

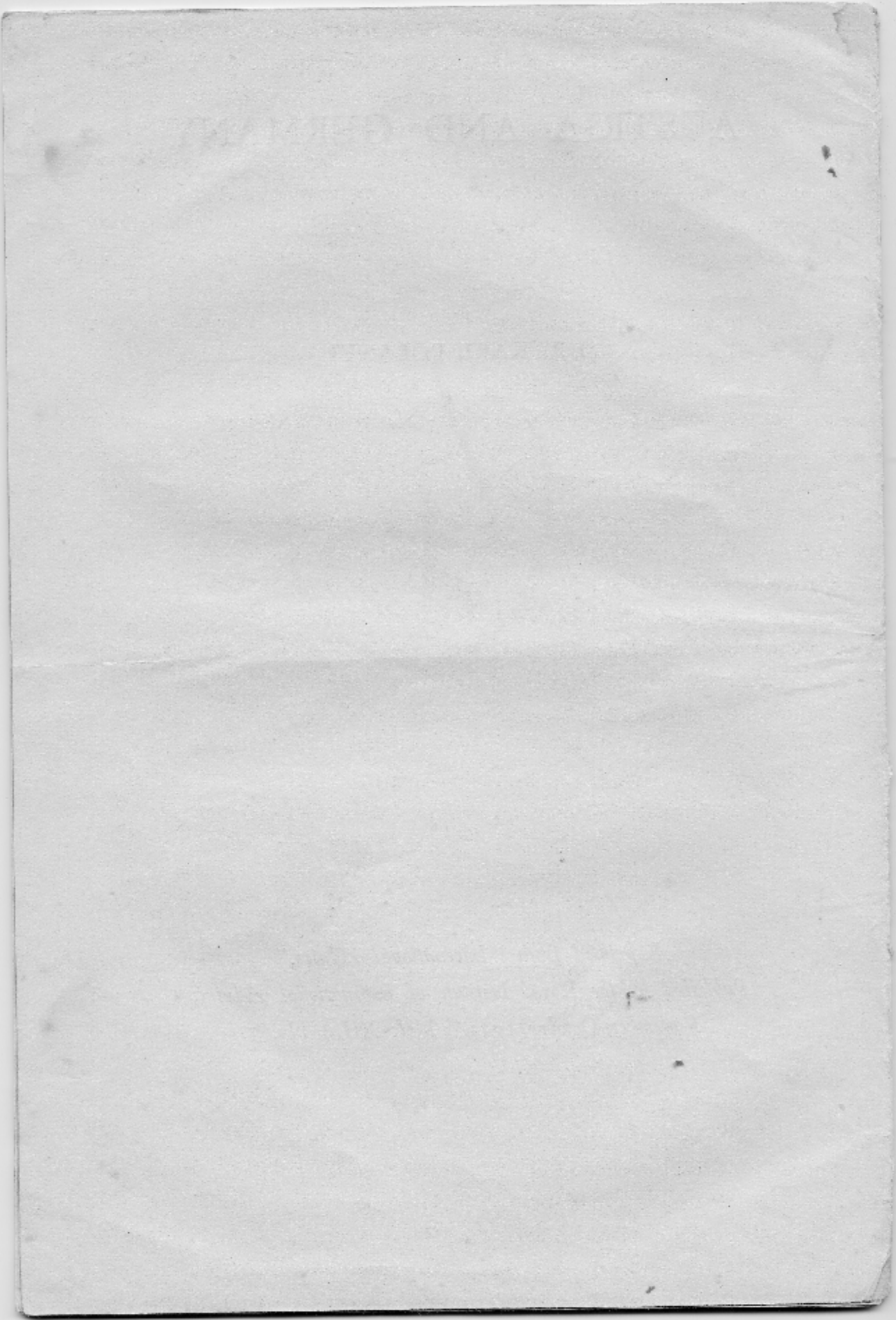
Exemplary
March 32, 1933
June 12, 1933

AUSTRIA AND GERMANY

BY
DR. KARL POLANYI

Please pay on 4-1-33
4
By [unclear] to me

Reprinted from "International Affairs."
Published by the Royal Institute of International Affairs,
September-October 1933. Vol. XII. No. 5.



