' speeches, discussions, and reports. It begins with the first Christian Social Party meeting on December 15, 1918, and ends with a transcript of speeches made at the last party meeting on May 14, 1934.

³⁹⁷ The socialists controlled Vienna (Red Vienna) until Dollfuss banned the party in 1934. Boyer, *Culture and Political Crisis in Vienna*, 4, 460.

³⁹⁸ Dietmar Hann, *Die Stellung der Christlichsozialen Partei zum Anschluß an das Deutsche Reich 1918-1934* (University of Vienna, 1978).

This chapter analyzes the party's stance on the *Anschluss* and American and British diplomacy. Furthermore, contrary to Hann, this chapter unquestionably contends that by 1922 the vast majority of the Christian Social Party members opposed an *Anschluss*, and the Christian Social Party policy of championing an independent Austria went along with Americans and British interests.

III. The Christian Socials from the Peace Treaty to the 1921 Provincial Referenda

The early 1920s was another time period of division within the Christian Social Party concerning the *Anschluss* issue. In June 1920 the coalition between the Christian Socials and socialists that began in November 1918 disintegrated. With the immediate post-war crisis over, the deeply rooted ideological differences resurfaced.³⁹⁹ The period 1918 to 1920 was the only time that these two parties worked together during the First Republic.

On October 1, 1920, Austria enacted the Austrian constitution that established the *Nationalrat* (National Assembly), which replaced the Constituent National Assembly and became the permanent main chamber of the Austrian parliament.⁴⁰⁰ In the October 17, 1920

³⁹⁹ Mr. Lindley to Earl Curzon. 14 June 1920. Vienna. British Foreign Office (FO) 371/3538. Besides long-term causes, like the political rivalries, Lindley also said that the immediate cause of the break-up of the coalition in June 1920 was socialist Julius Deutsch's reforms to the Republican army that he implemented without consulting parliament.

⁴⁰⁰ According to the political structure of the constitution, Austria was divided into eight provinces Burgenland, Carinthia, Lower Austria, Upper Austria, Salzburg, Styria, Tyrol, and Vorarlberg. Vienna became a ninth province after World War II. Regarding the legislature, the *Nationalrat* (sometimes also called the National Council) was elected on the basis of universal suffrage. The second chamber of the Austrian parliament was the *Bundesrat* (Federal Assembly), which represented the Austrian provinces. The *Landtage*, or parliaments of the Austrian provinces, elected the *Bundesrat* members. Regarding the executive, parliament chose the federal president who appointed the federal chancellor. The Austrian Constitution of 1920 also granted women's suffrage. In 1929 Chancellor Schober made revisions to the constitution and altered provisions concerning the president. In 1929

elections, the Christian Socials gained a plurality over the socialists in the *Nationalrat* by a margin of eighty-two seats to sixty-six. The Greater German People's Party received twenty seats, and the *Bauernbund* (Peasants' League) got seven seats.⁴⁰¹ Because the Greater German People's Party did not want to form a coalition with the Christian Socials at this time, the Christian Socials formed a coalition with neutral delegates, like Michael Hainisch.⁴⁰² Thus, following the October election, the Christian Social Party replaced the socialists in leading the Austrian government, and the party's objectives, at least at the national level, included maintaining Austrian independence.

However, the struggle for Austrian independence was far from over because most Austrians and many Christian Socials, especially in the provinces, still desired an *Anschluss* in the early 1920s. In addition, the Christian Social government faced severe difficulties due to the poor economic conditions and massive inflation. The strife between the rural provinces and Vienna intensified and culminated in local separatist movements, which the Christian Social Party Chancellor Dr. Michael Mayr opposed.⁴⁰³

the federal president was elected by popular vote, like in Germany, and the president had increased powers.

⁴⁰¹Mr. Bridgeman to Earl Curzon. 20 October 1920. *B DFA*.1:146.

⁴⁰² Michael Hainisch (1858-1940) first Austrian President from December 9, 1920 until December 10, 1928. He had no official party affiliation.

⁴⁰³ Dr. Michael Mayr (1864-1922) had been a historian and Christian Social leader. He had taught at the University of Innsbruck. He was a member of the *Reichsrat* from 1907 to 1911 and Constituent National Assembly from 1919 to 1920. From 1920 to 1922 he was a member of the *Nationalrat*. From June 1920 to June 1921 he was the Austrian Federal Chancellor. Although most Austrian intellectuals were pro-*Anschluss*, Mayr represented an exception. *Protokolle der Christlichsozialen Parteitage*, 158-162; See also, Ingeborg Richter, *Michael Mayr als Historiker und Politiker* (Dissertation. Vienna: University of Vienna, 1959).

In the early 1920s the strength of the *Anschluss* movement had weakened some since 1918 and 1919, but the Christian Social Party was still divided. During this period, Christian Social Party *Nationalrat* members and other Christian Social national leaders in Vienna began to distance themselves from the *Anschluss* movement, even though its future coalition partner had other aims. In 1920 the Greater German People's Party, which was to become the coalition partner of the Christian Socials from 1922 to 1932, declared that its main objective was "the *Anschluss* of Austria and Germany . . . threats or promises from the enemies of our people cannot hinder us from our relentless pursuit of *Anschluss* thought."⁴⁰⁴ Nonetheless, the Christian Social union leader Leopold Kunschak⁴⁰⁵ and Dr. Friedrich Funder⁴⁰⁶ turned away from the *Anschluss* thought by 1920. Kunschak and Dr. Funder, the chief editor of the Christian Social *Reichspost*, appealed to Catholic and petit bourgeois circles. Kunschak conceded that most people in his party felt that Austria was an unviable state and thus were divided in their support among four alternatives: *Anschluss*, a Danube Confederation, a Catholic South German state, and an independent Austria.⁴⁰⁷ When the US, Britain, France, Italy, and Germany did not seriously consider a South German state and the

⁴⁰⁴ *Österreichische Parteiprogramme 1868-1966*, Klaus Berchthold, ed. (Vienna: Verlag für Geschichte und Politik, 1967), 446.

⁴⁰⁵ Leopold Kunschak (1871-1953) was a Christian Social member of the Constituent National Assembly 1919-1920 and the *Nationalrat* 1920-1934. He was an opponent of the *Heimwehr*. In 1938 Nazis arrested him. *Protokolle der Christlichsozialen Parteitage*, 23-24.

⁴⁰⁶ Friedrich Funder (1872-1959) was the Christian Social editor of the *Reichspost* 1905-1938. The newspaper appeared daily. He was close friends with Seipel and Dollfuss. The Nazis arrested him in March 1938, and he was imprisoned at Dachau. *Protokolle der Christlichsozialen Parteitage*, 33.

⁴⁰⁷ *Reichspost*, 11 July 1920. Most of the Austrian newspapers relating to the Christian Social Party used in this chapter were found in *Politische Akademie der ÖVP (österreichischen Volkspartei). Parteiarchiv. Christlichsozialen Partei. Parlamentsklub. Adr/Gruppe 09*.

Danube Confederation plan collapsed, the only two options for Austria were independence or *Anschluss*. Kunschak and Funder championed the former option at Christian Social Party meetings.⁴⁰⁸

Chancellor Mayr represented another key national Christian Social figure who came out against the *Anschluss* in the early 1920s. Like Funder and Kunschak, Mayr opposed the *Anschluss* because he was anti-socialist, anti-Prussian, and favored Austrian alternatives to union with Germany. He especially feared Austrian socialists merging with German socialists. Mayr's regime was the first non-socialist government in Austria, and he wanted to take a different course from the socialists who had followed a pro-*Anschluss* policy. Mayr also expressed anti-Prussian sentiments and feared Austria would be taken over by Germany, whose population was ten times that of Austria. He had worked tirelessly on negotiating the adoption of the First Republic's Constitution of 1920. Also, in 1920 Mayr talked with the Czechoslovakian Foreign Minister Edvard Beneš in order to work out friendly relations and a possible Danube Confederation.⁴⁰⁹

On March 5, 1921, the Christian Social Chancellor Mayr, who strongly advocated Austrian independence and who had made it possible for Austria to join the League of Nations in December 1920, went to London in order to work out an international loan for Austria, primarily from the Americans, British, French, and Italians. The fact that Mayr went to London for help showed the major foreign policy shift taken by the Christian Social Party in the early 1920s. The socialist Karl Renner who had been chancellor from November

⁴⁰⁸*Protokolle der Christlichsozialen Parteitage*, 33.

⁴⁰⁹Michael Mayr. *ÖVP Parteiarchiv*. Box 57. "Mayr." Nothing was resolved concerning the Danube Confederation.

1918 to June 1920 and his Foreign Minister Otto Bauer had been conducting *Anschluss* negotiations with Germany.⁴¹⁰

Nevertheless, besides the socialists and Greater German People's Party, the anti-*Anschluss* Christian Socials also had to contend with pro-*Anschluss* members within their own party. A significant difference between the 1918-1919 and early 1920s "Anschluss movement" was that the former had been led by the socialists whose stronghold was Vienna. The latter was led by the middle class, peasants, and rural educated classes who were mainly anti-socialist,⁴¹¹ lived in the provinces, and belonged to the pro-*Anschluss* faction of the Christian Socials.⁴¹² Despite Mayr's protests, the Christian Social governments in the provinces initiated *Anschluss* referenda in Tyrol, Salzburg, and Styria in 1921. Economic distress and regionalism primarily fuelled the provincial separatist movements.

The first province to hold a referendum was Tyrol, which on Sunday, April 24, 1921, conducted a plebiscite in which 144,342 out of 146,569 Tyroleans, or 98.5 percent, voted in

⁴¹⁰ Also, in a speech in Innsbruck in early 1920, Renner asserted that he had worked endlessly for union with Germany since the peace conference and blamed its failure internally on the Christian Socials and externally on France. Mayr and many other Christian Socials condemned Renner's pro-*Anschluss* speech. Then during Mayr's chancellorship in October 1920, the Austrian National Assembly had passed a bill allowing for a nationwide referendum on the *Anschluss* question within six months, although the referendum itself never took place due to Mayr's and international opposition. Mr. Lindley to Earl Curzon. 14 June 1920. Vienna. British Foreign Office (FO) 371/3538; Report of Dr. Renner's Speech at Innsbruck. *BDFa* 1:135; Mr. Bridgeman to Earl Curzon. Vienna, 16 September 1920. *BDFa*. 1:135; *Nationalrat der Republik Österreich*. Vienna. 10 February 1921. *ADÖ 1918-1938*. 3:498-503; Memorandum respecting the *Anschluss* Movement, 2:122-123; Mr. Lindley to Earl Curzon. Vienna, 2 June 1921. 1:246; Assistance to Austria. 15 June 1921. *NPA. Archiv der Republik*. Box 578; *Neue Freie Presse*, 6 July 1927

⁴¹¹ Provincial Christian Social Movement. *ÖVP Parteiarchiv*. Box 87. "Seipel."

⁴¹² Mr. Lindley to Earl Curzon, 2 June 1921. 245.

favor of union with Germany.⁴¹³ Mayr and his government tried to stop the Tyrolean plebiscite before it happened but to no avail.⁴¹⁴ Because Tyrol had conducted the plebiscite on its own without permission, the Austrian government considered the plebiscite unofficial and did not recognize it. In the summer of 1921, the Tyrolean Diet even introduced its own currency separate from Austria and based on the German mark, which the Austrian government also ruled illegal.⁴¹⁵ Once again completely disregarding the objections of the Mayr government, about one month later the provinces of Salzburg and Styria also conducted plebiscites on the *Anschluss* issue. In both provinces, a decisive majority of the people voted for a union with Germany. Salzburg conducted a referendum on May 29, 1921, in which 95,000 out of 102,000, or 93 percent, voted in favored union.⁴¹⁶

Economic factors greatly influenced the plebiscites. British delegate Sir Francis Oppenheimer had already explained in 1919 that: "what was left to new Austria of the German Tyrols is so narrow a strip on the northern watershed of the Alps that economic needs will eventually compel its inhabitants to join Bavaria."⁴¹⁷ Like Vorarlberg which

⁴¹³Mr. Lindley to Earl Curzon. Vienna, 28 April 1921. *B DFA*. 1:230. The 146,569 people who participated in the vote represented 86.43% of the total number of eligible voters in Tyrol; "Tirol Votes for German Union." *Times* [London]. 26 April 1921. Discussing the rising *Anschluss* movement, the *Times* said that "the difficulty now is to come across any Austrian who does not profess to believe in the saving efficiency of this union."

⁴¹⁴Mr. Lindley to Earl Curzon. Vienna, 2 June 1921. 1:245.

⁴¹⁵Carsten, *The First Austrian Republic*, 56.

⁴¹⁶"Salzburg A Unit For German Union." *New York Times*, 29 May 1921; Mr. Lindley to Earl Curzon, 2 June 1921. *B DFA*. 1:245-247; Memorandum respecting the Anschluss Movement *B DFA*. 1:122; Introduction. *B DFA*. The sources state that the majority of the people of Styria voted for union with Germany, but they do not give the exact election numbers. According to the letter of Mr. Lindley to Earl Curzon, the Styrian election was to have taken place on July 3, 1921.

decided to join Switzerland in 1919, the provincial separatist movements in the early 1920s were at least partially driven by economic motives.

In addition, the pro-*Anschluss* plebiscites reflected regional disputes. There had been a steadily growing rift between the rural provinces and the metropolis of Vienna since the end of World War I. Tyrol and Salzburg were the most regionalist provinces. Tyroleans were especially angry over the loss of South Tyrol. Dissatisfied with the Austrian government in Vienna, they felt compelled to take matters into their own hands. A dispute between German-speakers and Italians in Tyrol angered, incensed, and mobilized the Tyroleans' sense of regionalism. Tyroleans were hostile to the "Allies," in particular the Italians, and they were also hostile toward Vienna, because they believed the Austrian government was not doing enough. Tyrolean State counselor Dr. Joseph Steidle had stated to the *Reichspost* on March 4, 1920, that a union with Germany would increase the chances of regaining South Tyrol.⁴¹⁸ The 1921 plebiscite results showed that the Tyroleans turned toward Germany, not Austria.⁴¹⁹ Historian Hermann Kuprian contended that out of all the Austrian provinces, the *Anschluss* movement from 1918 to 1921 was strongest in Tyrol. He stated that although the local Christian Social Party in Tyrol had voted in favor of the

⁴¹⁷Memorandum by Sir Francis Oppenheimer Relative to the Situation in Austria, *B DFA: The Paris Peace Conference of 1919*. 9:394.

⁴¹⁸News Events from Central Europe. 31 March 1920. M695: US Department of State. Roll 6.

⁴¹⁹In 1921 the *Times* reported that ethnic disturbances began in Bozen in South Tyrol, but affected the Austrian province of Tyrol, as well. In mid-April Italian fascists armed with guns and grenades attacked German-speaking Tyroleans in Bozen who had been marching in a fair and costume parade. Several German Tyroleans had died, including one school teacher. When the Tyroleans in Innsbruck found out, they protested in the streets and demonstrated in front of the Italian consulate. The Tyroleans harassed Italians owning cafes in Innsbruck. Traffic in the Brenner Pass halted due to demonstrations. "Tirol Votes for German Union." *Times* [London]. 26 April 1921.

Republic in November 1918, the Tyrolean Christian Social *Landtag* or Provincial Assembly representative Johann Steinegger had opposed the national Christian Social Party platform of the 1921 *Nationalrat* in Vienna, which advocated an economic union with Hungary, Czechoslovakia, Yugoslavia, and other Habsburg successor states.⁴²⁰

Although economic and regional reasons were predominant, anti-socialist and German nationalist sentiments also motivated the 1921 plebiscites. It was no coincidence that Tyrol and Salzburg were also the most German of the Austrian provinces. According to the British diplomats, bordering with Germany, Tyrol had always had close ties to its northern neighbor.⁴²¹ Finally, the provincial plebiscites were Christian Social protests against “Red” Vienna, which the socialists controlled throughout the inter-war period. The Tyrolean Christian Social Party likewise expressed its disgust with the socialists whose political goals they identified with Jews and Bolshevism.⁴²² The fact that the largest party in Germany in the 1920s was socialist did not discourage the pro-*Anschluss*, local Christian Socials, who looked at the overall benefits of an *Anschluss* -- economic betterment, closer ties with Germany, and freedom from the “socialist”, “Jewish”, and financially bankrupt city of Vienna that they despised. Thus, ironically both Christian Social anti-*Anschluss* and pro-*Anschluss* supporters used anti-socialism to promote their causes. The former were against joining socialist Germany, and the latter wanted to get away from socialist Vienna.

Chancellor Mayr received pressure from both sides of the *Anschluss* question, but came out against it. In the early 1920s the Christian Social Party was divided between anti-

⁴²⁰Kuprian, “Tirol und die Anschlußfrage 1918 bis 1921,” *Tirol Und der Anschluss*, 45-47.

⁴²¹ “Tirol Votes for German Union.” *Times* [London]. 26 April 1921.

⁴²²Kuprian, “Tirol und die Anschlußfrage 1918 bis 1921,” *Tirol Und der Anschluss*, 45-47.

Anschluss advocates at the national level, like Mayr, Funder, and Kunschak, and pro-*Anschluss* advocates in the provinces, like Johann Steinegger of Tyrol. The fact that Mayr's Christian Social government was powerless to prevent the regional plebiscites from taking place showed the weakness of Vienna. Mayr resigned in June 1921 because the Austrian province of Styria refused to stop its referendum on the *Anschluss*. Ultimately, these provincial pressures gave way to international counter-pressure.⁴²³ After the failure of the 1921 plebiscites the Christian Social Party members, both national and provincial, began to realize that they had to accept an independent Austria. In the following years Mayr's Christian Social Party successor Seipel continued where he had left off in working with the Americans and British and maintaining Austrian independence.⁴²⁴

IV. The Christian Socials under Ignaz Seipel

⁴²³ See also, chapter 3 on American and British diplomacy that hindered the referenda.

⁴²⁴ Mayr was immediately succeeded by the Greater German, Dr. Johann Schober, who remained Chancellor for about one year. Besides problems with inflation, members of Schober's own party were upset that he had signed an agreement with Czechoslovakia, which gave Austria loans and opened its trade in return for Austrian recognition of its borders. The Greater Germans felt that this undermined the Sudeten Germans. This incident caused Schober to resign on May 22, 1922, and he was followed by Seipel. Austria. Division of European Affairs to the Secretary of State. 30 May 1922. M695: US Department of State. Roll 7.

After Ignaz Seipel⁴²⁵ became Chancellor in 1922, the Christian Social Party for the first time since World War I was predominantly anti-*Anschluss* because of economic prosperity, Seipel's domestic policies, and foreign intervention. Seipel, whose father had worked in a Viennese theater, came from a lower-middle class background. He received a doctorate in theology and was trained as a priest. If it had not been for World War I, after which he entered politics, he presumably would have become either a teacher or churchman.⁴²⁶ Since the February 1919 elections, Seipel had steadily gained power within the party.⁴²⁷ He served in the Constituent National Assembly from 1919 to 1920, and, following the drawing up of the constitution and parliamentary elections, in the Austrian *Nationalrat*. Seipel was the leader of the Christian Social Party from 1921 to 1924 and again from 1926 to 1929.⁴²⁸ He was also Austrian Chancellor for most of his time as party leader,

⁴²⁵Seipel (July 19, 1876-August 2, 1932) was born in Vienna. His parents died early on, and he was raised by his aunts. Seipel became a religion professor at age thirty-two at the University of Vienna. One of his publications was *Nation and State* (1916). See also, Klemens von Klemperer, *Ignaz Seipel*; Markus Rudolf Einfalt, *Ignaz Seipel im Spannungsfeld zwischen Politik und Kirche: politischer Katholizismus in den Jahren 1918 bis 1934* (Masters Thesis. Vienna: University of Vienna, 2004); Robert Lukan, *Die Großdeutsche Volkspartei und ihr Einschwenken auf Seipel's Sanierungspolitik 1920 – 1922* (Masters Thesis. Vienna: University of Vienna, 2001); Ing. G. Moth, *Neu-Österreich und seine Baumeister: Ziele und Aufbau der berufsständischen Ordnung und der Väterländischen Front* (Vienna: Steyrermühl-Verlag, 1935).

⁴²⁶ Robert Ehrhart, "Seipel als Wirtschaftspolitiker." folder 9. Invoice number 824.304. Robert Ehrhart Papers. 9 folders. *Archiv, Institut für Zeitgeschichte*. (Vienna: University of Vienna).

⁴²⁷ He was an intellectual, church man, and a politician; yet it was his Christian beliefs that influenced him the most. Being a priest, Seipel needed permission from the Austrian Catholic Church in order to run for office. At the same time, the Church officially supported his candidacy. *Ignaz Seipel: Mensch, Christ, Priester, in seinem Tagebuch*. Rudolf Blüml, ed. (Vienna: Verlag Hilfswerk für Schulsiedlungen, 1934), 27-29, 69-71.

⁴²⁸ *Protokolle der Christlichsozialen Parteitage*, 14.

from 1922 to 1924 and, after a near fatal assassination attempt, again from 1926 to 1929.⁴²⁹
In 1930 Seipel became the Austrian foreign minister.⁴³⁰

Regarding his political beliefs, Seipel was somewhat right wing and anti-democratic. He asserted that Catholics should obediently follow a Christian leader, and he came to believe in what he called “true democracy,” which for him was democracy without political parties.⁴³¹ He formed this principle of “true democracy” in 1927, which had been a year of brutal political fighting between the socialists, *Heimwehr*, and Christian Socials. In a speech in Tübingen, Germany, in 1929, Seipel discussed the problems of a democratic government.⁴³² Seipel had become increasingly disappointed with the party strife and conflict seemingly inherent in democracy and thus wanted to find an alternative to parliamentary government. He considered fascism and authoritarianism but ultimately resisted the temptation of a drastic turn to the far right to which so many others succumbed at this time. He maintained Austrian universal suffrage and did not stop elections. Therefore, Seipel opposed “parliamentary democracy” based on political parties in principle, though not in actual practice. He favored a plebiscitary democracy providing consent and support for a leader but in fact did not subvert the parliamentary government over which he presided as

⁴²⁹ On June 1, 1924, a worker shot Seipel in the Burgenland, and Seipel nearly died. The Austrians had wanted to lynch the attacker, named Karl Jaworek, but Seipel the true Christian would not allow it. Ing. Moth, *Neu Österreich und seine Baumeister*, 130.

⁴³⁰ Seipel suffered from bad health, which contributed to his early death at age fifty-six. The attempt on his life left a bullet lodged in his lung, and he was also afflicted with diabetes and tuberculosis. Klemens von Klemperer, *Ignaz Seipel*, 16.

⁴³¹ Tim Kirk, “Fascism and Austrofascism,” *The Dollfuss/Schuschnigg Era in Austria: A Reassessment*, 17.

⁴³² Seipel Speech. 1929. *ÖVP Parteiarchiv*. Box 87. “Seipel.”

chancellor. Victor Klemperer states that: “While he saw the Church challenged and the Monarchy toppled, he never understood the uncertainties of the doubters or the agonies of the disinherited, and he turned toward democracy and the Republic with his reason but not with his heart.” Realizing that there was no ideal democracy, he reluctantly had to accommodate to imperfect democracy.⁴³³

Seipel’s views on a Habsburg restoration varied from sympathetic to indifferent. Even though Seipel had grown up in the old imperial Austria, his primary political objective was neither to restore the Habsburg Monarchy nor to restore Austria to world power. He wanted to seek a political and economic order in Central Europe that would best fit the different ethnic groups. In 1918 Seipel, a member of the Constituent National Assembly, said that “With us there was an agreement among the parties not to raise now but to leave for the future Constituent Assembly the question of republic or monarchy.”⁴³⁴ According to the *Neue Freie Presse*, in the late 1920s he continued to temporize, stating that the monarchy should not be restored now but possibly in the future.⁴³⁵

In addition, Seipel was strongly anti-*Anschluss*,⁴³⁶ and under his leadership the Christian Social Party became largely anti-*Anschluss* based on his party policies of anti-socialism, pro-Austrian nationalism, opposition to Germany, and identification with Catholicism. Already in November 1918 the *Reichspost* had stated that it feared “the party

⁴³³ Klemperer, *Ignaz Seipel*, 229, 281-286.

⁴³⁴ Seipel to “Lieber hochw. Kollege“ in Klemens von Klemperer, *Ignaz Seipel*, 115-116, 437.

⁴³⁵ *Neue Freie Presse*, 30 December 1929.

⁴³⁶ *Reichspost*, 21 September 1921. The newspaper was found in the *ÖVP Parteiarchiv*. Box 55, “The Anschluss.”

advantages that the socialist central organ hopes from the *Anschluss* with Germany.” Thus, the newspaper expressed the concern that Seipel and most Christian Socials had of the Austrian socialists linking with German socialists and forming a “Bolshevik” Greater Germany.⁴³⁷ On December 17, 1918, Seipel had stated that “. . . in Germany of today in which the terror of soldiers’ councils and a socialist dictatorship prevails, in which a Kurt Eisner can rule and so forth, we have no business.”⁴³⁸ Seipel’s contempt for socialism led him to forge the Great Coalition with the Greater German People’s Party on May 28, 1922. The Greater German People’s Party sacrificed its pro-*Anschluss* position for an alliance based on mutual hatred of socialists. The Christian Socials and socialists had differences over church and state issues, and Seipel’s strong ecclesiastic influences heightened his disdain of atheist socialists.⁴³⁹ Whereas the socialists had allowed the Christian Socials to attend the peace settlement in 1919, Seipel did not allow the socialists to go to the Geneva conference in 1922, which added to simmering political tensions between the socialists and Christian Socials. Socialists responded by condemning “Kaiser Seipel” or the “Prelate’s government.”⁴⁴⁰ The Christian Socials and the socialists were bitter foes, and the Christian Socials wanted to distance themselves from the pro-*Anschluss* socialists. Thus, many pro-*Anschluss* Christian Socials and the Greater Germans comprised their pro-*Anschluss* sentiment in favor of prioritizing anti-socialism.

⁴³⁷ *Reichspost*, 12 November 1918.

⁴³⁸ Klemperer, *Ignaz Seipel*, 115-116.

⁴³⁹ Party Platform November 1926. *ÖVP Parteiarchiv*. Box 87. “Seipel.”

⁴⁴⁰ Klemperer, *Ignaz Seipel*, 175-176, 208-210. Under the coalition Seipel appointed mostly Christian Socials, but also some members of the Greater German People’s Party, to his cabinet; For example, the Greater German Felix Frank was Vice Chancellor 1922-1923 and Minister of Interior 1923-1924. *Protokolle der Christlichsozialen Parteitage*, 157.

Besides the anti-socialist factor in opposing an *Anschluss*, Seipel was a true Austrian nationalist. Seipel believed that an independent Austria was better for all the German lands or “*Gesamtdeuschums*.”⁴⁴¹ According to the *Reichspost*, in contrast to so many other Austrian leaders, Seipel asserted in June 1921 that indeed “Austria [was] a viable nation (*lebensfähig*) -- if we want it to be.”⁴⁴² After becoming Chancellor in May 1922, Seipel pledged his allegiance to the Austrian Republic in a speech in June. He reiterated his stance that Austria was viable. Seipel said “In order to be able to do good work for a state one must believe in its capacity to live . . . we will do all in our power and aid [Austria] to live.”⁴⁴³ In the speech Seipel also reminded Austrians that the Christian Social Party had ratified the peace treaty, and Austria had to “abide by its consequences.”⁴⁴⁴ In the 1920s Seipel attempted to raise Austrian national awareness.

Moreover, Catholicism motivated Seipel’s anti-*Anschluss* sentiments, as well as his anti-socialist views and domestic policies. As a clergyman, neither he nor the Catholic Church wanted to join with mostly Protestant Germany. Seipel wanted Austria to remain a Catholic state. Seipel and the Christian Social Party sided with the Catholic Church on political issues. He opposed secularization, the separation of Church and State, divorce, birth control, and cremation. On the other hand, he advocated increased state funding of the Church and prayers in school. In addition, Seipel and the Church shared a hatred of

⁴⁴¹ Hann, *Die Stellung der Christlichsozialen Partei*, 39.

⁴⁴² *Reichspost*, 9 June 1921.

⁴⁴³ Seipel’s Speech. American Consul R. W. Heingartner to the Department of State. Vienna. 3 June 1922. M695: US Department of State. Roll 7.

⁴⁴⁴ Seipel’s Speech. 3 June 1922.

socialism. Whereas the socialists promoted urban and working class interests, Seipel and his party promoted rural and peasant interests. Seipel and the Church felt that a good Christian could not be a socialist. The fact that many of the socialist leaders in Austria also happened to be Jews, like Otto Bauer, was another source of contention between the Christian Socials and socialists.⁴⁴⁵ Thus, Seipel supported political Catholicism.

Furthermore, Seipel agreed with American, British, French, and Italian political concerns and said an *Anschluss* would threaten world peace.⁴⁴⁶ The Austrian press asserted that Seipel also welcomed American and British loans and supported their policies in Austria.⁴⁴⁷ Seipel believed that once the economic situation in Austria improved, *Anschluss* desire would decline. He was known to have sometimes exploited fears of a possible *Anschluss* to encourage economic aid from the League of Nations.⁴⁴⁸ Seipel even supported the Danube Confederation plan.⁴⁴⁹ Seipel stated: “The *Anschluss* is a topic over which we should not become too heated. This is not a question on which our life depends.”⁴⁵⁰

⁴⁴⁵Seipel and the Church. 1925. *ÖVP Parteiarchiv*. Box 87. “Seipel.”

⁴⁴⁶ Interview of Seipel by Albert H. Washburn. 20 March 1926. Vienna. M695: US State Department. Roll 8.

⁴⁴⁷ *Mühlviertler Nachrichten*, 7 June 1928. The newspaper was found in the *ÖVP Parteiarchiv*. Box 55, “The Anschluss.”

⁴⁴⁸No title or date. *ÖVP Parteiarchiv*. Box 87. “Seipel.”

⁴⁴⁹ Hoor, *Österreich 1918-1938: Staat Ohne Nation*, 46, 49, 68; Löwenthal, “Deutscher als die Grossdeutschen waren aber die Sozialdemokraten.” *Doppeladler und Hakenkreuz*, 54.

⁴⁵⁰ Interview of Seipel by Albert H. Washburn. 20 March 1926. Vienna. M695: US Department of State. Roll 8; “Dr. Seipel’s Address regarding the *Anschluss* Problem.” *Neue Freie Presse*. 13 February 1926; “Dr. Seipel and Austria’s Future.” *Österreichische Nachrichten*. 11 February 1926.

At the Christian Social Party meeting on July 7-9, 1921, Seipel found strong support. Frau Franziska (Fanny) von Starhemberg,⁴⁵¹ the mother of the *Heimwehr* leader in the 1930s Ernst Rüdiger von Starhemberg and a devout Catholic and Christian Social member, stated that the *Anschluss* movement was detrimental and that they were Austrians first. Leopold Kunschak of the Christian Social Party asserted that Austria must follow the lead of Seipel and argued that the number one goal of Austria should be to secure its industry so that Austria could live. He said that Austria could not count on the help of Germany. According to Kunschak, “We can only save this Austria with the policies that Dr. Seipel has set forth. Whoever says that by way of the *Anschluss* this goal can be achieved at the moment is ignorant or a liar. . . . We have the duty . . . to maintain this Austria.”⁴⁵²

In 1922 Seipel received even more support from national and provincial Christian Socials. Christian Social *Landtag* member August Graf Segur stated that *Anschluss* supporters were pro-Prussians and Austria would only move forward if independent. Mentioning Prussia and “Prussianization” unleashed negative connotations of centuries of regional rivalry and helped to create feelings of Austrian nationalism. In 1922 Dr. Anton Jerzabek and Wilhelm Miklas likewise gave their support to Seipel. Friedrich Schönsteiner said that if only the Christian Social Party had taken a clearer stance on the *Anschluss* issue sooner, then the pro-*Anschluss* referenda and demonstrations would not have occurred in

⁴⁵¹ Frau Franziska (Fanny) von Starhemberg (1875-1943) was a Christian Social member of the *Bundesrat* from 1920 to 1931. The Nazis had her arrested in 1938. She died in Upper Silesia. See Gudula Walterskirchen, *Starhemberg oder die Spuren der 30er Jahre*, (Vienna: Amalthea, 2002).

⁴⁵² *Protokolle der Christlichsozialen Parteitage*, 167.

1921.⁴⁵³ Thus, under Seipel's leadership the Christian Social Party clearly and decisively opposed the *Anschluss*.

Yet, Seipel continued to have some political foes from within the Christian Social Party ranks who questioned the ethics behind accepting international loans primarily from the US and Britain and suggested it would be better to get financial help from Germany instead. Professor Josef Mittelberger from Vorarlberg and Dr. Franz Rehrl of Salzburg remained firmly pro-*Anschluss* in their speeches. Dr. Heinrich Seibert from Salzburg resented the fact that at the July 1921 party meeting all *Anschluss* supporters were called ignorant and liars. Seibert questioned how long the Americans and British would continue to send loans. These individuals represented the minority pro-*Anschluss* Christian Social Party faction. Nevertheless, at the end of the Christian Social assembly, the party agreed to accept the reconstruction of the Austrian economy with the aid of the League of Nations loans.⁴⁵⁴

Precisely because Austria had major economic problems, especially soaring inflation in the early 1920s, economic concerns demanded attention equal to that devoted to the *Anschluss* issue. Seipel's economic reform package included return to the gold standard, the introduction of a new currency in the form of the schilling, and bank reform. Seipel hoped to stabilize the economy by switching the Austrian currency from the kronen to the schilling and by tying the Austrian currency to the gold standard. The larger banks in Austria were to participate in a fiscal reform. In addition to internal reform, however, the gravity of the economic situation made the acquisition of foreign loans imperative.

⁴⁵³ No title. March 1922. *ÖVP Parteiarchiv*. Box 87. "Seipel."

⁴⁵⁴ *Protokolle der Christlichsozialen Parteitage*, 161-169, 176.

In October 1922 Austrian Chancellor Seipel went to London Conference where he signed the League of Nations Protocol for the reconstruction of Austria, and in 1923 Austria received a loan from the League of Nations.⁴⁵⁵ The money was to be used for the financial reform efforts and to pay for the change to the schilling.⁴⁵⁶ The Seipel government also spent the money on reparations, interest rates, pensions, railroads, businesses, industries, and utility companies.⁴⁵⁷ At the Christian Social Party assembly in October 1922, Seipel tempered his gratitude. He had stated that since the “Allies” had weakened Austria, the least they could do was to send loans.⁴⁵⁸ Despite such public reticence Seipel welcomed foreign loans,⁴⁵⁹ and he contended that they were necessary for Austrian economic recovery and the continuance of its existence.⁴⁶⁰

Electorally, Seipel’s policies proved successful. In October 1923 the Christian Socials received eighty-two seats, the socialists sixty-eight, the Greater German People’s Party ten, and an Agrarian League five seats.⁴⁶¹ Seipel won in the 1923 election despite some discontent over the League of Nations’ control of Austrian finances. Thus, at least a

⁴⁵⁵ The loan was six-hundred and fifty million gold kronen. .

⁴⁵⁶ James William Miller, “Engelbert Dollfuss and the Austrian Agriculture,” *The Dollfuss/Schuschnigg Era*, 132.

⁴⁵⁷ Margreiter, *Die Österreichischen Staatsanleihen seit 1918*, 110.

⁴⁵⁸ *Protokolle der Christlichsozialen Parteitage*, 206.

⁴⁵⁹ *Mühlviertler Nachrichten*, 7 June 1928. The newspaper was found in the *ÖVP Parteiarchiv*. Box 55. “The Anschluss.”

⁴⁶⁰ *Protokolle der Christlichsozialen Parteitage*, 208.

⁴⁶¹ Election results from, Political Parties in Austria. 17 February 1926 Vienna. M695: US Department of State. Roll 8. This source lists all Austrian election results in the early and mid 1920s.

plurality of Austrians supported Seipel and his policies. Under Seipel's government during the mid-and late 1920s, the economic situation in Austria slightly improved. And consequently the *Anschluss* desire greatly lessened within the Christian Social Party and somewhat among the entire Austrian populace.⁴⁶² Therefore, economic improvement under Seipel strengthened the Christian Social Party's positions as a champion of Austrian independence.

Seipel's foreign and economic policy had implications for the *Anschluss* movement within Austria. When the Seipel government signed the Geneva Protocol with the major European powers, with the exception of Germany, on October 4, 1922, it also agreed to uphold Article 88 of the Treaty of St. Germain that prohibited an *Anschluss* with Germany. While the Christian Socials maintained that this course of action was necessary, the socialists and the Greater German People's Party opposed the Geneva Protocol for this very reason. The socialist Bauer saw Seipel as a "traitor" because he accepted a renewed *Anschluss* prohibition based on the Geneva Protocol in order to receive a loan from the US, Britain, France, and Italy.⁴⁶³ In addition, Seipel supported the Danube Confederation as an economic alternative to the *Anschluss*. In 1926 the Austrian foreign minister under Seipel, Dr. Heinrich Mataja, put forward another Danube Confederation plan, after the first one in

⁴⁶²The British diplomats in Austria confirmed the small economic betterment and weakening of the *Anschluss* movement. From 1922 to 1929 there were no more provincial or national separatist movements led by Christian Socials. Memorandum by Mr. Akers-Douglas on the Present Position of Austria. (Received by the Foreign Office, 28 February 1925.) *B DFA*. 2:106-107, 110-112.

⁴⁶³Hoor, *Österreich 1918-1938*, 46, 49, 68; Löwenthal, "Deutscher als die Grossdeutschen waren aber die Sozialdemokraten," 54.

1919 had failed,⁴⁶⁴ but Mataja had no more luck than his predecessors.⁴⁶⁵ Undeterred Seipel still favored close economic and political ties with the successor states. In November 1927 Seipel said that there would be no peace in Europe, if neighbors refused to work together.⁴⁶⁶

Although Seipel stressed Austrian political independence as a major goal of the Christian Social Party, he also advocated close cultural ties with Germany in the 1920s. The *Neue Freie Presse* contended that in 1922 Seipel stated that “Austria has remained a German state, which works together with the Reich, because of my policies. This policy is to be carried out without any big words.”⁴⁶⁷ Yet, in August 1923, fellow Christian Social Dr. Karl Lugmayr asserted that Austria should not only be politically independent, but also develop its cultural independence.⁴⁶⁸ Seipel, however, disagreed with Lugmayr. According to the *Österreichische Nachrichten*, Seipel contended that even though both countries were politically separated, the Austrians and in particular the Catholic Germans would always belong to the same “cultural unity of the German nation.”⁴⁶⁹ In November 1926 the Christian Social Party declared that, although it wanted Austrian independence, it still wanted to maintain close ties to Germany.⁴⁷⁰ In a speech in 1927, Chancellor Seipel

⁴⁶⁴ Hann, *Die Stellung der Christlichsozialen Partei*, 45, 60.

⁴⁶⁵ *Neues Wiener Tagblatt*, 16 December 1925; *Neue Freie Presse*, 16 December 1925. *ÖVP Parteiarchiv*. Box 78. “Mataja.” Mataja, like Seipel, supported Austrian independence and international loans.

⁴⁶⁶ *Neue Freie Presse*, 19 November 1927. The newspaper was found in the *ÖVP Parteiarchiv*. Box 55, “The Anschluss.”

⁴⁶⁷ *Neue Freie Presse*, 5 February 1926. This article discussed what he had said in 1922.

⁴⁶⁸ Party Platform November 1926. *ÖVP Parteiarchiv*. Box 87. “Seipel.”

⁴⁶⁹ *Österreichische Nachrichten: Organ der Monarchisten Österreichs*, 3 September 1925.

reiterated the Christian Social Party's position and said that Austria's relationship to Germany could not be closer.⁴⁷¹ In addition, the *Neue Freie Presse* asserted that when in June 1928 the Yugoslavian Prime Minister insisted that Austria have no relation with Germany whatsoever, Seipel responded that the Central European question could never be solved without Germany.⁴⁷² Thus, Seipel wanted to assert pro-German cultural identity despite political independence.

The *Anschluss* movement, although diminished, continued to challenge the Seipel government in the mid- and late 1920s. In particular, a number of different interest groups and associations among the Austrian pro-*Anschluss* proponents wanted to merge Austrian and German industry and culture. The Austrian-German Workers' Society (*Österreichisch-Deutsche Arbeitsgemeinschaft*) sought a commonality of scientific matters. The Austrian-German Economic Partnership (*Österreichisch-Deutschen Wirtschaftszusammenschluß*) wanted an economic union of Austria and Germany.⁴⁷³ The *Kärntner Tagblatt* maintained that the Austrian-German People's League (*Österreichisch-Deutsche Volksbund*), which had tens of thousands of members including the socialist Renner, sought an *Anschluss*.⁴⁷⁴ The Christian Social Party had instructed its members to stay away from the *Volksbund*, which

⁴⁷⁰ Party Platform November 1926. *ÖVP Parteiarchiv*. Box 87. "Seipel."

⁴⁷¹ Friedrich Kleinwächter and Heinz von Paller, *Die Anschlußfrage in ihrer kulturellen, politischen und wirtschaftlichen Bedeutung* (Vienna: Braumüller, 1930), 96.

⁴⁷² *Neue Freie Presse*, 29 June 1928.

⁴⁷³ The Christian Social member Professor Dr. Karl Drexel was also pro-*Anschluss* and advocated an economic union with Germany. Drexel to Generalsekretar, 24 August 1928. *ÖVP Parteiarchiv*. Box 55, "The Anschluss."

⁴⁷⁴ *Kärntner Tagblatt*, 19 May 1928; Letter of the *Österreichisch-Deutsche Volksbund* to its esteemed members. 27 October 1928. The newspaper and the letter are found in the *ÖVP Parteiarchiv*. Box 55, "The Anschluss."

was founded in 1925, but nonetheless four Christian Social Party members had joined the organization. Also, in 1925 socialists held demonstrations in St. Pölten and Vienna, where they sharply criticized the “Allies” and Austrian government’s anti-*Anschluss* position. In October 1927, about seventy-five thousand Greater Germans held a demonstration in Vienna. The major pro-*Anschluss* newspaper, *Der Anschluss*, started up in 1927.⁴⁷⁵ According to the *Reichspost*, many university professors, such as Dr. Karl Gottfried Hugelmann, were likewise pro-*Anschluss*. At the tenth Musicians’ League festival (*Sängerbundfest*) in 1928 Christian Social Richard Schmitz demanded the union of a greater German nation, in which its sons could meet.⁴⁷⁶ Nonetheless, the Christian Social leadership maintained its commitment to an independent Austria. Speaking at a *Volks*-German gathering in Berlin in 1926, Seipel said he believed that Austria could have its own national awareness and could live without destroying world peace.⁴⁷⁷

In the April 1927 election, the coalition of the Christian Social Party and Greater German People’s Party got fifty-percent of votes and eighty-five seats. The opposition socialists received forty-two percent of the vote and seventy-one seats, and the Agrarian

⁴⁷⁵Two of the Christian Socials who had joined the *Volksbund* were Rudolf Ramek and Ernst Streer Ritter von Streeruwitz. Ernst Streer Ritter von Streeruwitz (1874-1952) was a pro-*Anschluss* Christian Social Party member. After Seipel stepped down in 1929, Streeruwitz was the “compromise candidate,” and briefly was Chancellor from May to September 1929. He was also a member of the Austrian-German People’s League (*Österreichisch-Deutsche Volksbund*), a pro-*Anschluss* organization. Ramek (1881-1941) was the Austrian Chancellor from November 1924 to October 1926. *Protokolle der Christlichsozialen Parteitage*, 223, 369; Streeruwitz wrote a pro-*Anschluss* article in the *Wiener Journal*, 22 August 1928. Also, fourteen socialists and seven *Grossdeutsch* members had joined the *Volksbund*; Dietmar Hann, *Die Stellung der Christlichsozialen Partei*, 41-42; Wolfgang Rosar, *Arthur Seyss-Inquart in der österreichischen Anschlussbewegung* (Dissertation, Vienna: University of Vienna, 1969), 57.

⁴⁷⁶*Reichspost*, 19 July 1928.

⁴⁷⁷ Seipel letter. June 1926. *ÖVP Parteiarchiv*. Box 87. “Seipel“.

League got nine seats. As an individual party the socialists actually had a plurality, but the government was formed by a coalition of the Christian Social Party and Greater German People's Party, who together maintained a narrow majority.⁴⁷⁸ Even in the late 1920s Seipel still had full support of most Christian Socials.⁴⁷⁹

Therefore, during the 1920s, Austrian Chancellor Seipel had dedicated himself to creating a separate Austrian identity and preserving Austrian independence. He did not see the *Anschluss* as a practical objective and championed a free, Catholic, and anti-socialist Austria. When Seipel, who had resigned from political office in April 1930,⁴⁸⁰ died on August 2, 1932, many newspapers and letters commemorated him and held him in high esteem. The *Verband der abgeordneten des nationalen Wirtschaftsblocks* (union of civil servants of the national economic bloc) in remembering Seipel called him a "savior of the

⁴⁷⁸ All election results in that paragraph from Barbara Jelavich, *Modern Austria*, 176-177.

⁴⁷⁹ In the late 1920s, others in Seipel's party shared his emphasis on foreign policy considerations, and one even took the unusual step of campaigning abroad to bolster international opposition to an *Anschluss*. On July 13, 1927, the Christian Social Party member Jules Sauerwein, who agreed with Seipel's policies, went to Paris and wrote an anti-*Anschluss* article in the French journal, *Martin*. In the article Sauerwein listed many reasons why France, Great Britain, and the US should oppose an *Anschluss*. The main factor that he gave was that it would destroy the European balance of power after the peace settlement of 1918-1919. Sauerwein said that even if it went against the will of the majority of Austrians, the League of Nations should prevent any union with Germany. According to Sauerwein, if the *Anschluss* question appeared before the League, the League should likewise reject it. Instead he said that the League should turn Austria into a viable nation by opening trade routes to the Danube. *Wiener Stimmen*, 13 July 1927. The newspaper was found in the *ÖVP Parteiarchiv*. Box 55, "The Anschluss;" For other examples of Seipel supporters in the late 1920s see, the *ÖVP Parteiarchiv*. Box 87. "Seipel."

⁴⁸⁰ Seipel's resignation. *Des Volksblatt*, 15 April 1930; *Die Neue Zeitung*, 4 April 1930, *Reichspost*, 4 April 1930. *ÖVP Parteiarchiv*. Box 87. "Seipel."

Austrian fatherland.”⁴⁸¹ Dollfuss and many others likewise called him a “savior” for helping the restoration of Austria. A letter from the Austrian Jewish community also expressed condolences, in particular because Seipel had been one of the least anti-Semitic of the Christian Social Party leaders.⁴⁸² The *Wiener Journal* called him the “captain of the ship.”⁴⁸³ A German newspaper had said that: “German-Austria after long years [had] gotten once again a statesman of great stature. ... In the area of foreign policy he [had] made it possible for Austria to cast off the role of the world’s beggar and to take over once again an important Central European function.”⁴⁸⁴ The anti-*Anschluss* position of the Christian Social Party instilled by Seipel endured until its official dissolution in 1934.

V. Christian Socialism and Anti-Semitism

Not only was the Christian Social Party anti-socialist and anti-*Anschluss*, but it was also anti-Semitic. Bruce Pauley argues that Austria was the most anti-Semitic country in Europe, and most Austrian political parties to some extent embraced anti-Semitism. Indeed, the Christian Social Party had a long history of anti-Semitism. During the nineteenth century, Roman Catholics blamed Jews for modernization, capitalism, Marxism, atheism, and democracy. Some of the first actively anti-Semitic Austrian clergymen were Sebastian Brunner (1814-1893) and Albert Wiesinger (1830-1896). They both edited an anti-Semitic

⁴⁸¹ Verband der abgeordneten des nationalen Wirtschaftsblocks an die Christlichsoziale Vereinigung deutscher Abgeordneter. 2 August 1932. *ÖVP Parteiarchiv*. Box 87. “Seipel.”

⁴⁸² Letter of the Austrian Jewish Community. 2 August 1932. *ÖVP Parteiarchiv*. Box 87. “Seipel.”

⁴⁸³ *Wiener Journal*, 2 August 1932. *ÖVP Parteiarchiv*. Box 87. “Seipel.”

⁴⁸⁴ Klemperer, *Ignaz Seipel*, 214.

newspaper titled the *Wiener Kirchenzeitung*. Bruce Pauley calls Brunner the “Father of Austrian anti-Semitism” and Wiesinger a “devoted fanatic of hate.” Baron Karl Feiherr von Vogelsang (1818-1890), a German Catholic who had relocated to Vienna, was a leading member of the Austrian Christian Social Party. Vogelsang edited the Catholic journal *Vaterland*, and he too was an anti-Semitic politician. These three men attended anti-Semitic rallies and inspired the most famous late nineteenth century Austrian Christian Social anti-Semite, Karl Lueger.⁴⁸⁵ Unlike Georg Schönerer’s greater German nationalism, Lueger championed the Catholic Church and Habsburg Empire. In addition, contrary to Schönerer’s racial anti-Semitism, Lueger believed in economic, cultural, and religious anti-Semitism. Nevertheless, Pauley states that Lueger turned anti-Semitism into an “integrating force of political Catholicism,” and was one of the first mayors in Europe elected on “an anti-Semitic platform.”⁴⁸⁶

⁴⁸⁵Karl Lueger (1884-1910) was a lawyer, Christian Social politician, and a great orator. He was mayor of Vienna from 1897 to 1910. He had received his law degree from the University of Vienna. He was strongly racist, anti-Semitic, anti-liberal, and anti-socialist. Because he believed in religious and cultural anti-Semitism, he had no contempt for Jews who had converted to Christianity. He also had negative views of Slavs. His political success in exploiting anti-Semitism earned Adolf Hitler’s admiration, and Lueger was mentioned in *Mein Kampf*. Even today a section of the ring street in Vienna where the university is located is named after him (Karl Lueger Ring). See also, Heinrich Schnee, *Karl Lueger: Leben und Wirken eines großen Sozial- und Kommunalpolitikers* (Berlin: Duncker & Humblot, 1960); Ludwig Reichhold, *Karl Lueger: die soziale Wende in der Kommunalpolitik, Karl Lueger and the change in communal politics* (Vienna : Karl-von-Vogelsang-Inst., Politische Akademie, 1989); Richard S. Geehr, *Karl Lueger: mayor of fin de siècle Vienna* (Detroit, Mich.: Wayne State University Press, 1990); Ursula Klaus, *Das Bild des Dr. Karl Lueger: die Darstellung eines Politikers im Wien des Fin-de-Siècle auf Postkarten als Beispiel für die Frühzeit visueller politischer Werbung, The biography of Karl Lueger* (Masters Thesis. Vienna: University of Vienna, 2000).

⁴⁸⁶ Pauley, *From Prejudice to Persecution*, 38-44. Lueger had gotten much support from Austrian artisans, who feared Jewish business competition, and university students. He voted in favor of restricting Jewish immigration from Eastern Europe, and wanted to bring about an anti-Semitic consensus among the various ethnic groups within the Austro-Hungarian Empire.

During the inter-period, many Christian Social leaders, such as Dr. Anton Jerzabek,⁴⁸⁷ Dr. Heinrich Mataja,⁴⁸⁸ Friedrich Funder, Emmerich Czermak,⁴⁸⁹ and Leopold Kunschak were staunchly anti-Semitic.⁴⁹⁰ At the Christian Social Party meeting in Vienna on December 15, 1918, Kunschak stated the Jews were to blame for profiteering during the Great War, because the millions spent during the war did not go to Christian families.⁴⁹¹ Far more shocking, Kunschak asserted that Jews should only be allowed to live in ghettos. The Christian Social Party's main newspaper, the *Reichspost*, and its editor, Friedrich Funder, were anti-Semitic. The *Reichspost* blamed Jews for the defeat in World War I and discussed a Jewish conspiracy to take over the world.⁴⁹²

Although the Christian Social Party did not pass any anti-Semitic laws or initiate pogroms, the party viewed Jews negatively and wanted their influence restricted. In 1925 Bishop Sigmund Waitz said Jews were "alien people." The *Schönere Zukunft* (Better Future), which appeared in 1929 and was edited by Josef Eberle, contended that Jews, who

⁴⁸⁷ Dr. Anton Jerzabek (1867-1939) was a Christian Social member of the Provisional National Assembly and the *Nationalrat* from 1920-1930. He also became the leader of the Viennese Anti-Semitic League. *Protokolle der Christlichsozialen Parteitage*, 24.

⁴⁸⁸ Heinrich Mataja (1877-1937) was an anti-Semitic, Christian Social Party member. He was a delegate of the Provisional National Assembly, the Constitutional National Assembly, and the *Nationalrat* (Austrian parliament) from 1920-1924 and 1926-1930. He became the Austria foreign minister from 1924 to 1926. *Protokolle der Christlichsozialen Parteitage*, 24; See also, Heinrich Mataja, *Österreichische Politik im XIX. und XX. Jahrhundert* (Vienna: Reinhold, 1935).

⁴⁸⁹ Czermak was the Christian Social Party chairman in the 1930s who wrote a book titled *Order in the Jewish Question*.

⁴⁹⁰ *Protokolle der Christlichsozialen Parteitage*, 24.

⁴⁹¹ *Protokolle der Christlichsozialen Parteitage*, 25.

⁴⁹² Pauley, *From Prejudice to Persecution*, 153-156, 159.

only made up 5 % of the Austrian population, had too much influence and wealth. The newspaper said that wealthy Jews should have their property confiscated. According to Pauley, even Seipel was a “moderate anti-Semite,” who opposed rabid anti-Semitism but believed that Jews should not be fully integrated into society. Anti-Semitism continued in the 1930s. Dollfuss and Schuschnigg publicly came out against anti-Semitism, but their regimes were nonetheless tolerant of anti-Semitism. Dollfuss even quoted von Vogelsang in his speeches. Pauley concludes that economic, cultural, and religious but not explicitly racial anti-Semitism played a significant role in the Christian Social Party.⁴⁹³

The Christian Social Party-style anti-Semitism was in line with general Austrian sentiments; therefore, it neither helped nor hurt it electorally. However, Christian Social anti-Semitism certainly contributed to a political climate desensitized to the issue. Thus, the Austrian population was exceptionally vulnerable to Nazi preemption and exploitation of the issue and the explosion of Austrian anti-Semitism in 1938.

VI. The Christian Social Government and Austrian Identity

The Christian Social Party that led the Austrian government took decisive steps to undermine any attempts at creating a common Austro-German culture and history. For example, the party opposed pro-*Anschluss* organizations, like the German Austrian League (*Deutsch-Österreichischer Volksbund*) and German Working Society (*Deutsche Arbeits-*

⁴⁹³Pauley, *From Prejudice to Persecution*, 156-173, 268-271. In the 1930s the Fatherland Party was very similar to Christian Social Party in ideology. Although the Fatherland Party allowed Jews to become members, they were barred from leadership positions.