INTERNATIONAL AFFAIRS

SEPTEMBER, 1933

AUSTRIA AND GERMANY¹

By DR. KARL POLANYI

THE two outstanding events in Austrian politics during the last year were the brushing aside of Parliament and the appearance of an authoritarian régime in Austria on the one hand, and the conflict with Germany on the other. In dealing with these events it will be helpful to keep in mind the fact that the period under review—one year of the Dollfuss Government—falls into two distinct parts: the first from May 20th, 1932, till the German elections of March 5th, 1933; the second from March 5th up to the present time. It is upon the second period that I shall concentrate. The conflict with Germany had, in effect, caused the internal situation in Austria, which in the first period had been normal although tense, to develop into a constitutional crisis of the first magnitude.

When, a little more than a year ago, the Dollfuss Government came into power, German events were already casting their shadow upon Austria. In fact the Government had been formed in order to deal with the situation, a distinct feature of which was the success of the Nazis in the Vienna municipal elections of April 24th, 1932. The ruling Austrian party, the Christian Socials, had lost votes heavily to the Nazis. In the Vienna Municipal Council two-thirds were still Social Democrats, but the remaining third was now made up of two parties, the Christian Socials and the Nazis.

The new situation did not yet seem to call for new methods. Although the question of the dissolution of Parliament was raised by the Opposition—Social Democrats and Nazis alike—the Christian Social Party, to which the President Miklas belongs, decided to use Fabian tactics. Dissolution was refused and the Dollfuss Government was formed. It was, in fact, the usual sort of Austrian post-War Government, practically a Christian Social Government padded with a small Agrarian Party, the

¹ Address given at Chatham House on June 12th, 1933. Sir Cecil Kisob, K.C.I.L., C.B., in the Chair.

Landbund, and this time openly supported by another small party, the *Heimablock*, the parliamentary group of the Austrian Fascist private army. In opposition, as usual, were the Social Democrats, the largest party in Parliament, together with the Pan-Germans, a nationalist party with a mainly civil service following.

The Government commanded a very narrow majority, which actually dwindled later to a majority of one, but they could feel fairly sure that, in a case of need, the Pan-Germans would support them on social and economic issues, an anticipation which was actually fulfilled. Also the Social Democrats had lost influence. The reform of the constitution under Schober had curtailed the rights of Parliament and put the power of dissolution, as well as that of making and unmaking governments, into the hands of the President of the Republic. He was, moreover, invested with the legal right of issuing decrees in cases of emergency. Austria had, in fact, been turned by the Schober reforms from the extreme Parliamentary Republic which it had hitherto been into a Presidential Republic of constitutional character. The influence of the Social Democratic Party in the army and in the police force had been on the decline ever since the Vienna Riots of July 15th, 1927. The *Heimwehr*, on the other hand, which must be regarded as the extremist driving force on the Right, had become a more or less harmless parliamentary party by taking part in the elections of November 9th, 1930. They polled only 225,000 votes, that is, not more than six per cent. of the total votes given. The Vienna elections of April 24th, 1932, showed them to be declining rapidly, losing votes not only to the Nazis but even to the Christian Socials. The Dollfuss Government hoped to cope with the situation by more or less normal methods. No revolutionary changes seemed to be impending.

But the same date, April 24th, 1932, which had brought the Nazis into the limelight in Vienna as a small but growing force, had brought them a spectacular victory in Prussia and had delivered the Prussian Diet practically into their hands. Brüning fell and on July 20th Papen forced a *coup d'état* on the Social Democratic Government in Prussia. Unmistakably the idea was to steal the thunder of the Nazis by smashing the Left with authoritarian methods, thus weakening the Nazis so as to compel them to effect a compromise with the old conservative ruling class. The Dollfuss Government indeed provided a very close analogy to the Papen régime in Germany. A revolutionary movement from the Right is countered by a conservative governing

minority waging ruthless war against the Left, and making use in the fullest measure of every constitutional prerogative. But in Austria the situation seemed much easier for the Government than in Germany. Dollfuss commanded a majority in Parliament, if not in the electorate, and even there at the time the Nazis did not exceed ten to fifteen per cent. In Germany Catholicism had up to this time proved to be a stumbling-block in the way of Nazi ascendancy; and Austria is mainly Catholic. More important still, Austria had never known nationalism.