Gemeinschaft).⁴⁹⁴ At the same time, the party encouraged policies that formed a separate Austrian national identity and opposed regional separatism.

During the 1920s, there were many efforts aimed at creating a common history between Austria and Germany. Pro-*Anschluss* historians, school teachers, and politicians got rid of old history texts that emphasized the dynastic struggle between Habsburgs and Hohenzollerns, particularly the victories of Frederick the Great over Maria Theresa. These old textbooks had heightened the struggle between Catholics and Protestants, and they depicted Austria as a mostly Slav state. Updated history books during Weimar showed Austria as a German republic whose people wanted to join Germany. German and Austrian historians led the way in creating a common “German” history. Austria had historically been an important part of the “Germany” for centuries. Bismarck’s policies in 1866 and 1870-71 were now seen as only partial steps toward complete unification. The repercussions of the goal to create a new, uniform, and standard history were enormous. Professors of history influenced university students, and many of these university students in turn became public teachers influencing their students. Both secondary and primary schools were affected. This “rewriting” of history was a powerful tool in creating a desire for unity and was quite successful, although deeply rooted class and regional differences continued. Moreover, Stanley Suval observes that Austrians saw their state as “culturally unviable” as well. They believed that no small state could effectively sustain culture, which was shown

⁴⁹⁴*Kärntner Tagblatt*, 19 May 1928; Letter of the *Österreichisch-Deutsche Volksbund* to its esteemed members. 27 October 1928. The newspaper and the letter are found in the *Politische Akademie der ÖVP Parteiarchiv. Christlichsoziale Partei*. Box 55, “The Anschluss.”

by the massive numbers of Austrian intellectuals, musicians, artists, and scientists re-locating to Germany during the 1920s.⁴⁹⁵

Furthermore, the Christian Social Party had to deal with persistent regionalism that also threatened to undermine the new Austrian Republic. Provincial patriotism was quite strong in Austria in the 1920s. In 1921 the Austrian journalist Gustav Stolper stated that “German Austria is not an historical-rooted organism; there is no conception of a German Austrian state. The Tyrolean, Carinthian, and Styrian consider themselves always as Styrians, Carinthians, Tyroleans, and then as Germans, never as German Austrians.” According to an opinion poll, even in 1961, sixty-six percent of North Tyroleans identified themselves foremost as Tyroleans rather than Austrians.⁴⁹⁶ In “National Identity or Regional Identity: Austria versus Tyrol/Salzburg,” Gunda Barth-Scalmani, Hermann J. W. Kuprian, and Brigitte Mazohl-Wallnig likewise maintain that regionalism, particularly in the provinces of Tyrol and Salzburg, remains adamantly strong. The people of these two provinces see themselves first as Tyroleans and Salzburger rather than Austrians.⁴⁹⁷

In order to combat a common Austro-German history and provincialism, the Christian Socials fostered Austrian nationalism and identity. While pro-*Anschluss* supporters wanted to downplay the centuries old dynastic struggle between the Habsburgs and Hohenzollerns, opponents of the *Anschluss* did exactly the opposite and attempted to emphasize religious, cultural, political, and economic differences between Prussia and

⁴⁹⁵Suval, *The Anschluss Question*, xvi, 55, 182-183.

⁴⁹⁶Suval, *The Anschluss Question*, 173-174, 182-183.

⁴⁹⁷ Gunda Barth-Scalmani, Hermann J. W. Kuprian, and Brigitte Mazohl-Wallnig, “National Identity or Regional Identity: Austria versus Tyrol/Salzburg,” *Austrian Historical Memory & National Identity*. Günter Bischof and Anton Pelinka, eds. (New Brunswick, NJ: Transaction Publishers, 1997), 32-33, 41-45.

Austria and write a dualistic history. The *Neue Freie Presse* asserted that even Mussolini, who had opposed an *Anschluss*, warned the Austrians in 1928 of joining a German state dominated by thirty-six million Prussians.⁴⁹⁸

Austrian nationalists based their national identity on a unique culture and tradition. During the 1920s, Austrian nationalists embraced the annual Salzburg Festival in such a way as to distinguish themselves from the Germans. Mozart's Catholic and baroque Salzburg was compared to Wagner's Protestant Bayreuth. According to Gunter Bischof this "myth" was used to create and sustain a sense of Austrianism or "Austrians as the better Germans." Unlike Protestant, militaristic, socialist, Godless, and materialistic Germany, the Austrians were good Catholics who cherished their Habsburg past. The Christian Social Party especially appealed to the Catholic, pro-Austria, and monarchist elements in Austria. Moreover, a true Austrian was either an Alpine peasant or middle class Viennese man.⁴⁹⁹

Most Austrian intellectuals were rightwing and extremely German nationalist, especially the Austrian university history professors. However, many Austrian intellectuals, writers, and playwrights, such as Hugo Hantsch, Anton Wildgans, Hugo von Hofmannsthal, Hermann Bahr, Richard von Kralik, Richard Schaukal, Erwin Hanslik, and Oscar A. H. Schmitz, attempted to create a sense of "Austrianism." Also, besides the former imperial generals and civil servants who drove the monarchist movement, a much younger, intellectual, and radical group of Catholic and Habsburg loyalists began the "Austrian Action" (*Die österreichische Aktion*) group. A leading member of the "Austrian Action" Alfred Missong wrote that:

⁴⁹⁸*Neue Freie Presse*, 13 July 1927.

⁴⁹⁹ Bischof, Introduction. *Austrian Historical Memory*, 1.

We cannot talk of an Austrian return to “Mother Germania.” . . . These ideas might suffice for German history texts, but they cannot be considered by Austrians. . . . The idea came out of the old *Ostmark* and completely ignores that the Alpine Austrian of today is culturally and racially different. The Austrian man is racially a synthesis of German and Slav, culturally a synthesis of Roman and Byzantine. . . . We cannot say that Austria has grown out of Germanism alone. Austria cannot return to the Reich since it never belonged to the German Reich of today. The best solution would be the return of the Germans to the Reich, to Austria, to the Emperor.

Yet another Austrian patriot, Oscar A. Schmitz, stated that Austria’s new role should be to serve as a mediator between ethnic groups and a German-speaking center of Europe.⁵⁰⁰ In addition, in the mid- 1920s, a new Austrian national anthem was introduced in the provincial elementary schools to help bolster Austrian patriotism and embrace the idea that the leftover Habsburg lands that made up “rump-Austria” “formed a coherent whole.”⁵⁰¹

However, ultimately the Christian Social Party failed in its attempts at encouraging Austrian nationalism. The authors in the book *Austrian Historical Memory & National Identity* correctly contend that a separate Austrian identity never successfully formed until after World War II, despite many attempts. Friedrich Heer asserted that Austria in the inter-war period was “in a never ending crisis, constantly threatened by complete loss of identity.”⁵⁰² Bischof contended that the First Republic of Austria “lacked a firm will to exist as a small state and never marshaled sufficient self-confidence as a nation” Anton Pelinka said that inter-war “Austria somehow got stuck, half way between a second Bavaria and a second Switzerland.” This lack of identity culminated in the *Anschluss* of March 1938.⁵⁰³

⁵⁰⁰Suval, *The Anschluss Question*, 190-194, 199-201.

⁵⁰¹Hobsbawm, *Nations and Nationalism*, 92.

⁵⁰²Heer according to Bischof. Bischof, Introduction, *Austrian Historical Memory*, 1.

⁵⁰³Pelinka according to Mathis. Franz Mathis, “1,000 Years of Austria and Austrian Identity: Founding Myths,” *Austrian Historical Memory*, 22; See also, Bukey, *Hitler’s Austria*

Unlike the ruined economy, which could be bolstered with loans, weak Austrian nationalism and lack of a clear Austrian identity in the inter-war era was a serious problem that the Christian Socials could not fully resolve.

VII. Conclusion

The Christian Social Party received support from the Austrian Catholic Church, clergymen, Catholics, peasants, farmers, conservatives, monarchists, and industrialists. In 1918 and 1919 when the *Anschluss* movement was at its peak, the Christian Social Party had been divided on the *Anschluss* and monarchy questions. These divisions almost fragmented the party in the immediate aftermath of World War I.

In the early 1920s, the Christian Social Party continued to be divided as shown by the 1921 plebiscites that marked differences between the national Christian Socials who wanted to maintain Austrian integrity and independence and some provincial Christian Socials who sought a union with Germany. Economic and regional motivations fueled the provincial separatist movements. As in 1918 and 1919, pressure from Great Britain, the United States, France, and Italy helped shape Christian Social Party policies. These countries granted loans to Austria in return for Austria's refraining from an *Anschluss*.

However, by 1922 under the leadership of Seipel, the Christian Social Party became a majority anti-*Anschluss* party, although it still had a pro-*Anschluss* faction. Reasons why the Christian Social Party did not want an *Anschluss* included fear of "Prussianization," German socialism, and foreign threats or retaliations. There was a long history of tensions between Austria and Prussia. In July 1927 the Austrian *Kreuzzeitung* agreed with Seipel's

policies and said that “Austria and Prussia cannot be forced into the same Reich.”⁵⁰⁴ Austria would be destroyed through an *Anschluss*. Joining Austria with Germany would be the same as if Bismarck had made Bavaria into a Prussian province.⁵⁰⁵ The *Reichspost* on July 3, 1927, stated that Christian Social opponents of the *Anschluss* had contended that Germany, which had forty-million Prussians, would subjugate Austria with its population of six and a half-million.⁵⁰⁶ Moreover, the *Weltblatt* contended that many Christian Social members opposed the penetration and expansion of socialism into Austria that would have resulted in the event of a union with Germany.⁵⁰⁷ The *Neue Freie Presse* maintained that many Austrians likewise feared that “the Austrian military would become a red army.”⁵⁰⁸ At the same time, the Christian Social Party followed American and British policies in order to secure loans. In the event of an *Anschluss*, the party was also concerned about possible repercussions, like the loss of money and territories or even occupation.

Furthermore, the Christian Social Party was anti-*Anschluss* because it was zealously Catholic and represented a form of political Catholicism. The Catholic Church had a big impact on the party. For example, Seipel had to first get permission from the Church to run

⁵⁰⁴ The Austrian *Kreuzzeitung* according to the *Neue Freie Presse*, 23 July 1927. The *Neue Freie Presse* criticized the *Kreuzzeitung* in an article titled, “Hässliche Anschlusspolemik: Der *Kreuzzeitung* gegen Österreich” (Bad *Anschluss* polemic, the *Kreuzzeitung* against Austria). The *Neue Freie Presse* also supported an *Anschluss* on 16 March 1927.

⁵⁰⁵ The Austrian *Kreuzzeitung* according to the *Neue Freie Presse*, 23 July 1927.

⁵⁰⁶ *Reichspost*, 3 July 1927. The article was titled, “Kleindeutsch oder Grossdeutsch? Erörterung zur Zussammschluss.” The newspaper was found in the *ÖVP Parteiarchiv*. Box 55, “The Anschluss.”

⁵⁰⁷ *Weltblatt*, July 1927. “Furcht vor dem Anschluss.” The newspaper was found in the *ÖVP Parteiarchiv*. Box 55, “The Anschluss.”

⁵⁰⁸ *Neue Freie Presse*, 23 July 1927.

for office. The party leaders feared that they would lose power in the event of a union with mostly Protestant Germany. Thus, both the Christian Social Party and the Austrian Catholic Church were opposed to an *Anschluss*. Also, key Christian Social leaders, such as Seipel, were true Austrian nationalists rather than German nationalists. Some Christian Socials believed that economically, culturally, and politically Austria was a separate state.

The Christian Social Party led the Austrian government from 1920 to 1929. The Austrian Chancellors from this period, with the notable exception of Johann Schober, were Christian Socials. Although there were many smaller parties, like the *Heimabloc*, Agrarian League, and the Greater German People's Party, throughout the decade of parliamentary elections between two-thirds and three-quarters of the Austrian electorate voted for either the Christian Social Party or the socialist party.

Although alone the Christian Socials were a minority, in particular the anti-*Anschluss* Christian Socials, in the 1920s the Christian Social Party secured its leadership position by forming a coalition government and getting American and British support. The Christian Social Party formed the Great Coalition with the Greater German People's Party. Within the Great Coalition cast, the Greater German People's Party aside its pro-*Anschluss* position in favor of anti-socialism. Despite of the fact that at times the socialists had received more votes than the Christian Socials, as in the 1927 election, the Christian Social Party and its coalition partners had parliamentary majorities. Ultimately, despite economic recovery in the late 1920s, neither Seipel, nor his Christian Social successors Dollfuss and Schuschnigg, were able to create a sense of Austrian identity or nationalism that could withstand the rise of Hitler and the Nazi Party once German armed forces crossed the border.

CHAPTER V
THE LEGITIMISTS, 1920-1929

I. Introduction

Back to Reason!
Back to Order and Peace!
Back to the Monarchy!
We need historic and political authority!
We need the Kaiser again!⁵⁰⁹

On November 12, 1918, one day after Kaiser Karl resigned, the Christian Social Party, excluding Wilhelm Miklas and two others who wanted a monarchy, had voted in favor of the Austrian Republic along with the socialists and smaller parties.⁵¹⁰ Nevertheless, Austria was a republic without republicans. Most consistently anti-republican were the monarchists, called legitimists because they still believed that the Habsburgs were the legitimate rulers of Austria. The Austrian legitimist movement began in 1918 with the collapse of the Habsburg monarchy and the establishment of the First Austrian Republic.

⁵⁰⁹“Zurück zur Vernunft! Zurück zur Ordnung und Ruhe! Zurück zur Monarchie!
Wir brauchen die geschichtliche und staatliche Autorität! Wir brauchen den Kaiser wieder!“
Staatswehr, 27 February, 1927. The University of Vienna library had the *Staatswehr* (call number III. 464.800) for the years, 1918-1927 and 1932-1934. It first appeared weekly then after 1926 monthly. On March 10, 1923, the *Österreichische Nachrichten: Organ der Monarchisten Österreichs* (call number III. 461.513), also wanted a return of the monarchy and state authority. The University of Vienna library had the *Österreichische Nachrichten* for the years, 1923-1926. These two legitimist newspapers were the only ones found at the university library and Austrian National library almost in entirety.

⁵¹⁰ *Protokolle der Christlichsozialen Parteitage*, 24; See also, Hilde Verena Lang, *Bundespräsident Miklas und das autoritäre Regime 1933 – 1938* (Dissertation. Vienna: University of Vienna, 1972).

Similar to Weimar Germany, which many Germans resented, the Austrian monarchists saw the First Republic of Austria as an unwanted state imposed upon them by the victorious Allies. In particular, because there had been no national referendum among the Austrians, Austrian legitimists contended that the banishment of the Habsburgs and the creation of the Austrian Republic were illegal. According to monarchists, the First Republic was also illegitimate because it lacked any historic precedent.⁵¹¹ To emphasize their own historical and imperial roots, the legitimists appropriated the old Habsburg colors of black and yellow,⁵¹² as well as the double eagle that had been the symbol of the Austro-Hungarian Empire. Austrian monarchists did not want the republic. But they distinguished themselves from other anti-republican forces on the *Anschluss* question, for they were adamant proponents of an independent Austria. The vast majority of the Austrian legitimists wanted to restore the Habsburg monarchy within the borders of the First Republic, following a *Kleinösterreichische Program*. There were only a few monarchists who had *Großösterreichische Gedanken* and wanted a restoration of the entire, or at least a large portion, of the former Austro-Hungarian Empire.⁵¹³

⁵¹¹ *Staatswehr*, 2 January 1923. This newspaper article entitled, “Die Republik Österreich ein Zufall,” said that the First Republic only occurred by chance. The *Österreichische Nachrichten* likewise expressed anti-republicanism on March 10, 1923.

⁵¹² Black and yellow became a part of the monarchist banner. *Staatswehr*, 6 January 1922. In addition, the monarchist motto was “Schwarzgelb bis in die Knochen” (Black-yellow all the way to the bones). *Staatswehr*, 11 June 1922. The monarchists even had a black-yellow song, *Schwarzgelb heraus!* *Staatswehr*, 25 March 1921.

⁵¹³ Friedrich Wagner, *Der österreichische Legitimus 1918-1938, seine Politik und Publizistik* (Dissertation. Vienna: University of Vienna, 1956), 40-41; Stephan Neuhäuser, *Der Österreichische Legitimus in der ersten Republik (1918 - 1938) unter besonderer Berücksichtigung seiner Organisationen* (Thesis. Vienna: University of Vienna, 1991), 4-6.

The Austrian legitimists in the 1920s faced two major problems. They were a minority with scant success at the electoral polls, and they were severely fragmented into various groups, parties, and organizations. Most of the legitimist organizations, such as the *Wiener Casino*, *Vereinigung katholischer Edelleute in Österreich* (Union of Catholic Nobility in Austria), and *Österreichische Jugendbewegung Ottonia* (Austrian Youth Movement Ottonia) were not political parties. However, the *Deutschösterreichische Volkspartei* (German Austrian People's Party),⁵¹⁴ the *Wolff-Verband*, the *Partei der Österreichischen Monarchisten*, *P.O.M.*, (Austrian Monarchist Party), and *Kaisertreue Volkspartei* (Emperor Loyal People's Party) were political parties that ran their own candidates during elections. The *Partei der Österreichischen Monarchisten* was the most successful of the legitimist parties, but the party still fell short of its electoral aspirations. The number one goal of all these legitimist parties and organizations was restoring the Habsburg Monarchy.⁵¹⁵ But they never unified behind this goal.

Moreover, there was a strong overlap between the monarchists and Christian Social Party members who led the Austrian state in the 1920s. Many Christian Socials had monarchist leanings, such as Kurt von Schuschnigg, who had been a member of the legitimist organization, the Iron Ring (*Der Eiserne Ring*) Engelbert Dollfuss and Cardinal Theodor Innitzer likewise sympathized with monarchism, as did Ignaz Seipel at various times during his chancellorship in the 1920s. Therefore, though few in numbers, the legitimists had strong leaders and far-reaching support, although for the Christian Social Party monarchism was only a secondary issue.

⁵¹⁴ The *Deutschösterreichische Volkspartei* began in 1918, and after receiving less than two thousand votes, it dissolved in 1919.

⁵¹⁵ *Staatswehr*, 21 May 1920.

The United States, Britain, and other countries recognized the monarchists as *Anschluss* opponents. However, they opposed a Habsburg restoration. Overall, there was little interaction between the US, Britain, and Austrian monarchists in the 1920s.⁵¹⁶

During the 1920s the legitimists were decisive in the struggle for a separate Austrian state. Compared to other *Anschluss* foes, the legitimists were the most vocal and determined because a union with Germany and Austria would destroy their entire cause—the restoration of the Habsburgs. While the Christian Social Party and Austrian industries and industrialists were at times indecisive on the *Anschluss* issue, there was never any doubt concerning the unwavering anti-*Anschluss* stance of the legitimists. First, this chapter examines the monarchists' goals and motives, as well their membership. Second, it examines the many legitimist organizations. Third, it looks at the legitimists' response in the 1920s to the attempt to create a Danube Confederation.

II. Historiography

Regarding secondary sources, there are no books in English on the Austrian monarchists in the 1920s. The only German-speaking secondary sources are two dissertations and one masters thesis from the University of Vienna. By virtue of focusing on the legitimist roles in opposition to the *Anschluss* and in Anglo-American diplomacy, this dissertation studies the legitimists from a different perspective than these German-language works.

Friedrich Wagner discusses the position of various monarchist, anti-monarchist, Christian Social, socialist, and conservative sources on monarchism on a year by year basis.

⁵¹⁶ Austria—The Monarchist Movement. Notes on the Activities of the Habsburgs. 4 January 1921. Vienna. M695: US Department of State. Roll 6.

In a chapter entitled, the “sociology of legitimism,” he discusses why people became monarchists, and this is also the main question the book asks. Wagner asserts that individuals joined monarchist organizations because they were civil servants, officers, or aristocrats whose world had crumbled after 1918. He also contends that members of middle class who used to work for the Empire, such as servants, coachmen, and artisans, likewise, were also monarchists. Wagner says that initially most monarchists were older men, but later on the youth and women also became attracted to an idealized past. In general many people who opposed socialism and Nazism were drawn to monarchism. In addition, Wagner states that when these youth become disillusioned, they turned toward Nazism.⁵¹⁷

Ingrid Mosser examines how various political parties and groups, such as Christian Socials, socialists, and National Socialists, felt about a Habsburg restoration during various time periods. She also investigates what prominent political leaders in Austria thought about the Habsburg restoration, like Kurt von Schuschnigg, Egelbert Dollfuss, and Ernst Rüdiger von Starhemberg. In addition, Mosser examines the ideology behind legitimism and the Habsburg restoration question.

Mosser argues that the Austrian state and its leaders, such as Schuschnigg who had a strong affinity toward monarchism, used the legitimist ideology to combat the *Anschluss* movement and Nazism. However, other Habsburg successor states, in particular Czechoslovakia and Yugoslavia, opposed the idea of a Habsburg restoration. Mosser contends that a Habsburg restoration could only work if there was international cooperation, which was most unlikely during the inter-war period. Mosser maintains that, ultimately, the

⁵¹⁷ Wagner, *Der österreichische Legitimus*. Wagner also discusses various aspects of German history, such as the Protestant Reformation, Maria Theresa, the Austro-Prussian rivalry, and nationality, in order to show how monarchists focused on an idealized past regarding the Kaiser.

attempt to use “[legitivist] ideology” whose goals were unrealistic, to save Austria from a much larger state, which had a well-defined ideology, failed. She looks at the years 1933 to 1938 because these years, not the 1920s, marked the height of the legitimist movement.⁵¹⁸

Stephan Neuhäuser mainly focuses on monarchists from 1918 to 1938, but he also includes a discussion of the monarchist opposition during the Nazi years, 1938 to 1945. Focusing on Austrian domestic affairs, Neuhäuser provides useful descriptions of various monarchist groups. But the thesis lacks any consideration of the international dimension as well as any well-defined interpretation or argument.⁵¹⁹ None of the other works discuss monarchism from the aspect of American and British diplomacy or emphasize it as an alternative to the rising *Anschluss* movement. Regarding sources, this chapter primarily uses newspapers because the Austrian archives had scant information on the monarchists.⁵²⁰

III. The Membership of Legitimist Organizations

⁵¹⁸ Mosser also argues that if the First Republic of Austria had been economically unviable, than a Habsburg restoration in the same borders of the republic would not have bettered the desperate economic situation. She also notes that had a Habsburg restoration indeed occurred, then Austrian anti-monarchists would have joined the German army against an Austrian monarchy. Mosser discusses the views of the successor states in East Central Europe toward a Habsburg restoration, but she does not discuss Great Britain and the United States of America. Ingrid Mosser, *Der Legitimismus und die Frage der Habsburgerrestauration in der innenpolitischen Zielsetzung des autoritären Regimes in Österreich 1933-1938* (Dissertation. Vienna: University of Vienna, 1979), 6, 356-358.

⁵¹⁹ See, Neuhäuser, *Der Österreichische Legitimismus*.

⁵²⁰ The *Archiv der Republik* in Vienna had little on monarchist groups. Searching under *Bundeskanzleramt-Allgemein* there were several boxes on “legitimation,” but these were about the legitimization of children. There also several boxes listing “Habsburg-Lothringen,” but these boxes concerned the activities of distant Habsburg family members, most of whom were banned from entering Austria.

The first publication of the monarchist newspaper, *Staatswehr*, on December 29, 1918, appealed explicitly to several of these constituencies: “For Our Readers! In a troubled time, in which the interests and future of the young German Austria, especially for the officers, military, and civil servants, are uncertain, our new military newspaper emerges for the wider public.”⁵²¹ Not surprisingly, most of the legitimist support in Austria came from ex-civil servants, military officers of the Austro-Hungarian Empire, aristocrats, Catholics, and conservatives. Former military officers were especially sympathetic to monarchism because the Austrian government, when headed by the socialists, had forced about three hundred generals and officers into early retirement. This move had political motives, for the socialist Otto Bauer feared a Habsburg restoration attempt and wanted to remove those officers whom he suspected of close ties to the old Austro-Hungarian Empire. He replaced many of these terminated imperial officers with socialist members of the *Volkswehr*. In response to their employment terminations, the ex-military men organized themselves politically, and on November 6, 1918, formed the *Verband der deutschösterreichischen Militärgagisten* (Union of the German Austrian Military Officers).⁵²²

⁵²¹*Staatswehr*, 29 December 1918. In 1918 the *Staatswehr* had appeared twice a week, every Wednesday and Friday, at the cost of thirty-two heller per issue, two and a half kronen a month, or twenty-six kronen a year; In 1912 one English pound was equal to 48 kronen. Due to inflation, in 1920 one pound was equal to 820 kronen. Mr. Lindley to Vienna Emergency Relief Fund. 14 January 1920. *B DFA*. 2:128; In 1922 one US dollar was worth 19,000 kronen. *Washington Post*, 13 August 1922.

⁵²²The government retired another four thousand soldiers in accordance with the Treaty of St. Germain, which limited the size of the Austrian army. Taking political action, one ex-officer, Major Friedrich Kollarz became the first legitimist to win a seat in the Austrian *Nationalrat*, which he held from 1920 to 1923. Neuhäuser, *Der Österreichische Legitimismus*, 22-27; See also, Wolfgang Doppelbauer, *Zum Elend noch die Schande: Das altösterreichische Offizierkorps am Beginn der Republik* (Vienna: Österr. Bundesverlag, 1988).

Voting results did not accurately reflect monarchist strength. The fact that many monarchists voted for the Christian Social Party or for the fascist *Heimwehr* (and its political party, the *Heimatblock*) made it difficult to calculate the exact numbers of monarchists at any given time.⁵²³ Some legitimists voted for a Christian Social candidate who had a better chance at electoral victory. Also, because of international pressure against a Habsburg restoration, many legitimists saw no reason in voting exclusively for monarchist parties.

Nonetheless, throughout the 1920s the monarchists had scant success at the polls and remained a small minority. Although the legitimists were not the largest in terms of numbers, their political platform was clear. Most legitimists were Catholic,⁵²⁴ anti-Marxist,⁵²⁵ and anti-Greater German.⁵²⁶ In addition, many monarchist leaders were aristocrats that had little or no sense of how to run campaigns in an era of a democratic mass electorate. With their steadfast commitment to an independent Austria and the restoration of the Habsburgs, the monarchists were relentless opponents of *Anschluss*, republicanism, and socialism.

IV. Key Legitimist Organizations

⁵²³ Regarding the Austrian election, the *Staatswehr* on December 29, 1918, supported both the monarchist and Christian Social parties, but opposed the socialists and Greater German Party; The *Österreichische Nachrichten* expressed similar sentiments on October 20, 1923.

⁵²⁴The *Staatswehr*, 15 March 1924, contains an article titled “Legitimus und Katholizismus” (Legitimism and Catholicism) that discussed the links between Catholics and legitimists. Monarchists saw the Habsburgs as the legitimate Catholic ruling family. *Österreichische Nachrichten*, “Papstum and Kaisertum,” 15 May 1924.

⁵²⁵In particular, the *Staatswehr*, on 13 March 1923, expressed anti-socialism. It had cartoons portraying the Austrian socialists, such as Karl Seitz and Bosel, in a negative manner.

⁵²⁶The *Staatswehr*, 17 April 1923, attacked the *Grossdeutsch* Party, which had criticized the monarchists.

There were numerous legitimist groups in Austria during the 1920s. Moreover, one could be a member of more than one monarchist organization, and many of the same names continuously reappear as members of different monarchist groups. Some of these groups restricted their memberships to Catholics only. The main legitimist organizations were the *Wiener Casino*,⁵²⁷ the *Bund der Österreicher* (Union of Austrians),⁵²⁸ *Partei der Österreichischen Monarchisten* or *P.Ö.M* (Austrian Monarchist Party),⁵²⁹ *Reichsbund der*

⁵²⁷ The *Wiener Casino* was founded in 1919. Its members included Prince Johannes von und zu Liechtenstein, Albin Schager von Ekartsau, Friedrich Ritter von Wiesner, and Alois von Schönburg-Hartenstein. After 1921 it joined the *Bund der Österreicher* to become the *Reichsbund der Österreicher*. Wiesner had worked for the special commission that had ruled that Serbia had been responsible for the assassination of Archduke Franz Ferdinand. Wagner, *Der österreichische Legitimismus*, 32-33, 40. During the 1920s, Dr. Wiesner championed a Habsburg restoration and was an agent of former Emperor Charles. In 1921 Wiesner asked for American funds for the reconstruction of Austria. Although the US and other countries gave loans for Austrian economic improvement, they opposed Wiesner's desire for a Habsburg restoration in the 1920s. Austria—The Monarchist Movement. Notes on the Activities of the Habsburgs. 4 January 1921. Vienna. M695: US Department of State. Roll 6; Fürst Alois von Schönburg-Hartenstein (1858-1944) had been Colonel General (*Generaloberst*) and a member of the house of lords (*Herrenhaus*) from 1903 to 1918. During World War I, he led the Sixth Infantry Edelweiss-Corps. He received the Empress Maria Theresa medal of honor. After the war he was President of the Austrian Red Cross and joined several legitimist organizations including the *Wiener Casino*. In 1933 he joined the *Heimwehr* and became the Secretary of the Austrian Ministry of Defense. In 1937 he retired after a political scandal. *Protokolle der Christlichsozialen Parteitage*, 473.

⁵²⁸ On August 18, 1920 Fritz von Riedl founded the *Bund der Österreicher* (Union of Austrians). The main objective of the *Bund der Österreicher* was to weaken the *Anschluss* movement, in particular in the Austrian province of Styria, where in 1921, the vast majority of the people had voted in favor of a union with Germany in an unofficial plebiscite. Members included Bishop Alois Hudal and Dr. Ude. In May 1921 Fritz von Riedel merged his *Bund der Österreicher* with the *Wiener Casino* into one group called the *Reichsbund der Österreicher* (Austrian Imperial Union). Wagner, *Der österreichische Legitimismus*, 34-35; See also, Alfred Härtle, *Härtlein-Manuskript* (Vienna, 1937), 123-127. Härtlein was an Austrian monarchist and Colonel.

⁵²⁹ Dr. Albin Schager von Ekartsau founded the P.O.M. in 1920. It was the first monarchist political party in Austria and the most successful. Its major publication was the *Österreichische Nachrichten*. Other members were Ernst Wense and Prince Johannes von und zu Liechtenstein. The group met weekly in each district of Vienna. The Kaiser's family

Österreicher (Austrian Imperial Union),⁵³⁰ *Wolff-Verband*, *Österreichische Jugendbewegung Ottonia* (Austrian Youth Movement Ottonia),⁵³¹ *Vereinigung katholischer Edelleute in Österreich* (Union of Catholic Nobility in Austria),⁵³² *Gebetsliga* (Prayer League),⁵³³ *K. Ö. L. Maximiliana*,⁵³⁴ and the *Kaisertreue Volkspartei* (Loyal to the Kaiser People's Party). Most of these groups remained small in number, and some disintegrated

thanked the P.O.M. for its support in 1923. In 1924 the *Partei der Österreichischen Monarchisten* changed its name to the *Konservative Volkspartei*, and the party reached its zenith with fifty-five thousand members. *Österreichische Nachrichten*, 3 March 1923, 17 March 1923, 15 May 1924. The group disbanded in 1926.

⁵³⁰The *Reichsbund der Österreicher* (Austrian Imperial Union) founded on May 1, 1921 was under the leadership of Prince Johannes von und zu Liechtenstein. Other members included Kurt von Schuschnigg and Kuno Hoynigg. In 1926 the *Reichsbund der Österreicher* began publishing its most significant monarchist newspaper, *Der Österreicher*. *Österreichische Nachrichten*, 13 May 1926.

⁵³¹Karl Piegel began the *Österreichische Jugendbewegung Ottonia* (Austrian Youth Movement *Ottonia*) in 1922. Piegel had created the *Ottonia* at age sixteen. *Unser Kampf* (Our Struggle) was its major publication. *Ottonia* was a militant group that did not hesitate to use violence against its enemies, the socialist *Schutzbund* and later the Nazis. On December 24, 1928, the *Ottonia* encountered problems when some of its members were arrested for the murder of a socialist. After 1932 anyone who was between six and fifty could join. In 1934 the *Ottonia* counted fifteen-hundred members. Neuhäuser, *Der österreichische Legitimus*, 122-125.

⁵³²Founded in 1922, its members included Kurt von Schuschnigg and Ernst Rüdiger von Starhemberg. The *Vereinigung katholischer Edelleute in Österreich* had about two-thousand members. Neuhäuser, *Der österreichische Legitimus*, 31.

⁵³³In 1925 August von Klinkowström began the *Gebetsliga* (Prayer League) for Kaiser Karl, which was published in many languages, even Spanish. Mosser, *Der Legitimus und die Frage der Habsburgerrestauration*, 38.

⁵³⁴On April, 1 1928, the *K. Ö. L. Maximiliana* and other legitimist groups dedicated a painting to Kaiser Karl in the *Michaelerkirche* (Michael's Church) in Vienna. Honorary members of the *K. Ö. L. Maximiliana* included Cardinal Innitzer, Kurt von Schuschnigg, and Prince Johannes von und zu Liechtenstein. Neuhäuser, *Der Österreichische Legitimus*, 39, 104-107; See also, *Kaiser Karl Gedächtnisjahrbuch* (Vienna, 1930); The *Peterskirche* in Vienna also contains a painting of Archduke Karl. Even today many churches in Austria have figures of the imperial double headed eagle.

after only several years.⁵³⁵ Moreover, many of these legitimist organizations published their own newspapers and journals. The more important publications were the *Staatswehr*, *Österreichische Nachrichten: Organ der Monarchisten Österreichs*, *Karl Gedächtnis-Jahrbuch* (Emperor Karl Commemorative Yearbook),⁵³⁶ *Unser Kampf* (Our Struggle), and *Ottonia*.

The career of Gustav Wolff, who founded the radical legitimist and politically unsuccessful *Wolff-Verband* (Wolff association) in 1920, exemplifies a typical Austrian monarchist.⁵³⁷ Wolff had close ties with Kaiser Karl, and his children visited Karl for eight weeks. In 1921 an advisor to Kaiser Karl, who was in exile, contacted Wolff and asked him if the political situation was ripe for a Habsburg restoration, to which Wolff responded that it was too early. Wolff sometimes criticized the Christian Social Party as much as the socialists. He had been convicted a dozen times for breaking the laws of the republic. Yet he still had his supporters.⁵³⁸

Wolff was an aggressive and independent person, which sometimes led to friction between him and other monarchists. The *Wolff-Verband* worked closely with the

⁵³⁵ There were some women's organizations as well, like the *Österreichischer Reichsbund Christlicher Frauen* (Austrian Imperial Union of Christian Women). *Österreichische Nachrichten*, 17 March 1923.

⁵³⁶ The *Kaiser Karl Gedächtnis-Jahrbuch* (Emperor Karl Commemorative-Yearbook) came out annually from 1929 to 1938 and was edited by Hans Zessner-Spitzenberg.

⁵³⁷ Gustav Wolff (1870-1963) was born in Vienna. He was wounded in World War I and received many medals. He had been a colonel in the army and retired in 1918. He then received his doctorate in history from the University of Vienna. After the *Anschluss*, the Nazis arrested Wolff for his significant role in the legitimate movement. He continued the monarchist movement after World War II. Mosser, *Der Legitimismus und die Frage der Habsburgerrestauration*, 28.

⁵³⁸ Wagner, *Der österreichische Legitimismus 1918-1938*, 12, 27, 30.

Reichsbund der Österreicher. The *Wolff-Verband* failed to achieve its electoral goals in the 1923 election, and, consequently, on June 28, 1923, Wolff changed the name of the *Wolff-Verband* to the *Kaisertreue Volkspartei* (Loyal to the Kaiser People's Party). The membership fees of the *Kaisertreue Volkspartei* were five thousand kronen, which was worth about 6.1 pounds at the time.⁵³⁹ In July, 1923, the *Kaisertreue Volkspartei* asked the Christian Socials for parliamentary seats on that party's list for Wolff and Ernst von der Wense, but only Ernst von der Wense received one. On October 21, 1923, the *Kaisertreue Volkspartei* had hoped for thirty to sixty thousand votes, but received only 3,474. In 1929 Major Matthias Martinides left Wolff's *Kaisertreue Volkspartei* (Loyal to the Kaiser People's Party) because he had irreconcilable differences with Wolff, and he formed his own group, the *Kaisertreue Volksbewegung* (Kaiser Loyal People's Movement), which was linked to the *Heimwehr*.⁵⁴⁰ Both the *Kaisertreue Volksbewegung* and the *Kaisertreue Volkspartei* broke up in 1938.

Moreover, Gustav Wolff edited and published the *Staatswehr* (1918-1925, 1932-1935), the official publication of the *Wolff-Verband*. The *Staatswehr* was overall the most important legitimist newspaper. On February 18, 1925, Wolff's *Staatswehr* offered an alternative to both the *Anschluss* and the Danube Confederation.⁵⁴¹ The newspaper proposed a complete revision of the peace settlement and the Entente's creation of new states after World War I. It advocated that the German-speaking states be divided into three countries.

⁵³⁹ *Staatswehr*, 8 July 1923; Mr. Lindley to Vienna Emergency Relief Fund. 14 January 1920. *BDFÄ*. 2:128; *Washington Post*, 13 August 1922.

⁵⁴⁰ *Staatswehr*, 23 October 1923; Neuhäuser, *Der Österreichische Legitimismus*, 33-34, 41-42.

⁵⁴¹ *Staatswehr*, 18 February, 1925.

Austria, which included the German-speakers of the Czechoslovakia and South Tyrol, would be a monarchy ruled by the Habsburgs. A western German state, which included Bavaria, Baden, Württemberg, the Rhineland, and East Frisia, would be ruled by the Wittelsbach dynasty. A northern German state that included Prussia would be ruled by the Hohenzollerns. In February 1925, the *Staatswehr* asked for the complete dismemberment of Czechoslovakia, a nation which “only upset everyone.” Slovakia would be returned to Hungary, while the Czechs would have their own republic that included the city of Prague and the surrounding area.⁵⁴² Therefore, the *Staatswehr* showed Wolff’s opposition to the *Anschluss* and hostility toward Germany and Czechoslovakia. Also, his unrealistic and medieval solution explained his lack of electoral success. Besides the *Staatswehr*, other newspapers of the *Wolff-Verband* had been the *Schwarz-Gelb* (“Black-Gold”), *Unter dem Doppeladler* (“Under the Double Eagle”), and *Alt-Österreich* (“Old Austria”).

V. The Legitimists and the Danube Confederation Option

The anti-*Anschluss* legitimists welcomed alternatives to a political union of Austria and Germany, such as the Danube Confederation. Legitimist groups, such as the *Wolff-Verband* and *Reichsbund der Österreicher*, supported the various attempts at creating a Danube Confederation, or free customs union among the successor states, in 1918 and 1919 and again in the 1920s. The *Österreichische Nachrichten*, on February 5, 1925 and April 9, 1925, had headline titles that asked the question: “Anschluss oder Donaüföderation?”

⁵⁴²The *Staatswehr* proposed that besides Slovakia, Hungary would be given parts of Transylvania that had been granted to Romania. Yugoslavia would also be dismembered, with a Slovenian and Croatian republic separate from Serbia, because the eastern Serbians should not rule over the western Slovenians and Croats. Poland should be reduced in size similar to that of Napoleon’s Duchy of Warsaw. *Staatswehr*, 18 February, 1925.

(*Anschluss* or Danube Confederation?). The newspaper supported the latter over the former. According to the *Österreichische Nachrichten*, if the Danube Confederation plan did not work due to opposition from the successor states, then a customs union with only Hungary and/or Italy was another solution.⁵⁴³

VI. Conclusion

Most of the organizations of the highly fragmented 1920s legitimist movement had few members and little power. Many disappeared from the political spectrum within only a few years. Nevertheless, the monarchists had sympathizers among prominent Austrian leaders, such as Schuschnigg and Cardinal Innitzer. More important, throughout the 1920s, legitimists championed an independent Austria.

Organizationally in disarray and politically weak, the monarchists were nonetheless ideologically consistent. Overall, the four main principles that Austrian monarchists stressed again and again in the 1920s were anti-republicanism, opposition to the *Anschluss*, Habsburg nostalgia, and anti-socialism. Taken together, these four principles formed a logically consistent though electorally unsuccessful political platform.

First, the legitimists claimed that the First Austrian Republic was illegitimate. They called it a “deformed abnormality” (*Missgeburt*).⁵⁴⁴ Legitimists said they could not believe that the Provisional National Assembly and the “mob” had voted for a republic instead of a monarchy, and they blamed the socialists.⁵⁴⁵ The monarchists were in denial that the

⁵⁴³ “Anschluss oder Donauföderation.“ *Österreichische Nachrichten*, 5 February 1925 and 9 April 1925.

⁵⁴⁴ *Staatswehr*, 9 January 1920.

Austrian Republic represented the "true wishes" of the population, and they believed that it was the result of the socialists successfully "misleading" the people. While the Austrian government had made November 12 an annual national holiday, legitimists regarded November 12, 1918, as a day of shame for Austria.⁵⁴⁶

Legitimists contended that the republic was politically and economically weak. They called the republic corrupt, unviable, and too small.⁵⁴⁷ In 1920 monarchists stated that the republic had not bettered the political situation.⁵⁴⁸ The *Staatswehr* called the Austrian republic "foreign" and blamed it for the economic crisis.⁵⁴⁹

Legitimists also blamed the republic for moral decay. They said the republic had too many civil servants and blamed it for the decline in religion and increased divorce rates and alcohol consumption.⁵⁵⁰ On February 21, 1927, the *Staatswehr* said that regardless if fascism, monarchism, or communism triumphed, the days of the immoral republic were

⁵⁴⁵ *Österreichische Nachrichten*, 21 April 1923 and 17 November 1923.

⁵⁴⁶ *Österreichische Nachrichten*, 17 November 1923. The newspaper also complained that the socialist government had removed imperial coins and paintings of the Kaiser from the *Volksooper* (people's opera) in Vienna; On May 1, 1924, the *Österreichische Nachrichten* criticized the republic for not supporting World War I war veterans like the US, which had enacted the Bonus Bill.

⁵⁴⁷ *Staatswehr*, 10 January 1919 and 9 January 1920. On June 23, 1923, the *Österreichische Nachrichten* asked if the question, "Had the Republic brought peace?" and the answer was a definite, "No." According to the newspaper, Austria could not defend itself and was an open country. Bandits roamed the streets. The socialists and other parties were armed. The militarism of the Monarchy had been replaced by the militarism of the republic.

⁵⁴⁸ *Staatswehr*, 3 January 1919.

⁵⁴⁹ *Staatswehr*, 7 January 1921. The article "Monarchie oder Republik" stated that the republic's problems were "endless." The republic also caused the increase in the price of living.

⁵⁵⁰ *Österreichische Nachrichten*, 30 June 1923.

over.⁵⁵¹ The newspaper asserted that the republic was a time of infamy, dishonesty, disloyalty, and shamelessness. The republic had been not only financially, but also morally bankrupt.⁵⁵² Monarchists reiterated that the republic was inept, and only a monarchy can solve Austria's problems.⁵⁵³

Second, the legitimists strongly stressed opposition to a union of Austria and Germany.⁵⁵⁴ The primary reason that monarchists opposed an *Anschluss* of Austria and Germany was that it would end any chance of a Habsburg restoration—which had been their number one goal. German monarchists supported a return of the Hohenzollerns, not the Habsburgs. Other factors were the perception of Weimar Germany as too democratic and allegedly even "socialist run." At the same time, other monarchists criticized Germany for being too Prussian.

The monarchists did not want a union with the socialist Weimar Republic. The May 28, 1920, *Staatswehr* called the *Anschluss* a "crime." The newspaper also did not want the extension of socialism which would occur in the event of a union with socialist run Germany.⁵⁵⁵ In a choice between an *Anschluss* and a Danube Confederation, most legitimists favored the latter.⁵⁵⁶

⁵⁵¹*Staatswehr*, 21 February, 1927. The title page headlines read: "Auf zum Kampfe für die Monarchie!"

⁵⁵²*Staatswehr*, 21 February, 1927.

⁵⁵³ *Staatswehr*, 7 June 1924.

⁵⁵⁴*Staatswehr*, 25 June 1920.

⁵⁵⁵ *Staatswehr*, 28 May 1920.

The monarchists also expressed anti-Prussian sentiment in their rejection of an *Anschluss*. Anti-Prussian sentiment was based on centuries of political rivalry between Austria and Prussia, going back to Marie Theresa and Frederick the Great. In an article in the March 1925, *Österreichische Nachrichten*, titled, “An Alle Anschluss Freunde!” (to all *Anschluss* friends) the newspaper said that it could not understand why people supported the *Anschluss*, which would either lead to Austria becoming a Prussian province or to Austria’s end (*Österreichs Ende*).⁵⁵⁷

Third, the legitimists championed the nostalgic imperial past and a Habsburg restoration.⁵⁵⁸ Monarchists contended that Austrians had an “Austrian Fatherland” where Franz Joseph had ruled. During the Great War, Austrian soldiers had fought bravely for the glory of the Habsburg Empire against superior Allied forces. Soldiers who had sacrificed their lives for the dynasty returned to find the Empire vanquished. Upset at the destruction of the Austro-Hungarian Empire, monarchists said “it is up to us to fight for the monarchy.”⁵⁵⁹ To inspire others to do so, they appealed to an idealized image of the Habsburg past and proclaimed restoration as a panacea for the future. The *Staatswehr* in May 1920 stated “If the world wants a permanent peace— if people want order and tranquility. . . . then the beautiful and happy old Habsburg Empire must be restored.”⁵⁶⁰ The

⁵⁵⁶*Österreichische Nachrichten*, 5 February 1925 and 9 April 1925. The paper strongly opposed an *Anschluss* and the pro-*Anschluss* policies of the Greater German Party members, Dinghofer and Franz.

⁵⁵⁷*Österreichische Nachrichten*, 21 March 1925 and 19 November 1925.

⁵⁵⁸*Österreichische Nachrichten*, 13 May 1926.

⁵⁵⁹*Staatswehr*, 3 January 1919.

⁵⁶⁰*Staatswehr*, 21 May 1920. The article titled, “Alt-Österreich” praised the former monarchy. In the 1920s the paper only appeared one a week.

May 1923 *Österreichische Nachrichten* had an advertisement that stated “Kaiser loyal boys and girls! It is your duty to read the only greater Austrian Habsburg loyal youth newspaper, *Unserer Jugend* (Our Youth), and to distribute it among the youth.”⁵⁶¹ The legitimist newspapers regularly discussed idealized past and romanticized imperial icons, such as Prince Eugen of Savoy, Marie Theresa, and Franz Joseph.⁵⁶² According to the *Staatswehr*, “In the old monarchy there were Austrians and no Austria; today we may have an Austria, but, unfortunately, no more Austrians.”⁵⁶³ The legitimists asked why anyone would oppose a monarchy that had ruled for centuries. If Great Britain, Holland, Belgium, Denmark, Sweden, and Norway were monarchies, then why not Austria? The Austrian legitimists wanted the restoration of a monarchy under a legitimate Habsburg ruler.⁵⁶⁴

Fourth, legitimists were against socialism. They claimed that the socialists were traitors, anti-religious, and tied to the Jews and had divided Austrians in class warfare and ruined the economy. The monarchists believed that the socialist government’s power was based on foreign rather than popular support. The January 9, 1920, *Staatswehr* said that the socialist government cannot rely on “the bayonets of foreigners” to keep Austria together.⁵⁶⁵

⁵⁶¹ *Österreichische Nachrichten*, 19 May 1923.

⁵⁶² *Staatswehr*, 11, June 1920.

⁵⁶³ *Staatswehr*, 10 May 1926.

⁵⁶⁴ The *Österreichische Nachrichten*, 3 March 1923, had an article titled, “Für Recht und Ordnung, für die österreichische Idee, für Kaiser und Reich, [wir] kämpfen.” The monarchists are fighting for the Kaiser; The *Österreichische Nachrichten*, on 10 March 1923, also said that people should support monarchism with not just words, but also action; the *Österreichische Nachrichten*, 13 November 1924, had anti-socialist cartoons; Altogether, the *Österreichische Nachrichten* was much more radically anti-socialist than the *Staatswehr*.

⁵⁶⁵ *Staatswehr*, 9 January 1920.

Legitimists criticized the socialists for creating class warfare rather than unifying Austrians. The *Österreichische Nachrichten* asserted that socialist leaders acted like “Proletarians in the fight against capitalism.”⁵⁶⁶ The legitimists regularly used phrases, like “red terror”⁵⁶⁷ and “red hordes”⁵⁶⁸ to describe the socialists. The legitimists also said that the if the choice were between a capitalist world with a class system and a world in which classes were equal, then the monarchists would favor the former.⁵⁶⁹

Moreover, monarchists in particular regarded the socialists as atheists.⁵⁷⁰ Karl Marx had called religion the “opium of the masses.” When socialists allegedly handed out anti-clerical fliers, the *Österreichische Nachrichten* asked how long Catholics would allow these insults from the reds to continue. The newspaper maintained “One cannot be a socialist and a Christian at the same time.”⁵⁷¹

In addition, monarchists negatively linked socialists with Jews and criticized the socialist government’s policies against the Habsburgs. During the 1920s, the monarchists frequently used anti-Semitic statements in attacking the socialists. The *Staatswehr* stated

⁵⁶⁶*Österreichische Nachrichten*, 10 March 1923. This newspaper also asked how long would the workers allow themselves to be foolishly led.

⁵⁶⁷The *Österreichische Nachrichten*, 24 March 1923, criticized the socialists for not giving enough money for universities.

⁵⁶⁸*Österreichische Nachrichten*, 28 April 1923. This paper called Karl Renner and other socialists “red hordes.”

⁵⁶⁹*Österreichische Nachrichten*, 7 July 1923.

⁵⁷⁰*Österreichische Nachrichten*, 21 April 1923. The newspaper was titled, “Religion ist bei der Roten Privat Sache“ (religion is a private matter for the reds). The *Österreichische Nachrichten*, 23 June 1923, blamed Jews for funding red workers. The *Österreichische Nachrichten*, 6 October, 1923, called socialist Karl Sietz a “substitute Kaiser.”

⁵⁷¹*Österreichische Nachrichten*, 5 May 1923.

“We are living in a time of war profiteers, criminals, fools, traitors, East-European Jews, and socialists.”⁵⁷² Legitimists criticized the socialists for spreading the lie that the monarchy had enthusiastically wanted the war, and they opposed the socialist confiscation of Habsburg property.⁵⁷³

The legitimists played a supporting role in preserving the independence of Austria in the 1920s. They did not have many members, and they failed politically to achieve their goal of a Habsburg restoration— a cause which received neither strong backing in Austria nor from other countries in the 1920s. Yet, the legitimists were the fiercest of the *Anschluss* opponents. No Austrian newspapers, not even the Christian Social *Reichspost*, come out as strongly in condemning the *Anschluss* as the monarchist publications, in particular the *Staatswehr* and the *Österreichische Nachrichten: Organ der Monarchisten Österreichs*.

⁵⁷²*Staatswehr*, 28 May 1920.

⁵⁷³*Österreichische Nachrichten*, 5 May 1923.

CHAPTER VI

THE ANTI-ANSCHLUSS INDUSTRIES AND INDUSTRIALISTS, 1920-1929

I. Introduction

Austrian industrialists and the chambers of trade to which they belonged split on the *Anschluss* question during the 1920s. Politically, most industrialists belonged to the Christian Social Party, though some supported the Greater German People's Party and the *Heimwehr*.⁵⁷⁴ The heavily pro-*Anschluss* supporters were the Salzburger Chamber of Trade secretary Dr. Erich Gebert⁵⁷⁵ and the Vienna Chamber of Trade, Businesses, and Industry (*Kammer für Handel, Gewerbe, und Industrie*)⁵⁷⁶ President Friedrich Tilgner.⁵⁷⁷ In addition

⁵⁷⁴Most of the workers were socialist, while the industrialists were uniformly anti-Marxist whatever their stance on the *Anschluss* issue. Robert Ehrhart, folder 3, Invoice number 824.145. Robert Ehrhart Papers. 9 folders. *Archiv, Institut für Zeitgeschichte*. Vienna, University of Vienna.

⁵⁷⁵ The Salzburger chamber of commerce secretary, Dr. Erich Gebert, said in the 1920s that even if twenty-five percent of the Austrian firms and industries would be lost through German competition, this would be balanced out by the fact that the other seventy-five percent would be permanently secured. Erich Gebert, "Wirtschaft," *Die Anschlussfrage in ihrer kulturellen, politischen und wirtschaftlichen Bedeutung*, Friedrich F. G. Kleinwaechter and Heinz von Paller eds. (Vienna: Wilhelm Braunmüller Universität-Verlagsbuchandlung, 1930), 520-524.

⁵⁷⁶ The Viennese *Kammer für Handel, Gewerbe, und Industrie* (Vienna Chamber of Trade, Business, and Industry) and the *Wiener Wirtschaftskammer* (Vienna Economic Chamber) are terms for the same organization and are used interchangeably.

to Tilgner, another outspoken pro-*Anschluss* advocate within the chambers of trade was Hermann Kandl.⁵⁷⁸ Kandl was a member of the *Grossdeutsch* Party and a member of the Vienna Chamber of Trade who expressed his desire for an *Anschluss* in the 1920s.⁵⁷⁹

However, Gebert, Tilgner, and Kandl did not represent the view of mainstream Austrian industries, as most members of the *österreichische Hauptverband der Industrie* (main Austrian industrial association) opposed the idea of an *Anschluss*.⁵⁸⁰ Within this organization,⁵⁸¹ the main proponents of Austrian independence were Vice President Robert Ehrhart⁵⁸² and the President Ludwig Urban.⁵⁸³ They were joined by Heinrich Lenhart, a leading member of the Vienna Chamber of Trade.⁵⁸⁴

⁵⁷⁷ For a transcript of some of Friedrich Tilgner's speeches, see Tilgner Folder. *Wiener Wirtschaftskammer Archiv (WWA)*. Vienna.

⁵⁷⁸ The pro-*Anschluss* speeches of Hermann Kandl (1872-1932) can be found in Folder "Kandl." *WWA*; See also, *Deutsch österreichische Tageszeitung*, 2 December 1928.

⁵⁷⁹ Folder "Kandl." *WWA*; Hermann Kandl, "Handel, Handwerk, und Gewerbe," *Die Anschlussfrage*. 361. Besides Kandl and Gebert, other pro-*Anschluss* supporters who contributed to this book published during the inter-war period were Bruno von Enderes, Ernst Streer Ritter von Streeruwitz, and Dr. Kniesche.

⁵⁸⁰ See the Ehrhart Papers; regarding the Chambers of Trade see folder 3, Invoice number 824.44.1. Ehrhart Papers; Salzburger Kammertages, 3 November 1925. Index number E 25.759. *WWA*.

⁵⁸¹ The *Hauptverband der Industrie* was an organization whose members included Austrian businessmen, bankers, and industrialists. The main goal of the *Hauptverband der Industrie* was to rebuild Austrian industry after World War I. The association was anti-socialist. No title. 25 January 1932. folder 9. Invoice number 824.299.3. Ehrhart Papers; folder 9. Invoice number 824.288. Ehrhart Papers.

⁵⁸² Ehrhart, however, sympathized with authoritarian regimes. Ehrhart, folder 3. Invoice number 824.53. Ehrhart Papers. 9 folders.

⁵⁸³ Although Urban was the President, most of the sources on the Austrian industrial association come from Ehrhart's papers. Urban wrote some letters, but these letters are

Economic calculations among industrialists about the desirability of an *Anschluss* were shaped above all by the fact that compared to Germany, Austria was much less economically developed and industrialized. Austria lacked a Ruhr valley, Skoda works, and a sea port. Except for a few areas within the province of Styria, Austria had few industries. Austrian products did not have the world-wide reputation for excellence as the “Made in Germany” label.⁵⁸⁵ Most of Austria’s current industries and resources, like hydro-electricity, were still relatively undeveloped in the 1920s.⁵⁸⁶

included with the Ehrhart papers. In comparison to other anti-*Anschluss* Austrian industrialists and chamber of trade members, the weight of the sources is on Ehrhart.

⁵⁸⁴Heinrich Lenhart (1875-1952) worked for the *Landeskammer* Vienna after World War II. He had acquired his father’s shoemaker business in Vienna in 1899. In 1920 Lenhart was a member of the Vienna Chamber of Trade, chief of the *Gewerbesektion*, business sector, and a delegate of the National Bank. On November 23, 1926, Lenhart received a silver badge of honor (*Ehrenzeichen*) for his services to the First Republic. In 1932 he became Vice President of Vienna Chamber of Trade. The *Österreichs Wirtschaft Wochenschrift des Gewerbevereins of Lower Austria* on November 3, 1932, called Lenhart’s shoe business “Firma Lenhart.” Lenhart Folder. WWA; for a photo and biography of Lenhart see *Tagblatt*, 28 November 1930. Lenhart Folder. WWA.

⁵⁸⁵Ernst Streer Ritter von Streeruwitz, “Die Anschlussfrage als Wirtschaftsproblem,” *Die Anschlussfrage*, 351; Ernst Streer Ritter von Streeruwitz (1874-1952) was pro-*Anschluss* Christian Social Party member. He was a chief member of the main Association of Industries (*Hauptverband der Industrie*) and a chief member of the Viennese Chamber of Trade (*Handelskammern*). He was also head of the Association of the Lower Austrian Textile Industry (*Niederösterreichischen Textilindustrie*), curator of the *Landeshypothekenanstalt* of Lower Austria from 1923 to 1934, *Nationalrat* member, and Austrian Chancellor in 1929 following Ignaz Seipel’s resignation. He was a member of the Austrian-German People’s League (*Österreichisch-Deutsche Volksbund*), a pro-*Anschluss* organization; *Protokolle der Christlichsozialen Parteitage*, Robert Kriechbaumer ed., 369; See also, Isabella Ackerl, “Ernst Streer Ritter von Streeruwitz: Springflut über Österreich. Erinnerungen, Erlebnisse und Gedanken aus bewegter Zeit 1914-1929,” *Die Österreichischen Bundeskanzler*, Weissensteiner, ed. (Vienna, 1937).

⁵⁸⁶Ehrhart, folder 3, Invoice number 824.145. Ehrhart Papers.

In the immediate aftermath of World War I, most Austrian industries had condemned the Treaty of St. Germain, which they called the “St. Germain Diktat” (St. Germain dictate).⁵⁸⁷ Many industries saw the territorial losses, reparations, and *Anschluss* prohibition as unacceptable. They also blamed the peace treaty for the economic crisis that impaired Austrian businesses. The *Vertreter von Industrie und Finanz* (Representatives of Industry and Finance) had met in Vienna in 1918 and had demanded the revival of Austrian businesses.⁵⁸⁸ Yet, this was easier said than done. Many Austrian businesses had financial problems and went bankrupt in the 1920s, such as the *Veitscher*, an engine industry, which collapsed in 1920.⁵⁸⁹ Thus, especially in the early 1920s when the Austrian economy was still in shambles, many Austrian industries supported an *Anschluss*.

Those industrialists and industries who favored an *Anschluss* in the 1920s contended that the First Austrian Republic was too small to be economically productive on its own, and they saw a union with Germany as their only hope of economic betterment.⁵⁹⁰ The main

⁵⁸⁷ Similar to the Germans who had used to expression “Versailles Diktat,” the Austrians despised the peace treaty. No title. folder 7. Invoice number 824.241. Ehrhart Papers.

⁵⁸⁸ *Protokolle der Christlichsozialen Parteitage*, 332.

⁵⁸⁹ Jens-Wilhelm Wessels, “Economic Performance and the Micro-Economic Development in Austria, 1929-1938,” *The Dollfuss/Schuschnigg Era in Austria*, 115.

⁵⁹⁰ Professor Dr. Karl Drexel to Generalsekretar, 24 August 1928. *ÖVP Parteiarchiv*. Box 55, “The Anschluss;“ Drexel was also a member of the Chamber of Trade, Business, and Industry. In 1930 he and Hermann Kandl wrote a pro-*Anschluss* speech presented at the meeting of the Chamber of Trade, Business, and Industry. Tilgner and Richard Reidl, two other pro-*Anschluss* supporters within the chambers of trade, were also present. The members included various occupations, doctors, lawyers, civil servants, jewelers, tailors, and so forth; Hermann Kandl and Drexel, “Jahres Hauptversammlung der Delegation für den österreichisch-deutschen Wirtschaftszusammenschluss.“ 12 March 1930. *ÖVP Parteiarchiv*. Box 55, “The Anschluss.“

premise was that the Austrian state was “not viable” (*nicht lebensfähig*).⁵⁹¹ Pro-*Anschluss* businessmen argued that an *Anschluss* would mean better access for Austrian goods to the large German market. Austria’s main trading partner in the 1920s was Germany, followed by Czechoslovakia, Hungary, Italy, Yugoslavia, and Poland.⁵⁹² In 1929 Austrian exports to Germany were valued at two-hundred million schilling, and Austria’s imports from Germany at five-hundred million schilling.⁵⁹³ At the same time, through a union with Germany, not only would Austrian products have better access to the German market, but also German products would have better access to the Austrian market. Austria would become the gateway for German manufactured goods to Eastern Europe. Vienna would become the Hamburg of the East.⁵⁹⁴ In addition, pro-*Anschluss* industrialists believed that the stable German currency and German investment would end the economic stagnation of Austria. They asserted that Austria should naturally receive money and support from Germany, not the Americans and British. An example of German investment in Austria was

⁵⁹¹ Bruno von Enderes, *Die Wirtschaftliche Bedeutung der Anschlussfrage* (Leipzig: Deutsche Wissenschaftliche Buchhandlung, 1929), 13, 23, 40. Enderes had been the former Austrian undersecretary of commerce (*Unterstaatssekretär*). He was overall pro-*Anschluss*. The *Weltwirtschafts-Institut* (World Economic Institute) in Leipzig invited Enderes to give a speech on February 1, 1929. This book is a published version of his speech. The majority of his work focuses on pro-*Anschluss* industries. Enderes contends that despite minor disadvantages, an *Anschluss* was mostly favorable. He said that “the Anschluss cannot be stopped, because it is a national necessity.”

⁵⁹² No title. 31 December 1926. *ÖVP Parteiarchiv*. Box 71. “Industry.”

⁵⁹³ In 1929 the total of Austrian exports was three-hundred fifty million schilling while the total of Austrian imports was seven-hundred million schilling. Ernst Streer Ritter von Streeruwitz, “Die Anschlussfrage als Wirtschaftsproblem,” *Die Anschlussfrage*, 353.

⁵⁹⁴ Folder 2545. WWA.

the German *Preussenkasse*, which furnished three-fifths of the total capital of the Austrian *Postsparkasse* in 1925.⁵⁹⁵

On the other hand, many Austrian industrialists were anti-*Anschluss* because they feared German competition, argued that Austria was self-sufficient, and were concerned about losing ties with East Central Europe. The anti-*Anschluss* industrialists, together with the Christian Social Party government, and the Americans and British, contended that Austria was indeed economically viable, *lebensfähig*,⁵⁹⁶ by stressing Austria economic strengths, which were its natural resources of iron, oil, magnesium, wood, and water. Austrian banks held large gold reserves in the 1920s. In addition, Austria was twice the size of Switzerland, which was also landlocked, but nonetheless a rich, stable, and productive country. The proponents of an independent Austria contended that if Switzerland could prosper economically, then so could Austria.⁵⁹⁷

Moreover, industries, banks, and companies in Austria worried that an *Anschluss* with Germany would break their ties with the Habsburg successor states, with which the Austrian businesses had invested the most money prior to World War I. For example, before World War I, most of the Austrian-held coal mines had been in territories of post-war Czechoslovakia, not Germany, and Austrian banks had capital in Hungary.⁵⁹⁸ However, many of these investments and holdings did not survive the breakup of the Habsburg

⁵⁹⁵Kandl, "Handel, Handwerk, und Gewerbe," *Die Anschlussfrage*, 398; Folder "Kandl." WWA.

⁵⁹⁶ Folder 8. 13 January 1931. Invoice number 824.266. Ehrhart Papers.

⁵⁹⁷ *Österreichische Nachrichten: Organ der Monarchisten Österreichs*, 21 March 1925.

⁵⁹⁸ Report by Sir George Clerk, 29 November 1919. *B DFA: The Paris Peace Conference of 1919*. 10:35.

Empire. Opponents of a union with Germany also discussed the practicality of closer Adriatic ports to the south over more distant German ports to the north for Austrian export.⁵⁹⁹

Furthermore, many Austrian industrialists were concerned that they could not compete with German industries. Austrian automobile, textile, chemical, electrical, and wood industries worried that they would be over-run with cheaper German products. In particular the owners of small and medium sized Austrian businesses contended that they would be destroyed in the event of an *Anschluss* of Austria and Germany.

The industries of Austria suffered from the rampant economic crises in the early and late 1920s. The period from 1923 to 1929, however, marked a period of dramatic economic recovery with the aid of American and British loans, which overall most Austrian industrialists favored.⁶⁰⁰ However, foreign intervention came at a price; Austrian finances had been placed under the control of the League of Nations for several years, and the loans caused minor inflation.⁶⁰¹

II. Historiography

Many historians of Austrian history have dealt with the economy, industry, and the *Anschluss*. The main question that economic historians, such as Jürgen Nautz, Franz Mathis, and Hermann Kuprian raise, is the degree to which economic factors motivated pro-

⁵⁹⁹ *Staatswehr*, 28 May 1920.

⁶⁰⁰ Unnamed newspaper. 28 February 1928. *ÖVP Parteiarchiv*. Box 71. "Industry."; Robert Ehrhart, "Die Sanierung Österreichs," (The Revitalization of Austria), 24 August 1932, folder 1. Invoice number 824.9. Ehrhart Papers.

⁶⁰¹ Ehrhart, no title, May 1933. folder 1. Ehrhart Papers. Although written in the 1930s, it discussed the 1920s.

Anschluss sentiment. In addition, Peter Fischer has studied the goals and motivations of the pro-*Anschluss* chambers of trade. Concerning motivations for the *Anschluss*, Jürgen Nautz argues that the predominant theme of the *Anschluss* question was the economic viability of Austria.⁶⁰² According to Nautz, the supporters of a union with Germany were more heavily influenced by economic than by German nationalistic considerations.⁶⁰³

Hermann Kuprian contends that even though there was a prevailing hope of economic betterment through a union, the *Anschluss* desire among industrialists and general population in Tyrol from 1918 to 1921 was more strongly motivated by national and emotional factors, such as deep concerns over the "Allies," than by economic factors.⁶⁰⁴ Franz Mathis focuses on the complexity and mixed nature of motives of those in favor of *Anschluss*. According to Mathis, one cannot talk of a single opinion concerning the interests of Austrian industry. However, there was certainly an idea prevalent in the inter-war era that through a union with Germany Austria's economic condition would be greatly improved. He too argues that while Austrian industry and chambers of commerce stressed both the economic and national benefits of a union, ultimately national factors predominated.⁶⁰⁵ For example, according to Mathis, the finance advisor of Klagenfurt,

⁶⁰² Nautz, "Die österreichische Wirtschaft und die Anschlußfrage" *Tirol Und der Anschluss*, 389, 391, 392, 395-397.

⁶⁰³ Nautz, "Die österreichische Wirtschaft und die Anschlußfrage," 398.

⁶⁰⁴ For example, according to Kuprian, on December 1, 1918, the Tyrolean *Volksverien* had demanded a whole Tyrol, a free Tyrol, and a self-governing Tyrol, which included the region of South Tyrol that the Italians had seized. Kuprian also discusses the growing tensions between the central government in Vienna and the local government in Innsbruck. Hermann Kuprian, "Tirol und die Anschlußfrage 1918 bis 1921," *Tirol Und der Anschluss*, 45, 48, 51.

Freidrich Kleinwächter, held that the *Anschluss* would be the right economic and political solution to Europe's German problem. Mathis says that the Salzburger chamber of commerce stated that any disadvantages of union, such as increased German competition, would be set aside by the advantages of a national community. In addition, Mathis states that a professor at the university in Innsbruck, Adolf Günther, said that for himself the *Anschluss* question was above all else a matter of political and "völkisch" as opposed to economic concern. Similar to Kuprian, Mathis concludes that overall pro-*Anschluss* sentiment was more nationally and politically than economically motivated.⁶⁰⁶

Peter Fischer analyzes the pro-*Anschluss* aspirations of the Austrian chambers of trade (*Handelskammern*) and the methods that the chambers used to convey their views. Yet, he concludes that overall the chambers of trade were "passive" toward the *Anschluss*.⁶⁰⁷ However, his work focusing on the Austrian supporters of a union with Germany neither emphasizes the role of Heinrich Lenhart of the Vienna Chamber of Trade, nor investigates the *Hauptverband der Industrie* whose members, in particular Robert Ehrhart and Ludwig Urban, came out strongly against the *Anschluss*. The four authors emphasize domestic

⁶⁰⁵ Franz Mathis, "Wirtschaft oder Politik? Zu Den 'Wirtschaftlichen' Motiven Einer Politischen Vereinigung Zwischen 1918 und 1938," *Ungleiche Partner?* 428-429. Mathis also discusses Norbert Schausberger who in his book *Rüstung in Österreich 1938-1945* (1970) maintained that the inter-war idea that Austria could only exist as part of a greater economic sphere was "a psychologically clever launched fairy-tale" by the pro-*Anschluss* supporters. Although Mathis comments on how Austria was able to make it on its own after World War II, even he recognizes that Schausberger's statement was a rather extreme opposing view, and many voices contend the contrary.

⁶⁰⁶ Mathis, "Wirtschaft oder Politik?" 431-434, 438-439.

⁶⁰⁷ Peter G. Fischer, "Die Österreichische Handelskammern und der Anschluss an Deutschland," *Das Juliabkommen von 1936: Vorgeschichte, Hintergründe, und Folgen.* "Protokoll des Symposiums in Wien am 10. und 11. June 1976 (Munich: Verlag für Geschichte und Politik, 1977), 299-300.

affairs and pro-*Anschluss* supporters within industries. This chapter emphasizes the industrial opponents of an *Anschluss* who supported the American and British diplomatic position in Austria.

III. Robert Ehrhart

A key anti-*Anschluss* figure among the industrialists, who opposed the reaction of Kandler and Tilger to Austria's post-war economic crisis, was Robert von Ehrhart.⁶⁰⁸ Ehrhart's views on the First Republic, *Anschluss*, monarchism, and Austrian nationalism were similar to those of Ignaz Seipel and Ernst Rüdiger von Starhemberg. Like Starhemberg, Ehrhart came from an Austrian noble family whose roots could be traced back for centuries. His family originated in the Ortenau region in Tyrol.⁶⁰⁹ Robert Freiherr von Ehrhart was born in Innsbruck on September 12, 1870. Because he had been raised in the old Empire and had come from an old aristocratic family that had loyally served the Habsburgs, the collapse of the Austro-Hungarian Empire in 1918 shocked Ehrhart. Like so many others, he considered the treaty settlement a *Diktatfrieden* ("dictated peace").⁶¹⁰ According to Ehrhart, the state of Austrian industry immediately after World War I was

⁶⁰⁸ In the archives of the *Institut für Zeitgeschichte* and some books he is listed as "Robert Ehrhart" instead of "Robert von Ehrhart." The reason for this is most likely that for a short time after World War II the use of the "von" was unpopular in Austria.

⁶⁰⁹ The parents of Robert von Ehrhart (1870-1956) were Clelia Freifrau von Ehrhart and Joseph von Ehrhart. His father had been President of the Tyrolean senate. Robert Ehrhart, *Im Dienste des alten Österreich, In the Service of the Old Empire* (Vienna: Bergland Verlag, 1958), 411.

⁶¹⁰ Regarding the defeat and collapse, he wrote, "the heart of the old Empire had stopped beating." Robert Ehrhart, *Im Dienste des alten Österreich*, 369, 408.

“hopeless,” as state capital had “disappeared,” and resources had disintegrated.⁶¹¹ Despite his aristocratic background, his views on the peace treaty, and his statement concerning the dire economic situation, Ehrhart pledged his loyalty and service to the new Austrian Republic.⁶¹²

Ehrhart’s political opinions were similar to Starhemberg’s and Seipel’s. Ehrhart was a member of the Christian Social Party. He sympathized with monarchism, but restoring the Habsburgs was not one of his main objectives during the 1920s. In addition, he had little faith in democracy and believed that an authoritarian government was best for Austria.⁶¹³ Thus, he fully sympathized with Seipel’s growing reservations about parliamentary government in the 1920s.

Moreover, Ehrhart was a staunch Austrian patriot. He embraced Austrian nationalism over German nationalism, and he sought to preserve the independence of Austria. Instead of calling for an *Anschluss*, he favored alternatives like the Danube Confederation. Ehrhart supported Seipel’s domestic and foreign policies, which befriended the Americans and British. In the 1920s he remained loyal to the Austrian government, and he fiercely opposed the socialists and the Greater German People’s Party that wanted to undermine the First Austrian Republic.⁶¹⁴ During the 1920s, Ehrhart’s Austrian nationalism

⁶¹¹Ehrhart, “Gedenkblatt für den alten Hauptverband und seinen Präsidenten Ludwig Urban: Erinnerung aus der Zwischenkriegszeit,” (Commemoration for the old President of the Industry Association Ludwig Urban: Memories from the inter-war period), folder 6. Invoice number 824.102. Ehrhart Papers.

⁶¹²Ehrhart, *Im Dienste des alten Österreich*, 7-8.

⁶¹³ Ehrhart, folder 3. Invoice number 824.53. Ehrhart Papers.

and opposition to union with Germany shaped his role as Vice President of the Austrian *Hauptverband der Industrie* (main industrial association). He and President Ludwig Urban, who had a close relationship with Austrian industrialists, turned the industrial association into an overall anti-*Anschluss* organization.⁶¹⁵

Ehrhart also supported economic recovery through cooperation with the League of Nations, one condition of which was the *Anschluss* prohibition. In 1921 Ehrhart mildly criticized a report from the Finance Committee of League of Nations that told the Austrian government that it needed to build its sources of food and supplies. However, it did not say how to go about relieving the problem. Ehrhart said “we could have told ourselves that.”⁶¹⁶ The state and the people have to be in the condition to be able to buy food first.⁶¹⁷ Despite such minor criticism, overall, Ehrhart welcomed the League of Nations plans in Austria. In 1921 Ehrhart opposed a socialist financial plan where Austria would secure foreign loans but without using the League of Nations. He said the plan was based on “naïve presumptions,” and it would not achieve its purpose. Ehrhart stated that Austria was dependent on the League of Nations for credit.⁶¹⁸ Ultimately, although the League of Nations control of Austrian finances in the early 1920s brought about some adversities, such as inflation and weakened export market, he contended that the loans had predominantly

⁶¹⁴ Ehrhart, *Im Dienste des alten Österreich*, 1-7; Robert Ehrhart, “Die wirtschaftspolitischen Vorgänge der letzten Monate,” 8 August 1931. folder 1. Invoice number 824.12. Ehrhart Papers.

⁶¹⁵ The Ehrhart papers did not state what industries or businesses Ehrhart owned.

⁶¹⁶ No title. 21 November 1921. folder 7. Invoice number 824.251. Ehrhart Papers.

⁶¹⁷ No title. 21 November 1921. folder 7. Invoice number 824.251. Ehrhart Papers.

⁶¹⁸ Ehrhart, no title, 3 October 1921, folder 1. Invoice number 824.29. Ehrhart Papers.

positive effects on Austria.⁶¹⁹ In 1922 Ehrhart reiterated that Austria needed “Allied credit,” and the Chamber of Trade, Business, and Industry in Vienna and many of the industrial corporations that it represented stated that Austria could and should be rebuilt with the help of foreign loans.⁶²⁰ Thus, Ehrhart was one of many voices representing the views of Austrian industries, industrialists, and chamber of trade members, but he was one of the leading anti-*Anschluss* proponents. Ehrhart’s legacy was that he paved the way for industrial opposition to *Anschluss*, in contrast to the initial reactions of many industrialists to defeat and collapse.⁶²¹

IV. The Anti-*Anschluss* Industries

Many members of Vice President Ehrhart’s and President Urban’s *Hauptverband der Industrie* were owners and managers of anti-*Anschluss* industries.⁶²² Many Austrian

⁶¹⁹Ehrhart, no title, May 1933. folder 1. Ehrhart Papers. Although written in the 1930s, it discussed the 1920s.

⁶²⁰No title. 29 December 1922. folder 7. Invoice number 824.1255. Ehrhart Papers; “Der Aufbau der staatlichen Lebensmittelzuschüsse.“ (the revitalization of the state food supply) no date. folder 7. Invoice number 824.256. Ehrhart Papers.

⁶²¹Also, Ehrhart wrote many books including three crime novels. Books that Ehrhart wrote include: *Das Erlebnis des Onkels Ladislaus* (Berlin: Wegweiser Verlag, 1926) (novel); *Der übersehene Gesichtspunkt* (Vienna: Szemere Verlag, 1937); *Mädchen auf der Insel: Kriminalroman* (Vienna: Karl H. Bischoff Verlag, 1944); *Herr Krusius Mahnt: Kriminalroman* (Vienna: Paul Zsolnay Verlag, 1946); *Gernot bedankt sich nicht: Ein Kriminalroman aus der Theaterwelt* (Vienna: Paul Zsolnay Verlag, 1948). His final book *Im Dienste des alten Österreich* (Vienna, 1958) offered his views on the Habsburg Monarchy and its collapse. He wrote his final book while he was living in Baden, a city twenty-five kilometers south of Vienna. He died on November 18, 1956. His son Anton Sperl-Ehrhart had the book published two years after his death and wrote the preface. Ehrhart, *Im Dienste des alten Österreich*, 7-8.

⁶²²Ehrhart, no title, folder 4. Ehrhart Papers.

businesses and industries feared German competition in the event of an *Anschluss* during the 1920s.⁶²³ These Austrian industries worried that they would be forced to shut down during a merger with Europe's strongest economical heavy-weight, Germany. Austrian industries resented the prospect of becoming an inferior partner ("*Minderwertigkeit des österreichischen Partners*").⁶²⁴ Other concerns of Austrian industries were reparations, taxes, interest rates, "Deutsche (German) Dumping," tariffs, and higher costs in production and transportation. The reparation issue distressed many Austrian industries. By the late 1920s, Austria no longer paid reparations, while Germany paid reparations until the early 1930s. Austrian businesses did not want to resume paying reparations in the event of a union with Germany.⁶²⁵ Also, some anti-*Anschluss* Austrian industries argued that a union with Germany would bring about higher taxes, higher interest rates, and higher train fares, more regulations, and increased raw material prices.⁶²⁶ Moreover, Austrian industries complained of "German dumping" during the inter-war period. "German dumping" allegedly involved Germany sending manufactured goods to sell in Austria at very low profit margin or even below production cost. The German manufactured items sold in Austria were even cheaper than in Germany itself. Germans had to pay more for the products to offset the lower prices offered to Austrians. This was all done with the intent to smash rival Austrian industries.⁶²⁷

⁶²³Streeruwitz, "Die Anschlussfrage als Wirtschaftsproblem," *Die Anschlussfrage*, 358; Enderes, *Die Wirtschaftliche Bedeutung der Anschlussfrage*, 103.

⁶²⁴Streeruwitz, "Die Anschlussfrage als Wirtschaftsproblem," *Die Anschlussfrage*, 355.

⁶²⁵ Dr. Johannes Schober had eliminated Austrian reparations. *Neue Freie Presse*, 3 October 1927; Streeruwitz, "Die Anschlussfrage als Wirtschaftsproblem," *Die Anschlussfrage*, 355; Erich Gebert, "Wirtschaft," *Die Anschlussfrage*, 524.

⁶²⁶ Enderes, *Die Wirtschaftliche Bedeutung der Anschlussfrage*, 102.

Thus, “German dumping” represented harsh German business tactics that would only worsen during an *Anschluss*. As long as it was independent, Austria could regulate the influx of foreign goods. Indeed, many industries wanted the Austrian government to protect them with higher tariffs.

The Austrian industries that were the most vocal in their opposition to a union with Germany during the 1920s were the electrical, paper, chemical, printing, and automobile companies. Austrian electric companies (*Österreichische Siemens Schuckert Werke*, *Allgemeine Elektrizitäts-Gesellschaft (AEG) Union Austria*, *Österreichische Brown-Boveri Werke AG*⁶²⁸ and the *Aktiengesellschaft für elektrische Industrie (ELIN)*)⁶²⁹ feared a tremendous loss of capital, workers, and jobs because of an *Anschluss*.⁶³⁰ Although *AEG* and *Siemens* were German owned companies,⁶³¹ their Austrian counterparts were independent and rivals of the German companies. Another foreign competitor in the Austrian and East Central European market was the American *General Electric (GE)*.⁶³²

⁶²⁷ *Staatswehr*, 20 January 1932. The newspaper said that “German Dumping“ was a problem in the 1920s and 1930s.

⁶²⁸ The British native Charles Eugene Lancelot Brown and the German Walter Boveri founded *Brown, Boveri & Company* in 1891. The company was based in Baden, Switzerland, but they also opened a factory in Austria. The company still exists today.

⁶²⁹ The Austrian Franz Pichler (1866-1919) founded *Weizer Elektrizitätswerk F. Pichler & Company* in 1897 in Weiz, a city in Styria. In 1922 the company’s name changed to *ELIN*. *ELIN* was one of Austria’s largest electric industries that produced motors, engines for trains, and electric generators. In 1959 *ELIN* was bought by *AEG*.

⁶³⁰ No title. 31 December 1926. *ÖVP Parteiarchiv*. Box 71. “Industry.”

⁶³¹ The German industrialist Werner von Siemens founded *Siemens* in 1847, and Emil Rathenau founded the *AEG* in 1883.

⁶³² No title. 31 December 1926. *ÖVP Parteiarchiv*. Box 71. “Industry.”

In addition, Austria had a lucrative automobile industry during the 1920s that competed with German-made cars. Austrian car makers included *Puchwerke AG*,⁶³³ *Steyr Werke AG*,⁶³⁴ *Austro-Daimler AG*, *Vienna Automobilfabrik AG Gräf & Stift*,⁶³⁵ *Österreichische Saurer-Werke AG*,⁶³⁶ *A Fross-Bässing Kommandantgesellschaft*, *Österreichische Automobilfabrik AG (ÖAF)*,⁶³⁷ *Austrian Fiat*,⁶³⁸ and *Automobilfabrik Perl AG*.⁶³⁹ Of these, the most important car maker was *Austro-Daimler*. Eduard Bierenz, a friend of the German industrialist Gottlieb Daimler,⁶⁴⁰ and an Austrian-Jewish industrialist

⁶³³ Johann Puch, a Slovenian, founded *Puchwerke* in Graz in 1891. Initially it produced bikes, but by 1904 it also made cars and motorcycles. Before 1918 the company also made luxury cars for the Habsburg family and military vehicles.

⁶³⁴ *Josef and Franz Wernndl & Company*, which began in 1894, initially made bikes, but by 1915 it also made cars. In 1924 the company changed its name to *Steyr Werke*. One of its most popular models in the late 1930s was the *Steyr 220 Cabriolet*. The company is located in Steyr, Upper Austria, and still produces some trucks and cars today.

⁶³⁵ Franz, Heinrich, and Carl Gräf and Wilhelm Stift founded the *Automobilfabrik AG Gräf & Stift* in 1904 in Vienna-Liesing. The company made luxury cars for the Habsburgs, including the car in which Archduke Franz Ferdinand was assassinated. In 1971 the company was bought by the ÖAF and later the *MAN AG (Maschinenfabrik Augsburg-Nürnberg)*. Today *MAN AG* mainly produces trucks for the Austrian military.

⁶³⁶ A Swiss company founded *Österreichische Saurer-Werke* in 1906, and it produced cars in Vienna-Simmering. During World War II, prisoners from Mauthausen were sent there to work. In 1969 the company collapsed.

⁶³⁷ The ÖAF was established in Vienna-Floridsdorf in 1907. In 1971 it was taken-over by *MAN AG*.

⁶³⁸ Italian *Fiat* based in Torino and the Anglo-Austrian Bank founded *Austrian Fiat* in 1912. It made cars, trucks, and airplane motors. After World War I, *Austrian Fiat* became independent of Italian *Fiat*. *Creditanstalt Failure Report*. M1209: US Department of State. Roll 18. Austrian Finances.

⁶³⁹ "Stellungnahme der österreichischen Automobilindustrie zur Frage Zollunion." Vienna, July 1931. Folder 2545. WWA.

Eduard Fischer⁶⁴¹ founded the *Austro-Daimler* Company on August 11, 1899. The company was based in Wiener Neustadt in Lower Austria, and, besides cars, it produced motors for buses, trucks, ships, trains, airplanes, and Zeppelins. In 1909 the Austrian engineer Ferdinand Porsche,⁶⁴² who had succeeded first Gottlieb Daimler and then his son Paul as the head of the company, granted *Austro-Daimler* independence from its German parent company. *Austro-Daimler*, whose symbol was the Austrian imperial double headed eagle, designed its own cars, and it was a competitor of its German counterpart.⁶⁴³ Besides *Daimler*, other German rivals during the 1920s were *Opel*, *Audi*, and *BMW*. Austrian cars could not be made as productively or as cheaply as the cars from the top automobile exporting countries, like Germany.⁶⁴⁴ Small Austrian companies manufacturing cars did not enjoy the economies of scale that the large German companies did.

Furthermore, the Austrian paper, chemical, and printing businesses were against an *Anschluss*. The paper industry feared a loss because the German demand for Austrian wood would drive up the price of this vital raw material. The Austrian chemical industries, which

⁶⁴⁰ Gottlieb Daimler (1834-1900) founded *Daimler Motoren Gesellschaft* (DMG) in 1890 in Stuttgart, Germany. In 1926 *Daimler* joined *Karl Benz & Company* to form *Daimler-Benz* AG.

⁶⁴¹ Dr. Eduard Fischer was a Jewish colonel in Austria-Hungary who fought the Russians in Bukovina during World War I. After World War I he owned an engineering factory in Austria.

⁶⁴² Ferdinand Porsche (1875-1951) was born to a German-speaking family in Bohemia, Austria-Hungary (today the Czech Republic).

⁶⁴³ The *Technische Museum* in Vienna has many actual models of Austrian cars built in the 1920s and 1930s.

⁶⁴⁴ Besides Germany, other foreign competitors for the Austrian automobile market were United States, Britain, France, and Italy. No title. 31 December 1926. *ÖVP Parteiarchiv*. Box 71. "Industry."

could not compete with their main German counterpart *I. G. Farben*, included the *Pulverfabrik Skoda-Wetzlar* AG that made mineral acid, phosphorus, sulfur, and hydrochloric acid,⁶⁴⁵ the *Carbidwerk Deutsch-Matrei* AG that made chlorine, alkaline, electrolytes, and carbide; the *Chemische Fabrik Weissenstein*⁶⁴⁶ that produced ether, potash, nitrogen, hydrogen, hydrogen-peroxide, and vinegar; and *Solvay-Werke*.⁶⁴⁷ In addition, Austrian chemical industries produced hygiene materials, perfumes, laundry detergent and other cleaning materials.⁶⁴⁸ The Austrian printing industries likewise feared disadvantages resulting from stiff German competition.⁶⁴⁹

The anti-*Anschluss* Austrian industries felt that they would be strangled by the colossal German industries, and they hoped that Austrian economy would be able to stand on its own. In general, Austria industries could not compete in those areas where German industries were the strongest. Yet, many Austrian businesses, like the piano manufacturers, argued that any disadvantages due to increased competition would be offset by the access to

⁶⁴⁵ During World War I, the *Pulverfabrik*, which was located in Lower Austria, had made gun powder. The director of the *Pulverfabrik* was the Austrian Jew Isidor Pollack, who Nazis murdered in 1938. Saul Friedländer, *Nazi Germany and the Jews. Volume I. The Years of Persecution, 1933-1939* (New York: HarperCollins Publishers, 1997), 243.

⁶⁴⁶ In 1873 Friedrich Roessler founded *Degussa (Deutsche-Gold-und-Silber-Scheideanstalt)* in Frankfurt am Main. In 1910 Degussa established the *Chemische Fabrik Weissenstein* in Austria.

⁶⁴⁷ Belgian industrialists established *Solvay* in 1885. The factory in Upper Austria produced ammonia soda, calcium carbonate, and wood preserving chemicals. *Solvay* still exists today.

⁶⁴⁸ No title and no date. Folder 2545. WWA.

⁶⁴⁹ No title. 31 December 1926. *ÖVP Parteiarchiv*. Box 71. "Industry.;" Ernst Streer Ritter von Streeruwitz, "Die Anschlussfrage als Wirtschaftsprblem," *Die Anschlussfrage*, 356-358; Bruno von Enderes, *Die Wirtschaftliche Bedeutung der Anschlussfrage*, 103.

a much larger market.⁶⁵⁰ Also, the *Alpine Montangesellschaft*, which was an iron and steel factory in Styria, favored an *Anschluss*, but only after it had been bought by a German industrialist Hugo Stinnes.⁶⁵¹ Yet, a German takeover was exactly what many Austrian industries feared. The Austrian automobile, electric, and chemical industries were extremely vulnerable and opposed to German competition because Germany was one of the world's largest producers of cars, chemicals, and electric appliances. Even with the economic recovery in the mid- and late 1920s, these Austrian industries continued to fear German competition.

V. Industries and industrialists in the mid- and late 1920s

In the mid- and late 1920s the United States and Great Britain sent many loans directly to Austrian industries, businesses, banks, and utilities. The United States allocated about \$16.4 million in loans to Austrian businesses, such as the Austrian electric company, *Allgemeine Elektrizitäts-Gesellschaft Union Austria (AEG)*,⁶⁵² the Tyrol Hydro-Electric Power Company,⁶⁵³ the Lower Austrian Hydro-Electric Power, and the Alpine Mountain

⁶⁵⁰ "Piano Union to the Bundesministerium." 21 May 1931. Folder 2545. WWA. Vienna.

⁶⁵¹ Stinnes wanted to sell Styrian iron to Germany. Stinnes also funded the Greater German Party in Austria. Some Sidelights on Political and Economic Conditions in Austria. 15 April 1921. Vienna. M695: US Department of State. Roll 6; F. L. Carsten, *The First Austrian Republic 1918-1938*, 146; Another example of a German-owned Austrian business, which was pro-*Anschluss* and advocated access to the larger German market, was the *Berndorfer Metallwarenfabrik Krupp* (iron and metal factory). Economic News. 1922. M695: US Department of State. Roll 6.

⁶⁵² R. O. Hall, Acting Chief, Finance Investment Division to Secretary Hoover. 25 January 1928. Washington D. C. M695: US Department of State. Roll 47.

⁶⁵³ Frank Kellogg to Curtis, Mallet-Provost, Colt and Mosle. 31 December 1926. M695: US Department of State. Roll 26.

Steel Corporation. Nevertheless, Austrian industries and chambers of trade were divided on the *Anschluss* question during the mid- and late 1920s. Many members of the chambers of trade, such as Hermann Kandl and Friedrich Tilgner, were strong advocates of an *Anschluss*. On the other hand, many Austrian industries, like the car industry, and members of the chambers of trade, like Heinrich Lenhart, spoke out against an *Anschluss*. In the mid- an late 1920s the *österreichische Hauptverband der Industrie* (main Austrian industrial association), in particular its President Ludwig Urban and Vice President Robert Ehrhart, continued to cooperate with the League of Nations in order to achieve their goal of rebuilding Austrian industry and saving the nation.⁶⁵⁴ Throughout the 1920s the anti-*Anschluss* proponents of the Austrian industry and economy remained vigilant and ultimately succeeded.

Contrary to the early 1920s, the mid- and late 1920s was a time of economic prosperity, which lessened the *Anschluss* desire of many industries. Ehrhart asserted that American and British loans in the late-1920s had replaced the shortage of credit during the inflationary period and led to a balanced budget.⁶⁵⁵ Due to American and British loans, from 1923 to 1929 the Austrian gross domestic product, GDP, increased from 8.5 million Austrian schilling to 11.3 million schilling. Unemployment dropped from 111,376 in 1923 to 91,150 in 1924.⁶⁵⁶ In particular, the Austrian electrical, automobile, chemical, and heavy

⁶⁵⁴ The *Hauptverband der Industrie* stated that: “No title. folder 7. Invoice number 824.252. Ehrhart Papers. The *Hauptverband der Industrie* said it would cooperate (“ . . . mit den Delegierten des Völkerbundes einen neuen wichtigen Schritt auf dem Wege endgiltiger Sanierung . . .) with the League of Nations to revitalize Austria.

⁶⁵⁵Ehrhart, no title, folder 1. Ehrhart Papers.

⁶⁵⁶Figures from, Ehrhart, “Das Argument für den Pessimismus,” (The Argument for Pessimism) folder 1. Invoice number 824.11. Ehrhart Papers.

industries had recovered and reported massive gains by 1926. For example, in 1926 the number of cars produced in Austria was 5,300, but by 1929 had increased to 9,100.⁶⁵⁷ A report listing the profits of Austrian industries further indicates economic improvement in the late 1920s. In 1920 few Austrian businesses had profits. However, in 1928, 540 Austrian industries reported an equity capital of 610 million schilling, while 381 Austrian industries reported a net profit of 67 million schilling.⁶⁵⁸ In addition, due to American and British loans, the Austrian chemical and heavy industries' profits rose about forty-five percent from 1922 to 1928.⁶⁵⁹

Because most Austrian industries had recovered in the mid- and late 1920s, the industries' desire for an *Anschluss* greatly lessened. Some Austrian industries, like the chemical, electric, and automobile companies, had already been against an *Anschluss* during a time of economic crisis of the early 1920s because they feared German competition. The economic recovery in the mid- and late 1920s strengthened the *Anschluss* opposition of many Austrian industries. Austrian industries were doing well, and they did not need a union with Germany to become productive. The economic betterment proved that Austrian industries were viable on their own. Realizing that most of the economic revitalization in the late 1920s was primarily due to American and British loans, some Austrian industries also

⁶⁵⁷Jens-Wilhelm Wessels, "Economic Performance and the Micro-Economic Development in Austria, 1929-1938," *The Dollfuss/Schuschnigg Era in Austria*, 102-103, 106.

⁶⁵⁸ Karl Haas, "Industrielle Intressenpolitik in Österreich Zur Zeit der Weltwirtschaftskrise." *Jahrbuch für Zeitgeschichte*, 1978, Karl Stahlpfarmer, ed., Österreichischen Gesellschaft für Zeitgeschichte Redaktion (Vienna, Löcker Verlag, 1979), 102.

⁶⁵⁹ Streeruwitz, "Die Anschlussfrage als Wirtschaftsproblem," *Die Anschluss-Frage*, 358.

worried about the loss of international financial aid in the event of an *Anschluss* with Germany.

Regardless of the economic recovery and some lessening of the *Anschluss* movement, overall, Austrian industrialists and members of the chambers of trade still remained divided on the *Anschluss* question in the mid- and late 1920s. In 1924 the Vienna Chamber of Trade, Business, and Industry, whose members had about ten thousand employees,⁶⁶⁰ regularly held *Kammertag* (chamber meetings) and *Präsidialkonferenz* meetings.⁶⁶¹ On October 29, 1924, the *Präsidialkonferenz* and the *Viennese Kammertag* favored working together with the American Chamber of Commerce.⁶⁶² But one year later, at the *Kammertag* on November 4, 1925, Hermann Kandl rejected American aid and argued that only an economic and political union with Germany would solve the entire German problem.⁶⁶³ Besides Kandl, Haagen and Vinzl from the Vienna Chamber of Trade and the Vice President of the Graz Chamber of Trade, Dr. Hans Pengg, were also pro-*Anschluss*. Nevertheless, Kandl and his followers represented the minority opinion at the November 1925 *Kammertag* concerning the *Anschluss*. Lenhart, Hinterschweiger, and Prettenhofer were staunchly anti-*Anschluss*.⁶⁶⁴ Moreover, many of the other members of the chambers of

⁶⁶⁰ *Tageszeitung*, 28 November 1930. Lenhart Folder. WWA.

⁶⁶¹ A *Präsidialkonferenz* was a (presidential) conference where the trade members choose a new President.

⁶⁶² “The Geschäftsstelle des Kammertages.” 6 November 1924. Folder number E 25.759.

⁶⁶³ 4 November 1925 *Kammertag*. Folder number E 25.759. WWA.

⁶⁶⁴ “Protocol of the 6 Austrian Kammertag. 4 November 1925.” Folder number E 25.759. WWA. No first names were given for Hinterschweiger, Prettenhofer, Haagen, and Vinzl.

trade discussed other critical issues,⁶⁶⁵ like health insurance for workers, old age pensions, unemployment, and a possible gold standard, instead of a union with Germany. Therefore, at the 1925 chamber meeting many members avoided the divisive *Anschluss* issue altogether.⁶⁶⁶

In the mid- and late 1920s, the pro-*Anschluss* voices among Austrian industries and chambers of trade argued that Austria had not recovered and it still needed Germany. In 1926 Friedrich Tilgner, an *Anschluss* supporter, became President of the Viennese Chamber of Trade. Tilgner and Richard Riedl,⁶⁶⁷ another leading member of the Viennese Chamber of Trade, met with the *Deutschen Industrie- und Handelstages* (DIHT) in April and May 1926 in order to prepare for the *Anschluss* of Austria and Germany.⁶⁶⁸ In 1927 the Austrian *Verband der österreichischen Kaufmannschaft* (Association of Austrian Business Groups) also voiced its position in favor of a union with Germany.⁶⁶⁹ The participants of the January 1928 meeting of the Chamber of Trade included the *Nationalrat* Vice President Ernst Streer

⁶⁶⁵ The *Wiener Wirtschaftskammer Archiv* has a full list of the Austrian chambers of trade members in November 1925, but it often does not give their full names. The President of the Vienna Chamber of Trade in 1925 was Dr. Ing. Quidenus. (Friedrich Tilgner became President of the Viennese Chamber of Trade in 1926.) The list includes members from not only Vienna, but other cities as well. "Protocol of the 6 Austrian Kammertag. 4 November 1925." Folder number E 25.759. WWA.

⁶⁶⁶ 4 November 1925 *Kammertag*. Folder number E 25.759. WWA. The November 1925 *Kammertag* was open to the public and met at the *Wiener Wirtschaftskammer* on Stubenring 8-10 in Vienna, which is where the Viennese Chamber of Trade still exists today.

⁶⁶⁷ Richard Riedl (1865-1944) was a famous Austrian economic politician who signed many state treaties. He was a writer and published many books. He was also a follower of Georg Schönerer and had Nazi sympathies. He died of a heart-attack at age seventy-eight. Richard Riedl Folder. WWA.

⁶⁶⁸ 24 February 1926. *Handelskammer Wien*, Folder number E. 25.759. WWA. Box 2.

⁶⁶⁹ *Neue Zeitung*, 18 June 1927 and *Neue Freie Presse*, 8 July 1927. The newspapers were found in the *ÖVP Parteiarchiv*. Box 55, "The Anschluss."

Ritter von Streeruwitz,⁶⁷⁰ the industrialist Lorenz Rhomberg, Tilgner, Kandl, Dr. Erich Gebert, and the bank director Dr. Paul Hammerschlag. Once again Riedl and Tilgner demanded an *Anschluss*.⁶⁷¹ However, during that meeting and a subsequent one in Carinthia on the April 21, 1928, Ehrhart continued to reject the *Anschluss*.⁶⁷²

Despite of the pro-*Anschluss* side's fervent demands, a union of Germany and Austria did not occur in the 1920s because of major opposition. They remained noisy advocates, but Chancellor Ignaz Seipel retained the power to determine many of Austria's economic policies in the 1920s. The Austrian National Bank director and Finance Minister in the 1920s under Chancellor Seipel, Viktor Kienböck, welcomed American and British loans and opposed a union with Germany.⁶⁷³ Many members of the Austrian chambers of trade, such as Lenhart and Prettenhofer, opposed a union with Germany throughout the 1920s. Many members of the Viennese Chamber of Trade, Business, and Industry also expressed doubts about the enlargement of the economic zone in 1925.⁶⁷⁴ Many Austrian industries, like the chemical and automobile, supported the Seipel government and its

⁶⁷⁰ Ernst Streer Ritter von Streeruwitz was a pro-*Anschluss* member of the Christian Social Party was President of the Viennese Chamber of Commerce preceding Tilgner; *Wiener Journal*, 22 August 1928; folder 9. Invoice number 824.294. Ehrhart Papers.

⁶⁷¹ *Reichspost*, 23 September 1928.

⁶⁷² *Die Industrie: Offizielles Organ des Hauptverband Österreich*. 11 May 1928. ÖVP Parteiarchiv. Box 71. "Industry." The Austrian Economic Minister, *Hauptverband der Industrie*, and the governor of Carinthia also attended the April 21st meeting.

⁶⁷³ *Mühlviertler Nachrichten*, 7 June 1928. The newspaper was found in the ÖVP Parteiarchiv. Box 55, "The Anschluss."

⁶⁷⁴ Kandl, "Handel, Handwerk, und Gewerbe," *Die Anschluss-Frage*, 369; Folder "Kandl." WWA.

policies of Austrian independence and reliance on foreign credit.⁶⁷⁵ Additionally, in the late 1920s, the British Sir William M. Acworth stated that many Austrian industries “worked tirelessly” to make Austria a viable nation.⁶⁷⁶

Furthermore, Urban, Ehrhart, and the *Hauptverband der Industrie* also supported Seipel’s policies that included currency reform, loans, and the Geneva Protocol.⁶⁷⁷ The *Hauptverband der Industrien* contended that from 1925 to 1929 an “enormous amount” (*ungeheuerer Mengen*) of public and private foreign credit poured into Austria.⁶⁷⁸ The *Hauptverband der Industrien* estimated the amount of foreign money that Austria received to be three-hundred million schilling a year. Despite fears of too much credit, the Austrian economy was relatively stable.⁶⁷⁹ Speaking on behalf of Austrian independence in 1927, Ehrhart asked how will Austria continue to get better if some of its own people did not support it? Ehrhart attempted to raise Austrian patriotism.⁶⁸⁰ The problem that Austrian

⁶⁷⁵Ehrhart, folder 3, Invoice number 824.44.1. Ehrhart Papers.

⁶⁷⁶ “Denkschrift der *Hauptverband der Industrie* Österreichs betreffend die Senkung des öffentlichen Aufwandes.“ folder 8. Invoice number 824.276. Ehrhart Papers. Sir William M. Ackworth had also recommended that sixty-four thousand more Austrians were needed to build trains and railways.

⁶⁷⁷ Ehrhart, “Seipel als Wirtschaftspolitiker.” folder 9. Invoice number 824.304. Ehrhart Papers. According to Ehrhart, in the early 1920s regarding the economic turmoil, Seipel had told the industrialists that “you can go home calmly gentlemen. You can rely on the fact that something will be done.” Ehrhart stated that without the Geneva Protocol Austria would have been in chaos. Ehrhart said that when Seipel died, a piece of heart of the true Austria left.

⁶⁷⁸ “Denkschrift der *Hauptverband der Industrie* Österreichs betreffend die Senkung des öffentlichen Aufwandes.“ folder 8. Invoice number 824.276. Ehrhart Papers.

⁶⁷⁹ Some anti-Semitic Austria industrialists believed that the Jews were simply hoarding most of the money. “Denkschrift der *Hauptverband der Industrie* Österreichs betreffend die Senkung des öffentlichen Aufwandes.“ folder 8. Invoice number 824.276. Ehrhart Papers.

⁶⁸⁰1927. folder 8. Invoice number 824.274. Ehrhart Papers.

popular support for the First Republic remained tied to the state of the Austrian economy continued to haunt the country.

VI. Conclusion

Austrian industries and industrialists were split on the *Anschluss* question in the 1920s. The Salzburger Chamber of Trade Secretary Erich Gebert and the Viennese Chamber of Trade members Friedrich Tilgner and Hermann Kandl were adamantly pro-*Anschluss*.⁶⁸¹ Tilgner, Kandl, and Gebert called for an *Anschluss* which was necessary for the survival of Austria.⁶⁸² Yet, the *österreichische Hauptverband der Industrie*, especially Vice President Robert Ehrhart and President Ludwig Urban, and Heinrich Lenhart from the Chamber of Trade embraced Austrian independence and foreign loans. In addition, many industries in Austria feared German competition, and the Austrian government had protected them with high tariffs. In particular, the Austrian chemical and electric industries were anti-*Anschluss*.⁶⁸³

In order to help rebuild Austrian industries, the United States and Britain sent many loans in the 1920s. Overall, most Austrian industries welcomed international loans.⁶⁸⁴ Thanks to loans the Austrian industries had recovered greatly in the late 1920s. During this

⁶⁸¹*Staatswehr*, 28 May 1920.

⁶⁸² Tilgner Folder. WWA. Vienna; An American industrialist Bernhard Lothar Faber, who ran a pencil factory in New York City, likewise, contended that economically Austria industry cannot stand on its own, and a union with Germany would better the economic situation. "Pro-Anschluss American." 11 August 1929. *ÖVP Parteiarchiv*. Box 55, "The Anschluss."

⁶⁸³*Staatswehr*, 28 May 1920.

⁶⁸⁴Unnamed newspaper. 28 February 1928. *ÖVP Parteiarchiv*. Box 71. "Industry."

time period, the anti-*Anschluss* industries, together with the Christian Social Party government, and the Americans and British, had proven that Austria was economically viable, *lebensfähig*.⁶⁸⁵ Austria was a country rich in mineral and water resources. Similar to Switzerland, Austria had become prosperous and seemingly stable on the eve of the depression and subsequent Nazi threat.

⁶⁸⁵ Folder 8. 13 January 1931. Invoice number 824.266. Ehrhart Papers. Although written in the 1930s, it discussed the 1920s.

PART III: INCREASING CRISIS

CHAPTER VII

THE DOLLAR AND POUND DIPLOMACY DURING THE DEPRESSION AND THE DOLLFUSS ERA, 1930-1934

I. Introduction

“No one of us who watches the situation in Europe . . . can doubt the future of Austria is intimately bound up with the prospects of peace or war in Europe, and that it will be a mistake to allow anyone to suppose that the British government could view with indifference an attack on that integrity and independence.”⁶⁸⁶ (Sir Austin Chamberlain).

This chapter focuses on American and British economic, financial, political, and cultural ties with Austria from 1930 to 1934. This chapter ends with the assassination of Engelbert Dollfuss in 1934.⁶⁸⁷ During this time period, Britain and the United States continued their economic aid and their policy of maintaining Austrian independence that had begun immediately after World War I. President Herbert Hoover’s economic policies included the moratorium of 1931 and US participation in several international loans to Austria, including the Lausanne loan in 1932. Franklin D. Roosevelt renewed American

⁶⁸⁶ “Future of Austria. Sir Austin Chamberlain’s Views.” *Sir John Simon*. June 1934. *NPA (Neues Politisches Archiv) Austwärtige Angelengenheiten, 1918-1934. Archiv der Republik*, Vienna. Box 575. Austrian Relations with the United States and Britain. Sir Austin Chamberlain was a brother of Neville Chamberlain.

⁶⁸⁷ As is the case for the 1920s, Costigliola, Schuker, Rosenberg, and Trachtenberg dominate the historiography of international relations affecting Austria in the 1930s. For a detailed historiography, see chapter 3. Once again there is a relative gap in the treatment of Austria in the study of American and British foreign relations. This chapter ends in 1934 because the time period that follows is thematically different and has been well-studied.

economic aid and support of Austrian independence even during a huge crisis—the Nazi coup attempt of 1934. Prime Minister Ramsay Macdonald continued Britain’s pound diplomacy to Austria. As in the 1920s, neither Britain nor the United States advocated military intervention in Austrian affairs in the period 1930 to 1934.

During this same period cultural interactions continued between Austria, Britain, and the United States through the exchange of individuals and art and the activities of international groups. For example, an Austrian art exhibit took place in New York in 1930, and the American novelist Sinclair Lewis spent some time in Austria in the early 1930s. In addition, pro-Austrian groups, like the *Anglo-Austrian Society* and the *Austro-American Institute of Education*, held regular meetings in London, Vienna, and New York.

In addition, both the United States and Great Britain had political and financial interests in an independent Austria during the period 1930 to 1934. They feared that an end of Austrian independence would not only compromise the European balance of power but also mean the loss of millions of dollars that they had invested in Austria. Thus, Britain and the United States opposed an *Anschluss*. However, unlike other European countries, they were reluctantly willing to concede *Anschluss* provided that three conditions were met. First, the union required the consent of an international body. Second, the union would have to come about peacefully. Third, the union would have to have the consent of the majority of the Austrian and German populace. Yet, because of the fierce *Anschluss* opposition of France, Italy, and the Habsburg successor states, the first condition was virtually impossible to fulfill during this time period.

In the early 1930s uncertainty over the fate of Austria returned because of the global depression and collapse of the Viennese Bank, the *Creditanstalt*. In 1931 Austria requested a

customs union with Germany, which the majority of Austrians supported. Perceiving the customs union as a step towards an actual *Anschluss*, both Great Britain and the United States would not allow it without approval from the League of Nations. When the International Court prohibited the customs union, Britain and the United States encouraged other options. The Danube Confederation plan had never gotten off the drawing board in 1918-1919 and the 1920s, but a variation of it reappeared in 1932, which Great Britain, the United States, France, and other countries promoted.