The Government, after having secured the Lausanne Agreement, devoted its main attention to the task of achieving ratification of the agreement in Parliament. The agreement promised a loan of some 300 million Austrian *schillings* (approximately £9 million at par) in exchange for a conditional prolongation of the prohibition of a union with Germany for a further period of ten years, that is, until 1952. In order to carry through its obligations incurred at Lausanne, the Austrian Government proceeded to balance the budget by a radical reduction of expenditure. This meant, of course, the curtailing of social services, the cutting down of the pensions of the railway employees, etc. Government business was on the whole carried on with remarkable energy and, although the loan was not forthcoming, the Austrian exchange progressively improved.

One notable event during this period was both a significant reminder of Papen's method in Germany and a sign that the Government did not intend to allow constitutional niceties to stand in its way. On October 1st, 1932, the Government discovered that a law of the War period provided it with emergency powers to deal with "all economic questions arising out of war conditions." "Dora" *redivivus* with a vengeance! The Government made use of these exceptional powers in a most adroit manner against the directors of the Credit-Anstalt Bank — a highly popular issue. Although Parliament was not adjourned and could have been called at the shortest notice, the Government issued an emergency decree based on "Dora," by which distraint upon the immovables of the Credit-Anstalt and Bodencreditanstalt directors was allowed without the usual safeguards required by law to make good the damages, if any, to the State. The Social Democrats, although they had carried on a regular campaign against those held responsible for the collapse of these banks, at once protested against this attempt to introduce unconstitutional methods by appealing to the passions of the masses. But Parliament upheld the decree by a majority vote and an im-

portant precedent was set up. The Government had to all intents and purposes made use of powers which were scarcely constitutional. At any rate, no jurist could be found to confirm that this use of "Dora" was constitutional. But the Government refrained from using these powers again, so that apart from this significant episode, the Government's methods during this first period cannot be regarded as wholly abnormal and, in any case, could in no way compare with the wholesale illegality of the German parallel. In fact, nothing seemed to foreshadow the dramatic events of the second part of the period under review. But the German elections in March 1933, and the sudden collapse of Bavarian autonomy produced an utterly new situation. The fight of the Government against the Nazis in Austria was invested with a quite new significance. Upon its outcome now depended, not only the existence of the Christian Social Party and the conservative interests bound up with it, but the independence of the Austrian State itself. A crisis of the utmost intensity ensued.

On March 8th, 1933, a *Pronunciamento* of the Government appeared as a proclamation on the walls of Vienna. Public meetings were forbidden and the press put under censorship. The decrees were based upon "Dora." Parliament was declared to have put itself out of action. Oddly enough, it so happened that all the three chairmen of the House had resigned on a point of order a few days earlier. Worse still, none of the standing orders applied directly to the case, so that the Government could put up a plea of *non liquet* without being laughed out of court. At any rate they were not. The President of the Republic, although taking on the whole a moderate line during the constitutional controversy, refused to accept the resignation of the Government tendered on March 7th. To the new attitude of the Government, amounting to a *coup d'état*, the Social Democratic Party put up very strong opposition. On March 13th, the third chairman of the House, a Pan-German, who had been the last to resign, summoned a meeting of Parliament for the express purpose of closing the last sitting, which technically was still going on. The Government declared this an illegal gathering and ordered the police to prevent it "in defence of the Constitution." (There was imminent danger of a general strike which, if called, would, as is generally agreed, have been synonymous with civil war.) The more so as the *Heimwehr*, the Fascist Militia, gathering their force in Vienna, seemed to have contemplated seizing power on the same day. The President of the Vienna Police was dismissed on the next day by the Government

for showing gathering of too much gathering of tioning that Police open passed peace assuming no the common two further Force was d strations in high tension of the censo of private opposition grounds. I and the Mu Council (con hopes in th (*Verfassung* out of actio adherents o in Austria l

This tur the outside, The Germa and to rob i this momen Nazi mover times the r Austria; o Germany.