Similar to the 1920s, the United States and Great Britain sent money to maintain Austrian independence in the 1930s. Ultimately, due to the Great Depression, they could no longer continue to send massive loans to Austria in the same extent as earlier. Many American banks cancelled their credits to Austria. Also, unlike the 1920s, Austria received little philanthropy.⁶⁸⁸ Nonetheless, even though the Great Depression diminished foreign loans to Austria in the 1930s, neither American nor British loans ceased entirely.

Despite the Great Depression, in the time period from 1930 to 1934, the *Washington Post* stated that the United States was still the biggest creditor nation followed by Great Britain.⁶⁸⁹ The Reconstruction Finance Corporation, RFC, continued sending loans to countries in need, which included Austria, during Hoover's administration.⁶⁹⁰ Some private American investors, in particular bankers and companies, also continued to send loans to Austria. US loans to Austria, which were mostly paid by private investors, were about \$100

⁶⁸⁸ M1209: Records of the United States Department of State Relating to Internal Affairs Austria, 1930-1944. Rolls 22-24 on relief credits and Rolls 18-21 on financial conditions.

⁶⁸⁹ "German Debt Hints Stir US Bankers." *Washington Post*, 18 June 1932.

⁶⁹⁰ Many countries received RFC loans, including the Soviet Union in 1933. *Washington Post*, 3 July 1933.

million from 1930 to 1934.⁶⁹¹ Great Britain sent “relief” loans totaling 44,232,000 pounds from 1930 to 1934.⁶⁹² Both Britain and the United States participated in an important 1932 League of Nations loan. Yet, during the 1930s, foreign loans to Austria came with a degree of uncertainty. Each year in the 1930s Austria had to ponder whether Great Britain and the United States would continue to send loans or if their funds would run dry because of the severity of the Great Depression.

Furthermore, the Americans and British had to contend with Nazi Germany, which was aggressively challenging the very existence of the First Austrian Republic and had been

⁶⁹¹ *Statistical Abstract of the United States*. 1930-1934.

http://www.census.gov/prod/www/abs/statab1901_1950.htm (October 2006) This figure is a best estimate. Because most of the US loans to Austria were private, they were most often not listed in the annual US census and treasury reports. One must see the US State Department records; M1209: US Department of State. Rolls 22-24 on relief credits and Rolls 18-21 on financial conditions. However, even these records have no precise figures for US private loans to Austria during this period. The total amount of US loans to Austria from 1930 to 1938 is estimated at \$165 million, which was \$60 million less than the 1920 figure. Also, in the 1930s US investors allocated most loans to Austria in the period 1930 to 1934. In comparison, the US loans to Belgium from 1918 to 1938 totaled \$400,680,000. US loans to Britain totaled \$4.368 billion, and loans to France totaled \$3.863 billion. According to a 1938 treasury report, Germany owed the US a total of \$12 billion in loans and army costs during the inter-war period. Securities Owed by the United States Government. Compiled from latest reports received by the Treasury. 31 March 1938. M1209. US Department of State. Roll 23.

⁶⁹² These are precise figures listed in a British budget table. British “relief” loans to Austria totaled 79,532,000 pounds from 1930 to 1938. This amount was about 22 million pounds less than what Britain had given in the 1920s. However, because Britain had given loans to Austria up to 1929, the 1920s figure includes one more year than the 1930s amount, which ended in 1938. Similar to the 1920s, in the 1930s Great Britain had sent more money to its colonies, dominions, and other states. Interestingly, Germany was not listed as receiving British loans. From 1930 to 1934 Great Britain had sent annual loans varying from 106,000,000 pounds to 116,000,000 pounds to its colonies (Australia, New Zealand, South Africa, and Canada). Britain sent yearly loans of about 2 billion to France, Italy and Russia. Britain sent 7 million pounds in “relief” annually to countries in Central Europe (Poland, Czechoslovakia, Romania, Hungary, and Yugoslavia, but not to Germany). *Statistical Abstracts for the United Kingdom*. No. 83. 1924-1938. Published by his Majesty’s Stationary Office, London, 1940.

instigating a wave of terrorism there since the early 1930s. Despite their past openness to the *Anschluss* question, after 1933 the United States and Britain strongly disapproved of an *Anschluss* with Nazi Germany because this would come about neither peacefully nor with the consent of the other European countries. Most Austrians at least temporarily ended their support for *Anschluss* as well. Because the American and British commitment to Austria did not go beyond uncertain and declining financial aid and verbal diplomatic support, Austria also turned toward fascist Italy in its struggle against Nazi Germany. By granting financial assistance to Austria to bolster its economy and exercising limited diplomatic pressure, British and American foreign policies helped to maintain Austria's independence in the time period from 1930 to 1934, during the worst years of the Great Depression.

II. American and British Perceptions of Austria and Cultural Exchanges 1930-1934

The Americans and British continued to admire Austrian culture in the early 1930s. However, many American and British politicians, diplomats, and bankers also saw Austria in a state of renewed political and economic crisis because of the Great Depression. The United States and Great Britain felt they had to protect their financial and political interests in Austria. Americans and Britons had seen the old Habsburg Empire as autocratic and supported Austrian democracy. Now once again the Dollfuss and Schuschnigg regimes were undemocratic. Yet, by the early 1930s Nazism represented the ultimate evil, and, therefore, American and British people were sympathetic to the plight of Austria and reluctantly tolerant of its authoritarian turn.⁶⁹³

⁶⁹³Wilder E. Spaulding, *The Quiet Invaders: The story of the Austrian impact upon America* (Vienna: Österreichischer Bundesverlag für Unterrecht, Wissenschaft, und Kunst, 1963); See also, the Dokumentationsarchiv des österreichischen Widerstandes, ed. *Österreicher im*

American and British cultural stereotypes of 1920s, such as *Lederhosen*-wearing and Wiener *Schnitzel*-eating Austrians, were still intact during the 1930s. In early 1930 the Columbia Broadcasting System (CBS) did an “international good-will series” on various countries in order to inform an audience of about twenty million Americans and Canadians of different cultures. Each program lasted thirty minutes, which included fifteen minutes of music and fifteen minutes for the ambassador to speak about his country. On February 18, 1930, Harry C. Butcher, the director of the Washington diplomatic corps who was organizing the radio broadcast, informed the Austrian ambassador to the United States, Edgar Prochnik, that he wanted to include Austria and said this “would be one of the greatest good-will projects you could undertake for Austria.”⁶⁹⁴

In March 1930 Austria agreed to the CBS radio program. Prochnik chose Hadyn, Mozart, Schubert, and Strauss to showcase Austrian music. In the radio broadcast Prochnik discussed Austrian history and culture. He said that Austria was the heir to the Habsburg Dynasty, and that it had a great music tradition, as well as many mountains and lakes.⁶⁹⁵ Once again Austria was basically represented to Americans as a country of great culture and beautiful scenery.

Moreover, cultural ties between Austria and the Americans and British were significant. Similar to the 1920s, cultural exchanges in the early and mid-1930s predominated through international organizations and through the exchange of people and

Exil. Grossbritannien 1938-1945. Eine Dokumentation (Vienna: Österreichischer Bundesverlag, 1992) and *Österreicher im Exil. USA 1938-1945. Eine Dokumentation*. Band 1 and Band 2. (1995).

⁶⁹⁴ Harry C. Butcher to Edgar Prochnik. 18 February 1930. *NPA. Archiv der Republik*. Box 495.

⁶⁹⁵ Austrian Radio Broadcast. 28 March 1930. *NPA. Archiv der Republik*. Box 495.

art. The *Anglo-Austrian Society*'s membership grew in the 1930s and included Sir William Henry Beveridge, Lord Robert Cecil, Sir Frederick Lewis,⁶⁹⁶ the banker Montagu Norman, the Duchess of Portland, the Archbishop of York, and the Reverend Dean of Windsor. The Austrian ambassador to Britain Baron Georg Franckenstein was the vice chairman of the group.⁶⁹⁷ The London Rotarians thanked the Austrian Rotarians for their warm welcome in November 1931 in Vienna. Newspapers from around the world covered the event. That same month the *London-Salzburg Society* formed and met in London. These successful societal and club meetings were "positive propaganda" for Austria.⁶⁹⁸

In December 1931 the *Austro-American Institute of Education* in New York, whose members included Ambassador Prochnik, American Secretary of State Gilchrist B. Stockton, and former Austrian President Michael Hainisch, made plans to commemorate the two-hundredth anniversary of George Washington's birth on February 22, 1932.⁶⁹⁹ On February 5, 1932, Prochnik presented President Hoover with a gift from the Austrian people to the American people. The gift was a porcelain statue of George Washington riding on a horse. The Austrian sculptor Doebrich and the Austrian *Augarten* porcelain manufacturer created the statue. The statue's inscription read, "1732 – Austria to the United States of America, With Friendship, Esteem, and Admiration – 1932." It also had a coat of arms

⁶⁹⁶ Lord Arthur James Balfour had also been a member of the *Anglo-Austrian Society* before he died in 1930. Sir William Henry Beveridge was a British economist who worked for the British Labour government. Lord Robert Cecil and Sir Frederick Lewis were British diplomats.

⁶⁹⁷ Anglo-Austrian Society in London. *NPA. Archiv der Republik*. Box 565.

⁶⁹⁸ Propaganda for Austria. 17 November 1931. London. *NPA. Archiv der Republik*. Box 573.

⁶⁹⁹ Austro-American Institute of Education in New York to the Austrian Ambassador in Vienna. 1 December 1931. *NPA. Archiv der Republik*. Box 492.

representing the Austrian provinces.⁷⁰⁰ Also, in order to honor Washington, Austrian President Wilhelm Miklas attended the opening of a new residential area on May 26, 1932, called “George Washington-Hof” in the Wienerberg, which is in the tenth district (*Favoriten*) of Vienna.⁷⁰¹ By honoring Washington, Austria showed its gratitude to the United States and the American people, as well as its admiration of American culture. The Austrians showed their generosity to Britain, too. In April 1932 Franckenstein had presented Princess Elizabeth, the future Queen of England, with an *Augarten* porcelain.⁷⁰²

In addition, there was an exchange of Austrian music, art, and theater in the early and mid-1930s. In early 1930 the International Exposition of Modern Art, which the College of Art Association organized, had a meeting in New York about Austria. Surprisingly, more Americans attended the Austrian meeting than the German and French ones that had been held earlier. At the meeting the speaker talked about how many Americans had made Austria their second home, including the author Sinclair Lewis, who had a house in the Semmering ninety kilometers from Vienna. Several Austrians also attended, like Professor Leo Katz who specialized in modern art, science Professor Adolf Lorenz, and Madame

⁷⁰⁰ “Austrian Ambassador Presents Gift of Washington From His Country to President Hoover in Honor of Bicentennial.” *Washington Post*, 5 February 1932. No first name was given for Doebrich.

⁷⁰¹ “President Miklas opens the “George Washington-Hof.” 26 May 1932. *NPA. Archiv der Republik*. Box 492. The “George Washington-Hof” still exists in Vienna today. The Vienna Business Center, which includes a modern shopping center and movie cinemas, has been built next to it.

⁷⁰² Princess Elizabeth had also taken an interest in a 1932 exhibit in Schönbrunn, and she requested a catalog. Baron Franckenstein to Austrian Bundeskanzleramt. 25 April 1932. *NPA. Archiv der Republik*. Box 573.

Elisabeth Schumann, who was part of the Vienna State Opera.⁷⁰³ The art exposition exemplified American appreciation of Austrian art.

In November 1930 an Austrian art exhibit was held in New York. Thirty-four modern Austrian painters, including Gustav Klimt,⁷⁰⁴ Egon Schiele,⁷⁰⁵ Oskar Laske, Franz Sedlacek, and Ludwig Ferdinand Graf, were part of the exhibit.⁷⁰⁶ The Austrian pictures and paintings allowed Americans to familiarize themselves with Austria and its culture.

In June 1931 Mina Schmidt, who was the head of the Costume Workshop at the University of Chicago, wanted to honor “Universal Motherhood and Sisterhood” by creating female dolls that were dressed in their historic attire. She wished to commemorate women from the past and inspire present-day women. Schmidt requested that Prochnik send pictures and biographies of ten famous Austrian women who represented “beauty, art, history, religion, patriotism, commerce, education, science and good-fellowship.”⁷⁰⁷ Some of the women that the Austrian Women’s Association chose were Maria Theresa, the writer Marie von Ebner-Eschenbach, the painter Tina Elau, the author Leopoldine Kulka, the peace

⁷⁰³ International Exposition of Modern Art. 1930. *NPA. Archiv der Republik*. Box 500.

⁷⁰⁴ Gustav Klimt (1862-1918) represented the Vienna Art Nouveau or Secession movement. His most famous paintings were *The Kiss* and *Adele*.

⁷⁰⁵ Egon Schiele (1890-1918) was a student of Klimt. He drew various paintings, drawings, and self-portraits. He was a controversial painter, and some of his drawings were first considered pornographic. He died young of the flu.

⁷⁰⁶ “Austrian Paintings on Tour.” *The Christian Science Monitor*, 8 November 1930. The newspaper was part of a collection belonging to the *NPA. Archiv der Republik*. Box 500.

⁷⁰⁷ Mina Moscherosch Schmidt, Lecturer and Director of the Costume Workshop at the University of Chicago to Edgar Prochnik. June 1931. *NPA. Archiv der Republik*. Box 500.

activist Bertha von Suttner, and the women's leader Auguste Fickert.⁷⁰⁸ Thus, Schmidt of the University of Chicago showed American interest in Austrian history and culture.

In September 1931 an Austrian music festival took place in Cleveland, Ohio, to which Senator J. J. Davis invited 150 members of the Austrian chorus.⁷⁰⁹ Also, in June 1933 an Austrian theatrical production occurred in New York. Max Sonino who sponsored the International Theatrical Enterprises in New York emphasized the importance of the theatrical production and art and cultural exchanges in general. In a letter to Prochnik, Sonino stated that the production would be beneficial in strengthening cultural, diplomatic, social, political, and commercial relations. According to Sonino, the production would be the "most efficacious and direct means of propaganda" for Austria. He said that art and theater were very important to Americans. Sonino used the example of a previous Chinese Company performance which, he argued, had done more to improve Chinese-American relations in a few weeks than the diplomats had done in years. Similar to the Chinese example, Sonino maintained that Austrian participation in the theater group and other cultural events would be very "far reaching and attractive in its appeal" to the American public.⁷¹⁰

Furthermore, student, teacher, and professional exchanges also occurred throughout the 1930s, although they lessened in the latter part of the decade. The *Anglo-Austrian Committee for the Interchange of Teachers and Students* provided funds for Austrian

⁷⁰⁸ Adele Gerbeck President of the *Allgemeiner Österreichischer Frauenverein Wien* to Austrian Federal Chancellery. 8 July 1931. *NPA. Archiv der Republik*. Box 500.

⁷⁰⁹ J.J. Davis to Edgar Prochnik. 2 September 1931. Washington D. C. *NPA. Archiv der Republik*. Box 492 and Box 499.

⁷¹⁰ Max Sonino to Edgar Prochnik. 9 June 1933. *NPA. Archiv der Republik*. Box 499.

students and teachers to come to Britain and vice-versa. The British participants loved the Austrian mountains and historic cities. Also, they said that “Austrians are a hospitable and friendly nation, and English students or teachers of German can gain much from a visit to their country.”⁷¹¹ In 1932 many American students and teachers visited Austria in cooperation with the US Office of Education and the US Department of State.⁷¹² British tourists visited the Salzburg festival in 1933, and an Austrian soccer team played in a goodwill game in Glasgow, Scotland.⁷¹³ Thus, these interactions strengthened diplomatic and cultural ties of Britain, the United States, and Austria.

III. The Anglo-American Diplomacy, the Great Depression, and the Customs Union

The revival of the Austrian economy in the late 1920s proved short-lived. When the global depression struck in 1929-1930, Austria found itself in another critical economic crisis.⁷¹⁴ In 1930 Vienna had an unemployment rate of fifteen percent, while the provinces

⁷¹¹ The Anglo-Austrian Committee for the Interchange of Teachers and Students. 1930. *NPA. Archiv der Republik*. Box 565.

⁷¹² John H. MacCracken of the American Council on Education to Austrian Ambassador Prochnik. 5 October 1932. *NPA. Archiv der Republik*. Box 498.

⁷¹³ “Minister’s Tribute after Glasgow Football Match. Strengthening Bonds of Friendship.” *Glasgow Herald*. 30 November 1933. *NPA. Archiv der Republik*. Box 565; British tourists also came to Austria to ski. In 1935 the Drama League Travel Bureau offered 14 scholarships to Americans wanting to study in Salzburg. *NPA* Box 498; To see more examples of cultural exchanges in the 1930s see the, *NPA. Archiv der Republik*. Boxes 498, 499, 500, 565, 573, 578.

⁷¹⁴ The worldwide Depression was compounded by the fact that the major powers, Germany, France, Great Britain, and the United States, responded to the depression by raising interest rates, tariffs, and taxes, and cutting public spending rather than pump priming the economy. The smaller countries of East Central Europe also enacted high tariffs and trade barriers, attempting to create a system of autarky in order to fight the global depression.

had an unemployment rate of twenty percent.⁷¹⁵ From 1929 to 1932 foreign trade diminished by forty-seven percent, and overall Austria's production fell thirty-nine percent.⁷¹⁶ When the gravity of the depression forced the Americans and British, who encountered serious financial problems of their own, to significantly reduce their dollar and pound diplomacy in the 1930s, Austria again looked toward Germany for help and asked for an Austro-German customs union in 1931. France was against the customs union and stopped sending credits, initiating a banking emergency in Austria. On the other-hand, Great Britain and the United States had a more open view towards the customs union, which they would allow but only with the permission of the League of Nations. Neither supported any unilateral or bilateral action on the part of Germany and Austria.

At the Hague in January 1930, Johann Schober, who had become the Austrian Chancellor a second time from September 1929 to September 1930, stated that Austria, which had one of Europe's weakest economies at the time, could only exist as part of a greater economic unit.⁷¹⁷ As none of the Habsburg successor states had shown any enthusiasm for a Danube Confederation, in late February 1930 Schober visited Berlin to discuss a possible customs union. Negotiations between Austria and Germany continued off and on for over a year until they were finalized and made public.⁷¹⁸

⁷¹⁵ *Arbeiter Zeitung*, 30 January 1930.

⁷¹⁶ Bukey, *Hitler's Austria*, 10.

⁷¹⁷ Rolf Steininger, " '...Der Angelegenheit Ein Paneuropäisches Mäntelchen Umhängen ...' Das Deutsch-österreichische Zollunionsproject von 1931." *Ungleiche Partner?* 446.

⁷¹⁸ Steininger, " '...Der Angelegenheit Ein Paneuropäisches Mäntelchen Umhängen, 446, 449, 455, 462, 470.

In March 1930, Sir Arthur Henderson, the British secretary of foreign affairs, opened the Austrian Economic Exhibit in London in order to illustrate the state of the Austrian economy during the depression. Instead of showing works of art, this exhibit used maps, diagrams, models, and photographs to illustrate public revenues, the use of the League of Nations loans, the cost of living, and labor conditions in Austria. At the exhibit the Austrian ambassador in London Baron Georg Franckenstein stated that Austria once again needed help.⁷¹⁹ Relief organizations, such as the *Society of Friends*, the *Fight the Famine Council*, and the *Save the Children Fund*, promised much aid. Also, the British Foreign Office and the Bank of England pledged their support for additional loans.⁷²⁰

In May 1930, Schober visited London where he was warmly received by Lloyd George, Stanley Baldwin, and Sir Arthur Henderson.⁷²¹ Although he was a Greater German People's Party member, Schober was regarded by the British as a good moderate choice to stem the tide of intensifying partisan politics. He was a good negotiator, and his former position as the chief of police suggested that he was a strong advocate for law and order.⁷²² At the London meeting, Lloyd George said that implementation of an *Anschluss* "would be a mistake." Schober seemed to agree and said that "Germans and Austrians were one people,

⁷¹⁹ "Economic Progress Austria. Exhibition in London." *Times* [London]. 1 April 1930.

⁷²⁰ Speech of Austrian Ambassador at the opening of the Austrian Economic Exhibition at the London School of Economics. 27 March 1930 and a Speech by Sir Arthur Henderson at the Economic Exhibition. 1 April 1930. *NPA. Archiv der Republik*. Box 565.

⁷²¹ Georg Franckenstein's report of the meeting of Schober, Mr. Baldwin, and Lloyd George. 2 May 1930. *NPA. Archiv der Republik*. Box 411; See also, Box 565.

⁷²² Phipps to Henderson. 17 October 1929. FO 371/13564; Memorandum by Sargent. 31 October 1929. *BDFa*. 7:77-83.

but Germany and Austria were two states.” As Schober left London, Prime Minister Ramsay MacDonald pledged that “the British government will help Austria as much as it can.”⁷²³

Despite these British assurances of support for Austrian independence, on March 21, 1931, Austria officially requested a customs union with Germany, which set off a crisis in Central Europe.⁷²⁴ While the United States and Great Britain had mixed opinions of the customs union and required its approval by an international body before they would officially recognize it, France and its Little Entente allies viewed the proposed Austro-German customs union as the first step towards subsequent political union and adamantly opposed it.⁷²⁵ Britain, although worried that the customs union would cause a drop in its own trade with Austria, adopted a “passive policy of ‘wait and see’ .”⁷²⁶ One British official claimed that the Austrian and German economies were actually more competitive than complementary, but the desperate economic condition of Austria coupled with the tariff walls of and isolation from some of its East Central European neighbors forced Austria into Germany’s hand. In the British official’s own words, “Rebuffed by the succession States and

⁷²³ “Die englische Regierung wird für Österreich tun, was immer sie vermag.“ Georg Franckenstein’s report of the meeting of Schober, Mr. Baldwin, and Lloyd George. 2 May 1930. *NPA. Archiv der Republik*. Box 411.

⁷²⁴ The customs union would have eliminated import and export tariffs between its members. “Austria, Germany, Reach Agreement.” *Washington Post*, 22 March 1931. According to the customs union agreement, Austria and Germany could only sign trade treaties jointly; “Germany Forms Customs Union with Austria.” *Chicago Daily Tribune*, 21 March 1931; “Berlin-Vienna Pact Ends Tariff Wall.” *New York Times*, 21, March 1931; “Austro-German Trade Relations.” *Times* [London]. 21 March 1931.

⁷²⁵ The Zollverein was created before Bismarck, but it was a precursor to German unification under Bismarck and thus stood as a historical precedent and warning. “French Protest Austrian Customs Union.” *Chicago Daily Tribune*, 22 March 1931.

⁷²⁶ *British Documents on Foreign Affairs (BDFA)*: Part II. From the First to the Second World War. Series F, Europe, 1919-1939. 3:xix.

frightened by the depression [Austria] turned, no doubt, to Germany.” The official contended that Austria might still ”get cold feet” and back out, if its industrialists were not reassured and if the other powers discouraged Austria enough.⁷²⁷

The *Manchester Guardian* stated that the United States partially favored the customs union. According to the newspaper, the United States believed that the customs union provided “better economic security” to Austria than loans.⁷²⁸ Herbert Hoover, Secretary of State Henry L. Stimson, and Julius Klein, the economic adviser to the president, also sympathized with the proposed customs union, which they believed would bring stability to the region⁷²⁹

Because the customs union would allow other countries in East Central Europe to join and was not exclusively for Germany and Austria, British diplomat Orme G. Sargent expressed concern that the customs union issue would once again divide Europe into rival blocs as prior to World War I.⁷³⁰ France and the Little Entente put pressure on Germany and Austria to drop their plans for a customs union, which they saw as a German-dominated *Mittel-Europa* scheme in disguise.⁷³¹ Most important, France even withdrew its investments from the Austria’s *Creditanstalt für Handel und Gewerbe*, one of Europe’s largest banks,

⁷²⁷Some [Reflections] on the Austro-German Agreement to conclude a Customs Union. *B DFA*. 3:74-75.

⁷²⁸ “America, Debts, and Disarmament.” *Manchester Guardian*. 18 June 1931. This newspaper was found in the US Department of State. M1209. Roll 18.

⁷²⁹Costigliola, *Awkward Dominion*, 235, 236.

⁷³⁰Some [Reflections] on the Austro-German Agreement to conclude a Customs Union. 3:78.

⁷³¹*B DFA*. 3:xix.

which helped bring about its collapse on May 11, 1931.⁷³² Britain sharply criticized France for taking advantage of Austria's financial crisis in order to force it to abandon the customs union.⁷³³ The Hungarian newspaper *Pester Lloyd* raised the issue of Hungary's membership in the customs union and questioned why Austria and Hungary should remain in "economic impoverishment." If France wanted to prevent other countries from making alliances, then France should never have formed the Little Entente, which was the real source of division in Central Europe.⁷³⁴

Financial chaos erupted after the fall of *Creditanstalt* in May 1931, in not only Austria but all of Europe, and Austria asked Great Britain and the United States for aid.⁷³⁵ One Austrian bank, the *Bodencreditanstalt*, had already gone bankrupt in the fall of 1929, but the *Creditanstalt* disaster was much worse, because this was Austria's most important financial institution. The *Creditanstalt* held a controlling interest in about sixty percent of Austria's industries.⁷³⁶ In Britain, the Labour Chancellor of the Exchequer Philip Snowden in particular feared that the crisis would spread to other countries. The Austrian National Bank was to absorb the debts of the *Creditanstalt*, and the Bank of England invested 150 million schilling (5,500,000 pounds) in the National Bank on June 17, 1931.⁷³⁷ US Secretary

⁷³²Herwig, *Hammer or Anvil?* 260.

⁷³³ Britain had called France's action "blackmail." Secretary Mellon to the Secretary of State and President. 18 June 1931. M1209. US Department of State. Roll 18.

⁷³⁴as reported by Viscount Chilston to Mr. A. Henderson. Budapest, 31 March 1931. *B DFA*. 3:45.

⁷³⁵ For a detailed 55 page report on the *Creditanstalt* failure, see M1209. US Department of State. Roll 18.

⁷³⁶Sir Eric Phipps to Mr. A. Henderson. Vienna, 12 May 1931. *B DFA*. 3:101.

of State Stimson also expressed concern for the severity of the Austrian banking disaster.⁷³⁸

The former chancellor Schober, who was Austrian foreign minister from 1930 to 1932, said

that the United States had about \$23 million invested in the *Creditanstalt*, but he urged

American investors not to withdraw money because that would worsen the situation.⁷³⁹

Snowden's fears were realized when the financial crisis spread throughout East Central

Europe. In Germany Heinrich Brüning, the "hunger chancellor," had to close financial

institutions in order to prevent a disastrous bank run, as people rushed to remove their

money from the banks in widespread panic.⁷⁴⁰

Great Britain and the United States believed that the international court had the final say regarding the customs union. On September 6, 1931, the League of Nations Court of International Justice at the Hague ruled against the customs union by a majority of eight to seven.⁷⁴¹ According to the *Times* [London], fifteen international judges, who came from

⁷³⁷Memorandum. 17 June 1931. *ÖVP Parteiarchiv*. Box 55, "The Anschluss."

⁷³⁸Edgar Prochnik to Austrian Vice Chancellor Johann Schober. 17 December, 1931. *NPA. Archiv der Republik*. Box 492.

⁷³⁹The Austrian government wanted the US State Department to prevent American businesses from withdrawing money from Austria. Henry Stimson to President Hoover. 27 May 1931. M1209. US Department of State. Roll 18; The bank failure also adversely affected US businesses. For example, a US machine company had sold \$700,000 worth of equipment to the *Motorwerke* (automobile factory) in Linz, one of many Austrian businesses that almost went bankrupt due to the Austrian banking failure. *Creditanstalt*. M1209. Roll 18; In addition, after the bank failure Austria said that unless it received \$150 million in additional loans, it would have to postpone all loan repayments. Governor Harrison of the Bank of England to the Secretary of State. 15 June 1931. M1209. Roll 18.

⁷⁴⁰Herwig, *Hammer or Anvil?* 260.

⁷⁴¹Memorandum. *Documents on German Foreign Policy 1918-1945: Series D (1937-1945)*. Washington, DC: United States Government Printing Office, 1949. 1:552.

Japan, the United States,⁷⁴² France, Great Britain, Germany, Italy, Cuba, Belgium, Holland, Poland, Spain, Columbia, El Salvador, China, and Romania, decided the case. In a narrow majority of one vote, the court ruled that the customs union would compromise Austrian independence. Judges from the United States, Japan, Germany, China, Great Britain, Belgium, and Holland joined the dissenting opinion. The dissenting judges argued that the customs union did not lead to the “loss of independence, but [was rather] an alienation from it” that did not threaten independence. Again, judges from some of the countries least threatened by the customs union, such as Great Britain and the United States, contended that it was legal.⁷⁴³

Meanwhile, judges from France and its allies in Central Europe (the Little Entente) and South America opposed the customs union.⁷⁴⁴ Although Columbia and El Salvador were not directly threatened by the union, these countries were under French influence. The majority opinion of the court asserted that the customs union was a clear violation of the Geneva Protocol that Austria had signed on October 4, 1922. Whereas Article 88 of the Treaty of Saint Germain forbade a political union with Germany, the Geneva Protocol went one step further and also forbade any economic or financial union that would compromise Austrian independence. However, unlike Austria, Germany had never signed the Geneva

⁷⁴²The fact that the United States was not officially a member of the International Court did not prevent the court from appointing an American judge.

⁷⁴³ “Austro-German Case, The Hague Court’s Opinion.” *Times* [London]. 7 September 1931. Judge Kellogg represented the US. This article contains a complete description of the court’s decision.

⁷⁴⁴ “Austro-German Case, The Hague Court’s Opinion.” *Times* [London]. 7 September 1931.

protocol.⁷⁴⁵ Both Austria and Germany criticized the court's ruling. The *Times* said that because the court decision was so close, it was apparent that political objectives had affected the court.⁷⁴⁶ Ironically, the Geneva Protocol was not mentioned in regards to the Danube Confederation. Because the Danube Confederation was meant to uphold Austrian independence, the International Court construed it as legal, and because the Austro-German customs union was perceived as a potential threat to Austrian independence, it was illegal.

Even though American and British leaders sympathized with the customs union, the United States and Britain agreed that any such treaty revision would have to be conducted peacefully and necessitated approval of the League of Nations or some international body. When the International Court nullified the customs union, the Americans and British considered the issue of the customs union dead and buried.⁷⁴⁷ Neither Britain nor the United States officially protested the ruling.

IV. Hoover's Moratorium 1931

Austria no longer had to pay reparations after 1930, but Austria still owed other debts—made worse by the *Creditanstalt* failure—until the moratorium offered temporary relief in 1931. An international conference took place in the Hague in January 1930 to

⁷⁴⁵Memorandum. *Documents on German Foreign Policy*, 551-552.

⁷⁴⁶“Austro-German Case, The Hague Court's Opinion.” *Times* [London]. 7 September 1931.

⁷⁴⁷The Solicitor for the Department of State (Hawkworth) to the Secretary of State. Washington, 12 June 1931. *FRUS*: 1931. 1:588-590; The Chargé in Austria (Swift) to the Acting Secretary of State. Vienna, 31 August 1931. *FRUS*: 1931. 1:591; The Consul at Geneva (Gilbert) to the Acting Secretary of State. Geneva. 3 September 1931, *FRUS*: 1931. 1:591.

discuss financial conditions of creditor countries, including Austria. There had been discussions of postponing or canceling Austrian reparation payments since 1919. At the Hague conference the European major powers officially ended Austrian reparations stemming from the peace treaty. Article I of the agreement stated that “The financial obligations of Austria arising under any provision of the Armistice of the 3rd November, 1918, and the Treaty of St. Germain and any Treaties or Agreements supplementary thereto shall be finally discharged.” Article II says that “All relations between the Reparation Commission and Austria shall be terminated as from the date of the coming into force of the present Agreement.” Chancellor Schober represented a relieved and grateful Austria.⁷⁴⁸ Even though reparations were cancelled, Austria was still deeply indebted to the US and Britain, which hampered Austrian economic recovery.⁷⁴⁹

According to the *Chicago Daily Tribune*, on June 19, 1931, while the fate of the Austro-German customs union was still pending, US Secretary of Treasury Andrew Mellon went to London to discuss war debts. Mellon met with Prime Minister MacDonald and Montagu Norman, the head of the Bank of England. With the withdrawal of French loans in response to the proposed Austro-German customs union, the Bank of England had to step in and rescue Austria. Norman stated that: “Europe was on the verge of a smash, and that if

⁷⁴⁸ Hague Conference. January 1930. Arrangement Between the Creditor Powers: Austria. http://www.psp.cz/archiv2/1929ns/ps/tisky/T0441_02.htm (July 2007). This site contains a copy of the entire agreement.

⁷⁴⁹ American Consulate General in Vienna to Secretary of State. 26 June 1930. US State Department. M1209. Roll 18.

Austria had gone, other nations would have followed.” Norman told Mellon that the United States must be more active and send more loans to Europe to prevent chaos.⁷⁵⁰

On June 21, 1931, the *New York Times* stated that the United States, which was “financially interested in Austria’s politico-financial crisis through millions of American dollars in the *Creditanstalt*, has an indirect political interest in the new cabinet.”⁷⁵¹ In mid-June 1931, Dr. Schober, who had remained the Austrian foreign minister under the new Austrian Chancellor Karl Buresch,⁷⁵² went to the British ambassador in Vienna and received a \$2 million cash advance from the Bank of England.⁷⁵³

In order to help the world economy and relieve the debt problem, in late June 1931 President Herbert Hoover⁷⁵⁴ called for a moratorium that would suspend repayment of war debts and reparations for one year. He did not cancel these loans.⁷⁵⁵ The debt “holiday” was

⁷⁵⁰ ““Bank of England Head and Mellon Hold Conference.” *Chicago Daily Tribune*, 19 June 1931.

⁷⁵¹ “Cabinet in Austria Formed by Buresch.” *New York Times*, 21 June 1931.

⁷⁵² Karl Buresch was the Christian Social Chancellor from June 1931 to May 1932.

⁷⁵³ Moreover, the new Austrian Finance Minister Dr. Joseph Redlich had been a history professor at Harvard University. Redlich had returned to Vienna within the last several weeks. “Austrian Cabinet Formed.” *Times* [London], 22 June 1931; “Cabinet in Austria Formed by Buresch.” *New York Times*, 21 June 1931. Dr. Schober had said that Austria needed money because it had invested so much in the *Creditanstalt*. According to the *New York Times*, the cash advance most likely would also come from American bankers.

⁷⁵⁴ In framing the moratorium, Hoover had conferred with other US leaders, like Senator Reed Smoot, Chairman of the Senate Finance Committee. “Hoover to Join Europe in Plan to Aid Germany.” *Chicago Daily Tribune*, 30 June 1931.

⁷⁵⁵ “Hoover Purposes Year Debt Holiday.” *Washington Post*, 20 June 1931. Hoover’s moratorium was similar to the Lodge Resolution of the 1920s, except that the Lodge Resolution only postponed Austria’s loan payments and the Lodge Resolution had been initiated by Congress, not the president. Also, the Lodge Resolution had delayed Austrian payments for twenty-five years.

not only for Germany, but for most countries who owed money to the United States, including Austria and Great Britain. The press said that Germany, Great Britain, Austria, and Italy welcomed the Hoover moratorium, while France was hesitant.⁷⁵⁶

A global conference was called in London to work out the details of the moratorium.⁷⁵⁷ According to the British newspapers, at the opening of the conference, the British Prime Minister MacDonald said:

The present moment may be one of the turning-points in the history of the world, for good or ill. If we cannot find a solution of the present crisis no one can foretell the political and financial dangers which will ensue. If we can find such a solution, it will be a striking proof of the growing effectiveness of international cooperation.⁷⁵⁸

Ultimately, despite tough negotiations, the conference demonstrated a serious global effort in tackling the depression, even if only temporarily, since the moratorium was to last for just one year.

The press said that news of Hoover's moratorium was well received in the United States and around the world. American stocks went up in New York upon hearing about the proposal.⁷⁵⁹ US Secretary of State Stimson said the plan would "aid in the economic

⁷⁵⁶ "Debt Holiday Plan to Lift 246 Million Burden From Europe." *Chicago Daily Tribune*, 21 June 1931. The plan also suspended German payments of \$15,745,020, which were the costs of the American army occupation of the Rhineland; "Hoover Proposes Year's War Debt Suspension." *New York Times*, 21 June 1931; Hoover Moratorium. M1209. US Department of State. Roll 18.

⁷⁵⁷ "Berlin Accepts Debt Relief." *Washington Post*, 22 June 1931; Germany had accepted the moratorium but said one year was not enough. "Moratorium Plan: Rise in Berlin Stocks." *Times* [London]. 23 June 1931.

⁷⁵⁸ "The London Conference. Prime Minister's Speech." *Times* [London]. 21 July 1931; "The London Conference." *Manchester Guardian*, 21 July 1931.

⁷⁵⁹ "Moratorium." *Washington Post*, 23 June 1931; "Hoover Proposes Year's War Debt Suspension." *New York Times*, 21 June 1931.

recovery of the world.”⁷⁶⁰ In the United States, Hoover’s approval ratings went up in particular among German-Americans.⁷⁶¹ Stocks in Germany, Austria, and Britain rose as well.⁷⁶² The value of the German mark went up thirty percent. German Chancellor Heinrich Brüning called the moratorium an “event of greatest significance.”⁷⁶³ Brüning also said the American plan would revive “confidence in business and minimize political tensions.”⁷⁶⁴ President Paul von Hindenburg sent a letter of appreciation to Hoover.⁷⁶⁵ The mayor of Berlin Heinrich Sahn⁷⁶⁶ said that Hoover should be recommended for the Noble Peace Prize.⁷⁶⁷ Great Britain⁷⁶⁸ and Austria were extremely “enthusiastic about the plan,” and alongside Germany gave the strongest support.⁷⁶⁹ The British foreign secretary said that the

⁷⁶⁰ “President Hoover Hopes Paris will not Balk at Year Holiday.” *Washington Post*, 24 June 1931.

⁷⁶¹ “The President’s Position.” *Times* [London]. 24 June 1931.

⁷⁶² “Moratorium Plan: Rise in Berlin Stocks.” *Times* [London]. 23 June 1931.

⁷⁶³ “Germany’s gloom disappeared by Plan.” *Washington Post*, 23 June 1931; “Germany, Italy, Britain, and Austria Favorable to Suspension.” *Washington Post*, 24 June 1931. German Nazis had opposed the moratorium.

⁷⁶⁴ “President Hoover Hopes Paris will not Balk at Year Holiday.” *Washington Post*, 24 June 1931.

⁷⁶⁵ “Berlin Officially Accepts Hoover Plan.” *New York Times*, 22, June 1931.

⁷⁶⁶ Heinrich Sahn was mayor of the Free City of Danzig 1919-1920, President of the Danzig Senate 1920-1931, and mayor of Berlin 1931-1935.

⁷⁶⁷ “Hoover Proposed for Noble Peace Prize due to Moratorium.” *Washington Post*, 25 June 1931.

⁷⁶⁸ John Maynard Keynes supported the moratorium. *Chicago Daily Tribune*, 23 June 1931.

⁷⁶⁹ “Germany’s gloom disappeared by Plan.” *Washington Post*, 23 June 1931;

Hoover plan would heal both the economic burdens and the psychological problems that the depression had unleashed.⁷⁷⁰

In Austria President Hoover had already been warmly received since he first came to office because of his work with feeding Austrians after World War I.⁷⁷¹ In 1931 the *New York Times* stated that Austrian Chancellor Buresch spoke before the *Nationalrat* and said “Hoover had sent a ray of light to all our hearts.” Buresch thanked Hoover in the name of Austria.⁷⁷² The *Chicago Daily Tribune* wrote that Austrian Foreign Minister Schober called the moratorium “a noble and important action that will bring peace to Europe.” He was excited about the moratorium, because “these enormous war debts [were] the despair and ruin of the nations.”⁷⁷³ The Austrian ambassador to the United States Prochnik sent a letter of gratitude to Hoover and the US State Department. Prochnik wrote:

We have always felt that this worldwide depression against which Austria, though not alone, is fighting on a most exposed front, could not be overcome without American cooperation. When news of President Hoover’s momentous decision reached our country it was acclaimed there as the first boding of a turn for the better and it filled our hearts with great joy and with deep gratitude to the American people

“Germany, Italy, Britain, and Austria Favorable to Suspension.” *Washington Post*, 24 June 1931; “Hoover Move to Aid Germany Causes Sensation in London.” *Chicago Daily Tribune*, 20 June 1931.

⁷⁷⁰ “The President’s Position.” *Times* [London], 24 June 1931.

⁷⁷¹ President Miklas to Herbert Hoover. 31 January 1929. *NPA. Archiv der Republik*. Box 493.

⁷⁷² “New Austrian Regime Thanks Hoover for ‘Humane Gesture.’” *New York Times*, 24 June 1931.

⁷⁷³ “Italy, Austria, and Spain Approve Plan Presented by Hoover.” *Chicago Daily Tribune*, 22 June 1931.

and in particular to the Great American in whose able hands lies the control of the Country's destiny.⁷⁷⁴

Austria quickly approved the moratorium, as did Germany.⁷⁷⁵

However, the press asserted that France opposed the moratorium and proposed an alternative plan.⁷⁷⁶ At the conference to discuss the moratorium in London, France delayed the negotiations. France said the moratorium should only come if Germany and Austria officially cancelled their plans for an Austro-German customs union, which they had proposed in March 21, 1931.⁷⁷⁷ France also worried that Germany would use the money it saved from the moratorium for rearmament.⁷⁷⁸ In addition, France was against the moratorium because it would constitute a departure from the Young Plan⁷⁷⁹ which France

⁷⁷⁴ Prochnik to the US Secretary of State. 26 June 1931. Washington. D. C. *NPA. Archiv der Republik*. Box 496.

⁷⁷⁵ On the 29th of June 1931, the Acting Secretary of State W. R. Castle, Jr. acknowledged and welcomed Austria's acceptance of the moratorium. *NPA. Archiv der Republik*. Box 496; for a complete list of the moratorium terms see, Moratorium Joint Resolution. *NPA. Archiv der Republik*. Box 493.

⁷⁷⁶ "Moratorium." *Washington Post*, 23 June 1931.

⁷⁷⁷ "Stimson Cancels Radio Talk as France's Delay Heightens Delicacy of Debt Situation." *Washington Post*, 24 June 1931; "President Hoover Hopes Paris will not Balk at Year Holiday." *Washington Post*, 24 June 1931; "France and the German Crisis." *Manchester Guardian*, 13 July 1931. *NPA. Archiv der Republik*. Box 496. In June 1931 the international court at the Hague had not yet struck down the Austro-German customs union. That occurred on September 6th.

⁷⁷⁸ "Debt Plan in France." *Chicago Daily Tribune*, 27 June 1931.

⁷⁷⁹ When Germany faced balloon payments on its reparations debt, the United States, Britain, Germany, and other countries agreed to the Young Plan in 1929. Owen D. Young, the banker J. P. Morgan, and his partner Thomas W. Lamont, designed the Young Plan. The Young Plan reduced Germany's debts. In 1930 Germany had to pay a total sum of \$26,350,000,000 over 58 ½ years, or about \$473 million a year. *Washington Post*, 24 June 1931.

wanted to keep intact.⁷⁸⁰ Finally, after much delay, France approved the moratorium in early July.⁷⁸¹

At the conference in London, the United States even discussed the possibility of sending gold credit from the Federal Reserves to the German *Reichsbank*, but this idea fizzled due to lack of funds. The *Chicago Daily Tribune* supported Hoover's policies and maintained that "We cannot stand apart and think that we will suffer no harm. Our commitments abroad are too vast for that." Overall, the Hoover moratorium showed American initiative. The newspaper reported that the United States was concerned about Europe, in particular that both Germany and Austria were "prostrate" and "at the verge of bankruptcy," and took decisive action.⁷⁸²

Although the Hoover moratorium, officially agreed upon on June 30, 1931, had suspended Austrian debts to the United States, just over one month later, Austrian Chancellor Karl Buresch sent another appeal to the League of Nations for yet further financial assistance. His letter began, "The international economic crisis, coupled with the special difficulties inherent in Austria's economic position, had involved the country in an extremely difficult financial situation." The letter maintained that Austria's yield from public taxes had not been enough to pay for the increased government expenditures that included grappling with unemployment and buying out the collapsed *Creditanstalt*. The Austrian government thanked the League of Nations for previous loans but asked it to

⁷⁸⁰ "President Hoover Hopes Paris will not Balk at Year Holiday." *Washington Post*, 24 June 1931.

⁷⁸¹ "France Agrees to Hoover Debt Plan." *Washington Post*, 7 July 1931; "Berlin Officially Accepts Hoover Plan." *New York Times*, 22, June 1931.

⁷⁸² "Hoover Moratorium." *Chicago Daily Tribune*, 21 June 1931;" "Hoover to Join Europe in Plan to Aid Germany." *Chicago Daily Tribune*, 30 June 1931.

examine Austria's economic plight and secure the means necessary for remedying the situation.⁷⁸³ In September, the press stated that Austrian Chancellor Karl Buresch prepared to go to Geneva in order personally to inform the League of Nations of Austria's progress and ask for future loans.⁷⁸⁴ Thus, the Hoover moratorium by itself was no long term solution to Austria's ills.

V. Anglo-American Diplomacy and the 1932 Danube Confederation Proposal

The worsening of the global economic crisis led to a Four Power Conference of Great Britain, France, Germany, and Italy in early April 1932, that discussed the economic problems in East Central Europe and officially proposed a trade union among Austria, Czechoslovakia, Yugoslavia, Hungary, and Romania. The United States was not present but welcomed the trade union plan. Both the British-sponsored Danube customs union and the French Tardieu Plan⁷⁸⁵ were variations of earlier Danube Confederation plans that had failed to materialize in 1918, 1919, and the 1920s. The situation in the 1930s was no different, and no agreement could be reached.

On April 7, 1932, Prochnik asked the US Secretary of State to state the American position on the Danube Confederation. The Secretary of State told Prochnik "in general; that we [the US] regarded the move sympathetically as one which was sound, economical, and designed to help those [participating] countries." Thus, the US State Department favored a

⁷⁸³ Austrian Representative to Secretary-General, League of Nations. 7 August 1931. *B DFA*. 3:115.

⁷⁸⁴ "Austrian Economy." *New York Times*, 13 September 1931; "Economy of Austria: Stabilization of Floating Debt." *Times* [London]. 21 September 1931; "Austrian Financial Difficulties." *Times* [London]. 26 September 1931.

⁷⁸⁵ The plan was named after the French Premier Andre Tardieu.

Danube Confederation because it would improve the ruined economies in Central Europe. But the US State Department took no direct action in bringing about the implementation of a Danube Confederation⁷⁸⁶

An article in the *New York Times* on June 12, 1932, supported a Danube Confederation, either the British or French version, and contended that it was especially important to re-open trade among the Danube states. The newspaper said that in the 1930s trade in Central Europe had come to a virtual “standstill.” The poor economic state of Austria brought about \$1 million losses in American trade each year. According to the *New York Times*, in 1912 Austria-Hungary imported about \$70.7 million in goods from the United States, while it exported \$13 million to the United States. Astonishingly in the 1930s, the United States had far less trade with the five Habsburg successor states, whose combined territory covered an area 28% larger than the former Austro-Hungarian Empire and whose combined population was ten million more. In the 1930s the five successor states imported only \$23 million from the United States and exported \$50 million. According to the *New York Times*, there was no doubt that American trade and finances could greatly “benefit if the Danubian states were economically reassembled.” And the preferable way to do this was through a Danube Confederation, which would also prevent an *Anschluss*.⁷⁸⁷

At the international conference, the British proposed plan fell apart first, because as earlier none of the Habsburg successor states wanted or felt they needed to join Austria. The Little Entente, the military and economic alliance between Czechoslovakia, Romania, and

⁷⁸⁶Memorandum by the Secretary of State of a Conversation with Austrian Ambassador Prochnik. 7 April 1932. Washington D. C. *FRUS*: 1932. vol. 1.

⁷⁸⁷ “Unity or Chaos Seen in Central Europe.” *New York Times*, 12 June 1932.

Yugoslavia, was still in effect in the 1930s. The same bitter ethnic disputes and state rivalries that existed immediately after the Great War had not diminished.⁷⁸⁸

The failure of the British plan left the French Tardieu plan. Because the Little Entente was under French influence, France was able to work out a trade union proposal that was friendly to French interests and that of the Little Entente. Nevertheless, the conference consideration of the Tardieu plan also broke down, mainly because the European countries disagreed on the exact terms of the trade union. Germany and Italy wanted a larger economic union and believed the Tardieu plan was a means of securing French hegemony in East Central Europe.⁷⁸⁹ Ironically, while France attempted to drive Austria away from the *Anschluss*, its influence in Austrian affairs helped undermine a possible alternative to the *Anschluss*.

The German press attacked the French proposed Danube Confederation and was concerned that Germany would lose trade in the Danube region whereas Czechoslovakia would gain trade. Germany wanted to include more countries in the trade union, possibly even itself, and questioned why the revived Danube Confederation included Czechoslovakia, a state that was doing well, but excluded Bulgaria, a state that had difficulties. Although the French proposal received much more favorable consideration than

⁷⁸⁸ For example, Czechoslovakia's general anti-Austrian and anti-German attitude in the 1930s impaired Austrian relations with not just Czechoslovakia but the entire Little Entente. The Czech government limited use of the German language, banned German films, and closed German schools. During the depression Germans were the first to be laid off work. Sir Joseph Addison to Sir John Simon. Prague, 7 August 1934. *B DFA*. 10:359-361; Sir Joseph Addison to Sir John Simon, 29 April 1935. *B DFA*. 11:313.

⁷⁸⁹ Sir Eric Phipps to Sir John Simon. Vienna, 20 February 1932. *B DFA*. 3:144.

previous ones, the Little Entente expressed reservations over the new version of the Danube Confederation as well.⁷⁹⁰

Voicing his concerns over the Danube Confederation, Austrian Chancellor Dr. Karl Buresch asserted that it was impossible to reconstruct the Austro-Hungarian Empire in an economic union and said "a union of five beggars will not make a rich man."⁷⁹¹ Sir Eric Phipps conceded that few Austrians desired the Danube Confederation and that most yearned after an *Anschluss*.⁷⁹² Sir Frederick Leith-Ross contended that there was no chance of passing the proposal because of stern opposition from Germany, Italy, and the Little Entente and, regarding British interests, saw no reason for Great Britain to press the issue to acceptance.⁷⁹³ Thus, the United States and Britain viewed the Danube Confederation plan of 1932 favorably, but massive resistance from opponents brought about its failure.

VI. Lausanne Conference 1932

The impending end of the moratorium triggered the Lausanne Conference. There was a flurry of diplomatic activity in Switzerland--in both Geneva and Lausanne--in 1932, but the latter, which focused on finance, was more important for Austria since the debt postponement was ending. International relations centered on these conferences. Even though the conferences did not exclusively revolve around Austrian affairs, Austria

⁷⁹⁰H. Rumbold to Sir John Simon. Berlin, 12 April 1932. *B DFA*. 3:171-173.

⁷⁹¹Minute by Sir Frederick Leith-Ross. *B DFA*. 3:182.

⁷⁹²Sir Eric Phipps to Sir John Simon. Vienna, 20 February 1932. 3:145.

⁷⁹³Minute by Sir Frederick Leith-Ross. 3:183. Leith-Ross was the Chief Economic Adviser to the British government.

participated, and its fate was discussed and affected by what occurred at them. The international disarmament conference began in Geneva, Switzerland, on June 14, 1932.⁷⁹⁴ The *New York Times* asserted that some people called it “Hoover’s arms reduction plan,”⁷⁹⁵ and it dragged on inconclusively for months.⁷⁹⁶

In contrast, the Lausanne Conference began meeting two days later on June 16 to discuss war debts, reparations (of Germany), the global depression, and relief to Central Europe, and concluded its business on July 9, 1932.⁷⁹⁷ The United States did not officially

⁷⁹⁴ Although the Kellogg-Briand Pact that outlawed war was signed in 1928, disarmament was still an important issue in the 1930s. The United States, Great Britain, Austria, Italy, and other nations attended the disarmament conference. The American delegation to Geneva included Hugh Gibson, Hugh William, and Norman Davis. Premier Édouard Herriot, who represented France, and Prime Minister MacDonald, who represented Great Britain, were also enthusiastic about disarmament. “Mr. Hugh Gibson Chief American Delegate to Geneva.” *Times* [London] July 1932; “Geneva Disarmament Conference.” *Washington Post*. 14 June 1932; “Arms Cuts Find Strong Public Support in Britain and France.” *New York Times*, 21 June 1932.

⁷⁹⁵ “Geneva Arms Talk.” *New York Times*, 8 July 1932.

⁷⁹⁶ “Trade Parley Opens.” *New York Times*, 12 June 1933. This article discusses the Lausanne Conference, but also discussed the successes and failures of past global conferences, such as the Geneva Conference; “Geneva and Lausanne.” *The Times*. 11 June 1932; Because the disarmament conference had gone on for about a year and still had no sign of resolution, on May 17, 1933, Franklin D. Roosevelt reiterated to Austrian President Wilhelm Miklas the necessity of global disarmament. FDR wrote that “A profound hope of the people of my country impels me, as head of their Government, to address you and, through you, the people of your nation. . . . This government believes that the program for immediate reduction of aggressive weapons, now under discussion at Geneva, is but a first step toward our ultimate goal. . . . This is the way to political and economic peace. I trust that your government will join in the fulfillment of these hopes.” Franklin D. Roosevelt to Austrian President Wilhelm Miklas. 17 May 1933. Washington D. C. *NPA. Archiv der Republik*. Box 496.

⁷⁹⁷ “Lausanne Peace Slogan: Leave your Guns at the Door.” *Washington Post*. 14 June 1932. The *Washington Post* stated, “What the world needs is peace, and plenty of it, to rid itself of the inevitable aftermaths of war—depression, taxation, and bonus parades;” “European Leaders gather at Lausanne.” *Washington Post*. 16 June 1932. The meeting took place in the conference hall of the Beau Rivage Hotel. “Lausanne.” *Times* [London]. 16 June

attend, but Hoover sent unofficial delegates and observers like Norman Davis who also represented the United States in Geneva. Premier Herriot, Prime Minister MacDonald, and German Chancellor Franz von Papen participated in the Lausanne Conference. Also, this was the first international conference that Austria's conservative, Christian Social, and anti-*Anschluss* Chancellor Dollfuss attended. According to MacDonald, the conference's main goal was "to get the economic machine working properly." The *Washington Post* called it the first conference since the depression "to reestablish world confidence."⁷⁹⁸ Central to the Lausanne Conference were the linked issues of war debts and reparations because Hoover's one year moratorium was coming to an end on June 30, 1932. Most nations either wanted the moratorium extended or replaced.⁷⁹⁹ According to the *Times*, the "word cancellation was on many delegates' lips."⁸⁰⁰ The *Times* on July 1, 1932 described the scene at Lausanne.

All day the members of the Bureau sat up last night to make a determined effort to solve the reparation problem. They have been at it hammer and tongs. It has been a very trying work, and after the morning sitting several of the principal delegates showed grave and weary faces when they went to the luncheon. But progress has unquestionably been made in several directions, although no vital decision was reached tonight.⁸⁰¹

On June 12, 1932, four days before the Lausanne Conference officially opened, the *New York Times* had discussed the possibility of an *Anschluss* if the United States did

1932. The conference had intense security due to the attendance of many world leaders from Great Britain, France, Austria, Germany, Italy, Japan, and other nations.

⁷⁹⁸ "Premises of Peace asked at Lausanne." *Washington Post*. 13 June 1932. The Italian Ambassador Dino Grandi and the British foreign secretary Sir John Simon also attended.

⁷⁹⁹ "Franco-British Parley on Debts Will Open Today." *Chicago Daily Tribune*, 11 June 1932.

⁸⁰⁰ "Lausanne." *Times* [London]. 16 June 1932.

⁸⁰¹ "Hard Day at Lausanne." *Times* [London]. 1 July 1932.

nothing. It had asserted that the United States should play a more active role in Austria, because Central Europe was “of critical importance to the US.” As of 1932 the United States had invested about \$600 million dollars in Central Europe. The figure included Austria, Czechoslovakia, and Poland, but excluded Germany. Most of that money had gone to Austria. In comparison France had lent about \$200 million to Central Europe, but most of the French money had gone to its allies the Little Entente, not Austria. The *New York Times* argued that if the United States ever wanted to get back its more than one half billion dollar investment in Central Europe, it had to revitalize this area. Once Central Europe was stable, people could start repaying loans.⁸⁰²

Also on June 12, 1932, the *New York Times* said that an American economist Dr. Max Winkler from New York had urged the United States to issue additional loans to Austria, or else American business in the near future would be “endangered.”⁸⁰³ Winkler had said international bankers and investors, like American Thomas Lamont, an international banker of J. P. Morgan & Company,⁸⁰⁴ Sir Josich Stamp, Vissering of the Netherlands, Rost of France, and Montagu Norman of the Bank of England, should help finance a \$25 million loan to Austria at the Lausanne Conference.⁸⁰⁵ Winkler had called Austria the “focal point” because events that had taken place there had led to World War I. Winkler argued, “It is not

⁸⁰² “Unity or Chaos Seen in Central Europe.” *New York Times*, 12 June 1932.

⁸⁰³ “Urges World Group to Finance Austria.” *New York Times*, 12 June 1932.

⁸⁰⁴ According to Senate investigators, in 1933, J. P. Morgan & Company partners were directors of 89 US corporations and banks. J. P. Morgan’s assets were estimated at \$20 billion. For a full account of J. P. Morgan’s assets see, “Morgan partners are on 89 boards.” *New York Times*, 12 June 1933.

⁸⁰⁵ No first name given for Vissering and Rost.

within reason to assume that a second rehabilitation of Austria” would improve the world economy and prevent another possible war.⁸⁰⁶

At the Lausanne Conference, the press stated that attending countries discussed reparations. Germany argued that it could not pay, and most countries, including Britain, agreed. MacDonald asserted that the United States should either further postpone debt repayment until after the depression or absorb the war debts because it could afford it.⁸⁰⁷ France, Italy, Germany, Austria, and nine other countries additionally asked the United States to eliminate war debts.⁸⁰⁸ Dollfuss stated that he would postpone foreign debts payments.⁸⁰⁹ Hoover said the United States would consider a country’s capacity to pay, but it would not cancel war debts,⁸¹⁰ which was a position that the *Washington Post* favored.⁸¹¹ Ultimately, the nations attending the Lausanne Conference agreed to end reparations after Germany paid a final payment of 150 million pounds.⁸¹²

⁸⁰⁶ Urges World Group to Finance Austria.” *New York Times*, 12 June 1932.

⁸⁰⁷ “Lausanne Peace Slogan: Leave your Guns at the Door.” *Washington Post*. 14 June 1932.

⁸⁰⁸ “Plea to US on Debts Pushed in Lausanne.” *New York Times*, 16 June 1932; “Lausanne.” *Washington Post*. 19 June 1932;

⁸⁰⁹ “France and Reich to Seek Debts Pact.” *New York Times* 24 June 1932.

⁸¹⁰ “Pact Signed.” *New York Times*, 10 July 1932; Prochnik to Dollfuss. 26 January 1933. NPA. *Archiv der Republik*. Box 496.

⁸¹¹ “Lausanne Peace Slogan: Leave your Guns at the Door.” *Washington Post*. 14 June 1932.

⁸¹² “Lausanne Accord Ends Reparations.” *New York Times*, 9 July 1932; “Trade Parley Opens.” *New York Times*, 12 June 1933. This article discussed the Lausanne Conference, but also discussed the successes and failures of past global conferences, such as the Geneva conference. According to this article, the Lausanne conference started dismally, but, overall, ended successfully; “Lausanne: Agreement Reached.” *Times* [London]. 9 July 1932. Germany had three years to begin paying the final sum.

Moreover, the US, Britain, and other European countries agreed on the necessity of rebuilding Austria. At Lausanne the major powers granted Austria another loan. The League of Nations allocated 300 million gold schilling, or about \$42 million, to the Dollfuss regime.⁸¹³ Due to the Great Depression, this amount was about one-third the size of the of the League of Nations' loan in 1922. Once again, the majority of the \$42 million came from American private bankers and investors.⁸¹⁴ Newspapers reported that Britain was the second largest contributor. France, which had withdrawn loans from Austria in 1931, allocated money as well; however, as a condition of the loan Austria had to accept the international court decision of September 1931 and formally reject the Austro-German customs union.⁸¹⁵

Despite of the decrease in size, the Lausanne loan momentarily delayed Austria's ill fate.⁸¹⁶ The *Chicago Daily Tribune* reported that Dollfuss was happy that Austria could rely on the British and Americans and that Austria was not abandoned to its own meager resources.⁸¹⁷ Once again the only thing keeping Austria afloat was the US and Britain. The loan, like the ones before, was not given unconditionally and was mainly intended to hinder

⁸¹³ "Die Anleihe als Weg zur politische Freiheit." (A Loan as a path to political freedom), *Reichspost*, 20 July 1932; *ÖVP Parteiarchiv*. Box 55, "The Anschluss;" "Credit to Austria Nearer." *New York Times*, 12 June 1932. In 1932 the value of the schilling had dropped again.

⁸¹⁴ US Loan to Austria. 1932. M1209. US Department of State. Roll 19.

⁸¹⁵ "Discuss Loan to Austria." *Chicago Daily Tribune*, 11 June 1932. France said that it would participate with Britain, the US, and other countries in sending an international loan to Austria in 1932; "Germany and Lausanne." *Times* [London]. 14 June 1932.

⁸¹⁶ The *League of Nations Archive* contains documents on the Lausanne loan. <http://www.indiana.edu/~league/1922.htm> (July 2006); Memorandum. *Documents on German Foreign Policy 1918-1945: Series D (1937-1945)*. 1:552.

⁸¹⁷ "Austrian Chancellor Seeks Peace in Row with Hitler." *Chicago Daily Tribune*, 18 June 1933.

a union between Austria and Germany. Austria had to repay the loan within twenty years (by 1952) and reaffirm the Geneva Protocol of 1922 that stipulated its continuing economic independence.⁸¹⁸ In addition, the Americans delayed Austria's interest payments for the 1922 loan until 1942.⁸¹⁹ Moreover, the League of Nations resumed the financial control of Austria that had ended in 1926.⁸²⁰ The *New York Times* stated that thirteen delegates formed the League of Nations Financial Committee, including Norman H. Davis of the United States and economic experts from around Europe.⁸²¹ The League of Nations loan of 1932 was the last major international loan that Austria received that decade. The United States called this a step toward "world stability."⁸²²

VII. Additional International Loans and Investors, 1930-1934

Besides the League of Nations loan at Lausanne in 1932, Austria received other American and British loans from 1930 to 1934 in order to help rebuild its economy. After Hitler came to power, not only economic factors but also political factors (anti-Nazism)

⁸¹⁸ Even though the exact effect that foreign pressure against an *Anschluss* had on popular opinion is not known, it definitely influenced the Austrian government. And since both the major powers and Austrian government had taken steps to block provincial and national referendums on the *Anschluss* question in the past, both seemed to fear popular opinion on this issue. League of Nations: Austrian Protocol. Geneva. 15 July 1932. US Department of State. M1209. Roll 19; League of Nations Archive <http://www.indiana.edu/~league/1922.htm> (July 2006); Memorandum. *Documents on German Foreign Policy 1918-1945: Series D (1937-1945)*. 1:552.

⁸¹⁹ *Reichspost*, 26 July 1932. The newspaper was found in the *ÖVP Parteiarchiv*. Box 55, "The Anschluss."

⁸²⁰ Carsten, *The First Austrian Republic*, 157.

⁸²¹ "Debate Loan to Austria." *New York Times*, 10 June 1932.

⁸²² President Hoover to Senator William E. Borah. 14 July 1932. Washington D. C. *FRUS*: 1932. vol. 1.

motivated international economic aid. However, the Great Depression significantly decreased the number and amount of foreign loans. In addition, many foreign investors in Austria during the 1930s expressed fear that they would lose their money due to the Great Depression and a possible collapse of the economy. Moreover, investors feared that a possible union with Germany and the rise of Nazism could also mean financial losses.

Although Austrian reparation payments had ceased in January 1930, an American diplomat in Vienna on June 26, 1930, listed Austria's main obstacles in securing future loans. First, the diplomat expressed concern over red Vienna. The diplomat said that: "Austria desires a hundred million dollar loan. Experience has shown that foreign capitalists are not keen about subscribing to loans where the red flag waves too much." Second, Austria still had an "unsettled relief debt" of about \$115 million from the 1920s. The Austrian Chancellor remained optimistic, though, and said Austria had "favorable" chances of getting another loan.⁸²³

Also in the 1930s, according to the *Chicago Daily Tribune*, foreign bankers did not have the means to simply erase Austria debts. On July 14, 1932, delegates from ten different international banks met in Vienna. These banks had given loans to the bankrupt *Creditanstalt*. The *Creditanstalt* had a debt of \$61 million which the Austrian government wanted the foreign bankers and foreign governments to absorb, but the banks refused.⁸²⁴ Even though foreign banks had rescued the *Creditanstalt* when it first collapsed, they were not ready to completely cancel Austria's resulting debts.

⁸²³ American Consulate General in Vienna to Secretary of State. 26 June 1930. M1209. Roll 18.

⁸²⁴ "Reject Austrian Plan." *Chicago Daily Tribune*, 14 July 1932.

Moreover, in the 1930s investors worried about Austria's ability to pay back loans. After the Hoover moratorium had ended, Austria was in default of its loans in August 1932. Foreign bankers discussed Austria's postponement of payments, and the incident made some American investors hesitant to send more loans.⁸²⁵

Nonetheless, some loans were still made, though on a reduced scale. On July 10, 1930, the United States, Great Britain, Italy, the Netherlands, and Sweden had agreed to send Austria an international loan of \$50 million in order to improve Austrian railways and postal services,⁸²⁶ but it was to be paid out by 1932. The British government had agreed to pay \$10 million of the \$50 million. Once again the United States, predominantly through private American bankers, was the biggest lender, paying \$25 million of the \$50 million dollar loan.⁸²⁷ J. P. Morgan & Company financed most of the \$25 million loan of 1930.⁸²⁸

Also, the United States allocated a \$40,000 loan to Austrian landowners in November 1930.⁸²⁹ In addition, on July 9, 1932, American investor Mr. Byron J. Quinn,

⁸²⁵ Memorandum of the State Department. 5 August 1932. M1209. US Department of State. Roll 22. Relief Credits.

⁸²⁶ Memorandum. 15 April 1930. M1209. US Department of State. Roll 22. Relief Credits. In this memorandum the US Congress resolved that the US could participate in the loan to Austria; (illegible name) to the US Secretary of State. 10 July 1930. M1209. Roll 22. Like other loans to Austria, this loan was guaranteed by the Austrian tobacco monopoly.

⁸²⁷ (illegible name) to the US Secretary of State. 10 July 1930. M1209. Roll 22; Other US bankers who signed the loan were: J. P. Morgan & Company, First National Bank, Chase Securities Corporation, and Dillion Reid & Company. See US Department of State. M1209. Roll 22; Besides railways and the post, the loan was also to be used for roads. G. B. Stockton to Secretary of State. 19 July 1930. M1209. Roll 22.

⁸²⁸ Austrian Government International Loan of 1930. US Department of State. M1209. Roll 23.

⁸²⁹ Because Austrian interest rates were so high, Austrian landowners wanted to borrow money from the US at a 5 % interest rate for 10-15 years. The loan was for agriculture. The

Assistant Vice President of the Irving Trust Company of New York, sent another \$3 million dollar loan to the Austrian Federal Railways. The Austrian state owned the Austrian Federal Railways, which were badly in need of cash. Quinn had negotiated with the Austrian Finance Minister, the Austrian National Bank director Dr. Viktor Kienböck, and the Austrian Federal Railways in order to work out the specifics of a short-term loan.⁸³⁰ Then in 1934 the US Vacuum Oil Company received permission from the US State Department to invest money into Austria and build an oil refinery in Kragran, Austria.⁸³¹ The international loan in 1930, the Austrian landowners loan, the Quinn loan, and the US Vacuum Oil Company were all examples of American investors lending to Austria in the period 1930 to 1934.⁸³²

In addition, on June 17, 1932, the *Washington Post* said that the United States Congress issued the Reconstruction Finance Corporation, RFC, another \$250 million in loans for global economic recovery. Although Austria only received a small portion of this

Austrian landowners said the US should be confident in their investment because the Austrian state regulated the price of sugar beets and gave the landowners a monopoly over cereals. Also, in 1930 1 schilling equaled 10,000 old kronen , or 14 US cents. Gutsverwaltung Untersiebenbrunn to the American Consulate General in Vienna. 15 November 1930 and Ernst Harris (American Consul General) to the Secretary of State. 25 November 1930. M1209. US Department of State. Roll 18.

⁸³⁰ The loan obligations could only be changed if the US Congress and the Austrian Parliament agreed. Byron Quinn to US Minister to Vienna G. B. Stockton. 16 June 1932 and Memorandum of the loan made to the Austrian Federal Railways by a Syndicate of American Banks organized by the Irving Trust Company. 9 July 1932. M1209. US Department of State. Roll 22. Relief Credits.

⁸³¹ The Minister in Austria (Messersmith) to the Secretary of State. 3 October 1934. Vienna. *FRUS*: 1934 vol. 2.

⁸³² For other examples of US loans to Austria from 1930-1934, see, M1209: Records of the United States Department of State Relating to Internal Affairs Austria, 1930-1944. Rolls 22-24 on relief credits and Rolls 18-21 on financial conditions.

fund, this policy reflected the continued American financial involvement in not only Austria but also the entire world.⁸³³

Nevertheless, the Great Depression had affected the United States' and Great Britain's ability to send loans. The amounts of the foreign loans sent in the 1930s were significantly lower than the 1920s. A State Department budget report discussed Austria's difficulties in procuring new loans in 1930 and thereafter due to the "unfavorable state of the credit market in those countries where a loan of this kind might have been raised, in particular the United States."⁸³⁴ The report confirmed a decrease in American money in Austria and the rest of Europe since the stock market crash and onset of the Great Depression. The report also said that the Austria government, which desperately needed foreign funds, would resume loan negotiations whenever possible.⁸³⁵

Furthermore, the emergence of Nazi Germany altered economic aid to Austria because now the major powers had to help rebuild Austria and combat Nazism. Dollfuss represented Austria at the World Monetary and Economic Conference in London from June 12 to July 17, 1933,⁸³⁶ and he asked the British, Americans, and other major powers for help

⁸³³ "US Finance to get New Capital." *Washington Post*. 18 June 1932.

⁸³⁴ 1930 Budget Report. M1209. US Department of State. Roll 18. According to the budget report Austria spent about 66, 500,000 schilling on education, 6,000,000 schilling on art, 1,700,000 on religion, and 104,000,000 on the army. For more details of the budget report see M1209. Roll 18.

⁸³⁵ 1930 Budget Report. M1209. Roll 18; See also, Merrit Swift to the Secretary of State. 6 March 1930. M1209. US Department of State. Roll 18; Henry Stimson to J. P. Morgan & Company. 12 July 1930. M1209. US Department of State. Roll 22. Relief Credits.

⁸³⁶ Britain and the US also participated in the economic conference. Secretary of State Hull headed the US delegation. The main issues that the major powers discussed were trade, currency reforms, tariffs, debts, and the Great Depression. The US, Britain, Austria, and Germany wanted to go off the gold standard, while France, Czechoslovakia, Yugoslavia,

against growing Nazi terrorism.⁸³⁷ On August 8, 1933, both France and Great Britain called on Germany to stop its terrorist campaign in Austria. Nazi Germany contemptuously said it would “make an effort” to halt the terrorism.⁸³⁸ Despite its failure to resolve tariff and currency issues, the conference was important because it showed Anglo-American diplomatic cooperation, as well as the necessity of helping Austria.

According to the *New York Times*, while in London, Dollfuss asserted that “We are fighting today for the preservation of Austria as an independent political and economic body in Central Europe.”⁸³⁹ In response to his call for help, many countries promised economic and diplomatic aid to Austria.⁸⁴⁰ In mid-June 1933 Austria received an international loan of \$12 million to help against the Nazi threat rather than purely for economic purposes.⁸⁴¹ This marks a turning point in how both Britain and the US understood their aid to Austria. They

Romania, and others wanted to adhere to the gold standard. The US, Britain, Germany, Austria, and Italy wanted free trade, while France and others wanted restricted trade. Also, the US did not want to cancel debts which most other countries wanted. Like the Geneva disarmament conference, this conference also failed. Matter of fact, Roosevelt sent a letter to the conference stating that “for the United States, the conference is sunk in that coma which precedes death.” “London Conference.” *Chicago Daily Tribune*, 13 June 1933; “Conference to Adjourn.” *Times* [London]. 15 July 1933; Richard Riedl, “Weltwirtschaftskonferenz und Wirtschaft.” *Wirtschaftlichen Nachrichten*, 21 July 1933. nr. 29. invoice number 609. *Archiv, Institut für Zeitgeschichte*. University of Vienna, Vienna.

⁸³⁷ “Austrian Crisis, Representatives in London.” *Times* [London]. 14 June 1933.

⁸³⁸ Mr. Newton to Sir John Simon. Berlin, 8 August 1933. *B DFA*. 3:333-335.

⁸³⁹ “Nazi Quarters Closed in Austria.” *New York Times*, 13 June 1933.

⁸⁴⁰ “Austria Appeals to Powers for Aid against Nazis.” *New York Times*, 14 June 1933.

⁸⁴¹ “Austria Gets Loan As Barrier to Nazis.” *New York Times*, 16 June 1933. Switzerland had contributed 272,000 pounds, and Czechoslovakia contributed 36,000 pounds. Holland gave 102,000 pounds. Nazi Germany had condemned the loan and argued this was a domestic not an international affair.

not only wanted to raise Austrian prosperity and thus decrease internal support for *Anschluss*, but also they wanted to ward off the external threat of a German-supported Nazi *Anschluss*. The realization of the *Anschluss* in 1938 confirmed investors' worst fears when Nazi Germany seized American and British investments without any compensation.⁸⁴²

VIII. Anglo-American Diplomacy and Dollfuss

The rightwing turn in Austrian politics threatened to complicate Austrian-American relations even before Dollfuss came to power. For example, on June 26, 1931, American students in Vienna wrote a letter to the Austrian government condemning it for its lack of response to attacks on foreign students. The students were outraged when mobs of fifty to hundred people, shouting "out with the foreigners!" and "Austria belongs to the Germanic people," harassed and beat Jewish, Polish, and other foreign students, including women.

⁸⁴² American investors who lost their money after the *Anschluss* wrote many letters of protest to the US State Department. For example, Chas E. Klouček sharply criticized Secretary of State Hull for his neutrality stance and his refusal to take action against Hitler. After the *Anschluss*, Nazi Germany seized many industries, belonging to Jews and non-Jews, in Austria. In his letter Klouček said that "I hold bonds of Tyrol Hydro-Electric Corporation of Austria. I bought these several years ago. This is a well handled hydro-electric utility located in the Austrian Tyrol. It is a sound investment, is in a good field, and has always taken care of its sinking fund and reduced its outstanding debts. It has steadily been getting on more firm ground financially. It can pay its interest as usual. But now comes Hitler, who seizes everything. The fiscal agent for the bonds in New York reports no provision is made for paying interest and doesn't know that any will be made." In a reply the State Department said it had informed Germany of the situation, but Germany gave no response. Klouček was one of many Americans in this position. Chas E. Klouček to Mr. Stanley K. Hornbeck, Political Advisor, Department of State. 10 August 1938. Washington and US State Department to Klouček. 21 August 1938. M1209. US Department of State. Roll 22. Relief Credits; Other investors were in similar predicament, such as Charles Sullin who lost his bonds in the Styrian Hydro-Electric Company and Mr. George Deved who lost his bonds in another Austrian industry. State Department to Charles Sullin. 12 April 1938 and US State Department to George Deved. 1 September 1938. M1209: Roll 22; For more examples of US investors' letters to the Department of State in protest of the *Anschluss*, see M1209: Roll 22.

Furthermore, they were outraged that the police, university, and Austrian government had done nothing to protect the minority students. According to the letter:

We protest against the cultural atrocity wherein a Rector (director) and leader of a university fails to defend the victims, his own students, and actually forbids the police to enter to help the injured. We protest against the maintenance of such a man in office.

We protest against the police who have advance notice of these attacks. Quite curiously they always arrive late and fail to handle the situation with adequate energy and interest. Those apprehended are released without punishment.⁸⁴³

The students sent copies of the letter to the President of the United States, the Director of the University of Vienna, the American ambassador to Austria, the Associated and United Press, the American Legion, and the Rotary Club. The American students also wanted to notify American philanthropic organizations who had given aid to Austria, in particular to the University of Vienna. They wanted American investors in Austria to force the Austrian government to take action against these attacks or else stop sending money.⁸⁴⁴ In response to the students' letter, on July 2, 1931, the US State Department wrote the Austrian government demanding that no American citizens should be harmed.⁸⁴⁵

The decline of Austrian democracy continued when Dollfuss became the new Austrian Chancellor in May 1932. He both considered socialism and the emergence of Nazism by the early 1930s as threats to Austria, and his response was to create an

⁸⁴³ United States League for the Protection of Foreign Students to the Honorable Mr. Gilchrist B. Stockton, American Ambassador to Austria. 26 June 1931. *NPA. Archiv der Republik*. Box 492.

⁸⁴⁴ United States League for the Protection of Foreign Students to the Honorable Mr. Gilchrist B. Stockton, American Ambassador in Austria. 26 June 1931.

⁸⁴⁵ US State Department to the Austrian government. 2 July 1931. *NPA. Archiv der Republik*. Box 492.

undemocratic, Austro-fascist state. In 1933 he refused to allow the *Nationalrat* to meet, and in 1934 he eliminated oppositional parties in Austria.

The potential strain that the Dollfuss regime might have imposed on Austrian relations with the United States and Great Britain was neutralized by even more threatening events in Germany. Hitler's rise to power in 1933 only intensified the anti-*Anschluss* position of the Americans and British. Regardless of previous openness to the *Anschluss* question, Britain and the United States now strongly opposed an *Anschluss* because they saw Nazism as a menace to the peace and security of Europe and certainly did not want Nazi Germany enlarged. The Americans and British did not like Dollfuss' authoritarian state, but they believed it was less objectionable and dangerous than Hitler's *Third Reich*.⁸⁴⁶

Hitler's rise to power also placed the Dollfuss regime increasingly under the influence of Italy.⁸⁴⁷ In fact the Austrian government did not do much domestically or diplomatically without first consulting Italy.⁸⁴⁸ In April of that year Dollfuss met with Benito Mussolini in Rome, whereupon the Duce pledged his support to Dollfuss and Austrian independence. With its Mediterranean ports, Italy became a lifeline to Austria.

⁸⁴⁶For more information on Dollfuss, see chapter 8, *The Christian Social Party*.

⁸⁴⁷Sir Walford Selby to Sir John Simon. Vienna, 15 February 1935. *B DFA*. 11:292; The close relationship between Italy and Austria had already been apparent in the 1932 Hirtenberg arms affair, in which Italy had smuggled guns into Austria and Hungary. In 1932 Italy could not send arms directly to Austria and Hungary. Thus, arms were secretly unloaded in the arms factory in the town of Hirtenberg, which is in Lower Austria. Unmarked trucks transferred arms from Italy to the Austrian *Heimwehr* and further to Hungary. However, Britain and France discovered the arms, and they told Austria to cease the illegal arms sale. Memorandum respecting the Development of Italian Policy and Influence in the Internal Affairs of Austria. *B DFA*. 356.

⁸⁴⁸Memorandum respecting the Development of Italian Policy and Influence in the Internal Affairs of Austria. 25 June 1934. *B DFA*. 11:357.

There had even been talks of a customs union and monetary union between Italy and Austria, but neither ever developed.⁸⁴⁹ In March 1934, Austria, Italy, and Hungary had signed the Rome Protocols, but it was merely a consultative pact and economic agreement.

Especially after Hitler came to power, the Americans and British likewise considered an Austrian rapprochement with Italy preferable to closer ties with Nazi Germany. But nonetheless they at first struggled with the dilemma posed by Austria's political turn to dictatorship. When Dollfuss had suspended parliament in 1933, Great Britain told Dollfuss that their support would lessen if he created a dictatorship. However, Dollfuss argued that he had no choice in his fight against Nazism and socialism. The *Times* stated that Dollfuss was in "no hurry to return to parliamentary forms." Reporting on the suspension of parliament, British journalist G.E.R. Gedye "found the Ringstrasse blocked with barbed wire entanglements and rifle-rests. The grounds of the Hofburg were crowded with mounted police with slung carbines, storm companies with rifles, hand grenades and steel helmets, and he reported that deputies were being prevented from entering the chamber by the police."⁸⁵⁰ Robert Henry Hadow, a British diplomat in Austria in the 1930s, said that Dollfuss was unpopular and that the "present government . . . no longer enjoys the support of confidence of this country [Austria]."⁸⁵¹ On January 17, 1934, Austrian Ambassador

⁸⁴⁹Memorandum respecting the Development of Italian Policy and Influence in the Internal Affairs of Austria. 25 June 1934. *B DFA*. 11:354.

⁸⁵⁰The *Times* according to Tim Kirk, "Fascism and Austrofascism," *The Dollfuss/Schuschnigg Era in Austria: A Reassessment*, 20.

⁸⁵¹Hadow to Sir John Simon. 17 August 1933. Vienna. British Foreign Office (FO) 371/16643. Hadow stated that Dollfuss' oppression of both socialists and Nazis that included fierce punishments alienated most Austrians. He also stated that the "continued independence of Austria must depend largely upon the ability of the Three Great Powers to persuade Germany to refrain from setting the ball rolling . . ."

Franckenstein wrote British Foreign Secretary Sir John Simon about the necessity of Austrian economic betterment and warned that if something was not done, the opponents of an independent Austria would triumph.⁸⁵² Agreeing with Franckenstein's letter, Sir John Simon argued that Britain must do everything to prevent Austria from collapsing.⁸⁵³ Therefore, Britain ultimately did assist the Dollfuss regime, despite considerable misgivings.

American citizens made several complaints against the Dollfuss government. Despite earlier protests by American students in 1931, on October 26, 1932, another anti-Semitic disturbance occurred at the University of Vienna, in which fifteen students including three Americans were hurt, although not seriously. At the American Embassy in Vienna American students contended that the United States had sent the army into Nicaragua to safeguard Americans, but the United States did nothing about the situation in Austria. Ultimately, the Director of the University of Vienna, Professor Dr. Abel, promised to take steps to protect American citizens.⁸⁵⁴ The director gave no assurances to safeguard other foreigners.

On October 27th, the Austrian ambassador in Washington D. C. Prochnik sent Dollfuss a shocking and anti-Semitic letter, in which he dismissed the incident. According to

⁸⁵² Baron Georg Franckenstein to Sir John Simon. 17 January 1934. London. British Foreign Office (FO) 371/18360. Franckenstein wanted to increase trade between Austria and Britain. He stated that "His Majesty's Government have repeatedly declared that they attach the greatest importance to the maintenance of Austrian independence. Active British support of the Austrian government's proposals would not only have the practical result of stimulating production and lessening unemployment in Austria, [but also] consolidating the economic position of the country and strengthening public confidence."

⁸⁵³ Conclusions of a Cabinet Meeting. 31 January 1934. London. British Foreign Office (FO) 371/18360. The British Foreign Secretary, Exchequer, and Board of Trade agreed on "economic assistance to Austria;" Carsten, *The First Austrian Republic*, 185-196.

⁸⁵⁴ "3 Americans Hurt in Vienna Rioting." *New York Times*. 27 October 1932; The Minister in Austria (Stockton) to the Secretary of State. 18 November 1932. Vienna. *FRUS*: 1932. vol. 2.

the letter, the attack on the students was not important—nothing really happened. Prochnik argued that students get injured all the time, especially in sports, and it never gets reported. Only because the incident involved Jewish students, was there special attention. Prochnik complained about the influence of “international Jewry” (*internationalen Judenschaft*) and the “Israelite alliance” (*Alliance Israelite*). He stated that Jews were too strong in Vienna and that they were exaggerating the incident and trying to start trouble between the US and Austria. Prochnik told Dollfuss not to take the matter seriously.⁸⁵⁵

Furthermore, on February 19, 1934, in the wake of the Dollfuss repression of the Austrian socialists, an organization of American workers, who called themselves the United Committee for the Support of the Austrian Workers, sent a letter to Prochnik protesting the persecution of workers in Austria. In particular, they condemned the murder of socialist and communist workers by the Dollfuss government and Nazis. In addition, they protested the banning of the socialist party and labor unions and the persecution of Jews. The United Committee for the Support of the Austrian Workers represented many groups, both white and black, from the Washington, D. C. According to the letter, American workers “recognize that the fight of the Austrian workers against the bloody terror of Austrian Fascism is part of the struggle of all workers.” The United Committee for the Support of the Austrian Workers demanded the legalization of the socialist party, the release of political prisoners, and the end of worker executions. The organization stressed global working class support.⁸⁵⁶

⁸⁵⁵ Edgar Prochnik to Austrian Chancellor Engelbert Dollfuss. 27 October 1932. *NPA. Archiv der Republik*. Box 492.

⁸⁵⁶ United Committee for the Support of the Austrian Workers to Edgar Prochnik. 19 February 1934. Washington D.C. *NPA. Archiv der Republik*. Box 495. The United

Nonetheless, Britain and the United States supported Dollfuss and his government over the Nazi German alternative. In March 1934, four months before the attempted Nazi coup, Britain again expressed its desire to maintain an independent Austria. The former British Colonial Secretary Leopold S. Amery⁸⁵⁷ visited Vienna and told Dollfuss that Austria was “vital to the peace of Europe.” If Germany were allowed to swallow up Austria, then it would not be long before Germany would takeover other countries in Central and Eastern Europe as well.⁸⁵⁸ On September 19, 1934, the American ambassador to Austria George S. Messersmith⁸⁵⁹ expressed agreement with the British ambassador to Austria, who had said that the Dollfuss regime was “the only one and the best one that Austria can have for the time being, and therefore it was deserving of support.”⁸⁶⁰ President Roosevelt had

Committee for the Support of the Austrian Workers included groups such as the Young Peoples Socialist League, the American League Against Fascism and War, League of Struggle for Negro Rights, International Labor Defense, International Workers Order, Young Communist League, the Communist Party, National Students League, Women’s League, ICOR, National Forum Association, Five Star Youth Club, and the Workers Ex-Servicemen’s League.

⁸⁵⁷ Amery (1873-1955) was a British Conservative and Under Foreign Secretary from 1918 to 1919. He was First Lord of the Admiralty from 1922 to 1924 and Colonial Secretary from 1924 to 1929. In the 1930s he did not receive a cabinet position, but he remained a parliament member. In the 1930s Amery also served as director of German metal factories in which he oversaw British investment in these companies. When he was director of German companies he met with Hitler, Dollfuss, Benes, and Mussolini. Amery opposed Neville Chamberlain’s appeasement. He was Secretary of State for India from 1940 to 1945.

⁸⁵⁸ “An Independent Austria.” The newspaper had no title. March 1934. *NPA. Archiv der Republik*. Box 565.

⁸⁵⁹ Messersmith was consul-general in Berlin 1930-1934. He was the American ambassador to Austria from 1934 to 1937. He was the assistant to the Secretary of State 1937-1940. He was ambassador to Mexico 1942-1946. See also, Jesse Stiller, *George S. Messersmith: Diplomat of Democracy* (Chapel Hill: University of North Carolina Press, 1987).

⁸⁶⁰ Messersmith to Phillips. 19 September 1934. M1209: US Department of State. Roll 8.

appointed Ambassador Messersmith in 1934.⁸⁶¹ Therefore, like Britain, the United States considered Dollfuss the lesser of the two evils when compared to Hitler. The same calculation had induced both the US and Britain to grant the Lausanne loan to Dollfuss earlier. Without a doubt, the US and Britain could have placed more pressure on Dollfuss, stating that if he wanted financial and diplomatic backing, he had to protect foreigners and reaffirm democracy in Austria. However, any harsh tactics, like canceling all international loans and placing economic sanctions on Austria, would not have pressured Dollfuss to reestablish democracy in Austria but most likely have toppled his regime and opened the door for either a socialist or Nazi one, as Franckenstein had warned.

IX. The Attempted Nazi Coup in 1934

In response to the Dollfuss dictatorship that had oppressed Austrian Nazis (as well as Austrian socialists), the Nazis instigated terrorist attacks throughout Austria in order to create political and economic instability and topple Dollfuss.⁸⁶² On July 25, 1934, a coup d'état against the Austrian government took place.⁸⁶³ During the attempted Nazi seizure of power, a group of Austrian Nazi insurgents stormed the Chancellery and shot Dollfuss.⁸⁶⁴

⁸⁶¹ In May 1933 FDR had received a warm greeting from Austria after his first term began in March. *NPA. Archiv der Republik. Box 492.*

⁸⁶² See chapter 8 on the Christian Social Party.

⁸⁶³ The *Chicago Daily Tribune* on July 27, 1934, blamed the present day disturbances in Austria on the Treaty of Versailles and World War I.

⁸⁶⁴ Memorandum respecting the Nazi "Putsch" of July 25, 1934. *BDFa. 10:350*; "Dollfuss Slain: Halt Revolt." *Chicago Daily Tribune*, 26 July 1934. Otto Planetta, who shot Dollfuss twice, claimed it was an accident. Franz Holzweber was the ring leader. *Chicago Daily Tribune*, 31 July 1934; "Austrian Nazis Kill Dollfuss, Revolt Fails." *New York Times*, 26 July 1934.

But plans to hold the Cabinet members hostage, gain support from the army and Austrian masses, and take over the government failed. Consequently, with international support, especially from Italy, the Austrian army and *Heimwehr* were able to restore order.⁸⁶⁵

Ernst Rüdiger von Starhemberg the leader of the fascist, paramilitary *Heimwehr* played a significant role in the civil war against the Nazis. Immediately after the death of Dollfuss, Starhemberg temporarily became the “acting Austrian Chancellor” and “strong man.” In late July and early August the *Heimwehr* fought small groups of Nazis in Austria, in particular Styria, and quickly helped restore order within a week. About one hundred Austrian government supporters died in the fighting, and the government arrested several hundred Austrian Nazis.⁸⁶⁶ According to the *Washington Post*, in a tribute to Dollfuss, Starhemberg promised to keep Austria independent and asserted that Austria “shall never make any concessions that in any way limit the freedom, honor, and dignity of the Austrian Nation.” Starhemberg also said that Austria would continue on its anti-Nazi and anti-socialist path, and he told Austrians to “believe in their future.”⁸⁶⁷ Starhemberg’s time as acting chancellor was quite brief, however. On July 30, 1934, Kurt von Schuschnigg⁸⁶⁸

⁸⁶⁵ Lieutenant-Colonel Mason-MacFarlane to Sir Walford Selby. Vienna, 2 August 1934. *B DFA*. 10:358; “Dollfuss Slain in Nazi Coup.” *Washington Post*, 26 July 1934.

⁸⁶⁶ Many of those arrested received life sentences or the death penalty.

⁸⁶⁷ “Starhemberg Defies Nazis.” and “Starhemberg Warns Berlin and Socialists.” *Washington Post*, 28 July 1934.

⁸⁶⁸ Schuschnigg had been a much bigger monarchist sympathizer than Dollfuss. “Schuschnigg at the Helm.” *Washington Post*, 30 July 1934; “Try Nazi Slayer in Austria; Named Schuschnigg Chancellor.” *Chicago Daily Tribune*, 30 July 1934; “Schuschnigg Head of Vienna Cabinet.” *New York Times*, 30 July 1934.

officially became the new Austrian chancellor. Starhemberg then became Vice Chancellor.⁸⁶⁹

Although the exact extent of Germany's complicity in the assassination was unknown, there was no doubt that Germany encouraged Nazi activities in Austria and supplied Austrian Nazis with money and arms. Germany had even maintained an Austrian Legion comprised of Austrian Nazis who had crossed the border after Dollfuss had banned the Nazi Party. By 1934 the Austrian Legion numbered around 10,000, and many of them later changed their citizenship to German.⁸⁷⁰ The Austrian government claimed that the *Putsch* orders came from Germany.⁸⁷¹ The *Washington Post* argued that it was "difficult if not impossible to deny that Germany played a role."⁸⁷² The *Times* and many world newspapers blamed Nazi Germany for the death of Dollfuss. The *Times* stated that Nazi Germany had sent leaflets to Austria calling for the removal of Dollfuss and that Nazi Germany had supplied the terrorists.⁸⁷³

The press asserted that Nazi Germany, however, denied any responsibility.⁸⁷⁴ In the wake of the failed coup attempt, during which the Austrian populace had not responded

⁸⁶⁹ "Schuschnigg at the Helm." *Washington Post*, 30 July 1934.

⁸⁷⁰ Jelavich, *Modern Austria*, 198; Consul-General Gainer to Mr. Newton. Munich, 16 July 1936. *B DFA*. 12:357.

⁸⁷¹ "Austria Charges Revolt was Plotted in Reich." *Washington Post*, 31 July 1934.

⁸⁷² "Dollfuss Slain in Nazi Coup." *Washington Post*, 26 July 1934. Ironically, the *Washington Post* on February 18, 1934, contained a special article on Austria that predicted five months before it happened that Dollfuss would fall and Starhemberg would become the new chancellor.

⁸⁷³ "Policy by Murder." *Times* [London]. 27 July 1934; "Germany and World Opinion." *Times* [London]. 31 July 1934.

⁸⁷⁴ "Dollfuss Slain in Nazi Coup." *Washington Post*, 26 July 1934.

favorably and foreign powers had threatened to intervene, Germany distanced itself from the revolt and announced that it would arrest any rebels crossing its borders. The President Paul von Hindenburg expressed his "indignation" and "sympathy" to the Austrian President.⁸⁷⁵ In addition, Hitler dismissed local Austrian Nazi leaders, slightly altered the regional administration of the Austrian Nazi Party, and halted Nazi terror and propaganda, a decree which lasted until June 1935.⁸⁷⁶

The Austrian public was shocked at the brutal murder of Dollfuss. The *Chicago Daily Tribune* maintained that about 50,000 Austrians attended the funeral procession at the St. Stephen Cathedral, including acting Chancellor Starhemberg, President Michael Miklas,⁸⁷⁷ the wife of Dollfuss, and the Cardinal Archbishop of Vienna Theodor Innitzer.⁸⁷⁸

⁸⁷⁵"Policy by Murder." *Times*. 27 July 1934.

⁸⁷⁶Gottfried-Karl Kindermann, *Hitler's Defeat in Austria, 1933-1934: Europe's First Containment of Nazi Expansionism* (London: C. Hurst & Company, 1988), xxi.

⁸⁷⁷ Miklas also pledged the continuance of Austrian independence. "Austrian Envoy Blames Germany." *Chicago Daily Tribune*, 27 July 1934.

⁸⁷⁸ Prior to the German invasion in March 1938, the Catholics in Austria had called for steadfast resistance against the National Socialists. During and after the invasion, however, the Catholic Church did a complete turn around. Cardinal Innitzer had the church bells ring as Hitler entered Vienna. Innitzer even allowed Nazi flags to hang from churches. The Austrian Catholic clergy proclaimed that all faithful Christians should announce their loyalty as Germans to the German Reich. "Kardinal Innitzer bei Adolf Hitler." *Frankfurter Zeitung*. 16 March 1938; "Vorwort zur Feierlichen Erklärung der Österreichischen Bischöfe in Sachen der Volksabstimmung." 18 March 1938. *Bundesarchiv* (BA) Berlin. R 58/5480e signatur: ZB1/0667 A.5. pp. 79-80; Mr. Mack to Viscount Halifax. Vienna, 28 March 1938. *BDFa*. 14:320-321; Mr. Osborne to Viscount Halifax. Rome, 4 April 1938. *BDFa*. 14:325; Bericht ueber das Verhalten des kath. Klerus und der Bevoelkerung Oesterreichs vor und nach der Volksabstimmung." Vienna, 12 May 1938. Letter written by the SD-Fuehrer des SS-OA Oesterreich addressed to the SD-Hauptamt Zentralabteilung II/I. *Bundesarchiv* (BA) Berlin. R 58/5480e signatur: ZB1/0667 A.5. p. 71-76; Evan Bukey, *Hitler's Austria*, 36.

The British ambassador to Austria Sir Walford Selby⁸⁷⁹ wrote that he witnessed sincere mourning on the part of the Austrians at the funeral, and this challenged the position of Dollfuss' enemies who maintained that he had never had any support and no one would sympathize with his death.⁸⁸⁰ Dollfuss' assassination, combined with the murders of Ernst Röhm and hundreds of other SA members that occurred less than one month earlier, painted a dismal picture of the National Socialists.

The *Times* reported that the incident made "the name of Nazi to stink in the nostrils of the world. A system which flourishes on such methods inspires loathing and disgust everywhere." The *Times* called the Nazis "desperadoes" who destroyed civilization, "recognize[d] no laws," and "only pursue[d] barbarous and inhumane actions." The *Times* stated that Hitler had contended that 90% of Austrians were Nazis, but the newspaper correspondents in Austria argued that there was no Nazi majority. On the contrary there was Austrian mass support for the government against the Nazis. The *Times* concluded that although most Austrians desired a union with a democratic Germany throughout the inter-war period, they certainly did not want a union now with "a political gangster."⁸⁸¹

⁸⁷⁹ Sir Walford Selby (1881-1965) was the British ambassador in Vienna from 1933 to 1937. He strongly supported Austrian independence. In 1937 he was transferred to Portugal, and in 1940 he ended his diplomatic career. He died in Rhodesia, modern day Zimbabwe. Catalogue of the papers of Sir Walford Selby. <http://www.bodley.ox.ac.uk/dept/scwmss/wmss/online/modern/selby/selby.html> (February 2007).

⁸⁸⁰ Sir Walford Selby to Sir John Simon. Vienna, 31 July 1934. 10:346-347; Count Edgar Hoyos, "The Austrian Situation." *World Affairs*. September 1934. vol. 97. no.3. *NPA. Archiv der Republik*. Box 495. Count Hoyos also said that the funeral proved that in 1934 the majority of Austrians wanted independence. Hoyos called Dollfuss a hero and martyr.

⁸⁸¹ "Policy by Murder." *Times* [London]. 27 July 1934.

Similar to the reports from Selby and the *Times*, the *Manchester Guardian* stated that the majority of Austrians were "enraged by the brutal and cold-blooded" murder of Dollfuss.⁸⁸² Lieutenant-Colonel F. N. Mason-MacFarlane reported that the Austrian government "can definitely count on more support in the population than two months ago."⁸⁸³ The historian Evan Bukey argues that this was a time when Kurt von Schuschnigg could have easily consolidated his power, but in a missed opportunity Schuschnigg failed to reconcile with his opponents, especially the socialists, and form a united anti-Nazi coalition.

In addition to the lack of internal support among the Austrian people, foreign diplomacy, in particular the response of Austria's neighbors, was a key factor in the failed Nazi coup. As soon as the assassination of Dollfuss occurred, Austria asked for international assistance, and Britain, France, Italy, and other European countries took steps to protect its territorial sovereignty.⁸⁸⁴ Mussolini, who had made himself the protector of Austria, immediately sent 75,000 troops to the Austrian border.⁸⁸⁵ The press reported that Yugoslavia and Czechoslovakia mobilized their troops.⁸⁸⁶ Britain, France, and even the Vatican⁸⁸⁷ were

⁸⁸² *Manchester Guardian*, 30 June 1934. NPA. *Archiv der Republik*. Box 565.

⁸⁸³ Notes by Lieutenant-Colonel Mason-MacFarlane. *B DFA*. 10:354-356.

⁸⁸⁴ "Great Britain, France, and Italy Said Independence of Austria Must Be Assured." *New York Times*, 26 July 1934. The major powers had made a commitment to keep Austria independent.

⁸⁸⁵ "Dollfuss Slain in Nazi Coup; Austria Asks Aid of Powers; Italy is Ordered on War Basis." *Washington Post*, 26 July 1934; "Austrian Nazis Kill Dollfuss, Revolt Fails." *New York Times*, 26 July 1934; *Chicago Daily Tribune*, 27 July 1934. Mussolini had the Italian army and air-force ready for invasion.

⁸⁸⁶ "French Approve Force." *Chicago Daily Tribune*, 26 July 1934. France approved the Czechs, Yugoslavs, and Italians to use military force to prevent a union.

outraged at the death of Dollfuss. However, Britain and France did not mobilize their troops. Britain and France wanted to protect Austrian territorial integrity, but they saw no immediate need to militarily intervene because the situation looked to be under control. They contended that military action could further de-stabilize Austria.⁸⁸⁸

Great Britain hoped the situation remained an Austrian domestic affair. It was not willing to take direct action unless Nazi Germany seized Austria.⁸⁸⁹ According to the *Times*, Sir John Simon stated that: "I may add that the attitude of this country as to the independence and integrity of Austria, in accordance with the relevant treaties, . . . remains unchanged by these tragic events."⁸⁹⁰ Although Sir John Simon did not explain exactly what measures Britain would take to sustain Austrian independence, he did say that Britain was closely monitoring the situation.⁸⁹¹ The press wrote that the Austrian ambassador in London, Baron Georg Franckenstein,⁸⁹² called Dollfuss a "hero" who had brought about the

⁸⁸⁷ "Dollfuss Slaying Shocks Vatican." *Washington Post*, 25 July 1934; "Pope to Voice Horror at Dollfuss Slaying." *New York Times*, 29 July 1934.

⁸⁸⁸ Memorandum respecting the Nazi "Putsch" of July 25, 1934. *B DFA*. 10:350; "300 Slain, Hundreds Shot; Civil War." *Washington Post*, 27 July 1934; *Chicago Daily Tribune*, 23 July 1934; "No Move By Britain Likely at Present." *New York Times*, 27 July 1934.

⁸⁸⁹ Memorandum respecting the Nazi "Putsch" of July 25, 1934. *B DFA*. 10:350; "Great Britain, France, and Italy Said Independence of Austria Must Be Assured." *New York Times*, 26 July 1934; "No Move By Britain Likely at Present." *New York Times*, 27 July 1934.

⁸⁹⁰ "Herr Dollfuss Killed by Nazis." *Times* [London]. 26 July 1934.

⁸⁹¹ "Austria." *Times* [London]. 31 July 1934.

⁸⁹² Baron Georg Franckenstein (1878-1953) was the anti-*Anschluss*, monarchist, pro-British, Austrian ambassador to Britain from 1920 to 1938. A speech given on February 2, 1934, exemplifies Franckenstein's anti-*Anschluss* opinion. He said "we want to be united with Germany by the closest friendship, but we wish and intend to maintain our independence." Franckenstein's Speech. 2 February 1934. *NPA. Archiv der Republik*. Box 573; After the *Anschluss*, he became a British citizen, and King George VI (r. 1936-1952) knighted him in

revitalization of Austria and a “peace activist.”⁸⁹³ King George V, Prime Minister Macdonald, and Foreign Secretary Sir John Simon sent a letter of sympathy to the Austrian people.⁸⁹⁴

Meanwhile, the United States also refused to get directly involved in Austria in the aftermath of the failed Nazi coup. According to US newspapers, the US Department of State was satisfied when the American ambassador in Vienna Messersmith stated that no American citizens had been injured in the coup. The US State Department and some Americans were deeply concerned that the Dollfuss assassination, like the assassination of

1939. His new title was “Sir George Franckenstein.” Clement von Franckenstein, “Preface.” *Zwischen Wien und London*, 19-20; Unlike Prochnik, Franckenstein remained anti-*Anschluss* after the Nazi annexation in 1938. In Britain Franckenstein became a leader of Austrian exile groups who sought the independence of Austria during and after World War II. For example, from 1939 to 1941 he was the President of the *Austrian Centre* exile organization that had about 3,500 members. Sigmund Freud had been the preceding President of *Austrian Centre*. Franckenstein was also a member of the *Austrian Office*, another exile organization. In 1942 Winston Churchill had told Franckenstein, whom he had befriended, that “You are here to link with us between the dark past, the haggard present, and what I still believe will be the glorious future. We shall struggle on and fight on. The people of Britain will never desert the cause of the freedom of Austria from the Prussian yoke. We shall go forward.” *Österreicher im Exil. Grossbritannien 1938-1945. Eine Dokumentation*, 160, 166, 174, 234; Also, in 1944 Franckenstein and his English-Scottish wife, whom he had married in 1939, had a son. He was sixty-six years old when his son was born. In 1953 Georg Franckenstein and his wife tragically died in an airplane accident in Frankfurt. Their son Clement was nine years old at the time. Clement von Franckenstein, “Preface.” *Zwischen Wien und London*, 19-20; In another preface to the same book, Otto Habsburg praised Georg Franckenstein’s service to Austria. Otto Habsburg, “Preface.” *Zwischen Wien und London*, 8.

⁸⁹³ “Herr Dollfuss Killed by Nazis.” *Times* [London]. 26 July 1934; “World-Wide Sympathy with Austria.” “*Times* [London]. 27 July 1934.

⁸⁹⁴ “300 Slain, Hundreds Shot; Civil War.” *Washington Post*, 27 July 1934; *Chicago Daily Tribune*, 23 July 1934; “No Move By Britain Likely at Present.” *New York Times*, 27 July 1934.

Archduke Franz Ferdinand, would lead to another war.⁸⁹⁵ When Messersmith reported on July 27, 1934, that everything was “quiet,” the US State Department expressed happiness that the Austrians had things under control.⁸⁹⁶

Messersmith contended that European peace meant Austrian independence. On July 28, 1934, he argued:

The settlement of the Austrian problem is essential to European peace but it is not a problem that the Austrian people can solve by themselves in spite of concrete and determined intentions. Her problem was created after the war from the outside and only the united action of the powers can save her and by that heal what is now one of the most dangerous spots in Europe, perhaps immediately the most dangerous.

Messersmith was a tough opponent of Nazism. In July 1934 he accurately predicted that Nazi aggression would not cease with the annexation of Austria.⁸⁹⁷ But he was not always so perspicacious. In August 1934 he also claimed that Nazism was “on its last legs” and Nazi Germany would collapse within months.⁸⁹⁸ Despite his support for an independent Austria, Messersmith asserted that the United States should not get involved in Austria, and his views reflected the policies of the US State Department and the United States in general.

Messersmith told Secretary of State Cordell Hull:

⁸⁹⁵ “Dollfuss Slain in Nazi Coup.” *Washington Post*, 26 July 1934; “Americans’ Safety in Vienna Assured.” *New York Times*, 26 July 1934. The State Department said a successful Nazi coup would lead to a future war. The US stock market also went down after news of the Nazi attempted coup; In addition, because of parallel between the Dollfuss and Archduke Franz Ferdinand assassinations, some US churches had special sermons because some Americans believed that “war was eminent but not inevitable.” “Crisis in Austria is Sermon Theme.” *New York Times*, 30 July 1934.

⁸⁹⁶ “Washington’s News on Austria.” *New York Times*, 27 July 1934.

⁸⁹⁷ The Minister in Austria (Messersmith) to the Secretary of State. 28 July 1934. Vienna. *FRUS*: 1934 vol. 2.

⁸⁹⁸ The Minister in Austria (Messersmith) to the Under Secretary of State (Phillips). 1 August 1934. Vienna. *FRUS*: 1934 vol. 2.

I do not believe that the Austrian problem is an immediate problem for the US. I do not believe that we should intervene directly in this or other primarily European problems. But an independent Austria and a healthy Germany are necessary to our own peace and economic health.⁸⁹⁹

The United States only gave “silent approval” to the strong anti-*Anschluss* and anti-Nazi stance of the other major powers. Although the United States was aware of the dangers of Nazism and strongly sympathized with an Austria independent, the US State Department said it would not intervene in European affairs. Instead, President Roosevelt, Messersmith, and Hull hoped that other countries (Britain, France, and Italy) would protect Austria.⁹⁰⁰ This incident showed that while the US was active in financial diplomacy, it continued to be very reticent to become involved in Europe in other ways.

The United States, like Britain, did pay its respects. Roosevelt sent a letter of condolence to the Austrian people, Mrs. Dollfuss, and Austrian President Michael Miklas.⁹⁰¹ Secretary of State Hull said the incident “shocks and grieves me beyond expression.”⁹⁰² In addition, the *Washington Post* asserted that many Americans demonstrated in front of the German Embassy in Washington D. C. against Nazism.⁹⁰³

⁸⁹⁹ The Minister in Austria (Messersmith) to the Secretary of State. 28 July 1934. Vienna. *FRUS*: 1934 vol. 2.

⁹⁰⁰ The Minister in Austria (Messersmith) to the Secretary of State. 28 July 1934. Vienna. *FRUS*: 1934 vol. 2; “France Seeks Silent US Approval on Policy to Austria.” *Chicago Daily Tribune*, 28 July 1934; “Paris also Backing of Austria by US.” *New York Times*, 29 July 1934.

⁹⁰¹ US President Roosevelt to President Wilhelm Miklas. 26 July 1934. Washington D. C. *FRUS*: 1934 vol. 2; “FDR Sends Cable.” *Washington Post*, 27 July 1934; “Dollfuss Slaying Shocks Roosevelt.” *New York Times*, 27 July 1934.

⁹⁰² Secretary of State Hull to the Acting Chancellor Schuschnigg. 26 July 1934. Washington D. C. *FRUS*: 1934 vol. 2.

⁹⁰³ “Anti-Nazi Protest.” *Washington Post*, 29 July 1934.

Also, the Austrian ambassador in Washington D. C., Edgar Prochnik⁹⁰⁴ said “the death of Dollfuss is a grave blow to Austria.” He had been on vacation in Delaware when he heard of Dollfuss’ death and immediately returned to Washington D. C. Prochnik expressed sympathy for the loss of Dollfuss and had nothing but good things to say about him. According to the *Washington Post*, Prochnik stated that Dollfuss was a leader who stood for world peace and was what Austria most needed then.⁹⁰⁵

In September 1934, Great Britain, France, and Italy once again reaffirmed their commitment to Austria’s independence. The German press then agreed to temporarily cease its anti-Austrian attitude, and in a diplomatic meeting in Vienna in November the German government pledged its support to Austria and stated that it had “no territorial designs” and

⁹⁰⁴ Edgar Prochnik, the Austrian ambassador to the US from 1920 to 1938, had been fiercely anti-*Anschluss*, pro-Austria, and pro-American. However, he also tolerated and even sympathized with anti-Semitism to some extent. Prochnik informed the US State Department and Secretary of State Hull on March 17, 1938, of the *Anschluss*. Prochnik accepted the *Anschluss* and retired as Austrian ambassador shortly afterwards. In order to secure his retirement pay, he sent archival materials to Nazi Germany. These documents provided information about the number of Austrians and Austrian-Jews in the US, and Austrian businesses and organizations in the US. Nazi Germany paid his pension until the US declared war on Germany in 1941. When Prochnik retired, he left Austria with no official representative in Washington, and there was no legal Austrian government that could choose a replacement. In 1942 Prochnik joined the Georgetown University faculty and taught European diplomatic classes. In Artikel von Lucian O. Meysels betreffend die Anerkennung der Annexation des Österreich durch die USA Mitte März 1938. *Österreicher im Exil. USA 1938-1945. Eine Dokumentation. Band 1*. Dokumentationsarchiv des österreichischen Widerstandes, ed., 181; März 1944 vom Abgeordneten Pete Jarman im Repräsentantenhaus Veranlasst Wurde, 1944. *Österreicher im Exil. USA 1938-1945. Eine Dokumentation. Band 1*, 235; Manuscript of Hans Rotts in commemoration of Austrian political emigration to the USA to Senator McCarthy in 1954. *Österreicher im Exil. USA 1938-1945. Eine Dokumentation. Band 2*, 275.

⁹⁰⁵ “Dollfuss Slain in Nazi Coup.” *Washington Post*, 26 July 1934.

wished only to uphold cultural relations with ethnic Germans living in other countries.⁹⁰⁶

Despite the major setback of the coup attempt, Hitler firmly believed that the Austrian Nazi Party as an opposition group would still come to power in Austria through legal means as the Nazi Party had in Germany.

The 1934 Nazi coup attempt failed because of the combination of military mobilization by Italy, the British, Italian, and French declarations to protect Austria, and the lack of support for Nazism within Austria. Besides Vienna, Austrian Nazis also had planned coups in the Austrian provincial capitals, but they too failed everywhere. Gottfried-Karl Kindermann called the foiled coup Hitler's "worst foreign policy defeat until Stalingrad in 1943."⁹⁰⁷ In 1934 the Austrian army, the *Heimwehr*, the legitimists, and the Austrian populace in general had remained on the side of the ruling regime. With Dollfuss gone, it was up to Schuschnigg to reaffirm Austrian sovereignty. Despite the fact that Austria was in a state of martial law, Schuschnigg, received full support from Britain and some support from the United States, because they considered a possible Nazi regime much worse. In the aftermath of the Nazi coup, Britain and the United States feared the spread of Nazism and another world war.⁹⁰⁸ The Dollfuss murder strengthened Schuschnigg's international position in the immediate aftermath of 1934.⁹⁰⁹

⁹⁰⁶Mr. Hadow to Sir John Simon. Vienna, 10 November 1934. *B DFA*. 10:3939.

⁹⁰⁷In addition, about 52,820 Austrian volunteers mobilized against the Austrian Nazis. Kindermann, *Hitler's Defeat in Austria*, 110, 123-124.

⁹⁰⁸"Dollfuss Assassination." *Washington Post*, 29 July 1934.

⁹⁰⁹Introduction. *B DFA*. 10:xxi; Britain expressed sympathy toward Austria after the failed coup. *NPA. Archiv der Republik*. Box 573; The cessation of Nazi terrorism after the assassination of was only temporary and soon resumed in June 1935, as did Austrian public dissatisfaction with the Austrian government. Sir Walford Selby to Sir Samuel Hoare.

X. Austrian Viability with American and British Help

Despite the pessimism concerning Austria in the time period 1930 to 1934, some Austrians continued to believe that Austria could prosper. In 1931 an Austrian aristocrat Baron Leopold von Popper told the *New York Evening Post* that the idea that:

[Austria] was stripped of everything by the Treaty of St. Germain, is false – nothing but lying propaganda. Under proper management Austria might be one of the richest small countries in the world, such as Holland, Denmark, Sweden, [and] Switzerland. Give me the city of Vienna, give me Austria as she is today, without the addition of a single square foot of land, and I would . . . make the state operate profitably . . .”⁹¹⁰

Thus, von Popper claimed that the First Republic Austria born out of the defeat of the Great War was not a weak state. Austria could become a prosperous state, and he rejected a political and economic union with Germany. He listed Austria’s assets as forests, salt mines, water power, and tourism. He said people would naturally “flock” to Austria from Central and Eastern Europe.⁹¹¹

Even two months after the failed coup Baron Franckenstein remained optimistic about Austria’s future if several conditions were met. In October 1934 he expressed the conviction that “Austria would be able to live an independent life in friendly and useful co-

Vienna, 16 June 1935. 11:347; In FDR’s 1936 state of the union address he expressed his opposition to fascist regimes and his sympathy for “any small nation threatened by these brutal powers trying to maintain their existence.” Prochnik wondered if FDR had specifically meant Austria. FDR went on to state US policy and said “autocracy is menace to world peace.” *NPA. Archiv der Republik*. Box 493.

⁹¹⁰ “Glory That was Austria’s Only Dormant, Says Baron.” *New York Evening Post*, 26 October 1931. This newspaper was found in the *NPA. Archiv der Republik*. Box 495.

⁹¹¹ “Glory That was Austria’s Only Dormant.” *New York Evening Post*, 26 October 1931. Von Popper was in his forties, and he traveled often to the US with his wife. He blamed the Austrian government for “mismanagement,” and he even told an Austrian government official that a travel center could run the government better.

operation with other countries and make her contribution to the general good, provided there were peace, no interference from outside, and work for the Austrian people. If these conditions could be secured Austria . . . would be able to lead her children to a happier future.”⁹¹² The Popper and Franckenstein quotes show that informed people, commenting without the hindsight of 1938, still believed in Austrian viability in the wake of the failed Nazi coup.

XI. Conclusion

In the time period 1930 to 1934 Great Britain and the United States continued to take an active role in Austrian affairs, and fostered close cultural, economic, financial, and diplomatic ties. Because of the global depression, loans from the United States and Great Britain decreased. For example, the Lausanne loan was substantially less than the international loan given to Austria in 1922. However, the American and British economic aid nonetheless continued. The US and Britain, unlike France, supported the Austro-German customs union as long as the International Court approved. The temporary withdrawal of French loans in 1931, as punishment for Austria's attempted end-run around the *Anschluss* prohibition in the treaty settlement, had brought about the collapse of the *Creditanstalt* and only worsened the world-wide depression.

The simultaneous rise of Hitler in Germany and the Dollfuss termination of parliamentary government in Austria marked a turning point in British and American diplomacy. The emergence of Hitler in 1933 strengthened the opposition of the major powers to an *Anschluss*, and even the United States and Britain now more decisively voiced

⁹¹² “Austria Today. Baron Franckenstein in Glasgow.” *Glasgow Herald*. 11 October 1934. This newspaper was part of a collection in the *NPA. Archiv der Republik*. Box 565.

their rejection of an *Anschluss* that would disturb European tranquility and maybe even lead to another war. Despite their misgivings about the Dollfuss dictatorship, the US and Britain supported and financed Dollfuss because they saw the Nazi alternative as worse.

The major powers reacted differently to the 1934 coup attempt. The United States was willing to engage in financial diplomacy but not to risk any political commitment. On the other hand, Britain followed a “middle way,” and Italy was the major military backer of Austrian independence in the face of the overt Nazi German threat. Thus, Austria survived the depression and the Nazi coup, but now faced the dilemma that it cannot survive if there is a subsequent withdrawal of Italian support for Austrian independence.

CHAPTER VIII

THE CHRISTIAN SOCIAL PARTY, 1930-1934

I. Introduction

“. . . Austria is not alone—this little country can count on world sympathy in its struggle for economic and political independence.”⁹¹³ (Engelbert Dollfuss, June 1933).

Similar to the 1920s, from 1930 to 1934, the Christian Social Party was a conservative, anti-*Anschluss*, anti-socialist, Catholic, Austrian nationalist, and anti-Semitic party. The Christian Social Party led Austria and provided all but one chancellor in the succession of coalition governments from 1930 to 1932.⁹¹⁴ Wilhelm Miklas of the Christian Social Party was the Austrian federal president from December 1928 to March 1938. As earlier, the Christian Social Party and the socialists each received about one-third the vote in the last parliamentary election in 1930, and the Christian Social Party aligned with the Greater German People's Party because of their common hatred of socialism.

However, there were also significant changes in the 1930s. In response to continued conflict with the socialist paramilitary *Schutzbund*, in December 1930 the Christian Social Party established a military wing called the *Ostmärkische Sturmsharen* in order to secure

⁹¹³ “Austrian Chancellor Seeks Peace in Row with Hitler.” *Chicago Daily Tribune*, 18 June 1933.

⁹¹⁴ Johann Schober (1874-1932) of the Greater German People's Party was the Austrian Chancellor from June 1921 to May 1922 and from September 1929 to September 1930. He was also the Austrian foreign minister and vice chancellor under Otto Ender from 1930-1932.

Christian Social rule in Austria. The *Ostmärkische Sturmsharen* had differences with the *Heimwehr* as well, because the former demanded that Austria become a Catholic clerical state.⁹¹⁵ In addition, when Engelbert Dollfuss came to power in 1932, he dissolved the “Great Coalition” of the Christian Social Party and Greater German People’s Party. Dollfuss formed a new alliance with the *Heimwehr*. The anti-socialist Greater Coalition had succeeded in keeping Austrian independent in the 1920s and early 1930s. However, with the rise of Nazism, Dollfuss’ failure to form an anti-Nazi coalition between the Christian Social Party and socialists destroyed Austrian democracy and severely limited his remaining options. Dollfuss ended the parliamentary government in Austria in 1933, beginning authoritarian rule.

Crushing opposition, Dollfuss postponed elections and outlawed the Nazi, socialist, and communist parties. The Christian Social Party also officially dissolved in 1934. Yet, de facto Christian Social dominance, albeit under a different party name, continued under the autocratic state. Dollfuss created the Fatherland Party that dominated the one-party fascist state, which his successor Kurt von Schuschnigg maintained until Hitler’s invasion in March 1938.

As in the 1920s, most Christian Social Party members officially continued to oppose an *Anschluss* and wanted to preserve an independent Austria. In the early 1930s about one-fourth of the Christian Socials still belonged to the pro-*Anschluss* splinter group. The party was likewise split on the 1931 customs union with Germany. By 1933, however, the pro-*Anschluss* faction of the Christian Social Party turned away from the *Anschluss* because of Nazism. Other parties, especially the socialists, likewise ended their support of a union with

⁹¹⁵*Ostmärkische Sturmsharen. Österreich Lexikon.*
<http://aeiou.iicm.tugraz.at/aeiou.encyclop.o/o849650.htm> (October 2006).

Germany, and from 1933 to 1938 the Austrian *Anschluss* supporters were a minority. The Nazi Party, having absorbed many former supporters of the Greater German People's Party, was now the only major pro-*Anschluss* party in Austria.

By far the most important leader of the Christian Social Party in the period from 1930 to 1934 was Dollfuss. He and his successor, Kurt von Schuschnigg, had monarchist leanings. Monarchists were also attracted to his new Fatherland Party, which was an anti-democratic, anti-Nazi, Catholic, Austrian nationalist organization often categorized as "Austro-Fascist." Furthermore, the Catholic Church supported Dollfuss, just as it had supported Christian Social leaders like Seipel in the 1920s.

II. The Christian Socials, the Great Depression, and the Customs Union

In the November 9, 1930, parliamentary elections, which would be the last such elections of the First Republic, the socialists won seventy-two seats (about forty-two percent) and the Christian Socials sixty-six seats (thirty-nine percent). The *Heimatblock*, which was the political wing of the *Heimwehr*, received eight seats, while the National Economic Bloc (*Nationalen Wirtschaftsblock*), a new organization that included the Greater German People's Party and Agrarian League and was under the former Austrian Chancellor Johannes Schober's leadership, got nineteen seats. Unlike in Germany, where the Nazis had achieved an electoral breakthrough just two months earlier in September 1930, the Austrian Nazis did not receive any seats in this election. In this election campaign the socialists,

members of the Greater German People's Party, and some conservatives continued to advocate a union with a democratic Germany.⁹¹⁶

The Christian Socials and the Schober faction once again formed the coalition government. In December 1930 the Christian Social Dr. Otto Ender⁹¹⁷ became Austrian Chancellor, while Schober became the foreign minister and vice chancellor. As foreign minister Schober was best known for attempting to bring about an Austro-German customs union. His counterpart, German Foreign Minister Julius Curtius, was also willing to be a bit more aggressive than Gustav Stresemann in strengthening Austro-German relations.⁹¹⁸

The Ender government faced the global depression which marked a time period of extremely high unemployment and bank failures. In 1930 Austrian agriculture (*Landwirtschaft*) had a debt of three-hundred million dollars, and industry fell 26% below the production level of the late 1920s. Speaking at the Christian Social Party meeting on April 25-26, 1931, Chancellor Ender said Austria was in dire need, and its future was on a stony path.⁹¹⁹ The economic crisis led to government austerity measures and the dismissal of many civil servants, who turned initially to the Greater German People's Party and later the National Socialist Party.

⁹¹⁶November 1930 election results from Memorandum by Gilbert In Der Mauer.Vienna, 16 February 1934. *Documents on German Foreign Policy 1918-1945: Series C (1933-1937)*. II:501.

⁹¹⁷ Dr. Otto Ender (1875-1960) lawyer and Christian Social *Bundesrat* member from 1922-1930 and 1931-1934. He was Austrian federal Chancellor December 1930 to June 1931. He had succeeded Carl Vaugoin, the Christian Social Chancellor from September to November 1930. *Protokolle der Christlichsozialen Parteitage*, 361.

⁹¹⁸Suval, *The Anschluss Question*, 146.

⁹¹⁹ *Protokolle der Christlichsozialen Parteitage*, 365, 406-408.

Ultimately, due to the gravity of the economic crisis and the overall popular sentiment favoring an *Anschluss* or union with Germany, whether political or just economic, the Austrian Foreign Minister Schober began negotiations with the German Foreign Minister Curtius. Schober requested an Austro-German *Zollunion* or customs union in March 1931, which was not supposed to compromise Austrian independence or violate the peace treaty. When France retaliated, the resulting *Creditanstalt für Handel und Gewerbe* bank failure of May 1931 tremendously intensified the global depression, as well as the loss of confidence among Austrians regarding the economic viability of their state.

Most of the Austrian parties wanted the customs union, and many Austrians saw Germany as a viable market for its wood and potential hydro-electric production. In Austria the socialists came out in strong support of the customs union, which was a "pro-*Anschluss* expression."⁹²⁰ The Greater German People's Party, partnered with the Christian Social Party until 1932, and the extreme Austrian nationalist *Heimwehr* bloc likewise gave their support.

However, the Christian Social Party, which led the government, was divided on the customs union issue.⁹²¹ Christian Socials heavily debated the customs union and its likely consequences, which were economic betterment at the price of losing autonomy. Seipel and Schober were long time, bitter political rivals. They not only had differences over the *Anschluss*, but Schober favored secular policies while Seipel favored clerical policies.⁹²² After serving as chancellor for much of the 1920s, Seipel had preceded Schober as foreign

⁹²⁰The Customs Union. *ÖVP Parteiarchiv*. Box 55, "The Anschluss."

⁹²¹Sir Eric Phipps to Mr. A. Henderson. Vienna, 25 March 1931. *BDF*. 3:54-55.

⁹²²*Arbeiter Zeitung*, 6 September 1931.

minister in 1930. Even when he was out of office, the ex-Chancellor and ex-Foreign Minister Seipel could not stop intervening in Austrian affairs. When Seipel heard about his enemy Schober's customs union plan, he immediately campaigned against it. Seipel's Christian Social followers also opposed the customs union. In addition, the Christian Social *Reichspost* was sceptical about the customs union. Seipel did not get along with German Foreign Minister Curtius either.⁹²³

Despite the opposition of many Christian Socials, according to an American counselor in Germany, Prentiss Gilbert, overall the Austro-German customs union received "virtually unanimous support" in Austria.⁹²⁴ The popularity of the customs union reflected the desperate economic situation in Austria, the people's unhappiness with present conditions and hope for something better, as well as the close ties between Austria and Germany. Moreover, the customs union was heavily favored in Austria because it represented a more moderate proposal. It was acceptable to those who had wanted a political union with Germany but realized that, particularly due to international pressure, an *Anschluss* was not feasible at the moment. They considered an economic union a favorable alternative and even hoped an economic union would one day become a political one. For them the customs union was a way to circumvent the treaties forbidding an *Anschluss*. At the same time the customs union was acceptable to others who opposed political union but realized that an economic union with Germany was vital for Austrian survival, and contended that Austria would maintain its political sovereignty.

⁹²³ Seipel and the Customs union. 1931. *ÖVP Parteiarchiv*. Box 87. "Seipel."

⁹²⁴ The Memorandum by the Counselor of Embassy in Germany (Gilbert): Austrian Development— Information and Opinion. Berlin, 28 March 1938. *FRUS: 1938*. 1:467; The Customs Union. *ÖVP Parteiarchiv*. Box 55, "The Anschluss."

When the Austro-German customs union ultimately collapsed in September 1931 due to French-led opposition, Schober resigned as head of the Greater German People's Party. Regarding the failure of the customs union, the opposition socialists blamed France and its allies and the Christian Socials. The socialist leader Karl Renner said the Christian Socials had never really believed that the customs union would work. Also, they condemned Seipel for having signed the Geneva Protocols in 1922, which made an economic union with Germany illegal.⁹²⁵ Therefore, France dealt the biggest blow to the customs union, but the Christian Social Party, in particular Seipel, was responsible for rallying domestic opposition to the Austro-German customs union. In 1931 the Greater Germans and Schober really challenged their coalition partner and tried to take a concrete step toward *Anschluss*. Ultimately they failed while the Christian Social Party succeeded.

III. The Christian Socials under Dollfuss

Following the fall of Schober and the brief chancellorship of Karl Buresch, Christian Social Party member Engelbert Dollfuss⁹²⁶ became Austrian Chancellor on May 20, 1932. Like Seipel, he helped prolong Austrian independence. Unlike Seipel, however, he fatefully comprised parliamentary democracy and succumbed to the authoritarian temptation in the process. Despite the fact that he was only about five feet in height, he was the key Austrian

⁹²⁵ Hann, *Die Stellung der Christlichsozialen Partei*, 50, 60.

⁹²⁶ Engelbert Dollfuss (October 4, 1892-July 25, 1934) was Austrian Chancellor for two years from 1932 to 1934. He was born in Texing in Lower Austria. He had a law degree from the University of Vienna and had also studied in Berlin. He fought on the Italian front during World War I. See also, Johannes Messner, *Dollfuss. An Austrian Patriot* (Norfolk: IHS Press, 2004); *The Dollfuss/Schuschnigg Era in Austria: A Reassessment*; Gordon Brook-Shepherd, *Engelbert Dollfuss* (London: Macmillan, 1961); Dieter Binder, *Dollfuß und Hitler: über die Außenpolitik des autoritären Ständestaates in den Jahren 1933/34* (Dissertation. University of Vienna, 1979).

leader in the early 1930s. The *Times* stated “this little man happened to be fighting to keep [Austria] a part of Christendom.”⁹²⁷ Christian Socials regarded him as an Austrian hero. But victims of his autocracy, especially the Austrian socialists, despised him.⁹²⁸ Like his Christian Social predecessors, in his first year in power Dollfuss received a series of international loans to bolster both the economy and Austrian independence. Thereafter, in response to the rising Nazi threat and Hitler's desire to destroy Austria, Dollfuss both created an autocratic state and increasingly aligned with Benito Mussolini's Fascist Italy. At this time Mussolini, not yet Hitler's ally, also wanted to maintain an independent Austria.

The *Anschluss* remained a key issue in Austrian politics in the early 1930s, but the Christian Social Party's position did not alter under Dollfuss. Similar to Seipel, Dollfuss still kept up the public appearance of close ties with Germany. Dollfuss stated, “The world must know that we are an independent state, because of the blood, history, and geography of our homeland, we are aware of the closest of ties and friendship with the German Reich, a friendship that is just and mandatory.”⁹²⁹ Dollfuss never denied that Austria was a German state and said “as [a] second German State we have our special national mission, which we wish to fulfill in complete freedom and independence.”⁹³⁰ Additionally, Dollfuss favored the Danube Confederation plan of 1932, just as Seipel had favored such a plan in the 1920s.

⁹²⁷ *Times* [London], 31 July 1934.

⁹²⁸ James William Miller, “Engelbert Dollfuss and the Austrian Agriculture,” *The Dollfuss/Schuschnigg Era in Austria*, 122.

⁹²⁹ Ulrich Eichstädt, *Von Dollfuss zu Hitler. Geschichte des Anschlusses Österreichs 1933-38* (Wiesbaden: Steiner, 1965), 20.

⁹³⁰ As reported by Sir Eric Phipps to Sir John Simon. Vienna, 3 May 1933. *B DFA*. 3:304.

The Christian Social Party's opposition to the Austro-German customs union in 1931 that had resulted in the resignation of Schober severely damaged relations between the Christian Social Party and the Greater German People's Party. In addition, by the early 1930s the Greater German People's Party had lost many votes to the Nazi Party. In the spring of 1932, the "Great Coalition" of the Christian Social Party and Greater German People's Party that had lasted for over a decade dissolved due to differences over the *Anschluss*. Following Hitler's rise to power in January 1933, the role of the *Anschluss* issue in Austrian politics suddenly changed. The socialist party⁹³¹ and the pro-*Anschluss* wing of the Christian Social Party officially reversed their positions at this time because they wanted union with a democratic, not a Nazi-dominated, Germany.⁹³² Indeed, because Nazi terrorism in Austria had already begun in 1931, some Austrians had already withdrawn their support for an *Anschluss* even earlier. Nevertheless, some other Austrians, like university professor Karl Gottfried Hugelmann, remained staunchly pro-*Anschluss* and left the Christian Social Party when its pro-*Anschluss* wing reversed itself.⁹³³

This abandonment of the *Anschluss* by many of its traditional supporters and the fact that the Christian Socials and socialists each made up about one-third of the population suggested that Austrian popular sentiment from 1933 to early 1938 was both anti-*Anschluss*

⁹³¹With Germany under Nazi control, the socialist party in Austria became disillusioned and agreed to postpone its efforts for union until Germany became democratic again. The socialist *Arbeiter Zeitung* asserted that the party's goal was an *Anschluss* with a republican Germany, not Nazi Germany. The party wished to achieve the *Anschluss* through peaceful means and not war. The very small Austrian communist party likewise dropped its support for *Anschluss*. As reported by Sir Eric Phipps to Sir John Simon. Vienna. 13 May 1933. 3:306-307.

⁹³² Sir Eric Phipps to Sir John Simon. Vienna, 13 May 1933. 3:306-307.

⁹³³Hann, *Die Stellung der Christlichsozialen Partei*, 53.

and anti-Nazi. The Austrian government controlled by the Christian Socials remained both as well. The negative impact of Hitler's rise to power was apparent to outside observers as well. Articles in both the *Times* [London] and *New York Times* had maintained that before the rise of Hitler, the majority of Austrians had wanted a union with a democratic Germany.⁹³⁴

The Austrian Greater German People's Party was one of few older parties that remained in favor of an *Anschluss*, though this did not redound to their benefit. With the loss of most non-Nazi pro-*Anschluss* supporters, the *Anschluss* movement from 1933 to 1938 became increasingly dominated by the Nazis, though for the first time since World War I it was now a minority movement. Moreover, while the *Anschluss* movement from 1918 to 1933 was heavily swayed by the poor economic conditions in Austria, the main motivation of the *Anschluss* for the Austrian National Socialists turned from economic to national and political.

When Dollfuss came to power in May 1932, the Parliament had seventy-two socialists, sixty-six Christian Socials, ten Greater Germans, nine *Landbund* (Agrarian League) members, and eight *Heimwehr* members. Dollfuss formed a right-wing coalition of the Christian Socials, *Landbund*, and *Heimwehr*, which had a total of eighty-three parliament seats, as compared to the socialist and Greater German People Party opposition, which together had eighty-two seats. By a one vote majority, Dollfuss and the Christian Socials headed the new government.⁹³⁵

⁹³⁴“Policy by Murder.” *Times*. 27 July 1934; “Gains for the Reich in Seizure of Austria.” *New York Times*. 13 March 1938. The *New York Times* used the words, “almost unanimously” to describe the extent of popular support for union before Hitler.

⁹³⁵ Shepherd, *Engelbert Dollfuss*, 87.

At this time, the Christian Social Party was also concerned with the rise of Nazism. The Austrian Nazi Party had made gains in the provincial and Vienna municipal elections in April 1932, gaining 17% of the votes. The Christian Socials' greatest fear was a coalition of socialists and Nazis; therefore, they began postponing elections, first for six months, then for a year, and finally indefinitely. However, the Christian Social Party did not take into consideration the fact that by 1933 the Austrian socialists, who were aware of the socialist persecution in Germany, were not only anti-Nazi but also anti-*Anschluss*. The Christian Socials and socialists still made up a strong majority in Austria.⁹³⁶

The intensely conservative Christian Socialist Party could not conceive of a coalition with the socialists even to save democracy, since they viewed the socialists as “revolutionaries” and political foes rather than social democrats. Many Christian Socials believed that the socialists were plotting to takeover the government and attempting to install a Bolshevik dictatorship. The right contended that socialism and communism were the same,⁹³⁷ and that the “Reds” were trying to turn Vienna into a “Socialist Mecca” after Moscow.⁹³⁸ Dollfuss, like Seipel, the Austrian Church, and Mussolini, was fiercely anti-socialist, and Dollfuss unequivocally refused to compromise with socialists. Dollfuss was also concerned about Mussolini whose support required that Austria to be anti-socialist.⁹³⁹

⁹³⁶Shepherd, *Engelbert Dollfuss*, 87-89.

⁹³⁷ Martin Kitchen, *The Coming of Austrian Fascism* (London: McGill-Queen's University Press, 1980), 268.

⁹³⁸ J. D. Gregory, *Dollfuss and his Times* (London: Hutchinson & Company, 1935), 166; In 1933 Hermann Neubacher of the Greater German People's Party used the term “Hebraic Marxists.” Hadow to Sir John Simon. 17 August 1933. Vienna. British Foreign Office (FO) 371/16643.

⁹³⁹ Carsten, *The First Austrian Republic*, 182.

The Christian Social Party saw the socialists and Nazis as equally menacing. Neither was an eligible coalition partner, and both had to be prevented from obtaining power by any means necessary. Thus, Dollfuss' greatest mistake was not forming a Christian Social Party-Socialist coalition. The Greater German People's Party's hostility to the socialists had prevented a pro-*Anschluss* majority in the 1920's. Now Christian Social Party hostility to the socialists prevented an anti-Nazi majority in the 1930s.

Dollfuss' path toward authoritarianism was rooted in experiences from his early life. The illegitimate son of a peasant and a miller, Dollfuss nonetheless attended university, where the philosopher Othmar Spann, who opposed democracy and capitalism, inspired him. In 1913 Dollfuss had studied theology and even considered becoming a priest.⁹⁴⁰ Dollfuss, a devout Catholic, was also influenced by Bishop Emmanuel Kettler and the anti-Semitic Christian Social leader Karl von Vogelsang. Together, these formative influences helped to shape Dollfuss' pro-agrarian, anti-socialist, and anti-democratic policies.

In the 1920s Dollfuss had been the Director of the Chamber of Agriculture of Lower Austria and Secretary of the *Bauernbund* (Peasants' League) from 1922 to 1927. While working at the *Bauernbund*, he met his wife Alwine Gienke. As Director of the Chamber of Agriculture, Dollfuss was deeply concerned about the peasants. His main goal was to help the poor Austrian farmers who suffered during and after the war due to an agricultural slump. He supported farmers in agrarian policies, such as dairying, animal breeding, and allocating land.⁹⁴¹ In 1930 he became the Christian Social Party President of the Austrian

⁹⁴⁰ Miller, "Engelbert Dollfuss and the Austrian Agriculture," *The Dollfuss/Schuschnigg Era in Austria*, 124-126.

⁹⁴¹ Gregory, *Dollfuss and his Times*, 115, 117.

Federal Railway. Under the Chancellorship of Karl Buresch in 1931,⁹⁴² Dollfuss had been the Austrian Minister of Agriculture and Forests. When he became chancellor, Dollfuss had used leftover money from the 1922 League of Nations Protocol to give peasants loans⁹⁴³ and continued to advocate the interests of farmers.

Like Seipel in the 1920s, Dollfuss received a League of Nation loan despite the growing authoritarianism of his Austro-fascist regime. On July 15, 1932, under Chancellor Dollfuss, Austria signed a treaty in Lausanne, Switzerland. In the treaty the British, Americans, and other powers gave Austria a loan of three-hundred million gold-schilling.⁹⁴⁴ The *Reichspost* stated that two-thirds of the Austrian *Nationalrat* favored these loans.⁹⁴⁵ Opponents to the loans invoked both patriotic and anti-Semitic sentiments. The July 19, 1932, *Wiener Morgan* asserted that Austria was being sold into slavery due to the loan. The newspaper called the loan an “Auslandsdiktat” (foreign dictation) and a “Krebs” (cancer). According to *Wiener Morgan*, Austria now had to pay for Mr. Rothschild’s debts.⁹⁴⁶ Dollfuss used the money for interest payments, housing and building projects, roads,

⁹⁴² Karl Buresch (1878-1936) was the Christian Social Chancellor from June 1931 to May 1932. After Dollfuss became Chancellor in May 1932, Buresch served as finance minister from 1933 to 1935. “Cabinet In Austria Formed by Buresch.” *New York Times*, 21 June 1931.

⁹⁴³ Miller, “Engelbert Dollfuss and the Austrian Agriculture,” 124-127, 132, 138.

⁹⁴⁴ “Die Anleihe als Weg zur politische Freiheit.” (A loan as a path to political freedom), *Reichspost*, 20 July 1932. *ÖVP Parteiarchiv*. Box 55, “The Anschluss.”

⁹⁴⁵ *Reichspost*, 26 July 1932.

⁹⁴⁶ *Wiener Morgan*, 19 July 1932. The newspaper was found in the *ÖVP Parteiarchiv*. Box 55, “The Anschluss.”

bridges, railroads, and the military, as well as aiding farmers.⁹⁴⁷ In short, Dollfuss was directing much of the foreign loans into public construction projects in a Keynesian-like effort to cut unemployment and restart the economy.

As in the past, these loans came with conditions. Once again the grantors made Austria re-affirm both the Treaty of St. Germain and the Geneva Protocol at Lausanne.⁹⁴⁸ Thus, in return for these loans, Austria again had to agree to remain independent and not seek a political or economic union with Germany. When Hitler became Chancellor of Germany on January 30, 1933, Dollfuss re-stated the Christian Social Party policy that was not only anti-*Anschluss* but also made clear that Austria must fight with all methods in order to maintain its independence.⁹⁴⁹ In addition, in January 1933, Christian Social civil servant Richard Schmitz reiterated the Christian Social Party's stance when he said that Austria had to right to protect its culture and history.⁹⁵⁰

Dollfuss ended parliamentary government in Austria on March 4, 1933, because he feared that the Christian Social Party would lose its control over the government to Nazis and/or socialists. The immediate cause was the resignation of Karl Renner from parliament

⁹⁴⁷ Dollfuss spent about 54 million schilling on interests payments, 27.5 million schilling on railroads, 22 million schilling on the military, 22 million schilling on roads, 17 million schilling on investments, 11 million schilling on housing and other building projects, 2.5 million schilling on utilities, and 2 million schilling on bridges. The rest of the money went to pensions, loans to farmers, industries, and businesses. Harold Margreiter, *Die Österreichischen Staatsanleihen seit 1918*, 132.

⁹⁴⁸Memorandum. *Documents on German Foreign Policy 1918-1945: Series D (1937-1945)*. 1:552; Austria also agreed that the debt of the *Creditanstalt* had to be absorbed by the National Bank. Lausanne Loan. 1932. *ÖVP Parteiarchiv*. Box 55, "The Anschluss."

⁹⁴⁹Dollfuss speech 1933. *ÖVP Parteiarchiv*. Box 55, "The Anschluss."

⁹⁵⁰ Hann, *Die Stellung der Christlichsozialen Partei*, 55-56.

which triggered a political crisis. Influenced by events in Germany where leaders had issued emergency degrees to circumvent the *Reichstag*, on March 7, Dollfuss addressed the Austrian people and issued his own emergency decree dissolving the *Nationalrat*, diminishing the powers of the president, suspending elections, and revoking parts of the constitution.⁹⁵¹ In his appeal to fellow Austrians, Dollfuss announced that there was a parliamentary crisis in Austria, but since the legislature alone did not run the government, there was no state crisis. He declared that "in order to preserve peace and order" the Austrian government had to forbid any public demonstrations and meetings and suppress freedom of speech until further notice.⁹⁵²

Even though in 1933 Dollfuss had dissolved the parliament, cancelled future elections, and proceeded to rule by decree, he speciously claimed that the Austrian parliament had dissolved itself. In contrast to Hitler's Nazis Party, Dollfuss established an Austrian version of fascism called "Austro-Faschismus," which was monarchist, Catholic, anti-democratic, anti-Socialist, anti-Nazi, and nationalistically pro-Austrian. Dollfuss claimed that Nazism was not a true form of fascism. Yet, this disclaimer notwithstanding, Nazism and Austro-fascism shared an anti-socialist, anti-democratic, and anti-parliamentary ideology.⁹⁵³

⁹⁵¹ Kirk, "Fascism and Austrofascism," *The Dollfuss/Schuschnigg Era in Austria*, 19-21. When the government refused to stop prosecuting train strikers, Renner and others resigned in March 1933. According to Kirk, Dollfuss then revived the War Economy Enabling Act of 1917 which allowed him to govern without parliament.

⁹⁵²The Federal Government of the Republic of Austria. Government Appeal. Vienna, 7 March 1933. *B DFA*. 3:290.

⁹⁵³ Kirk, "Fascism and Austrofascism," *The Dollfuss/Schuschnigg Era in Austria*, 17-20.

Having banned parliament, Dollfuss ruled through the army and paramilitary *Heimwehr*. The Dollfuss government suspended certain constitutional provisions and suppressed most opposition groups, like the Nazis, socialists, and communists. Dollfuss set out to uphold conservative and Catholic forces in Austria while at the same time reasserting Austria's independence. Dollfuss stated that "we desire neither international socialism nor brown socialism."⁹⁵⁴ Although he did not get support from the working class, Dollfuss received strong backing from the Catholic Church, *Heimwehr*, army,⁹⁵⁵ farmers and peasants in rural areas, monarchists, and some Jews who feared Nazism.⁹⁵⁶ In particular, Dollfuss could rely on the solid support of the Austrian Catholic Church. The Austrian cardinal, bishops, and other clergy, like Bishop Dr. Johannes Gföllner of Linz, adamantly backed the Christian Social Party. Before Dollfuss' Chancellorship, Cardinal Innitzer had written a letter in October 1930 stating that the "life and death struggle against formidable internal forces" and Christ's foes had begun. Innitzer had even instructed "all good Christians" to vote for the Christian Social Party and held prayers during elections. The Catholic Church supported family and marriage and attacked socialism and basic rights, like separation of church and state and freedom of speech.⁹⁵⁷ Thus, the Austrian Church and the Dollfuss regime shared a hatred of socialism and as well as lack of sympathy for democracy.

⁹⁵⁴as reported by Sir Eric Phipps to Sir John Simon. Vienna, 3 May 1933. 3:304.

⁹⁵⁵ In early 1933 the size of the *Heimwehr* was estimated at 40,000. The army's size, which was restricted by the Treaty of St. Germain, was about 20,000. However, by late 1933 Dollfuss had the army increased to about 30,000. Carsten, *The First Austrian Republic*, 199-203.

⁹⁵⁶Bukey, *Hitler's Austria*, 14.

⁹⁵⁷Carsten, *The First Austrian Republic*, 174.

In September 1933 Dollfuss created the Fatherland Party (*Vaterländische Front*), which was an umbrella political movement set up to support the Austro-fascist state. The Fatherland Party was sometimes also called the Fatherland Front or Patriotic Front. The Christian Social Party, to which Dollfuss belonged, was integrated into the Fatherland Party.⁹⁵⁸ The symbol of the Fatherland Party was the *Kruckenkreuz*, (crutched cross) as opposed to the Nazi *Hakenkreuz* (Swastika). The Fatherland Party's slogan was "Österreich erwache!" (Austria awake!)⁹⁵⁹ Moreover, Dollfuss allied himself with Ernst Rüdiger von Starhemberg and his fascist, paramilitary *Heimwehr*, which was also incorporated into the Fatherland Party. In speeches on May 6 and September 11, 1933, Dollfuss declared that "We want a Catholic and German state Austria . . . [and] that we will preserve our homeland Austria . . ."⁹⁶⁰

Most Christian Social Party members supported the new authoritarian state, and party brochures stated "strengthen the VF (*Vaterländische Front*, Fatherland Party)." The democratic wing of the Christian Social Party under Leopold Kunschak and Josef Reither opposed the undemocratic state. On the other hand, the Christian Social Otto Günther asserted that although many party friends would shake their heads, the *Hakenkreuz* (Swastika) threat was so intense that a one-party state was necessary to save Austria.⁹⁶¹

⁹⁵⁸ The Fatherland Party's membership was estimated at three million in 1937, although the government had imposed compulsory membership. Mr. Mack to Mr. Eden. Vienna, 6 December 1937. *B DFA*.13:399-400.

⁹⁵⁹ *Österreich! Und Front Heil! Aus dem Akten des Generalsekretariats der Vaterländischen Front. Innenansichten eines Regimes*. Robert Kriechbaumer, ed. (Vienna: Böhlau Verlag, 2005), 144.

⁹⁶⁰ *Österreichische Parteiprogramme 1868-1966*, Berchthold, ed., 431.

In 1934 Dollfuss proclaimed a *Ständestaat*, which was the fascist, undemocratic, one party, authoritarian state in Austria. The Fatherland Party became the only party.⁹⁶² Dollfuss officially outlawed oppositional political parties, such as the socialist party in February and the Nazi Party in June. He had already banned the communists in 1933. When Dollfuss banned the socialist party, he had its offices raided. He also prohibited worker strikes and labor unions. Working class organizations were incorporated into the fascist state. The *Schutzbund* was terminated, and socialist control over Vienna ceased.⁹⁶³ After it became illegal, the socialist party became an underground organization that opposed the ruling government but nonetheless preferred it to the Nazis.⁹⁶⁴ On May 1, 1934 Dollfuss created a new constitution, which gave the chancellor much more power than the 1920 constitution⁹⁶⁵ Dollfuss made a Concordat with the Vatican in 1934, which gave the Catholic Church more influence over Austrian schools, marriages, and other areas of life.

By suspending elections and establishing a one-party rule, Dollfuss had in fact made himself dictator, which heightened public discontent. The Dollfuss regime had suppressed Nazism and had maintained the state's independence, but at the expense of parliamentary government. Sixty to seventy-five percent of the Austrian public, split equally between

⁹⁶¹ *Protokolle der Christlichsozialen Parteitage*, 472-476; See also, *Österreich! Und Front Heil! Aus dem Akten des Generalsekretariats der Vaterländischen Front*.

⁹⁶² The *Ständestaat* is sometimes also called Dollfuss' "Corporate State."

⁹⁶³ Kitchen, *The Coming of Austrian Fascism*, 279.

⁹⁶⁴ Sir Walford Selby to Sir John Simon. Vienna, 24 April 1935. BDF. 11:311.

⁹⁶⁵ Helmut Wohnout, "A Chancellorial Dictatorship with a "Cooperative" Pretext: the Austrian Constitution Between 1934 and 1938," *The Dollfuss/Schuschnigg Era in Austria*, 143-145.

socialists and Nazis, did not support the Dollfuss regime.⁹⁶⁶ Meanwhile, a German memorandum stated at least 80% of Austrians hated the Dollfuss government.⁹⁶⁷ These statistics show mass popular discontent toward Dollfuss, but do not mean majority support for union with Nazi Germany.

In his autocratic ambition, Dollfuss overreached. His prohibition of the socialists was his biggest mistake, because he destroyed the most important potential ally against Nazism. Dollfuss not only banned the socialists, but also he crushed them in repressive violence when they did not passively submit. In response to government laws aimed at disabling the labor movement, a workers' uprising broke out in February 1934. It began in Linz but spread to other industrial areas. About two hundred people died, including one hundred civilians and one hundred policemen, soldiers, and *Heimwehr* guards. The Dollfuss regime executed leaders of the uprising and dismissed thousands of insurgents from their jobs. The state also arrested several hundred socialists.⁹⁶⁸ The Dollfuss government forced the socialist leader Otto Bauer into exile in Brno, Czechoslovakia, for his role in the uprising. From

⁹⁶⁶Hadow to Sir John Simon. 17 August 1933. Vienna. British Foreign Office (FO) 371/16643. Robert Henry Hadow also talked to Dr. Oskar Pollak, the editor of the socialist *Arbeiter-Zeitung*, who discussed the “stupidity of the government in refusing socialist help” against Nazism. The statistic also backs up other sources that say leading up to the *Anschluss* the Austrian population was about one-third Nazi, one-third socialist, and one-third Christian Social.

⁹⁶⁷Memorandum by Gilbert In Der Mauer. Vienna, 16 February 1934. *Documents on German Foreign Policy 1918-1945: Series C (1933-1937)*. II:500.

⁹⁶⁸Peter Kulemann, *Am Beispiel des Austromarxismus: Sozialdemokratische Arbeiterbewegung in Österreich von Hainfeld bis zur Dollfuss-Diktatur* (Hamburg: Junius Verlag, 1979), 396. This book also lists other examples of socialist persecution under Dollfuss.

Czechoslovakia, he attempted to mobilize socialist resistance.⁹⁶⁹ Some smaller skirmishes between the government and socialists occurred after February 1934, but this incident was the largest sign of socialist unrest under the Dollfuss regime. Therefore, by 1934 Dollfuss's popularity had dwindled considerably due to intense criticism from political opponents over his autocratic rule. Although Dollfuss destroyed the labor movement, ended elections and parliamentary government, and limited people's rights, Martin Kitchen argues that fascism in Austria was never as severe as it was in Nazi Germany and Italy.⁹⁷⁰ Nonetheless, Dollfuss' anti-socialist policies had cataclysmic consequences because they left Austria vulnerable to Nazism.

IV. The Christian Socials and the Rise the Austrian Nazi Party

Besides the socialists, the Christian Social Party's fiercest opponents were the Austrian Nazis. Unlike the Austrian Nazi Party, the Christian Social Party championed Austrian independence and Austrian rather than German nationalism. Moreover, the Christian Socials in Austria opposed the anti-clerical and anti-Catholic position that the

⁹⁶⁹Otto Bauer (1881-1938) fled to Paris after the German takeover of Czechoslovakia. Bauer met with other exiled Austrian socialists in Brussels on April 1, 1938, where he astonishingly endorsed the *Anschluss*. He died in July 1938 in Paris, several months after the German annexation of Austria. Unlike Bauer, socialist Karl Renner (1870-1950) remained in Austria. But like Bauer, after Hitler annexed Austria, Renner publicly came out in support of the *Anschluss*. In an interview that appeared in the April 3, 1938, *Neues Wiener Tagblatt*, he reminded his followers of his pro-*Anschluss* position back in 1919, and said he would vote yes in the April 10, 1938, plebiscite that Hitler had established as a referendum in Austria on the *Anschluss*. Most Austrians voted in favor of the *Anschluss*, but by this time Nazi methods of fear and intimidation were already in place. After World War II, Renner rejected the idea of an *Anschluss* and became the first Austrian Chancellor of the Second Republic of Austria in 1945. Renner was President from 1945 to 1950. Siegfried Nasko, "Ein 'Deutschösterreichischer' Staatsmann? Karl Renners Haltung zur Anschlußidee 1918-1938." *Ungleiche Partner?* 417-420; Radomír Luza, *Austro-German Relations in the Anschluss Era* (London: Princeton Press, 1975), 70-71.

⁹⁷⁰ Kitchen, *The Coming of Austrian Fascism*, 277-278.

Nazis had taken in Germany. During the early 1930s the Austrian National Socialists had already drawn attention to themselves and gained support from the youth, anti-socialists, pro-German nationalists, anti-clericalists, and anti-Semites, as well as doctors, teachers, professors, writers, and other intellectuals, even though at this time they were still a relatively small minority party.⁹⁷¹

Besides Georg Schönerer's right wing movement in the nineteenth century, the origins of the Austrian Nazi Party can be traced to the anti-Slav, anti-Semitic, pro-*Anschluss*, *Deutsche Arbeiterpartie* (German Workers' Party) formed in Bohemia in 1903 in response to German Austrian competition with cheap Czech labor. In May 1918 the party had changed its name to *Deutsche Nationalsozialistische Arbeiterpartie* (DNSAP, German National Socialist Workers' Party). After the breakup of the Habsburg Empire, the party split into a Sudeten German group and an Austrian one. The growth of the German Nazi Party caused the Austrian Nazi Party to split briefly into pro- and anti-Hitler factions. In 1926 the Austrian Nazis merged with their German counterparts, the NSDAP.⁹⁷²

The Austrian Nazis only had 500-600 members in 1929,⁹⁷³ and in 1930 Phipps reported that, unlike Germany, communism and National Socialism in Austria were virtually non-existent.⁹⁷⁴ The Nazi Party was much weaker in Austria than in Germany. In 1930 elections in both countries the Austrian Nazi Party received 3% of the vote and no parliamentary seats, while its German counterpart had won 18% of the vote and 101

⁹⁷¹Nazi Voters. 1933. *ÖVP Parteiarchiv*. Box 55, "The Anschluss."

⁹⁷²Low, *The Anschluss Movement, 1931-1938*, 117-119.

⁹⁷³ Low, *The Anschluss Movement, 1931-1938*, 117-119.

⁹⁷⁴Sir Eric Phipps to Mr. A. Henderson. Vienna, 26 September 1930. *B DFA*. 3:13.

Reichstag seats.⁹⁷⁵ The Nazi Party had originated in Austria (Bohemia) but remained a fringe group there because Austrian politics were dominated by two main parties, the Christian Social and socialist. The third largest party was the Greater German People's Party. As both it and the Christian Socials were very much on the right, there was little space on the political spectrum for yet another right-wing party.

By 1932, however, the Austrian Nazis were on the rise. The success of the party in Germany contributed to its strengthening in Austria, where it gained support from *grossdeutsch* and pro-*Anschluss* groups. Although November 1930 was the last national election in Austria, the last provincial election occurred in April 1932. In these provincial elections the Austrian Nazi Party received 201,000 votes, an increase of 174,000 from the previous elections, mainly at the expense of the Greater German People's Party, whose votes had dwindled to almost nothing, and to a smaller degree the Christian Social Party. While Nazism appealed to Austrians of various classes and occupations, in 1932 the new middle class, especially civil servants—many of whom had been laid off—and managers, constituted one of the strongest bases of support for the Nazis.⁹⁷⁶ Nevertheless, the fact that the Austrian Nazi Party won about 17% of the votes in the provinces in 1932 and the German Nazis had won about 37.4 % of the votes in national elections that same year,⁹⁷⁷ showed that in comparison, Austrian Nazism was still not as strong as its German counterpart in the early 1930s.

⁹⁷⁵Kindermann, *Hitler's Defeat in Austria*, 13.

⁹⁷⁶Bukey, *Hitler's Austria*, 44-45.

⁹⁷⁷Pauley, *From Prejudice to Persecution*, 168.

Sir Eric Phipps reported that a "noticeable change" had occurred in 1932, and "whether through funds obtained from its parent [organization] in Germany or through the spontaneous growth of a widespread discontent against existing political and economic conditions . . . the Nazi Party is gradually acquiring an increasing hold over a section of the electorate." The Nazi Party meetings in Vienna were "well attended," and through numerous placards, speakers, and parades, the Nazi movement offered "a promise of excitement" and appealed to the anti-Jewish elements of the population. Phipps went on to say that apparently the Nazi Party had "come to stay," although the fate of a similar movement led by Schönerer from 1873 to 1888 suggested that Austrian fascination with far right national parties might only last a few years.⁹⁷⁸

Despite the increase in Nazi votes, two-thirds of Vienna remained "Red,"⁹⁷⁹ and in provincial elections the Austrian Nazis had only received one-sixth of the seats at stake, compared to the German Nazi Party, which had emerged as the largest party in the *Reichstag* after July 1932. The Christian Socials and socialists still numerically dominated Austria, together receiving 70% of the vote in 1932. Most of the German nationalists did go over to the Nazi side by 1933,⁹⁸⁰ but this was still not enough. Any significant gains by the Nazi Party had to be drawn away from one of the two main parties. It was extremely difficult for the Nazi Party to penetrate either the socialist party, which held sway over the working class and Vienna, and the Christian Social Party, whose stronghold was the Catholic, conservative provinces. The Austrian Catholic Church was a powerful and

⁹⁷⁸Sir Eric Phipps to Sir John Simon. Vienna, 30 May 1932. *B DFA*. 3:193-194.

⁹⁷⁹Sir Eric Phipps to Sir John Simon. Vienna, 26 April 1932. 3:184.

⁹⁸⁰Kindermann, *Hitler's Defeat in Austria*, 13, 127.

influential institution that opposed the Nazis. Although 90.5% of Austrians were Catholic, before 1933 only 36-45% of them had regularly voted Christian Socialist. In 1934 the working class represented about 55% of Austrians, and even though not all voted socialist, most did.⁹⁸¹ In short, the Austrian Nazi Party was clearly on the rise at this time, but significant structural factors stood in the way of its making further major gains among the Austrian electorate. Its success was heavily dependent on Nazi Germany, which besides sending support set out to undermine the Austrian government.

V. Dollfuss: Combating Nazism and Terrorism

Germany supported violence and propaganda in Austria, which hurt the latter's economy, created rampant disorder, and brought public attention to the Nazi Party which increased in membership.⁹⁸² However, this tactic failed to bring the Nazis to power or achieve an *Anschluss*. At the same time Dollfuss' anti-Nazi policies failed to eliminate the Nazi threat because the party moved underground and continued its attacks on the government. Dollfuss' anti-democratic and anti-Nazi policies led to much Austrian criticism and dissatisfaction with the ruling regime, but not to popular support for Nazism or the *Anschluss*.

The Dollfuss government responded to Nazi terrorism by issuing curfews in cities, prohibiting the sale of German newspapers, raiding Nazi quarters, and arresting hundreds of agitators. According to the *Chicago Daily Tribune*, even many German citizens were either

⁹⁸¹Bukey, *Hitler's Austria*, 75, 95.

⁹⁸²Bukey, *Hitler's Austria*, 44.

arrested or deported. Dollfuss appointed Eugen Seydel as chief of police to restore order.⁹⁸³ Dollfuss also reintroduced the death penalty for convicted Nazi terrorists and dismissed pro-Nazi professors from Austrian universities. Furthermore, he opened a concentration camp for the internment of political prisoners (Nazis as well as socialists and communists),⁹⁸⁴ and ultimately he made oppositional parties illegal.

In order to weaken the Dollfuss regime, Nazi Germany made it mandatory for Germans visiting Austria to pay one-thousand marks for a visa on May 26, 1933.⁹⁸⁵ The expensive visas curbed tourism and threatened to further cripple Austria's economy, which was heavily dependent on tourism as a source of revenue. Hitler's intention was to topple the Dollfuss government and have new elections that would most likely strengthen the Nazi position. In April 1934 Nazi Germany also cut imports to Austria.⁹⁸⁶

On June 14, 1933, the Dollfuss government proclaimed the Nazis responsible for a wave of terrorism that included a series of bomb attacks in Austria that targeted utilities, stores, troops, and Austrian leaders, such as the Minister of Education.⁹⁸⁷ One such bomb attack on an Austrian regiment in Lower Austria left thirty men wounded. In Salzburg an

⁹⁸³ "Austria Fights to Curb Brown Shirts." *Chicago Daily Tribune*, 14 June 1933. The Nazi headquarters near Hitler's birthplace in Braunau am Inn was raided and padlocked by Austrian police.

⁹⁸⁴ Sir Walford Selby to Sir John Simon. Vienna, 13 November 1933. *B DFA*. 3:391.

⁹⁸⁵ Memorandum respecting the Situation in Austria. 19 June 1933. *B DFA*. 3:315.

⁹⁸⁶ Memorandum by an Official of the Economic Department. Berlin, 30 April 1934. *Documents on German Foreign Policy 1918-1945: Series C (1933-1937)*. II:789-790.

⁹⁸⁷ "Hitler's Guards Sent to Border in Austria." *Chicago Daily Tribune*, 15 June 1933; Memorandum respecting the Situation in Austria. 19 June 1933. *B DFA*. 3:315.

attempt was made to bomb the water and electric plant and leave the city without utilities.⁹⁸⁸ In June 1933 the *Washington Post* reported that a similar attempt to knock out a power plant occurred in Vienna. Nazis released tear gas into Austrian political meetings and cut phone lines. German National Socialists also agitated and aroused Austrian citizens by using German planes to drop seditious pamphlets and propaganda fliers from the skies. These fliers contained messages like the “new fight” has begun. The German planes that flew into Austrian airspace created such a problem that Austria requested seventy-five planes from the major powers, despite the limitations placed on the Austrian air-force in the Treaty of St. Germain and the Geneva disarmament conference in 1932.⁹⁸⁹ In addition, the Nazis sent subversive radio broadcasts from Munich.⁹⁹⁰ Nazi propaganda films, like *Triumph of the Will*, were screened in Austria as well as Germany.⁹⁹¹ In mid-June 1933, the *Chicago Daily Tribune* stated that Nazis, Christian Socials, and socialists attacked one another on the streets.⁹⁹² The terrorist outbreaks scared away foreign tourists, compounding the decline in an already shattered tourist economy.

The Austrian government contended that Nazi involvement in these terrorist incidents was “proven beyond doubt.”⁹⁹³ The *Reichspost* declared that the National

⁹⁸⁸ Sir Eric Phipps to Sir John Simon. Vienna, 20 June 1933. 3:320-321.

⁹⁸⁹ “Austria Will Repel Raiding Nazi Planes.” *Washington Post*, 27 June 1933.

⁹⁹⁰ Sir Robert Vansittart (for the Secretary of State) to His Majesty’s Representatives at Paris. 25 July 1933. *B DFA*. 3:328

⁹⁹¹ Bukey, *Hitler’s Austria*, 37.

⁹⁹² “Hitler’s Deputies Beaten in Riot.” *Chicago Daily Tribune*, 17 June 1933.

⁹⁹³ “Austria Will Repel Raiding Nazi Planes.” *Washington Post*, 27 June 1933; Sir Eric Phipps to Sir John Simon. Vienna, 20 June 1933. 3:320-321.

Socialists were "no longer a political, but a criminal association."⁹⁹⁴ On the other hand, the pro-Nazi *Wiener Neuste Nachrichten* placed the blame for the attacks on a few radical extremists within the party and said "the Government cannot suppress the will of a great part of the Austrian people, which will persist and manifest itself in due course."⁹⁹⁵

Moreover, in June 1933 the *New York Times* contended that Nazi support was steadily rising in Austria's provinces.⁹⁹⁶ Tyrol, Salzburg, and Vorarlberg were especially hit hard by the drop in tourism. Although not necessarily pro-Nazi, the people of these provinces were so dependent on German tourism that they wanted some reconciliation with Germany. Local skirmishes and bomb explosions were numerous in these provinces, indicating high Nazi activity. It was Consul Ian Henderson's opinion that loss of German tourism had won Nazi supporters in these regions.⁹⁹⁷ According to Henderson, in 1933 tourism declined in Salzburg by 45%. Two-thirds of the province was sympathetic to the Nazis, and before the dissolution of the Austrian Nazi Party, its meetings experienced full attendance.⁹⁹⁸ Henderson also said that he had "no doubt" that the people in Vorarlberg were overwhelmingly pro-Nazi, and if elections were held at present the Nazis would win.⁹⁹⁹ In

⁹⁹⁴*Reichspost*. 23 June 1933.

⁹⁹⁵Sir Eric Phipps to Sir John Simon, 321.

⁹⁹⁶"All Nazi Quarters Closed in Austria." *New York Times*, 13 June 1933.

⁹⁹⁷Consul Henderson to Sir Walford Selby. Innsbruck, 11 September 1933. *B DFA*. 3:346-347.

⁹⁹⁸Consul Henderson to Sir Walford Selby. 14 September 1933. 3:347-348.

⁹⁹⁹Consul Henderson to Sir Walford Selby. 17 November 1933. 3:392; 15 January 1934. 10:250.

addition, Nazism was very popular in Carinthia and Styria.¹⁰⁰⁰ Swastikas were burned on mountain sides, posters were plastered on walls in towns at night, and far-right pamphlets were handed out to the populace.¹⁰⁰¹

Henderson reported that there was extremely high anti-Italian sentiment in Tyrol over the loss of South Tyrol and the oppression of its German inhabitants.¹⁰⁰² In South Tyrol, the Italian government was suppressing the instruction of the German language in certain areas and replacing it with Italian, dismissing German workers, and conscripting German Tyroleans into the Italian army.¹⁰⁰³ German historic place names were taken down, some family names Italianized, freedom of speech compromised, and German was banned from official public use, like the courts.¹⁰⁰⁴ In a 1928 speech Mussolini had called the German minority in South Tyrol an “‘absolutely negligible’ one.”¹⁰⁰⁵ In a conversation among a British diplomat, Mussolini, and the Italian Ambassador in Great Britain Count Dino Grandi, also in 1928, the latter had stated that the issue would be of no more concern within ten years because by then South Tyrol would be completely Italian.¹⁰⁰⁶ In the early and mid- 1930s about 1,650 South Tyroleans had fled to Austria and Germany.¹⁰⁰⁷

¹⁰⁰⁰Bukey, *Hitler's Austria*, 44, 62-63.

¹⁰⁰¹Consul Henderson to Sir John Simon. Innsbruck, 19 October 1933. *B DFA*. 3:387.

¹⁰⁰²Consul Henderson to Sir Walford Selby. Innsbruck, 19 January 1934. 10:251-252.

¹⁰⁰³Consul Henderson to Sir Walford Selby. 26 January 1936. 12:284.

¹⁰⁰⁴Viscount Chilston to Sir Austin Chamberlain. Vienna, 26, February 1928. 2:314.

¹⁰⁰⁵Viscount Chilston to Sir Austin Chamberlain. 6 March 1928. 2:317.

¹⁰⁰⁶Sir Robert Graham to Sir Austin Chamberlain. Rome, 9 March 1928. *B DFA*. 2:318.

¹⁰⁰⁷Consul Henderson to Sir Walford Selby. Innsbruck, 26 January 1936. 12:284.

The situation in South Tyrol infuriated Austrian Tyroleans who were not only anti-Italian, but also opposed to the Austrian government. Since the end of World War I they had believed that Berlin not Vienna would properly address their grievances. Austrian Tyroleans had felt especially betrayed by Dollfuss' alliance with Mussolini.¹⁰⁰⁸ As in other areas, the German Tyroleans were organizing themselves, and one particular group, the *Andreas Hofer Bund*,¹⁰⁰⁹ had a large number of people sympathetic to Nazism.¹⁰¹⁰ Large numbers of business men in Tyrol also sympathized with Nazism.¹⁰¹¹ One Tyrolean Deputy and member of the Greater German People's Party, Dr. Straffner, viewed the "Anschluss as the panacea for Austria's ills."¹⁰¹² In 1933 a few months after Hitler came to power, the Austrian Nazis had won 41% of the votes in Innsbruck. Nevertheless, altogether Nazi gains in Tyrol were low compared to those in Carinthia and Styria.¹⁰¹³ The *New York Times* also maintained that Tyrol had ardent pro-monarchical leanings.¹⁰¹⁴

Besides South Tyrol, German national sentiment heightened among German-speaking populations in other former pre-war Habsburg territories as well. Because the Nazis became the preeminent supporters of the German national cause, Nazism was likewise

¹⁰⁰⁸ Consul Henderson to Sir Walford Selby. 19 January 1934. 10:251-252.

¹⁰⁰⁹ The group was named after the Tyrolean hero.

¹⁰¹⁰ Consul Henderson to Sir Walford Selby. 26 January 1936. 12:284-285; Andreas Hofer Bund *ÖVP Parteiarchiv*. Box 55, "The Anschluss."

¹⁰¹¹ Consul Henderson to Sir Walford Selby. 17 January 1934. 10:250

¹⁰¹² no first name given. Viscount Chilston to Sir Austin Chamberlain. Vienna, 26, February 1928. 2:314.

¹⁰¹³ Evan Bukey, *Hitler's Austria*, 12, 63.

¹⁰¹⁴ By 1938 three out of every four communities had elected Archduke Otto as an honorary citizen. "Gains for the Reich in Seizure of Austria." *The New York Times*. 13 March 1938.

rising. From Czechoslovakia, Sir Joseph Addison reported that of the Sudeten Germans "the overwhelmingly majority are in favour of a change and, in default of any other satisfaction, favour Nazidom," and "they wish to be governed, or misgoverned by persons whose mother tongue is German and not by the Slavs, whom they despise...."¹⁰¹⁵ Henderson maintained that the Sudetens were "Nazi to a man" and "would welcome any upheaval which would bring about Czech discomfiture."¹⁰¹⁶ Austrian sympathy for the Sudeten Germans remained strong, and the oppression of the ethnic Germans continued to dampen friendly relations between the Austrians and Czechs into the late 1930s. South Tyrol, Czechoslovakia, and Austria were similar because each contained a large German population in close proximity to the German Fatherland where German national sentiment and Nazism were increasing. Among these three territories, the most immediate Nazi goal was still a seizure of power in Austria. Ironically, Hitler had abandoned the South Tyroleans to Mussolini, the one clear case where he abandoned ethnic Germans for political expediency. The South Tyroleans were in denial about this.

After banning the Nazi Party in June 1934 because of heightened terrorism, Dollfuss had the National Socialist quarters in Austria seized and any German agitators expelled.¹⁰¹⁷ According to the *Washington Post*, by 1934 Dollfuss had arrested about 1,500 people in his campaign to eliminate Nazism, and several accused terrorists, such as Josef Gerl who had shot a policeman, had been executed.¹⁰¹⁸ A memorandum by the British Foreign Office

¹⁰¹⁵Sir Joseph Addison to Sir John Simon. Prague, 7 August 1934. *B DFA*. 10:362-363.

¹⁰¹⁶Sir Joseph Addison to Sir John Simon. 361.

¹⁰¹⁷Memorandum respecting the Situation in Austria. 19 June 1933. 315.

stated that "Dr. Dollfuss' object is to continue to rule until the National Socialists have discredited themselves in Germany (which he hopes will be soon) and to put off holding new elections till then."¹⁰¹⁹ Dollfuss had helped Austria resist National Socialism, but Dollfuss accomplished this at the expense of democracy. Regardless of Dollfuss' ban of the Nazi Party, Nazi terrorism and propaganda remained in Austria. Nazis supporters continued to bomb stores, sabotage work places, and assault politicians throughout Austria.¹⁰²⁰

Despite the intense Nazi terrorism and the rise of Nazism in the provinces, overall, the Nazis remained a minority in Austria as shown by the fact that there was no mass support for the attempted Nazi coup—and resulting assassination of Dollfuss—in July 1934. From 1933 to March 1938 about one-third of Austrians embraced Nazism. After Dollfuss's assassination, his successor Kurt von Schuschnigg continued the *Ständestaat*, which lasted until the *Anschluss* of 1938. Schuschnigg followed the same basic approach as Dollfuss, suspending Austrian rights, maintaining the ban on Nazis and Socialists, and preserving Austrian independence.

VI. Conclusion

In the period 1930 to 1934 the Christian Social Party underwent huge changes. The Great Coalition broke up in 1932 due to the collapse of the Austro-German customs union

¹⁰¹⁸ "Terrorist Hangs as Dollfuss Pushes Campaign on Enemies." *Washington Post*, 25 July 1934.

¹⁰¹⁹ Memorandum respecting the Situation in Austria, 313.

¹⁰²⁰ Sir Robert Vansittart (for the Secretary of State) to His Majesty's Representatives at Paris.(No. 118, Saving) and Rome (No 182). 25 July 1934. *B DFA*. 3:328; The Nazis threatened that Dollfuss would be punished for banning them. "Nazis are Enraged by Ban in Austria." *New York Times*, 21 June 1933.

plan of 1931 and the rise of Nazism that weakened the Greater German People's Party. In addition, Dollfuss established his own dictatorship in 1933. He suppressed oppositional parties and terminated elections in order to stay in power. Dollfuss formed a new anti-socialist, Austrian nationalist, Austro-fascist, rightwing coalition with the *Heimwehr*.

Nonetheless, some things remained the same in this period. The Christian Social Party still supported Austrian independence with continued diplomatic and financial support from Britain and the United States. Reasons why the Christian Social Party did not want an *Anschluss* were Austrian nationalism, Catholicism, anti-socialism, fear of Prussian and Protestant domination, and the influence of American and British policies. The fact that Catholic Church prayed for Dollfuss' success, showed the tight relationship between his party and the Church in the 1930s. Both were anti-*Anschluss* and against the extension of German Protestantism and initially German socialism and later German Nazism. Dollfuss, like Seipel, was an Austrian patriot who confident in Austria's viability.

Even though the Christian Social Party had been integrated into the Fatherland Party in September 1933, the Christian Social Party continued to exist until 1934. The Christian Social Party held its last meeting on May 14 and was officially dissolved on September 28, 1934.¹⁰²¹ At the last Christian Social Party meeting, Leopold Kunschak honored past Christian Socials Lueger and Seipel and the present leader Dollfuss, for shaping not only the Christian Social Party, but also the history of Austria. Kunschak stated that these men had gotten the country out of trouble and saved Austria from both the "red" and "brown" menaces. Knowing that the Christian Social Party would be terminated, he concluded that

¹⁰²¹*Protokolle der Christlichsozialen Parteitage*, 468; See also, *Protokolle des Klubvorstandes der Christlichsozialen Partei 1932-1934*, Walter Goldinger, ed. (Vienna: Verlag für Geschichte und Politik, 1980).

Dollfuss must now go his own way. Despite his initial opposition to autocratic rule, Kunschak wished Dollfuss well.¹⁰²²

Kunschak's statement during the last party meeting showed the party's inability to join forces with the socialists and the precariousness of this situation. Dollfuss' crushing rather than allying with socialists meant that no government with majority support was possible. It also led to Austria's dependence on Italian support since Britain and the United States were unwilling to go beyond financial to political/military commitment.¹⁰²³

¹⁰²² *Protokolle der Christlichsozialen Parteitage*, 472-476.

¹⁰²³ The Christian Social Party led the Austrian government from 1930 to 1934, and then its rule continued in a different form under Schuschnigg from 1934 to 1938. Even with rise of Nazism beginning in the early 1930s, the portion of Austrians who supported the Nazi Party remained about one-third from 1933 to 1938. See, Bukey, *Hitler's Austria*.

CHAPTER IX
THE LEGITIMISTS, 1930-1934

I. Introduction

From 1930 to 1934, the legitimists continued to be the most ardent Austrian nationalists who opposed an *Anschluss*, in comparison to the Christian Socials and industrialists. In January 1932 the monarchist newspaper the *Staatswehr* was explicit and blunt in stating that the *Anschluss* meant “death” (*Tod*) for Austria.¹⁰²⁴ As in the 1920s, the main goal of Austrian monarchists was still a Habsburg restoration. The monarchist movement strengthened in the 1930s, especially in response to Nazism.

The two most important figures of the Austrian monarchist movement in the 1930s were Archduke Otto von Habsburg and Prince Ernst Rüdiger von Starhemberg, the leader of the *Heimwehr* (Home Guard),¹⁰²⁵ a heavily armed, fascist, paramilitary organization that strongly opposed socialism and after 1931 Nazism. There was a strong monarchist element within the *Heimwehr*, which in the 1930s had about two-hundred thousand members. Gustav

¹⁰²⁴ *Staatswehr*, 20 January 1932.

¹⁰²⁵ As in the 1920s, there was much internal fighting in Austria in the 1930s between the many political groups, such as the *Heimwehr*, the socialist *Schutzbund*, the Christian Social *Ostmärkischen Sturmscharen*, and communists. Even though Hitler came to power in Germany in 1933, the Nazi terror campaign in Austria had already begun in 1931. The year 1934 in particular marked a civil war in Austria where the Christian Socials and the *Heimwehr* fought the Nazis and socialists. Memorandum respecting the Situation in Austria. 19 June 1933. *BDF*. 3:315.

Wolff, Ernst Karl Winter, and Willibald Plöchl were also important men in the legitimist movement from 1930 to 1934.

From 1930 to 1934 the legitimists were key players in the struggle against Nazism and the fight to save Austria. After the *Anschluss*, the legitimists became victims of Nazism. Many monarchists fled, and among those who did not many were persecuted or even killed by the Nazis. In addition, despite of the legitimists' political failures, they indirectly fragmented the forces of the right who otherwise would have favored an *Anschluss*. Thus, the Austrian monarchists and their sympathizers within the Christian Social Party and *Heimwehr* took on the enemies of an independent Austria, in particular the Nazis.

This chapter will focus on the 1930s, with less attention to the time when the legitimists were in exile in the United States and Great Britain. First it looks at the customs union plans. Second, it investigates the various legitimist organizations. Third, it analyzes key monarchist figures from 1930 to 1934. Finally, this chapter examines how some monarchists interacted with the Americans and British in maintaining Austrian independence.

Initially, the United States and Great Britain did not support the idea of a Habsburg restoration, believing that this would undo the postwar peace settlement. After the rise of Nazism in the 1930s, however, Great Britain and the United States viewed a Habsburg restoration in Austria as preferable to a Nazi takeover. After the *Anschluss*, many of the Austrian legitimist exiles ended up in Great Britain and the United States, where they participated in the Austrian resistance movement against Nazism, which overall was small, fragmented, and unsuccessful. Ironically, during World War II, the governments of the

United States and Great Britain belatedly aided the Austrian legitimist exiles in their efforts to regain Austrian independence.

II. Customs Union of 1931 and Danube Confederation of 1932

The monarchists were the only Austrian group that adamantly came out against the Austro-German customs union attempt in 1931. Even though the majority of Austrians had supported the customs union at a time when Austria was suffering from the worst of the Great Depression, legitimists continued to contend that the reestablishment of the monarchy was the only solution to Austria's ills.¹⁰²⁶ More than one-thousand Austrian monarchists handed the British, Italian, and Hungarian diplomats in Vienna a memorandum on March 28, 1931, declaring that the Austro-German customs union would undermine both Austrian independence and a Habsburg restoration.¹⁰²⁷

Also, the legitimists supported the Danube Confederation plan of 1932. The *Staatswehr*, on January 20, 1932, had headline titles that asked the question: "Anschluss oder Donauföderation, Hitler oder Habsburg?" (Anschluss or Danube Confederation? Hitler or Habsburg?). The newspaper supported the latter over the former. The newspaper supported a customs union with only Hungary and/or Italy if the Danube Confederation plan failed.¹⁰²⁸ They also backed Dollfuss' fascist and anti-*Anschluss* state and its close ties with Italy and Hungary in the 1930s.

¹⁰²⁶Sir Eric Phipps to Mr. A. Henderson. Vienna, 1 July 1931. *BDF*A. 3:107.

¹⁰²⁷*New York Times*. 13 April 1931.

¹⁰²⁸ "Anschluss oder Donauföderation, Hitler oder Habsburg?" *Staatswehr*, 20 January 1932. This position was similar to the *Österreichische Nachrichten: Organ der Monarchisten*

III. The Membership of Legitimist Organizations

By 1934 the number of Austrian legitimists, according to British calculations, was 1,219,976.¹⁰²⁹ This figure regarding the total number of legitimists was based on membership in the monarchist organizations and parties, not voting. The monarchist, *Der Eiserne Ring* (the Iron Ring)¹⁰³⁰ had a membership of about 100,000 in the 1930s. Although in the late 1920s only a couple hundred communities in Austria had elected Archduke Otto as an honorary citizen, by 1934 4,374 communities were reported to have done so.¹⁰³¹ The number of legitimists increased in the 1930s in response to the economic crisis and Nazism. Nevertheless, from 1930 to 1934 the monarchists still had scant success at the polls and remained a small minority.

IV. Otto von Habsburg

Although he was in exile and had little real political power, Otto von Habsburg, whose family the British had aided after World War I and who had received tremendous

Österreichs on February 5, 1925 and April 9, 1925, which had favored a Danube Confederation over union with Germany.

¹⁰²⁹ Figure from Mr. Mack to Mr. Eden. Vienna, 22 November 1937. *BDF*A.13:389. The figure did not take into account dual membership.

¹⁰³⁰ In August 1932 legitimists founded the *Eiserne Ring*. Many legitimist groups subordinated themselves to the Iron Ring, which became one of the new predominate monarchist group up to 1938. The President of the Iron Ring was Maximilian Herzog von Hohenberg, and Wilhelm Freiherr von Reichlin-Meldegg was the *Ringführer*, ring leader. Friedrich Ritter von Wiesner was also a member. The Iron Ring, like other legitimist groups, championed the “good old days,” imperial nostalgia, and a renewal of Austria based on its six-hundred and fifty years of Habsburg rule. Friedrich Wagner, *Der österreichische Legitimismus*, 41-45; See also, Alfred Härtlein, *Härtlein-Manuskript*.

¹⁰³¹ Mr. Mack to Mr. Eden. Vienna, 22 November 1937. 13:389.

American support during World War II, remained the most powerful symbol for the Austrian legitimist movement in the 1930s. Following the death of his father Kaiser Karl in 1922, Austrian monarchists regarded Otto von Habsburg¹⁰³² as the legitimate heir to the throne.¹⁰³³ In 1933, when Hitler came to power and set his eye of expansion on Austria, Otto von Habsburg initiated opposition to Nazism from exile to keep Austria independent. In the 1930s Austria, Archduke Otto was a major figure in the struggle of “Habsburg versus Hitler.”¹⁰³⁴ Archduke Otto had even considered taking over the government from Austrian Chancellor Kurt Schuschnigg. During World War II, Archduke Otto and his family were in the USA working for a free Austria.

The Habsburg places of exile included Switzerland, Belgium, Spain, Madeira, and the USA. Their first refuge was a Habsburg hunting lodge at Eckartsau, which was in still Austria. Karl had not abdicated his throne, and in early January 1919 the socialist and first

¹⁰³²The parents of Otto von Habsburg (born 1912) were Karl (1887-1922), the last Austrian Emperor and last King of Hungary, and Zita (1892-1989), an Italian-born Princess of the House of Bourbon-Parma, who was a fervent Catholic. Otto was the first of eight children. When Austrian Emperor Franz Joseph died in 1916, his great-nephew Karl inherited the throne. However, Karl’s regime was short because the Austro-Hungarian Empire collapsed after World War I in 1918. Neither Karl nor Zita ever relinquished their claim to the throne. In 1921 Karl attempted twice to regain the Hungarian crown, but the ex-Admiral Miklos Horthy opposed Karl and made himself “Regent of Hungary.” After Karl died in 1922, Zita wore black for the rest of her life. Zita was given a state funeral in Austria in 1989 despite her continued belief that she truly was the Empress of Austria. She was buried in the *Kaisergruft* (imperial crypt) in Vienna where other Habsburgs are buried including Marie Theresa and Joseph II, as well as Franz Joseph, his wife Elizabeth, and their son Rudolf. On October 3, 2004, Pope John Paul II had Karl blessed and beautified in a Catholic ceremony. See also, Gordon Brook-Shepherd, *Uncrowned Emperor: The Life and Times of Otto von Habsburg* (London: Hambleton, 2003); Stephan Baier, *Otto von Habsburg: die autorisierte Biografie* (Vienna: Amalthea, 2002); Erich Feigl, *Otto von Habsburg: Protokoll eines politischen Lebens* (Vienna: Amalthea-Verlag, 1987).

¹⁰³³*Staatswehr*, 14 April 1922. The newspaper gave Otto the title “Kaiser of Austria, King of Bohemia, and King of Hungary.

¹⁰³⁴*Staatswehr*, 2 January 1932.

Austrian Chancellor Karl Renner arrived at Eckartsau and instructed the Habsburgs to leave the country. According to Gordon Brook-Shepherd, the security situation in Eckartsau was poor, and the royal family was threatened by a mob of rebels and looters. On February 16, 1919, several British officers who belonged to the British military authorities in Vienna rescued the Habsburg family and escorted them from Eckartsau, Austria, to safety in Switzerland. The British monarchy had felt guilt over not having done anything during the Russia Revolution when the Bolsheviks murdered George V's cousin Czar Nicholas II and his entire family in cold blood at Ekaterinburg. Gordon Brook-Shepherd asserted that George V did not want Eckartsau to become another Ekaterinburg. By helping the Habsburgs, the British monarchy was extending its hand to fellow royals in trouble. The commanding British officer Lieutenant-Colonel Edward Lisle Strutt befriended the Habsburgs. The British flag flew from the Habsburg motor cars as they left Austria. Ironically, the British officers gave the Habsburgs their only official salute.¹⁰³⁵

On April 3, 1919, the Austrian government, headed by the socialists, enacted the Habsburg laws (*Habsburgergesetz*) that officially banned the Habsburgs from Austria and confiscated their properties, including *Schloss Schönbrunn*. Yet, most members of the Christian Social Party and even the Greater German Party member Chancellor Johannes Schober, attended a mass to mourn the death of Karl in April 1922.¹⁰³⁶ After the mass, many

¹⁰³⁵ Strutt had been in Venice when he had received a telegram from the Allied military headquarters in Constantinople to assist the Habsburgs. Brook-Shepherd, *Uncrowned Emperor*, x, 46-51.

¹⁰³⁶ *Staatswehr*, 5 May 1922 and 26 May 1922. Also, on January 6, 1922, the *Staatswehr* had stated that Austria must fight the foes of Otto; The monarchists also had yearly remembrances of the Kaiser. *Österreichische Nachrichten*, 31 March 1923.

monarchists shouted “Long Live the Habsburgs!”¹⁰³⁷ In 1926 the *Staatswehr* headline stated “Otto, our future.”¹⁰³⁸

In 1930 fifteen hundred Austrian villages had declared Archduke Otto an honorary citizen and each year that number rose. The villages wanted to revoke the Habsburg Laws. Archduke Otto had connections to the *Iron Ring*, which had one of the late Archduke Franz Ferdinand’s sons, Maximilian Hohenberg, as its President. In 1933 and 1934 monarchist supporters had hoped that Dollfuss would restore Otto as Emperor¹⁰³⁹ and that the “Kaiserless” time would come to an end.¹⁰⁴⁰ Legitimists argued that the Kaiser would bring law, stability, and an end to violence.¹⁰⁴¹

Archduke Otto opposed the Nazi conquest of Austria, and in 1939 he asked Great Britain and France permission to form an Austrian legion out of Austrian exiles, mostly legitimists, to fight Nazi Germany. In return for an Austrian legion fighting on the side of

¹⁰³⁷ *Staatswehr*, 7 April 1922.

¹⁰³⁸ *Staatswehr*, 26 June 1926.

¹⁰³⁹ Otto von Habsburg folder, Habsburg Lothringen Box 1935, *Archiv der Republic, Bundeskanzleramt-Allgemein*; *Staatswehr*, mid-July 1933. The article was titled, “Bringt Kanzler Dollfuss Kaiser Otto?” The monarchist newspapers annually celebrated Otto’s birthday. *Österreichische Nachrichten*, 24 November 1923 and *Staatswehr* 1 December 1933.

¹⁰⁴⁰ *Staatswehr*, 14 June 1934. The newspaper article was titled, “Vom rotten Festungsbau zum braunen Stadtrandsiedlung: Geduld! – Der Kaiser Kommt!” (Have patience the Kaiser is coming!). The article said the Habsburg idea was “great and undying.” The monarchy was “glorious” and “superb.” The August 1, 1934, *Staatswehr*, called Kaiser Otto the supreme ruler.

¹⁰⁴¹ *Staatswehr*, 21 August 1934.

the Allies, Archduke Otto wanted the restoration of an independent Austria.¹⁰⁴² From his exile in Belgium, Archduke Otto helped found an Austrian newspaper, the *Österreichische Post*, which was to encourage opposition to National Socialism.¹⁰⁴³

Fleeing Nazi controlled Europe on March 4, 1940, Archduke Otto arrived in the United States and received a very warm welcome in the White House. Archduke Otto and President Franklin Roosevelt did not officially discuss a Habsburg restoration. Instead the primary focus was Austrian independence, which Roosevelt affirmed would be the American foreign policy goal, although the United States had not yet entered the war at this time. Archduke Otto spoke before the United States Senate, where he received a standing ovation, and in addition Archduke Otto gave many interviews with American newspapers and radio stations championing the Austrian cause. He made contact with Secretary of State Cordell Hull, Senator Robert Taft, and Vice President John Garner.¹⁰⁴⁴

During World War II, Archduke Otto's mother Zita even lived in the White House with Roosevelt.¹⁰⁴⁵ On June 12, 1943, Franklin Roosevelt wrote a telegram to Archduke Otto stating: "My dear Otto . . . the American people would be happy to see the people of Austria regain their place as an independent nation." In addition, when he saw a free Czechoslovakia stamp, Archduke Otto encouraged the Post Office of the United States to

¹⁰⁴² Archduke Otto Offers to Form Austrian Legion." *The New York Times*, 10 October 1939. Otto's 24 year old brother Archduke Robert went to London to work out an agreement.

¹⁰⁴³ Brook-Shepherd, *Uncrowned Emperor*, 144.

¹⁰⁴⁴ Brook-Shepherd, *Uncrowned Emperor*, 145-148, 186.

¹⁰⁴⁵ Doris Kearns Goodwin, *No Ordinary Time: Franklin and Eleanor Roosevelt: The Home Front in World War II* (New York: Simon & Schuster, 1994), 152, 466.

introduce a free Austria stamp on November 28, 1943. Ironically, the stamp pictured Emperor Karl and not the Austrian Republic.¹⁰⁴⁶

In July 1940 Roosevelt had urged Archduke Otto to assemble an Austrian volunteer battalion within the framework of the United States army, hoping to recruit thousands of Austrian exiles to fight for a free Austria. In 1942 the War Department under Henry Stimson established the 101st US Infantry Battalion at Camp Attenbury in Indiana.¹⁰⁴⁷ Archduke Otto's brothers Louis and Felix joined. Ultimately, the War Department called off plans for the Austrian volunteer battalion on April 12, 1943, which at that time had about five-hundred men. The volunteer battalion and the attempt to create an official Austrian government in exile failed because the various political factions, the socialists, conservatives, and monarchists, could not come to an agreement. The socialists, suspecting that Archduke Otto's schemes had more to do with monarchical restoration than Austrian independence, had called the volunteer battalion a "Habsburg battalion."¹⁰⁴⁸ Ultimately, even with American sympathy and support, Archduke Otto had many Austrian detractors.¹⁰⁴⁹

¹⁰⁴⁶ Brook-Shepherd, *Uncrowned Emperor*, 155-159; See also, Thomas Chaimowicz, "Lacht nicht, ich wasche Gottes Erde"—Als Jude und Legitimist im Wien von 1938," *1938—Anatomy eines Jahres*, Thomas Chorherr, ed. (Vienna, 1987).

¹⁰⁴⁷ Franz Goldner, *Austrian Emigration 1938-1945* (New York: Ungar, 1979), 44-47.

¹⁰⁴⁸ Bauer, *Otto von Habsburg: die autorisierte Biografie*, 72-76.

¹⁰⁴⁹ After World War II, Otto married Princess Regina of Saxe-Meiningen and Hildburghausen in 1951 and has seven children. Otto renounced his claim to the Austrian throne in 1961 and returned to Austria for the first time since his exile in 1966. Otto, who has both Austrian and German citizenship, represented Germany in the European Union, EU, from 1979 to 1999. He represented the CSU. As a member of the European parliament, he was a Pan-European advocate. Otto and his wife live in Bavaria.

V. Ernst Rüdiger von Starhemberg

Ernst Rüdiger von Starhemberg¹⁰⁵⁰ was the leader of the paramilitary and Austro-fascist *Heimwehr* in the 1930s. He was also a legitimist supporter and Austrian nationalist who played a pivotal role in preserving Austrian independence. He belonged to the *Heimwehr*'s political party the *Heimatblock*. After witnessing a wave of Nazi terrorism in Austria that began in 1931, Starhemberg contended that the Nazis could not be reasoned with and advocated the use of force against them. Therefore, he sought to turn his *Heimwehr* into a fighting apparatus strong enough to counter both the socialist *Schutzbund* and the Nazis. In the early 1930s Starhemberg's *Heimwehr* was receiving most of its arms and money from Mussolini, in direct violation of the peace treaty. Throughout the First Republic, including the 1931 *Putsch* attempted by a dissident *Heimwehr* minority and the 1934 Nazi assassination of Engelbert Dollfuss, Starhemberg and his *Heimwehr* remained loyal to the Austrian government and Austrian independence.¹⁰⁵¹

Starhemberg's family had received both their land and wealth in return for their centuries-long service and loyalty to the Habsburgs. One of his ancestors had liberated Vienna from the Turks in 1683. Starhemberg had inherited the title "Prince" when he was born. Thus it is no surprise that when the Habsburg Monarchy collapsed, Starhemberg was

¹⁰⁵⁰ Starhemberg (1899-1956) was born in a small Upper Austrian town called Eferding. After fighting in World War I, he joined the local *Heimwehr*. See also, Barbara Berger, *Ernst Rüdiger Fürst Starhemberg: Versuch einer Biographie* (Dissertation, University of Vienna, Vienna, 1967); Werner Britz, *Die Rolle des Fürsten Ernst Rüdiger Starhemberg bei der Verteidigung der österreichischen Unabhängigkeit gegen das Dritte Reich 1933 – 1936* (Vienna: Lang, 1993); Gudula Walterskirchen, *Starhemberg oder die Spuren der 30er Jahre* (Vienna: Amalthea, 2002).

¹⁰⁵¹ The Nazis made several attempts on Starhemberg's life. Gudula Walterskirchen, *Starhemberg oder die Spuren der 30er Jahre*, 26-28, 156, 168, 241.

shocked, upset, and embittered. A far more disturbing an experience was Starhemberg's return to Austria after fighting on the Italian Front. A mob taunted and humiliated Starhemberg and other returning Austrian officers. The mob ripped off the soldiers' imperial insignias and Starhemberg's medal of honor and threw them onto the ground. In line with his family's close ties with the Habsburgs and his bitterness at the destruction of the monarchy, during the inter-war period Starhemberg remained a monarchist and became a member of the legitimist *Vereinigung katholischer Edelleute in Österreich* (Union of Catholic Nobility in Austria).¹⁰⁵²

Starhemberg's enemies branded him a "murderer of workers," "Swastika supporter," and a "high traitor." But his supporters considered him a true champion for Austrian independence. Like many on the right, Starhemberg was initially attracted by fascism, and he even played a minor role in the 1923 Beer Hall *Putsch* in Munich but was not arrested. Then, despite his initial fascination with Hitler and unlike so many others on the right, Starhemberg quickly became disillusioned with Nazism and became one of its fiercest opponents.

In addition, Starhemberg distanced himself from Walter Pfrimer, the leader of the Styrian *Heimwehr*, who on September 13, 1931, attempted a *Putsch* that he had been preparing for months. With the intention of seizing control of the government, Pfrimer and forty uniformed *Heimwehr* members assembled in Styria. Pfrimer had declared himself dictator of Austria, but he lacked popular backing.¹⁰⁵³ At the first sight of the local police, most of the *Heimwehr* members fled without much violence occurring with the exception of

¹⁰⁵² Ernst Rüdiger von Starhemberg, *Memoirs* (Vienna: Amalthea-Verlag, 1971), 35-38.

¹⁰⁵³ "Austria Puts Down a One Day Revolt." *New York Times*, 14 September 1931.

a few fatalities.¹⁰⁵⁴ Two people died and twelve were wounded.¹⁰⁵⁵ Because the Austrian government had put down the *Putsch* quickly, Great Britain, France, Italy, and other countries saw no reason to intervene.¹⁰⁵⁶ Starhemberg had adamantly stated that he had played no role in the Pfrimer coup and that he had remained loyal to the government. However, the Austrian government had arrested Starhemberg for several days until the charges were dropped.¹⁰⁵⁷

In the 1930s Prince Starhemberg increasingly spoke out against democracy and parliamentarianism. In order to unite Austrian right wing groups under one single banner, Starhemberg disbanded his *Heimatblock* in 1933, and had its members join the Fatherland Party. In May 1934, while remaining the leader of the *Heimwehr*, Starhemberg also became Vice Chancellor under Dollfuss and Minister of State Security, which made him one of the most important figures in Austrian politics. Moreover, in the wake of the 1934 coup, he made no attempt to seize power for himself but mobilized his *Heimwehr* troops to prevent a Nazi takeover and assisted the Austrian government.¹⁰⁵⁸ After Dollfuss died in July 1934, Starhemberg became the leader of Fatherland Party. He was thirty-five years old then, and newspapers described as an attractive and “youthful aristocrat.”¹⁰⁵⁹ In 1934 Austrian

¹⁰⁵⁴Mr. Hadow to the Marquess of Reading. Vienna, 14 September 1931. *B DFA*. 3:120-122.

¹⁰⁵⁵ “Austrian Troops Quell Dawn to Dusk Rebellion.” *Chicago Daily Tribune*, 14 September 1931.

¹⁰⁵⁶ “Fascists Stir Armed Revolt over Austria.” *Washington Post*, 14 September 1931.

¹⁰⁵⁷ Sir Eric Phipps to Sir John Simon. Vienna, 12 November 1931. *B DFA*. 3:134-136.

¹⁰⁵⁸ “Starhemberg is Firm on Austrian Independence.” *New York Times*, 27 July 1934.

¹⁰⁵⁹ “Starhemberg Defies Nazis.” and “Starhemberg Warns Berlin and Socialists.” *Washington Post*, 28 July 1934; “Savage fighting in South Austria.” *New York Times*, 27

monarchists wanted him to become “Regent of a Kingdom of Austria” and to prepare the way for a future Habsburg restoration.¹⁰⁶⁰

Although Starhemberg had befriended Dollfuss, Schuschnigg mistrusted him. Schuschnigg dissolved the *Heimwehr* on October 10, 1936, because he thought it was a rival power group that was possibly dangerous to the government. The dissolution of the *Heimwehr* was a prime example of Austrian internal factionalism prior to the German invasion. After the termination of the *Heimwehr*, its members either joined the Nazi Party or favored the Austrian legitimist faction. Many ex-*Heimwehr* members collaborated with the Nazis, like Walter Pfrimer. Nonetheless, many of the pro-monarchist and Austrian nationalist (as opposed to German nationalist) members of the former *Heimwehr* supported the government against Nazism. Starhemberg and Richard Steidle¹⁰⁶¹ exemplified the latter. After the *Anschluss*, Starhemberg left Austria and Steidle ended up in a concentration camp. In 1939, during his exile in France and Britain, Starhemberg attempted to create an Austrian

July 1934; “Starhemberg is Firm on Austrian Independence.” *New York Times*, 27 July 1934. The *New York Times* had expressed concern though that despite his stance on independence, he was also anti-democratic and favored Austro-Fascism.

¹⁰⁶⁰ “Washington Eyes on Austria, Revolt.” *Chicago Daily Tribune*, 26 July 1934; The *Chicago Daily Tribune*, 27 July 1934, described Starhemberg as “friendly to the monarchy.” The *Chicago Tribune* also called him the new Austrian chancellor; *New York Times*, 29 July 1934; “World-Wide Sympathy with Austria.” *Times* [London]. 27 July 1934.

¹⁰⁶¹ Richard Steidle (1881-1940) was a lawyer and Christian Social representative in the Tyrolean *Landtag* (1918-1921). He was member of the Austrian *Bundesrat* from 1921 to 1934. In 1920 he founded the Tyrolean *Heimwehr* and remained its leader until 1932. He was also a member of the Austrian *Heimwehr* 1932-1934. Under Dollfuss he became the federal commissioner for propaganda and the Austrian diplomatic representative in Trieste. In 1938 the Nazis arrested him, and he died in *Buchenwald* in 1940. *Protokolle der Christlichsozialen Parteitage*, 137.

Foreign Legion that would fight Nazi Germany, but this proposal failed. However, Starhemberg did fight for the Free French air force.¹⁰⁶²

VI. The Legitimists and the United States and Great Britain

Although in the period 1930 to 1934 Great Britain and the United States had officially opposed a Habsburg restoration, nonetheless in light of changing circumstances they gradually began to value the legitimists for their steadfast opposition to the *Anschluss*. According to the *New York Times* on June 16, 1933, France and the Little Entente stated that they preferred the return of Otto von Habsburg over an *Anschluss*.¹⁰⁶³

In particular after the 1934 assassination of Engelbert Dollfuss, the monarchist movement in Austria greatly increased.¹⁰⁶⁴ Given a choice between a Habsburg restoration and Nazism, many countries, like France, Britain, the US, Italy, Czechoslovakia, Romania, and Yugoslavia, considered the monarchist alternative as the “lesser of the two evils.”¹⁰⁶⁵

¹⁰⁶² “Starhemberg Would Lead Austrians Against Nazis.” *The New York Times*, 15 September 1939. Starhemberg, his actress wife Nora Greger, and an Austrian weapons dealer Fritz Mandl met in France where about 1,000 Austrian exiles had re-located. Starhemberg had tried to persuade them to join an Austrian Legion, but had no luck. Starhemberg said he had been troubled by how many Austrians were fighting for Hitler. After the *Anschluss* in 1938 Starhemberg first went into exile in Switzerland, then France, then Great Britain, and finally Argentina. Starhemberg lived in Argentina from 1942 to 1955. He returned to Austria in 1955 and died of a heart-attack in Schruns in 1956.

¹⁰⁶³ “France Move Seen For Habsburg Rule.” *New York Times*, 16 June 1933.

¹⁰⁶⁴ “Hope is Renewed by Monarchists.” *Washington Post*, 29 July 1934; “Monarchists for Restoration of the Old Dynasty.” *Chicago Daily Tribune*, 29 July 1934. Monarchists argued that only the Habsburgs can save Austria.

¹⁰⁶⁵ “Otto’s Supporters Meet; Backing of Powers Reported.” *Washington Post*, 30 July 1934. Austrian monarchists had met in Lucerne, Switzerland; “Report Austrian Crown to be Offered to Otto: Von Starhemberg Approves Move.” *Chicago Daily Tribune*, 30 July 1934. The report states that in late July monarchists went to Belgium to offer Otto the crown. In

The *New York Times* on July 31, 1934, stated that the major powers had no immediate plans for a restoration, but the Dollfuss assassination “has certainly brought a monarchy nearer.” The major powers favored Archduke Otto over Hitler.¹⁰⁶⁶ Therefore, in 1933 and 1934, the Americans and the British reversed their earlier position and began to appreciate the usefulness of the monarchist opposition to *Anschluss*, even though they opposed the monarchists’ revision of the post-war peace settlement.

Furthermore, tens of thousands of Austrians fled to the United States and Great Britain after the *Anschluss*, and during the course of World War II, both the United States and Britain welcomed and worked with the Austrian legitimists in their fight for an independent Austria. Although not all the Austrian émigrés were politically active and not all were legitimists, most of these émigrés were committed to the cause of overthrowing Nazism and re-establishing an independent Austria. Besides Otto von Habsburg, three prominent Austrian legitimist leaders who entered the United States of America and fought for an independent Austria were Willibald Plöchl,¹⁰⁶⁷ Karl Winter,¹⁰⁶⁸ and Hans Rott.¹⁰⁶⁹

the event that Otto did become King, he would have to recognize Austria’s existing treaties and borders; *New York Times*, 29 July 1934.

¹⁰⁶⁶ “Paris Denies Talk of Otto’s Return.” *New York Times*, 31 July 1934.

¹⁰⁶⁷ The Austrian lawyer, university professor at the University of Vienna, and senior member of the *Akademischen Bundes der Katholisch Österreichischen Landsmannschaften* (K. Ö. L., the Academic Federation of Catholic Austrian Fraternal Associations), Willibald Plöchl stated that the belief in “legitimism” was not based on legislative laws, but on legitimacy, natural right, and divine right. “Legitimism” can be contrary to legislative laws. Plöchl also said that church right fits in well with the “legitimism” thought because the church believes in one supreme and legitimate lawmaker, God. The Gestapo arrested Plöchl in 1938. Plöchl had belonged to Schuschnigg’s government. He fled to the United States later that same year. In the United States, Plöchl had contacts with the State Department, and he helped bring about Resolution 328 of the United States Congress that declared, “. . . the Austrian Nation – spiritually unconquered—although silenced by its suppressors, still continues to exist and will be free again.” Plöchl also had contacts with Hans Rott, who had

written him on February 17, 1941, stressing the need for Austrian exiles in the United States to present a united front. On September 1941 they established the Free Austrian National Council with Hans Rott as the Federal President and Plöchl as the Chancellor. The Free Austrian National Council was to serve as the legitimate Austrian government until the Austrian people were free and able to form a new government themselves. Plöchl published a newspaper from Washington D.C. titled *News of Austria*. The Department of State stated that because the proposed Austrian government in exile did not have support from all Austrian émigré circles, it could not be considered legitimate. After World War II Willibald Plöchl returned to Austria and taught at the University of Vienna. *Österreicher im Exil. USA 1938-1945. Eine Dokumentation*. Band 1 and Band 2; Goldner, *Austrian Emigration 1938-1945*, 44-47; Neuhäuser, *Der Österreichische Legitimismus*, 4-5; See also, *Erzählte Geschichte: Berichte von Männern und Frauen in Widerstand wie Verfolgung*. Volume 2. *Katholiken, Konservative, Legitimisten*, Dokumentationsarchiv des Österreichischen Widerstandes, Heinz Arnberger, ed. (Vienna: Österr. Bundesverlag, 1992).

¹⁰⁶⁸ The legitimist, Ernst Karl Winter (1895-1959) was anti-German and anti-Semitic. Winter was a member of the Christian Officers Union (*Christlichen Offiziersvereinigung*). In 1922 he used the words “Schmach” (scandal) and “Schande” (shame) to describe the Republic of Austria. In 1927 Winter together with August Maria Knoll published the *Österreichische Aktion* (Austrian Action), which supported the idea of Austria being a separate nation rather than Pan-Germanism. One year after Dollfuss had appointed Winter major of Vienna in 1934, he wrote the *Social Monarchy*, which considered a social monarchy as the ideal government. He opposed a union with Germany and asserted that the Austrian state, its people, and culture could only be preserved through a legitimate monarchy. Winter supported the Danube Confederation. After Hitler came to power, like most legitimists, he staunchly fought against Nazism in Austria. He wanted to establish a *Volksfront*, people’s front, based on monarchism, against National Socialism. Shortly after the Nazi takeover, on March 18, 1938, Winter went into exile in the United States where he taught at the New York New School for Social Research. While in the United States, he campaigned for a free Austria and created the “Austro-American Center.” Ernst Karl Winter had said that there were times when he hated the Germans. In 1940 he took part in the American Committee on European Reconstruction. In 1955, he returned to Austria. Neuhäuser, *Der Österreichische Legitimismus*, 9-13; See also, *Österreicher im Exil. USA 1938-1945. Eine Dokumentation*. Band 1 and Band 2.

¹⁰⁶⁹ In Austria Hans Rott had been a Christian Social and Secretary of State under Schuschnigg. Rott had monarchist leanings. During the *Anschluss*, the Nazis imprisoned Rott for several months, and afterwards he went into exile. Rott had worked with Otto von Habsburg in establishing a Free Austria Movement in Portugal. After the Nazi conquest of Europe, Rott settled in Toronto, Canada, and launched the Free Austria Movement from Toronto on October 18, 1940, and later he began a Free Austria Movement in the United States as well. Rott’s Free Austrian Movement was modeled after Charles de Gaulle’s Free French Movement and Tomáš Masaryk’s and Dr. Edvard Beneš’ Free Czechoslovakia Movement. In order to win the support of Austrian republican emigrants, Rott stressed non-partisanship, and he contended that the primary goal was Austrian independence over everything else. Rott argued that after Austria regained its independence the people

Besides Ernst Rüdiger von Starhemberg, who went into exile in Britain from 1940 to 1942 and fought for the Free France air force, another Austrian in Great Britain with strong monarchist leanings was Baron Georg Franckenstein.¹⁰⁷⁰

Overall, the Austrian exiles in the United States and Great Britain failed to establish common objectives or a united front. They were fragmented into several camps, such as the legitimists, socialists, and Christian Socials.¹⁰⁷¹ The various groups had minor success.¹⁰⁷² However, when it came to the larger and more significant issues, such as establishing an Austrian volunteer battalion and an Austrian government in exile, the Austrian émigrés

themselves would decide what type of government they wanted. However, Archduke Otto played such a significant role in the Free Austria Movement that many Austrian anti-monarchist emigrants strongly opposed and even challenged Rott's Free Austria Movement. Archduke Otto was both a strong asset and liability to the Free Austria Movement. Julius Deutsch who led the socialist exiles in the United States, in particular, was a fierce antagonist of Rott and Archduke Otto. Goldner, *Austrian Emigration*, vii, 30-32, 41; See also, *Österreicher im Exil. USA 1938-1945. Eine Dokumentation*.

¹⁰⁷⁰ One of the most respected Austrians legitimist exiles in Great Britain was Baron Georg Franckenstein, who had been the Austrian Ambassador to Great Britain, 1920-1938. Franckenstein was an old monarchist who had lost his place in republican Austria. After the *Anschluss* in 1938, he became an important leader of Austrian exiles in Britain. He helped form the *Austrian Office* in 1940, an Austrian legitimist exile group in Great Britain, whose number one goal was to regain Austrian independence. The *Austrian Office* attempted to unite with other Austrian exiles but failed. *Dokumentationsarchiv des österreichischen Widerstandes* in Vienna. This archive has a photo of Franckenstein shaking hands with Winston Churchill; See also, *Österreicher im Exil. Grossbritannien 1938-1945. Eine Dokumentation*.

¹⁰⁷¹ The socialist emigrants still advocated a Greater Germany once Hitler was gone.

¹⁰⁷² In 1942 both the British government and the US State Department no longer required Austrians to list themselves as "enemy aliens." This act showed that the United States and Britain recognized Austria as a separate nationality. On February 15th, the Free Austria Movement expressed their gratitude to President Roosevelt for stating that Austria was the first victim of Nazism. By 1943, both Britain and the United States officially declared that *Anschluss* had not been legal. Goldner, *Austrian Emigration 1938-1945*, 48, 56-58.

failed.¹⁰⁷³ This showed the strong factionalism within Austria that did not end with Dollfuss but continued into World War II.

VII. Conclusion

By the 1938 *Anschluss* most legitimist organizations had disappeared from the political spectrum. One achievement of the *Reichsbund*, Iron Ring, and other legitimist organizations was their role in re-establishing ties between the Austrian government and the House of Habsburg. In 1935 Schuschnigg repealed the Habsburg laws that had confiscated the family's property and banned them from Austria.

Similar to the 1920s, from 1930 to 1934 the legitimists were true Austrian nationalists who opposed the *Anschluss* in Austria because a union with Germany would hinder a Habsburg restoration. In 1932, the *Staatswehr* had called the *Anschluss* "suicide" (*Selbstermord*).¹⁰⁷⁴ Moreover, although the Christian Social Party and Austrian industries had large pro-*Anschluss* factions within them, the legitimist position on the *Anschluss* question was clear and precise. In contrast to the Christian Socials and industrialists, the monarchists were the only group that adamantly opposed the 1931 customs union between Austrian and Germany. The legitimists had also fully supported both the Dollfuss and Schuschnigg regimes.

As in the 1920s, from 1930 to 1934 the legitimists were not only anti-*Anschluss*, but also anti-republican, anti-socialist, and anti-Prussian. According to the *Staatswehr* in September 1933, "We traditional Austrian monarchists remain opposed to the *Anschluss*"

¹⁰⁷³ See also, *Österreicher im Exil. USA 1938-1945. Eine Dokumentation. Band 1* and *Band 2; Österreicher im Exil. Grossbritannien 1938-1945. Eine Dokumentation.*

¹⁰⁷⁴ *Staatswehr*, 20 January 1932.

We Fatherland loyal Austrians would rather eat Austrian bread with no butter than a Prussian roast that would only cause stomach problems.”¹⁰⁷⁵ As will be noted below, after Hitler came to power in Germany, the monarchists opposed an *Anschluss* even more.¹⁰⁷⁶

The rise of National Socialism in the 1930s marked a new threat for Austrian legitimists.¹⁰⁷⁷ Although both the monarchists and Nazis were anti-democratic, the monarchists opposed the Nazis because they radically and aggressively sought to annex Austria. In addition, the Austro-fascism that Austrian monarchists favored was not only fascist, but also Catholic, monarchist, and pro-Austrian. Thus, the legitimists were strongly anti-Nazi.¹⁰⁷⁸

The *Staatswehr*, in mid-February 1933, called for a united front against Nazism.¹⁰⁷⁹ According to the *Staatswehr*, the monarchists were “not bomb-throwers, rapists, or terrorists,” but objective and honest.¹⁰⁸⁰ Also, in May 1933, Gustav Wolff’s *Kaisertreue Volkspartei* spoke to Dollfuss and stated that they must unite “against the red pest and brown threat.”¹⁰⁸¹ In 1934, the monarchists stated that they opposed the *Hitlerstaat* and preferred to

¹⁰⁷⁵ *Staatswehr*, mid-September 1933.

¹⁰⁷⁶ *Staatswehr*, mid-September 1933.

¹⁰⁷⁷ *Staatswehr*, 10 November 1933. The article titled, “Hakenkreuz und Kasierkrone,” opposed Nazism and preferred the Kaiser.

¹⁰⁷⁸ An article in the *Staatswehr*, on 18 February 1932, titled “Österreich Erwache—Preußen wird Frech!” (Austria Wake Up—Prussian is becoming bad!) bitterly attacked Nazism (and Prussia). The *Staatswehr*, in mid-February 1933, also called for monarchists to stand united against Nazism.

¹⁰⁷⁹ *Staatswehr*, mid-February 1933. The newspaper had also predicted that Nazi regime would collapse within half a year.

¹⁰⁸⁰ *Staatswehr*, mid-September 1933.

be under a double eagle (*Doppeladler*) rather than a Swastika.¹⁰⁸² The legitimists favored Otto von Habsburg over Adolf Hitler, and the *Staatswehr* called Archduke Otto Austria's savior.¹⁰⁸³ Because of their steadfast anti-Nazism, the legitimists were the first victims of Nazism, and many legitimists died in their resistance to Nazism.

Furthermore, the legitimists played a significant indirect role by splitting the unity of the right that otherwise would have almost entirely advocated a union of Germany and Austria. The Austrian right was divided into monarchist, Greater German, and later National Socialist supporters. The legitimists had attracted followers from the right within the Christian Social Party and *Heimwehr*. The monarchists supported Dollfuss in his triumph against the socialists and at least temporarily over the Nazis in the authoritarian phase of 1934 to 1938.¹⁰⁸⁴

Especially after the assassination of Dollfuss, the United States and Great Britain had embraced Austrian monarchists in their goal of maintaining Austrian independence, but neither the United States nor Britain embraced the monarchist goal of restoring the Habsburgs. Following the *Anschluss*, many legitimists, such as Otto von Habsburg, Karl

¹⁰⁸¹ *Staatswehr*, 1 May 1933.

¹⁰⁸² *Staatswehr*, 13 February 1934. The newspaper had an article titled, "Österreich über Alles wenn es den Kaiser will."

¹⁰⁸³ *Staatswehr*, 20 January 1932. This sentiment was repeated on 13 February 1934, and 14 May 1934.

¹⁰⁸⁴ Kurt von Schuschnigg, who followed Dollfuss, had been the most pro-monarchist of all the Austrian chancellors. Schuschnigg shared the views of many legitimists, like Starhemberg, when he stated that the "[Habsburg] restoration must be kept alive as an ideal for Austria, and as a matter of Austrian domestic concern, but that there can be no practical question of such a thing at the present." "Austria's Young Chancellor and the Habsburg "Ideal" " *Observer*, 3 March 1935. The newspaper was found in the NPA *Archiv der Republik*. Box 565.

Winter, Willibald Plöchl, and Ernst Rüdiger von Starhemberg, fled to the United States and Great Britain. After the outbreak of World War II, the United States and Great Britain actively aided the legitimist refugees. In their countries of exile, many legitimists continued the struggle for an independent Austria. Yet, political conflicts between the monarchists, Christian Socials, and the socialists fractured any united Austrian resistance to Nazism, and this meant that Austria had no official government in exile.

After World War II, however, the monarchist movement made no political comeback. If they could not prevail in the chaos, instability, and economic hardship of the inter-war period, they certainly could make no headway against the political and economic success of the Second Austrian Republic. In the time period from 1930 to 1934 the legitimists were important because of all the different Austrian groups, the legitimists were the most pronounced in their opposition to an *Anschluss*, an Austro-German customs union, and Nazism.¹⁰⁸⁵

¹⁰⁸⁵ Even when one goes to Austria today one senses the strong Habsburg nostalgia. There are many Habsburg palaces, like Schönbrunn. Street names, statues, buildings, memorials, coins, and stamps everywhere are reminders of the past. Franz-Joseph (1830-1916) and his wife Elizabeth (1837-1898, nicknamed “Sissy” and from the Wittelsbach dynasty) have been immortalized and romanticized in films such as the Sissy trilogy that appeared in the 1950s and starred Romy Schneider and Karlheinz Böhm. A German musical *Elisabeth* also appeared in the 1990s. There is a popular Elizabeth, “Sissy,” Museum in Vienna. Furthermore, one can buy Elizabeth chocolate and watch the Sissy cartoon series.

CHAPTER X

THE ANTI-ANSCHLUSS INDUSTRIES AND INDUSTRIALISTS, 1930-1934

I. Introduction

“Germany’s industry is a death sentence for Austrian industry.”¹⁰⁸⁶

As in the 1920s, Austrian industrialists and industries were divided on the *Anschluss* question in the period 1930 to 1934.¹⁰⁸⁷ The Salzburger Chamber of Trade Secretary Dr. Erich Gebert and the Vienna Chamber of Trade President Friedrich Tilgner continued to support the *Anschluss*. On the other hand, the *österreichische Hauptverband der Industrie* (main Austrian industrial association), in particular the Vice President Robert Ehrhart and the President Ludwig Urban, and Heinrich Lenhart, who became the Vice President of the Vienna Chamber of Trade, Business and Industry in 1932, continued to oppose the *Anschluss*. In 1931 Ehrhart stated that industries should not only seek self-preservation, but they should also seek patriotic interests.¹⁰⁸⁸

¹⁰⁸⁶“Deutschlands Industrie ist für Österreichs Industrie das Todesurteil.“ *Staatswehr*, 20 January 1932.

¹⁰⁸⁷ Folder number 2465, Bericht der Handeltages. 8 January 1933. *Wiener Wirtschaftskammer Archiv (WWA)*.

¹⁰⁸⁸ Ehrhart, “Die wirtschaftspolitischen Vorgänge der letzten Monate,“ 8 August 1931. folder 1. Invoice number 824.12. Ehrhart Papers. Ehrhart had contended that industry was more important in the First Republic than in the monarchy.

The First Austrian Republic faced new ordeals in the early 1930s during the global depression and *Creditanstalt* catastrophe.¹⁰⁸⁹ Although in 1931 most Austrian industrialists and industries favored an Austro-German customs union plan, the foes of an economic union remained resolute.¹⁰⁹⁰ As in the 1920s, many Austrian businesses, such as the Austrian automobile, textile, chemical, electrical, and wood industries, continued to fear German competition in the early 1930s. These Austrian industries along with key Austrian industrialists, like Ehrhart, rejected both an economic and political union with Germany, but they favored a Danube Confederation. During the depression, the Americans, British, and French once again intervened with economic aid. Ultimately, with the help of the US, Britain, and France, the anti-*Anschluss* industries and industrialists prevailed in the troubled early and mid-1930s.

II. Historiography

The works of Jürgen Nautz, Franz Mathis, Hermann Kuprian, and Peter Fischer on the economic motivations of pro-*Anschluss* sentiments are also relevant to this chapter on industries and industrialists in the 1930s.¹⁰⁹¹ In addition to these authors, Karl Haas deals exclusively with the 1930s. Haas examines state control of the industry during the autocratic period. He focuses on industrial and other economic associations during Dollfuss' fascist and undemocratic rule, and he states that with few exceptions they had to adapt to the new state. In response to the perception of a socialist and Nazi threat, by April 1934 the Austrian

¹⁰⁸⁹ For a detailed account of the collapse of the *Creditanstalt* see, folder 5. Ehrhart Papers.

¹⁰⁹⁰ See the *WWA*; see also, Ehrhart Papers.

¹⁰⁹¹ See chapter 6.

chambers of trade were no longer independent, and they had to make an oath of loyalty to the state. According to Haas, “the economic associations of the *Ständestaat*¹⁰⁹² were not really autonomous. Their independence was . . . immensely shrunk by the state.”¹⁰⁹³ The state even sent spies, loyal civil servants, into various chambers of trade in order to ensure their compliance. In addition, Haas states that by 1934, the Chambers of Trade and Business were aligned with Dollfuss’ Fatherland Party. The state formed a *Reichsgewerbebandes*, and Julius Raab,¹⁰⁹⁴ Widmann, and Kresse controlled the Austrian chambers of trade.¹⁰⁹⁵ Therefore, the relevance of Haas’ work is that after 1934 the business associations were controlled by the state and no longer reflected the diverse opinions of their members vis-à-vis the *Anschluss*. Like other authors on Austrian economy and industry, Haas focuses only on internal issues.

¹⁰⁹² Dollfuss created an authoritarian state/regime which was called the *Ständestaat*.

¹⁰⁹³ Karl Haas, “Zum Problemkomplex: Wirtschaftsverbände und Ständestaat.” *Das Juliabkommen von 1936: Vorgeschichte, Hintergründe, und Folgen. Protokoll des Symposiums in Wien am 10. und 11. June 1976* (Munich: Verlag für Geschichte und Politik, 1977), 330-335.

¹⁰⁹⁴ Julius Raab (1891-1964) was member of the *Nationalrat* from 1927 to 1934. From 1934 to 1938 he was member of the *Bundeswirtschaftsrat* (federal economic assembly), and from 1928 to 1930 he was leader of the *Heimwehr* of Lower Austria. He became a member of the Fatherland Party in 1934, and served as Minister of Trade under Kurt von Schuschnigg. *Protokolle der Christlichsozialen Parteitage*, 24; See also, Ludwig Jedlicka, “Julius Raab (1891-1964),” *Neue Österreichische Biographie* (Vienna: Amalthea, 1965); Karl Heinz Ritschel, *Julius Raab, der Staatsvertragskanzler* (Salzburg: Reinartz, 1975); Robert Prantner, *Julius Raab: Ansichten des Staatsvertragskanzlers* (Vienna: Johannes Kunz, 1991).

¹⁰⁹⁵ No first names given for Widmann and Kresse. The *Reichsgewerbebandes* supported the independent, Christian, German, authoritarian state of Austria. The regime also created a Committee of Austrian industrialists (*österreichischer Industrieller*), which was supposed to incorporate most Austrian industrialists who embraced the state. In the 1930s, the state economic policies were based on more protectionism and regulations for Austrian industry. Haas, “Zum Problemkomplex,” 334-335, 337.

III. Industries and the Great Depression

During the global depression in the 1930s, Austrian businesses hit rock bottom, and many industries had to lay off workers. By 1933 unemployment, which was the most visible sign of the global depression,¹⁰⁹⁶ jumped from 8.8 percent to 26 percent.¹⁰⁹⁷ Ehrhart reported that as a result, many Austrians found themselves in dire need of food and other necessities.¹⁰⁹⁸ Most Austrian businesses and businessmen supported the Austro-German customs union in 1931. Yet, some industrialists and members of the chambers of trade still remained loyal to the cause of an independent Austria. The *österreichische Hauptverband der Industrie* continued to champion independence and to seek American and British credit as the best means to alleviate the depression.

The severity of the drop in national income, economic growth, and industrial production in the 1930s in Austria was similar to that in the United States and Germany. According to Jens-Wilhelm Wessels, Austria was especially vulnerable to the global depression because it was a “small, advanced, industrialized, and trade-dependent country, constrained by an international economic environment of nationalism, retrenchment,

¹⁰⁹⁶Ehrhart, no title and no date. folder 1. Ehrhart Papers.

¹⁰⁹⁷ Gerhard Senft, “Economic Development and Economic Policies in the Ständestaat Era,” *The Dollfuss/Schuschnigg Era in Austria: A Reassessment*, Günter Bischof, Anton Pelinka, and Alexander Lassner, ed. (New Brunswick, New Jersey: Transaction Publishers, 2003), 33-34.

¹⁰⁹⁸Ehrhart, “Der Abbau der staatlichen Lebensmittelzuschüsse,” (The Removal of State Food Supply Subsidies), folder 1.Ehrhart Papers.

protectionism, and stagnant world trade.”¹⁰⁹⁹ From 1928 to 1933 the Austrian textile industry shrank by about one-third. Shoe industry profits decreased from five to two million schilling, and the coal industry profits shrank twenty percent.¹¹⁰⁰ The chemical industry profit fell from 53 million to 21 million schilling, and the metal industry profit sank from 323 million to 118 million schilling. Some industries suffered outright losses, like the utility companies.¹¹⁰¹ In addition, because few people were building in Austria, no one was buying bricks, windows, doors, and wood. The decline in building had a ripple effect, negatively impacting the entire economy.¹¹⁰² During the 1930s depression, state officials called Austria’s industrial sectors “industrial cemeteries.”¹¹⁰³

During the Great Depression, industrial production overall dropped by about fifty percent, with the exception of sugar.¹¹⁰⁴ The Great Depression crippled the Austrian car industry. *Austro-Daimler* joined with *Steyr Werke AG* and *Puchwerke AG* to form *Steyr-Daimler-Puchwerke AG* in 1932. By early 1934 the Austrian automobile industry had improved slightly with some exceptions. The *Steyr-Daimler-Puchwerke* factory in Wiener

¹⁰⁹⁹Jens-Wilhelm Wessels, “Economic Performance and the Micro-Economic Development in Austria, 1929-1938,” *The Dollfuss/Schuschnigg Era in Austria*, 93-94.

¹¹⁰⁰ No title and no date. folder 8. Invoice number 824.271. Ehrhart Papers.

¹¹⁰¹ Österreichischen Institut für Konjunkturforschung, *Die Entwicklung der österreichischen Wirtschaft 1923-1932* (Vienna, 1932), 13, 23.

¹¹⁰² “Man baut in Österreich nicht—und man kann es nicht.“ folder 7. Invoice number 824.253. Ehrhart Papers.

¹¹⁰³ “Weihnachten 1930.” (Christmas 1930). folder 8. Invoice number 824.270. Ehrhart Papers.

¹¹⁰⁴ Haas, “Industrielle Interessenpolitik in Österreich Zur Zeit der Weltwirtschaftskrise.“ *Jahrbuch für Zeitgeschichte*, 103-105.

Neustadt ceased production and shut-down in June 1934, while the car factories in Graz and Steyr continued to make some cars.¹¹⁰⁵ Moreover, Austrian textiles, the iron and steel sectors, paper, cotton, and bottle glass makers remained well below the production levels of the late 1920s. By 1933, the textile industry's production was fifty-six percent of what it had been in 1927.¹¹⁰⁶ Iron and steel production had dropped fifty percent.¹¹⁰⁷ Also, during the depression there was a drastic deflation and workers' wages decreased.¹¹⁰⁸ The Vice President of the *österreichische Hauptverband der Industrie*, Ehrhart, asserted on November 25, 1930 that "the economy was in serious danger." In 1932, Ludwig Urban, the President of the industry association, warned that "Austrian industries are clinging on their existence."¹¹⁰⁹

In the course of the depression many industries demanded reforms to combat the economic crisis. Austrian anti-depression policies were both restrictionist and deflationary, and included increasing tariffs and lowering interest rates, wages, and taxes.¹¹¹⁰ Many industries called for a decrease in production costs and the strengthening of the market. In

¹¹⁰⁵ Wessels, "Economic Performance and the Micro-Economic Developmet in Austria, 1929-1938," *The Dollfuss/Schuschnigg Era in Austria*, 108-109, 111-112.

¹¹⁰⁶ folder 8. Invoice number 824.272. Ehrhart Papers; Also a chemical plant shutdown in 1930. folder 8. Invoice number 824.272. Ehrhart Papers.

¹¹⁰⁷ Senft, "Economic Development and Economic Policies in the Ständestaat Era," *The Dollfuss/Schuschnigg Era in Austria: A Reassessment*, 36-41.

¹¹⁰⁸ Haas, "Industrielle Intressenpolitik in Österreich Zur Zeit der Weltwirtschaftskrise." *Jahrbuch für Zeitgeschichte*, 108.

¹¹⁰⁹ Ehrhart to Ludwig Urban, 28 November 1930. folder 6. Ehrhart Papers.

¹¹¹⁰ Hansjörg Klausinger, "How Far was Vienna from Chicago in the 1930s? The Economists and the Depression," *The Dollfuss/Schuschnigg Era in Austria: A Reassessment*, 63-64.

1930 the industries stated that many aspects of industrial production had to be reorganized, in particular interest rates and state regulations. Many industries, especially Austrian heavy industries, wanted higher tariffs in order to protect the Austrian domestic market from cheaper foreign goods. In addition, some industries, such as the chemical industry, were no longer willing to pay for unemployment insurance during the depression, and they asked for longer working hours for laborers as well.¹¹¹¹

Besides the anti-depression domestic reforms, Austrian industries desperately needed foreign credit in the 1930s, especially because of their excessively high production costs.¹¹¹² Both Ehrhart and Urban argued that the Austria shortage of credit during the depression was worse than during the monarchy or that of Austria's neighbors. According to Ehrhart and Urban, "the Austrian economic problem is foremost a credit problem."¹¹¹³ Therefore, if one were able to solve the latter, then the former would resolve itself. Austrian existence was tied to credit. Ehrhart said that a "productive credit" only occurred when it effectively helped an industry escape bankruptcy and when the industry could pay the loan back. Ehrhart concluded that Austrian "production needs affordable foreign loans."¹¹¹⁴

¹¹¹¹ Haas, "Industrielle Intressenpolitik in Österreich Zur Zeit der Weltwirtschaftskrise." *Jahrbuch für Zeitgeschichte*, 98-100.

¹¹¹² Ehrhart, "Das Kreditproblem der österreichischen Industrie," (The Credit Problem of Austrian Industry), no date. folder 1. Invoice number 824.16. Ehrhart Papers.

¹¹¹³ *Neue Freie Presse*, 23 May 1930; The *Neue Freie Presse* on 8 June 1930 had a article by Ludwig Urban titled "Industriekredit, Rentabilität, and Goldbilanz"(Industrial credit, Profitability, Gold Balance); Robert Ehrhart, "Das Kreditproblem der österreichischen Industrie," (The Credit Problem of Austrian Industry), no date. folder 1. Invoice number 824.16. Ehrhart Papers

¹¹¹⁴ Ehrhart, "Das Kreditproblem der österreichischen Industrie," (The Credit Problem of Austrian Industry), no date. folder 1. Invoice number 824.16. Ehrhart Papers. Ehrhart also said that the foreign creditor did not want to finance political or social experiments. He

The dire Austrian credit shortage in the early 1930s was overcome by loans from the US, Britain, and France. In the 1930s, Ehrhart, who had made long-term plans for the economic recovery and lowering of unemployment in Austria,¹¹¹⁵ firmly believed that American and British loans, such as the 1932 Lausanne loan, were beneficial to Austria if they were accompanied by some trade reform.¹¹¹⁶ The President of the Industry Club (Industriellen Klub) Dr. S. Brosche and secretary Dr. Ernst Mosing were responsible for the organization and distribution of credit to the Austrian industries.¹¹¹⁷ In general, most industries and businesses in Austria favored foreign loans, and such outside credit helped save many Austrian businesses from the brink of disaster in the early and mid 1930s.¹¹¹⁸

However, similar to the 1920s, problems developed in the 1930s because the American, British, and French credits were much cheaper and had lower interest rates than the loans that the Austrian national banks allocated.¹¹¹⁹ In response to competition from

simply wanted to know how his money was being used and would rather give his money directly to an industrial concern rather than to a province or state.

¹¹¹⁵Ehrhart, "Die Sanierung Österreichs," (The Revitalization of Austria), 24 August 1932, folder 1. Invoice number 824.9. Ehrhart Papers.

¹¹¹⁶ Ehrhart, "Die Sanierung Österreichs," (The Revitalization of Austria), 24 August 1932, folder 1. Invoice number 824.9 and "Die wirtschaftspolitischen Vorgänge der letzten Monate," 8 August 1931. folder 1. Invoice number 824.12. Ehrhart Papers. Ehrhart listed some of the goals of the industry which were less state spending (*Ersparungsprogram*), greater use of the workforce, and a union of smaller businesses.

¹¹¹⁷ *Industriellen Klub*, 28 March 1930. *ÖVP Parteiarchiv*. Box 74, "Industry."

¹¹¹⁸ Ehrhart, "Die Sanierung Österreichs," (The Revitalization of Austria), 24 August 1932, folder 1. Invoice number 824.9. Ehrhart Papers;

¹¹¹⁹ The International Loan Committee had said that industrialized countries, such as France, Britain, and the USA, sent loans at low interest rates to Central Europe. "Internationale Zusammenhänge in der Arbeitsgeberpolitik." folder 7. Invoice number 824.246. Ehrhart Papers.

international loans, the banks had to lower interest rates. The industries in turn wanted more independence from the banks. Despite such minor problems, the loans brought about stabilization in Austria.¹¹²⁰

Many Austrian industries welcomed foreign credits, which meant a difference between collapse and some economic revitalization. Those Austrian industries that favored foreign loans argued that unlike the late 1920s, during the early 1930s Austrian industries could not turn to Germany alone to solve Austria's credit problem. Germany was undergoing a massive economic crisis of its own. Austria needed the help of the vast international community. Ehrhart asserted that, overall, with the help of international loans, Austria could survive the Great Depression. According to Ehrhart, Austrian industry was viable, and Austria could be a successful and independent nation if the state took initiatives. "May the regime and parliament do their thing, the industry is prepared."¹¹²¹

Regardless of the influx of foreign credits, many Austrian industries and industrialists wanted an *Anschluss* with Germany during the depression. In 1933 the Federation of Austrian Industrialists and a delegate from the Austrian trade chamber Otto Friedländer went to Nazi Germany in order to initiate a political union.¹¹²² Although, Friedländer was unsuccessful, his attempt shows the continued strong *Anschluss* desire among Austrian industrialists and industries in the early and mid-1930s. Friedländer was even willing to give Austria to Hitler. Rather than relying on foreigners, these pro-*Anschluss*

¹¹²⁰ Ehrhart, no title, May 1933. folder 1. Ehrhart Papers.

¹¹²¹ Ehrhart, "Industrie und Sanierung," (Industry and Revitalization), no date. folder 1. Ehrhart Papers.

¹¹²² Senft, "Economic Development and Economic Policies in the Ständestaat Era," *The Dollfuss/Schuschnigg Era in Austria: A Reassessment*, 47.

Austrian industrialists and industries continued to favor a joint German solution to depression.

On the other hand, many industries, like the Austrian automobile, electric, and chemical companies, remained opposed to the *Anschluss* even in the troubled early 1930s.¹¹²³ The anti-*Anschluss* Austrian industries still feared German competition. In addition, they contended that during the early 1930s Germany was not able to help them either, and instead they should cast their lot with the Americans and British. Furthermore, after 1933 many Austrian industries, especially if they were Jewish owned, did not want to join Nazi Germany. Therefore, during the worst of the Great Depression, many Austrian industries, as well as Ehrhart and Urban of the *österreichische Hauptverband der Industrie*, continued to believe in the viability of a separate Austria and to rely on international loans.

IV. Industries and the Austro-German Customs Union

The devastating depression brought about the customs union attempt. Overall, most Austrian industries supported the customs union with Germany in 1931 because of the failure of alternatives. Indeed, some Austrian industries favored an economic union with Germany precisely because they believed that Austria would nonetheless remain politically independent.¹¹²⁴ Thus pro-*Anschluss* advocates supported the customs union as a stepping-stone to political union, while others did so because they thought political independence could be preserved alongside economic union. Therefore, the customs union attracted support not only from the traditional pro-*Anschluss* camp, but also from some previous anti-

¹¹²³ No title. 5 December 1934. *ÖVP Parteiarchiv*. Box 71. "Industry."

¹¹²⁴ See the WWA.Vienna; see also, Ehrhart Papers.

Anschluss people. Nonetheless, some Austrian manufacturers, industrialists, and members of the chambers of trade and *österreichische Hauptverband der Industrie* expressed deep concern over the Austro-German customs union plan in 1931 because an economic union between a small state and a large industrial giant would mean the subjugation of Austria by Germany. Anti-*Anschluss* proponents, like Ehrhart, remained true to their cause.

Richard Riedl, Friedrich Tilgner, and Rosenberg¹¹²⁵ of the Viennese Chamber of Trade, Business, and Industry gave their support for the customs union.¹¹²⁶ Riedl had said that the Austrians had two choices, customs union with Germany or Bolshevism. Both Riedl and Tilgner rejected the alternatives, such as a Danube Confederation or alliance with fascist Italy, and argued that the Austro-German customs union was the only way to improve the desperate economic situation. Riedl began preparing the Chamber of Trade for a customs union and even proposed tariff rates for the planned customs union between Germany and Austria.¹¹²⁷ The Salzburg Chamber of Trade also supported a customs union.¹¹²⁸

The advocates of a customs union used the economic plight of Austria as the main argument for necessitating such an economic union or even a complete *Anschluss*. The pro-

¹¹²⁵ No first name was given for Rosenberg. Rosenberg saw no insurmountable problems with the Austro-German customs union. "Finanzpolitische Fragen des Zollunion." (Financial and Political Questions of the Customs Union). Folder 2545. WWA. Vienna.

¹¹²⁶ "Sitzung der Handelspolitischen Arbeitsgemeinschaft am 19 May 1931: Zollunion an das Deutsche Reich." Folder 2545. WWA. At the meeting Riedl said that the Austrian iron industry in particular would greatly gain through a customs union with Germany.

¹¹²⁷ Fischer, "Die Österreichische Handelskammern und der Anschluss an Deutschland," *Das Juliabkommen von 1936*, 312-313.

¹¹²⁸ The Salzburg Chamber of trade wrote a letter thanking the government for following a path toward a customs union that the chamber had followed the last ten years. Salzburg Chamber of Trade, Business, and Industry to the *Bundeskanzleramt*. 27 March 1931. Folder 2545. WWA.

customs union industrialists and businesses pointed not to Switzerland but rather to Bavaria, which had greatly profited from its incorporation into a larger German economy as an example.¹¹²⁹ Also, the pro-*Anschluss* Secretary of the Salzburger *Handelskammer* (Chamber of Trade), Erich Gebert, said that the future belonged to larger economic units.¹¹³⁰ Gebert stated that the advantages of an economic union would be far greater if Austria merged with Germany rather than culturally, spiritually, and economically alien partners like Hungary and Poland.¹¹³¹ In addition, Gebert asserted that “right now Austria is making an effort, through expensive promotions from the United States and Great Britain, to approach foreigners, when right before its gate, it has tremendous resources of people.”¹¹³² In particular, Austria and Germany should cooperate in Austria’s hydro-electric energy industries.¹¹³³ Gebert was asking why Austria turned toward Great Britain and America, when it could turn toward Germany. In September 1931 the Viennese Chamber of Trade member Hermann Kandl criticized the decision of the International Court at the Hague that forbade the customs union.¹¹³⁴

¹¹²⁹Mathis, “Wirtschaft oder Politik? in *Ungleiche Partner?* 430; Austrian businesses that welcomed the customs union with Germany included the Piano business that hoped a union would increase its sales. “Piano Union to the Bundesministerium.” 21 May 1931. Folder 2545. WWA.

¹¹³⁰ Gebert, “Wirtschaft,” *Die Anschluss- Frage*, 522.

¹¹³¹Mathis, “Wirtschaft oder Politik? in *Ungleiche Partner?* 430.

¹¹³² Gebert, “Wirtschaft,” *Die Anschluss- Frage*, 528.

¹¹³³ Gebert, “Wirtschaft,” *Die Anschluss- Frage*, 535.

¹¹³⁴Fischer, “Die Österreichische Handelskammern und der Anschluss an Deutschland,” *Das Juliabkommen von 1936*, 312.

However, not all of the Austrian industries and members of the Austrian chambers of trade and the *Hauptverband der Industrie* favored a customs union with Germany. Urban and Ehrhart of the *Hauptverband der Industrie* in particular were against an Austro-German customs union.¹¹³⁵ Speaking at the *Hauptverband der Industrie Präsidialkonferenz* in 1931,¹¹³⁶ Ehrhart advocated a union with Hungary instead of Germany. Urban was deeply concerned over the customs union, in particular because of the danger it posed that Austria would be flooded with German goods.¹¹³⁷ Also, Redner of the Chamber of Trade opposed the Austro-German customs union.¹¹³⁸ Redner and other opponents asserted that an economic union had many problems, such as coming to a bilateral agreement on tariffs and taxes. In 1931 Germany had much lower tariffs than Austria. Austria and Germany would have to agree which goods should be taxed, like foreign automobiles or luxury items.¹¹³⁹

In addition, the Vice President of the Chamber of Trade in Vienna Heinrich Lenhart came out against the customs union. After the International Court ruling against the union on November 1, 1931, Lenhart contended that for the last ten years the chamber's policies had

¹¹³⁵ Ehrhart, "Gedenkblatt für den alten Hauptverband und seinen Präsidenten Ludwig Urban: Erinnerung aus der Zwischenkriegszeit," (Commemoration for the old President of the Industry Association Ludwig Urban: Memories from the inter-war period), folder 6. Invoice number 824.102. Ehrhart Papers.

¹¹³⁶ This conference was held to elect a new president of the industrial association.

¹¹³⁷ Isola Brioni to President Ludwig Urban. 14 March 1931. folder 6. Invoice number 824.149. Ehrhart Papers. Urban had opposed the customs union, but had said that Austria would at least need time to adapt in the event of a union.

¹¹³⁸ "Finanzpolitische Fragen des Zollunion." (Financial and Political Questions of the Customs Union). Folder 2545. WWA. No first name was given for Redner.

¹¹³⁹ "Finanzpolitische Fragen des Zollunion." (Financial and Political Questions of the Customs Union). Folder 2545. WWA. Vienna; For a complete list of proposed taxes and tariffs and a copy of the proposed treaty of the Austro-German customs union, see *Neue Freie Presse*, 24 March 1931 and 25 March 1931.

“gone in the wrong direction.” Lenhart went on to say that the Chamber of Trade should drop past policies, favoring an economic union and *Anschluss*, and pursue a new course.¹¹⁴⁰

Moreover, many Austrian industries came out against the customs union. The Kaolin factory, which specialized in porcelain and paper, sent a letter to the *Bundesministerium für Handel und Verkehr, Handelpolitische Abteilung* (the Austrian ministry for Trade and Commerce, trade and political section) stating that even though Kaolin was not a member of the *Hauptverband der Industrie*, it still wanted to be heard. The Kaolin factory feared that German industries would buy them out of business.¹¹⁴¹ In the event of a customs union, the Austrian chemical industry demanded higher tariffs to protect its business. The Austrian leather, paper, lead, linoleum, and wool industries also wanted higher tariffs to guard against German competition during an economic union.¹¹⁴² The Austrian automobile industry opposed a customs union with Germany. The Austrian automobile industry contended that German automobile-makers would take them over or run them out of business.¹¹⁴³ Despite the fact that most Austrian industries desired a customs union in 1931,¹¹⁴⁴ the opponents remained firm and supported Austrian economic independence.

V. Industries and the Danube Confederation

¹¹⁴⁰ Handelpräsidialkonferenz, 18 November 1931. Folder 2545. WWA.

¹¹⁴¹ Kaolin to the *Bundesministerium für Handel und Verkehr, Handelpolitische Abteilung*. 4 May 1931. Folder 2545. WWA.

¹¹⁴² No title and no date. Folder 2545. WWA.

¹¹⁴³ “Stellungnahme der österreichischen Automobilindustrie zur Frage Zollunion.” Vienna, July 1931. Folder 2545. WWA.

¹¹⁴⁴ See the WWA; see also, Ehrhart Papers.

Opponents of the Austro-German customs union offered the alternative of a Danube Confederation, even though it was one that had repeatedly failed to find many supporters in the previous decade. The *österreichische Hauptverband der Industrie* had about fifteen-hundred members in 1932,¹¹⁴⁵ and under Vice President Ehrhart and President Urban the industrial association favored the creation of a Danube Confederation.¹¹⁴⁶ Variations of the Danube Confederation had been proposed several times throughout the inter-war period, including a French version called the Tardieu plan.

In 1932 Ehrhart said that he was deeply committed to the Danube Confederation. It was economically beneficial because it would improve the standard of living among the Danube states. It would re-open historic trade routes that the Habsburg successor states had obstructed. Ehrhart stated that he wanted this plan carried forward despite the obstacles it faced. According to Ehrhart, Austria as an industrial exporter should join in a customs union with mostly agrarian countries. If Czechoslovakia, which was also industrialized, joined the Danube Confederation as well, then the agrarian regions should be enlarged so as to provide sufficient markets for both and avoid ruinous competition. Ehrhart said that the Danube Confederation would greatly improve the livelihood of the Habsburg successor states that were all experiencing severe economic depression. The Danube Confederation was the most advantageous and desired solution for the Austrian trade problem and a necessary key to

¹¹⁴⁵ Ehrhart, "Beitritte zur Vaterländische Front)," (Concerns of the Fatherland Front/Party), 25 April 1934. folder 4. Invoice number 824.67. Ehrhart Papers.

¹¹⁴⁶ Ehrhart at the very least wanted a union of Austria and Hungary, but he considered a Danube Confederation, a trade union of all or most of the Habsburg successor states, to be the best solution. Robert Ehrhart, no title, April 1932. folder 1. Invoice number 824.6. Ehrhart Papers.

survival or “*Lebensnot*” for Austria.¹¹⁴⁷ The Danube Confederation was an alternative to the *Anschluss*, and Ehrhart contended that everything must be done to keep Austria independent from Germany.¹¹⁴⁸ Despite Ehrhart’s firm support, the Danube Confederation Plan in 1932, ultimately, failed due to the same reasons previous attempts failed.

VI. Industries, the Christian Social Party, and the Fatherland Party

Many Austrian industrialists had ties to the Christian Social Party. These industrialists shared the Christian Social Party’s commitment against socialism, communism, and an *Anschluss* with Germany.¹¹⁴⁹ Furthermore, the Christian Social Party member, Victor Kienböck, who was the Austrian Finance Minister and head of the Austrian national bank in the 1920s, supported foreign loans and the *Anschluss* prohibition.¹¹⁵⁰ The Christian Social Party governments influenced the Chambers of Trade and set Austrian economic policies during the inter-war that included maintaining Austrian independence.¹¹⁵¹ In the 1930s, however, many Austrian industrialists who had previously made a commitment to the Christian Social Party increasingly transferred their support to Dollfuss and the *Vaterland Partei* even before the Christian Social Party had officially dissolved.

¹¹⁴⁷ Ehrhart, no title, April 1932. folder 1. Invoice number 824.6. Ehrhart Papers.

¹¹⁴⁸ Ehrhart, no title, no date. folder 1. Ehrhart Papers.

¹¹⁴⁹ *Protokolle der Christlichsozialen Parteitage*, 332, 344.

¹¹⁵⁰ *Mühlviertler Nachrichten*, 7 June 1928. The newspaper was found in the *ÖVP Parteiarchiv*. Box 55, “The Anschluss.”

¹¹⁵¹ Ehrhart, folder 3, Invoice number 824.44.1. Ehrhart Papers.

In the 1930s Austrian industry developed strong ties to Dollfuss and his patriotic Fatherland Party, which was authoritarian, Austro-fascist, anti-Nazi, and anti-*Anschluss*. Lenhart, the Vice President of the Viennese Chamber of Trade, Business, and Industry, sent Dollfuss congratulatory letters in May 1932.¹¹⁵² Many industrialists were members of the Fatherland Party, especially the *Bergbau* (coal mining) industry.¹¹⁵³ In April 1934, 63 of the 1505 members of the *österreichische Hauptverband der Industrie* were members of the Fatherland Party, while 391 had applied for membership with the Fatherland Party.¹¹⁵⁴ On June 9, 1934, the majority of the members of the *Hauptverband der Industrie* voted in favor of directly linking themselves with the Fatherland Party.¹¹⁵⁵ They created a sub-group called the *Industrie des Vaterländischen Front* (Industry of the Fatherland Party). Dr. Winkelmeier, Dr. Blocher, and Dr. Schneider, Dr. Margaretha, and Dr. Wanschura headed the *Industrie des Vaterländischen Front*. Even Ehrhart¹¹⁵⁶ himself warmly welcomed the integration of the Fatherland Party and the *Hauptverband der Industrie*.¹¹⁵⁷

¹¹⁵² Lenhart to Dollfuss. 25 May 1932. Lenhart Folder. *Wiener Wirtschaftskammer. Archiv*.

¹¹⁵³ Ehrhart, folder 4. Invoice number 824.66. Ehrhart Papers.

¹¹⁵⁴ Ehrhart, “Beitritte zur Vaterländische Front),“ (Concerns of the Fatherland Front/Party), 25 April 1934. folder 4. Invoice number 824.67. Ehrhart Papers.

¹¹⁵⁵ Ehrhart, “Akttenotiz” (Memo) 9 June 1934. folder 4. Invoice number 824.68. Ehrhart Papers.

¹¹⁵⁶ From 1930 to 1938 Ehrhart (1870-1956) supported the autocratic regimes of Dollfuss and Schuschnigg, and he opposed the socialists and Nazis. His own book does not mention what happened to him during the *Anschluss* and World War II. The documents *Österreicher im Exil (Austrians in Exile)* edited by the Dokumentationsarchiv des österreichischen Widerstandes do not list Ehrhart as having gone into exile in the United States, France, and Britain. Thus, it was most likely that he remained in Austria during and after the *Anschluss*. He was sixty-eight when the *Anschluss* took place. After World War II, he was a big supporter of the Second Republic. Robert Ehrhart, *Im Dienste des alten Österreich*, 1-7;

However, by 1933 some Austrian industries and industrialists supported Nazism rather than Dollfuss. Similar to the Fatherland Party, the Nazi Party likewise appealed to anti-socialist, anti-democratic, and right-wing industrialists. The main differences between the two parties were that Nazi Party was German nationalist, much more anti-Semitic, and pro-*Anschluss*. By 1933 some of the Austrian industries and members of the Chambers of Trade and *österreichische Hauptverband der Industrie* were under Nazi influence. For example, in September 1933, industrialists and businessmen met in the province of Styria and sharply criticized the regime, waving Nazi flags.¹¹⁵⁸ Nonetheless, by 1934 only a minority of Austrian industries and industrialists embraced the Nazi Party, which Dollfuss had banned.

During the *Ständestaat*, the political parties were superseded (“verdrängt”) by the Fatherland Party.¹¹⁵⁹ The workers’ industrial union, the Christian Social Party, and the Christian *Gewerkschaften* (unions) met in February 1934, before their dissolution, in order to come to an agreement on loan politics, schilling reform, and workers’ passes.¹¹⁶⁰ The Dollfuss regime had first crushed the socialists and their unions. Afterwards the state dissolved the Christian Social Party, whose origins went back to the nineteenth century, and Christian, non-socialist unions. This marked the elimination of the last remnant of workers’

Robert Ehrhart, “Die wirtschaftspolitischen Vorgänge der letzten Monate“ 8 August 1931. folder 1. Invoice number 824.12. Ehrhart Papers.

¹¹⁵⁷ Ehrhart, “Aktennotiz” (Memo) 15 June 1934. folder 4. Invoice number 824.70. Ehrhart Papers.

¹¹⁵⁸ Folder 2545. WWA.

¹¹⁵⁹ *Reichspost*, 25 February 1934.

¹¹⁶⁰ *Reichspost*, 11 February 1934.

unions and organizations. By late 1934 most Austrian industries and industrialists belonged to the one official state party, Dollfuss' Fatherland Party. Most Austrian industrialists were fiercely anti-socialist, and they supported Dollfuss in terms of his violent suppression of the socialists and labor unions. Therefore, Dollfuss and the business community had similar views regarding the "red threat." However, the creation of an autocratic and one party government did little to improve industries. The economic downturn continued during the *Ständestaat*; for example, the *Marchegger Maschinenfabrik* closed in 1935, and in 1936 the large insurance company Phönix collapsed.¹¹⁶¹

VII. Conclusion

The Austrian industries and industrialists had different views on the *Anschluss* issue in the period 1930 to 1934. Furthermore, by 1933 these differences were complicated by the rise of the Nazis. The Austrian business community, which had previously predominantly voted for the Christian Social Party, had not only defected to Dollfuss' Fatherland Party that sought to maintain Austrian independence, but also to the Nazi Party that sought an *Anschluss*.

The fact is that, despite their massive effort, the pro-*Anschluss* industries, businessmen, and chambers of trade officials failed to achieve an *Anschluss* in the time period from 1930 to 1934. There are two main reasons for their failure. First, their pro-*Anschluss* ambitions were countered by the many industries and Chamber of Trade officials who were against a union with Germany. Both President Urban and Vice President Ehrhart of the *österreichische Hauptverband der Industrie* opposed an *Anschluss*, but welcomed a

¹¹⁶¹ Senft, "Economic Development and Economic Policies in the Ständestaat Era," *The Dollfuss/Schuschnigg Era in Austria: A Reassessment*, 36-41.

Danube Confederation and an independent Austria.¹¹⁶² Ehrhart had been a true Austrian patriot who believed in the economic and political viability of Austria. Also, Lenhart, Vice President of the Vienna Chamber of Trade, Industry, and Business, had demanded Austrian state loyalty and conformity from the *Handelskammern*.¹¹⁶³ Anti-*Anschluss* businesses claimed that the economic disadvantages of an *Anschluss* for Austria were higher taxes, higher interest rates, and more regulations.¹¹⁶⁴ In 1932 the *Staatswehr* wrote that an *Anschluss* would “ruin Austrian industry.” Similar to the *Hauptverband der Industrie*, the *Staatswehr* favored other alternatives to aid Austrian industries, like a Danube Confederation or some other plan for closer ties to the successor states of the Austro-Hungarian Empire.¹¹⁶⁵

Second, American, British, and French policies that included an *Anschluss* prohibition and conditional loans weakened the *Anschluss* desire of Austrian industries. Ehrhart and Urban regarded the loans as necessary for the independence of not only Austrian industry, but also the Austrian nation.¹¹⁶⁶ Most of the Austrian Chambers of Trade supported the Lausanne loan, with the obvious exception of hardliners like Tilgner and the Austrian industrialist Dr. Geiringer, who never ceased to demand an *Anschluss*.¹¹⁶⁷

¹¹⁶² See Ehrhart Papers. 9 folders.

¹¹⁶³ Folder 2545. WWA.

¹¹⁶⁴ Enderes, *Die Wirtschaftliche Bedeutung der Anschlussfrage*, 102.

¹¹⁶⁵ *Staatswehr*, 20 January 1932.

¹¹⁶⁶ Ehrhart, “Gedenkblatt für den alten Hauptverband und seinen Präsidenten Ludwig Urban: Erinnerung aus der Zwischenkriegszeit,” (Commemoration for the old President of the Industry Association Ludwig Urban: Memories from the inter-war period), folder 6. Invoice number 824.102. Ehrhart Papers.

Nonetheless, at a *Präsidialkonferenz* the Viennese Chamber of Trade Vice President Lenhart demanded on March 28, 1934, that the chamber abandon its pro-*Anschluss* policies. He said that the Chamber of Trade should make a “one-hundred and eighty degree change.” Disillusioned that the *Handelskammern* were not following a pro-*Anschluss* direction, both Tilgner and Riedl¹¹⁶⁸ resigned from the Viennese Chamber of Trade in April 1934.¹¹⁶⁹

Ultimately, despite his undemocratic and oppressive regime, Dollfuss had strong support from the business sectors. In fact, it was especially because of his oppression of the left —socialists and unions— that many industrialists embraced him. On December 11, 1933, the Minister of Trade Friedrich Stockinger¹¹⁷⁰ gave a speech before many industrialists confirming his loyalty to the Austrian state. At the same meeting, the *Hauptverband der Industrie* President Urban, praised Dollfuss for having saved a broken economy. Urban stated that Dollfuss’ policies would bring economic rejuvenation to the country, and he gave Dollfuss full support in maintaining a “free” and “happy” Austria. The top industrial leaders supported Dollfuss, as well.¹¹⁷¹ Thus, the anti-*Anschluss* industries and industrialists not only welcomed international opposition to political or economic union between Austria and Germany but also embraced the Dollfuss regime.

¹¹⁶⁷ No first name given for Dr. Geiringer. Fischer, “Die Österreichische Handelskammern und der Anschluss an Deutschland,” *Das Juliabkommen von 1936*: 313; Folder 2545. WWA.

¹¹⁶⁸In the 1930s Richard Riedl became pro-Nazi. Richard Riedl Folder. WWA. Vienna.

¹¹⁶⁹ Fischer, “Die Österreichische Handelskammern und der Anschluss an Deutschland,” *Das Juliabkommen von 1936*: 313.

¹¹⁷⁰ Stockinger (1894-1968) was the Christian Social Trade Minister 1933-1936 and President of the Austrian Federal Railways 1936-1938. He fled to Canada in 1938 where he died.

¹¹⁷¹Ludwig Urban letter. 1934. folder 6. Ehrhart Papers.

CONCLUSION

The combination of an anti-*Anschluss* minority within Austria—composed of the majority of the Christian Social Party, the legitimists, and some industrialists—and British and American financial support from outside helped enable an independent Austria to survive through the attempted Nazi putsch of 1934. The United States and Britain based their foreign policy on preserving Austrian independence and preventing an *Anschluss* with Germany. However, in contrast to the other major powers, like France, the US and Britain were willing to compromise on the *Anschluss* issue if the union occurred peacefully and with the permission of the international community.

In response to the rising *Anschluss* movement and the economic deprivation in Austria, the United States and Britain led the way in procuring food relief and long-term loans for Austrian economic reconstruction. The Americans and British were Austria's biggest foreign donors, loaners, and investors from 1918 to 1934. Immediately after World War I, Hoover's American Relief Administration, ARA, fed thousands of starving Austrians, especially children. This philanthropic aid was followed by substantial loans and investments from both the Britain and the United States throughout the 1920s. Most of the American loans came from private investors, such as J. P. Morgan & Company.

Furthermore, the US and Britain helped secure Austrian political borders and independence in this time period. Following Professor A. C. Coolidge's suggestions, Wilson and Lloyd George allowed Austria to gain contested regions, like the Burgenland and

Carinthia. In the 1920s, the series of American Republican presidents and their cabinets, as well as the British Conservative and Labour prime ministers, supported the First Austrian Republic. They refused to recognize the 1921 provincial separatist movements.

American and British economic aid and support of Austrian independence continued in the 1930s. During the Great Depression, American and British funds decreased but did not disappear entirely. The main international loan in the 1930s was the Lausanne loan, which the major powers allocated during the Hoover and Macdonald governments. When Hitler came to power, Great Britain, the US, and other countries also came out more strongly against a union.

Besides economic and financial ties, the United States, Britain, and Austria had strong cultural relations, as was evident in the many organizations of international cooperation as well as exchanges of people and art from 1918 to 1934. Americans and Britons viewed Austrian culture favorably, and such an attitude facilitated the pro-Austrian policies of democratically-elected governments toward a former enemy. Reciprocally, American films and books and not just American dollars influenced Austria and the rest of Europe.¹¹⁷²

Most Austrians opposed the policies of the major powers that included the *Anschluss* prohibition and foreign credits. The minority groups that did support an independent Austria and cooperated with the major powers from 1918 to 1934 were predominantly the Christian Socials, the legitimists, and the anti-*Anschluss* industries and industrialists. Despite different

¹¹⁷² Costigliola, *Awkward Dominion*, 19-21, 167, 173.

views over the monarchy question, the legitimists, Christian Socials, and some industrialists shared the common goal of upholding the independence of Austria.¹¹⁷³

The Christian Socials were anti-*Anschluss*, anti-socialist, anti-Prussian, and anti-Protestant. On the other hand, they supported the state of Austria and the Catholic Church. Christian Socials even sympathized with the monarchist cause. The Christian Socials led the government from 1920 to 1934, even though they were in a minority. The Greater Coalition between the Christian Social Party and the Greater German People's Party made it possible for Christian Social political leadership to dominate the Austrian government while excluding the socialists. Indeed, the Greater Germans sacrificed their *Anschluss* position for anti-socialism, and the Christian Social Party and the Greater German People's Party formed this coalition because of their common enemy. In 1932 Dollfuss established a new coalition that left both the Greater Germans and socialists in opposition. Without sufficiently broad support to rule democratically, Dollfuss then suspended parliament and formed a new Austro-fascist state in which both the socialist and Nazi parties were banned.

Monarchists saw the *Anschluss* movement as an obstacle to bringing about the return of the Habsburgs. Although the monarchists were ardent foes of an *Anschluss* from 1918 to 1934, they were few and divided. Especially after the Dollfuss assassination, the US, Britain, and France partly sympathized with the legitimist cause over Nazism. After the *Anschluss*, many legitimists fled to the United States and Britain.

Also, many Austrian industries and industrialists were likewise anti-*Anschluss* because they did not want competition from Germany and believed that Austria was economically viable on its own. The Austrian chemical, automobile, and electric industries

¹¹⁷³Mr. Mack to Mr. Eden. 22 November 1937. *B DFA*. 13:389.

were especially anti-*Anschluss*. The *österreichische Hauptverband der Industrie* opposed a union with Germany, as did many members of the Austrian chambers of trade.

Nevertheless, intense political factionalism had prevented a united stance of the Austrian nationalists under Dollfuss when Nazism first appeared in Austria and continued during World War II. Even as refugees in the US and Britain, the monarchists could not come to an agreement with other exile groups, like the socialists. The Austrian nationalists failed in their attempts at creating an Austrian battalion to fight Nazi Germany and establishing an official Austrian government. Even in exile, after Nazi Germany had occupied Austria, the monarchists and Christian Socials refused to cooperate with the Austrian socialists who had abandoned their *Anschluss* support by 1933. This and the fact that the most Austrians had supported Nazism in World War II, meant that while other countries, like France, Poland, and Czechoslovakia, had governments in exile, Austria did not.

In order to keep Austria independent, the Americans, British, and Austrian nationalists had to combat the economic, national, and cultural motivations that were driving the *Anschluss* movement. In the period 1918 to 1934, many foreign affairs documents and newspaper reports attest to the poor economic conditions in Austria and the general acceptance of the *Anschluss* by Austrians. Most Austrians did not believe that their nation was economically viable on its own, and they sought other solutions, including a Danube Confederation with neighbor states. Political and ethnic tensions between Austria and its neighbors prevented a trade union among the Habsburg successor states and heightened the Austrian *Anschluss* movement. Because of their ethnic, cultural, and historic ties, Austrian *Anschluss* supporters argued that Austria should naturally turn toward Germany, not to the

United States, Britain, France, Italy, and other European countries. Thus, Austrian *Anschluss* advocates considered a Greater Germany as the best solution to the Austrian problem.

The economic recovery that had been accomplished by the late 1920s due primarily to international loans was undermined by the global depression. When the depression hit in 1929-1930, it marked another turbulent and unstable period in Austria in which the demand for an *Anschluss* rose once again. In 1931 Austria requested an Austro-German customs union, which most Austrians wanted.

Once Hitler came to power, Nazi pro-*Anschluss* propaganda utilized German nationalism, preaching "Ein Volk, ein Reich, ein Führer!" Nazi propaganda included the dropping of leaflets from the sky, the plastering of signs on walls, and the transmission of overt radio messages. The Nazis also undertook an enormous terrorism campaign in Austria that ranged from bomb attacks to assassinations. Nazi tactics turned Austrian sentiment against a union. Up to the emergence of Nazi Germany, most Austrians—especially the socialists, the Greater German People's Party, and even a minority faction of the Christian Socials—wanted an *Anschluss*.

Furthermore, in addition to economic problems and nationalism, the new Austrian state suffered from serious identity problems. The major powers had imposed nationhood on a group of ethnic Germans that, without any prior national identity of their own, did not want it. In the period 1918 to 1934, the Christian Social Party and its leaders, who sought to maintain Austrian independence, had to contend with both greater German nationalism as well as powerful regionalisms that threatened to undermine the newly created nation. A heightened sense of regionalism existed in the Austrian provinces, like Tyrol and Salzburg. Historian Stanley Suval adds the idea of "cultural unviability," in which the Austrians saw

their state as being too small to “support a satisfactory culture.”¹¹⁷⁴ The Austrian Christian conservatives attempted to foster a separate Austrian national identity, but, ultimately, they failed. When the *Anschluss* finally did take place in March 1938, whatever tenuous and fragile identity with the Austrian state that had been created evaporated almost instantly and totally.

The lack of Austrian identity during the inter-war period contributed to the Austrian response to the Nazi invasion on March 11, 1938,¹¹⁷⁵ where Austrians threw flowers at German troops and masses of Austrian people enthusiastically welcomed Hitler. Four years after an outpouring of support at Dollfuss’ funeral, Austrians tore down his statue in Graz and enthusiastically welcomed Hitler.¹¹⁷⁶ The Austrian Catholic Church, including Cardinal Theodor Innitzer, and even many socialists, like Karl Renner, suddenly came out in favor of union with Nazi Germany. Ultimately, the majority of Austrians either acquiesced in or enthusiastically greeted the Nazi takeover. At least during the years of Nazi ascendancy, and in the view of some historians even to the end of the war, most were in agreement with Nazi policies of anti-socialism, anti-communism, German nationalism, anti-Semitism, and economic betterment (often at the expense of expropriated Austrian Jews).¹¹⁷⁷

¹¹⁷⁴ Suval, *The Anschluss Question*, xvi, 55, 182-183.

¹¹⁷⁵ Mathis, “1,000 Years of Austria and Austrian Identity: Founding Myths,” *Austrian Historical Memory & National Identity*, 22.

¹¹⁷⁶ “Graz Crowds Pull Down Memorial to Dollfuss.” *The New York Times*. 13 March 1938.

¹¹⁷⁷ Many factors contributed to the realization of the *Anschluss* in March 1938. Mussolini, who had previously supported, funded, and distributed arms to Austria and who had been willing to militarily intervene in 1934, joined the Rome-Berlin Axis in 1936. Schuschnigg dissolved the *Heimwehr* in 1936, and when the Nazis invaded in 1938 he ordered Austrian troops not to intervene in order to prevent bloodshed. Although, the Austrian army could not have stopped the invading Nazi German army, Schuschnigg could have made a symbolic gesture against Nazism. When Nazi Germany invaded there was little resistance because

Despite this ignominious end, Austria had survived as a functioning parliamentary democracy until 1933 and as an independent country until 1938. In retrospect, this does not compare unfavorably with most other countries in East Central Europe that also first lost their democratic governments and then their independence to German aggression. A significant difference was that those countries enjoyed broad popular and national support for their independence, while minority factions in Austria had to contend with just the opposite, namely a strong movement against the very existence of Austria as an independent state.

That an Austrian collapse and attempted *Anschluss* did not take place in the period 1918 to 1934 was due in no small part to Anglo-American economic diplomacy. The US and Britain cooperated with Austrian nationalists, such as Ignaz Seipel, Dollfuss, Ernst Rüdiger von Starhemberg, Baron Georg Franckenstein, Edgar Prochnik, and Robert Ehrhart,

most Austrians-- even if before the invasion they had not necessarily been Nazi per se-- shared some of the same views. Thus, Austrians were able to adapt to the new regime. Bukey contends that most Austrians willingly welcomed the *Anschluss* and participated in Hitler's war effort until the end of the war. Radomír Luza asserts that more than two-thirds of the members of the Nazi Party in Austria joined after the German invasion in March. Before the *Anschluss* in February 1938, Nazi Party membership in Austria was about 127,000. In 1942 the party membership had risen to about 688,478. Moreover, according to Heidemarie Uhl, although the Nazis had been a minority in Austria until 1938, by 1942 Austria had a higher percentage of Nazis than Germany. Günter Bischof and Barbara Jelavich argue that opposition in Austria from 1938 to 1945 was minimal--only about 2,700 Austrian resisters were ever executed-- yet, the population in general cooperated in the persecution of 220,000 Austrian Jews. Austrians ignored the Allied Moscow declaration of 1943 that stated Austria was the first victim of Nazism and the *Anschluss* was "null and void." Bukey also notes that some of the worst Nazis, including Hitler himself, Adolf Eichmann, and Ernst Kaltenbrunner came from Austria. Radomír Luza, *Austro-German Relations in the Anschluss Era* (London: Princeton Press, 1975), 118-119; Heidemarie Uhl, "The Politics of Memory: Austria's Perception of the Second World War and the National Socialist Period." *Austrian Historical Memory*, 66, 69-70; Bischof, "Founding Myths and Compartmentalized Past: New Literature on the Construction, Hibernation, and Deconstruction of World War II Memory in Postwar Austria." *Austrian Historical Memory*, 327; Jelavich, *Modern Austria*, 241; See also, Bukey, *Hitler's Austria*.

in support of Austria. The fact that during this time Italy still supported an independent Austria was also significant. Therefore, there was a huge contrast between July 1934 and March 1938. In July 1934 most Austrians and the international community were equally outraged at the assassination of Dollfuss and attempted Nazi coup. In March 1938, abandoned and alone, Austria collapsed like a house of cards.

After the defeat of Nazi Germany, Austria once again became a sovereign nation in 1945.¹¹⁷⁸ A Catholic conservative government ruled Austria, which underwent a long denial phase after World War II in which it portrayed Austria as the first victim of German aggression and blamed anything pertaining to Nazi atrocities on the Germans. After a horrible union with Germany from 1938 to 1945, most Austrians today embrace their independence, and unlike the inter-war period Austria has become a prosperous country.

Since the end of the Cold War, Austria is trying to find its new place in Central Europe and has opened businesses and trading relations with the Czech Republic, Slovenia, Croatia, Slovakia, Hungary, and others. Today Austria is a member of both European Union and the United Nations. The city of Vienna continues to thrive with its rich cultural history, Habsburg nostalgia, and importance as a center of commerce in the heart of Europe.

¹¹⁷⁸Allied troops withdrew in 1955.

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Boxes 5-14: Finances

Box 55: *Anschluss*

Box 57: Foreign countries

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Box 95: League of Nations

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Box 63: *Parteitage* (Party meetings)

Boxes 24-47: Nationalrat meetings

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