With th Not that up feature of disappear startled th policy had now, even i features of connection relationship

for showing a lack of energy in dealing with the attempted gathering of parliamentarians alleged to be illegal, and perhaps too much energy in dealing with the certainly more illegal gathering of the armed *Heimwehr* in Vienna. It is worth mentioning that shortly afterwards this former President of the Police openly joined the Nazis. But the critical March 15th passed peacefully. The Social Democratic Party drew back, assuming not unrightly that out of a clash with the *Heimwehr*, the common enemy, the Nazis would emerge victorious. On two further occasions, March 30th, when the Republican Defence Force was dissolved, and May Day, when the customary demonstrations in the Ring were forbidden by the Government, political high tension threatened to break out into an explosion. In spite of the censorship, in spite of the prohibition of meetings and even of private sittings of political and cultural associations, the opposition carried on its struggle exclusively on constitutional grounds. It carried the fight into the provincial legislatures and the Municipal Council of Vienna as well as into the Federal Council (corresponding to the *Reichsrat* in Germany). It set its hopes in the last resort upon the Constitutional High Court (*Verfassungsgerichtshof*). But in vain; for this Court was put out of action quite recently by the resignation of several judges, adherents of the Government. Since March 8th the constitution in Austria has been in abeyance.

This turn of events was entirely due to a danger coming from the outside, from a wholly unexpected quarter, namely, Germany. The German Revolution threatened to swallow Austria whole and to rob it of any sort of separate existence whatsoever. From this moment, from the point of view of the Government, the Nazi movement *in* Austria becomes only one aspect, even if at times the most important aspect, of the Nazi movement *outside* Austria; or, to put it otherwise, an aspect of the conflict with Germany.

With this we definitely pass into the realm of foreign policy. Not that up to this time foreign policy had not been an important feature of Austrian affairs. On the contrary, months before the disappearance of the Bavarian State from the political horizon startled the Austrian Government overnight into action, foreign policy had been very much to the fore. We must reflect upon it now, even if only cursorily, unless we are to overlook two important features of the general situation, namely, the origins of the foreign connections of the *Heimwehr* and the origins of Austro-Italian relationships in general.

It was the general situation in South-Eastern Europe which started the movement in Austria's foreign affairs at the turn of the year. Austria's geographical position made her an uncomfortable onlooker. I do not profess to know exactly how the situation arose which resulted in a visit of the leader of the *Heimwehr*, Prince Starhemberg, to Rome. But the head of the Government visited Budapest, accompanied by another important Cabinet Minister. No doubt commercial affairs were the chief theme of the Budapest conversations, at any rate for the Austrian negotiators if not for the others. The Croatian question seemed to bring matters to a head. Italy had discovered that not only was Croatia flanked on the north by Hungary, but that Italian communications with Hungary were deplorably hindered by too strict an interpretation of Austrian neutrality. What if Croatian insurgents happened to be supplied with arms from the north? What, especially, if Croatia emerged unexpectedly as a problem of international order?

Such was the situation and atmosphere the dangers of which Hirtenberg revealed to Europe. Although Great Britain is supposed to have played a leading rôle in the formulation of the diplomatic instruments involved in the case, I shall only mention the fact that in Austria the outcome of the affair was regarded as a marked success for Italy, the *démarche* of the two Western Powers in Vienna having been left unanswered by Austria; and though Italy had to declare her readiness to take back the war material lying in Austria, the demand for a special control of this procedure was no longer pressed.

The remarks of the *Reichspost*, the leading organ of the Austrian Government Party, at the close of this incident were much commented upon at the time. In an article entitled "No 'Change' of Orientation," it stated that not Austria but the world around had changed.

"Where there is no longer any Europe, a European policy becomes impossible. . . . If blocs are to take the place of Europe, Austria will have to choose between them, and in this case she will not choose the Powers trying to perpetuate the injustices committed in 1919."

This sounded like a considered declaration in favour of the revisionist front, and like a potential refusal to follow any longer the *status quo* line which Seipel had so masterfully succeeded in harmonising with the Italian orientation, also inaugurated by him. Austria, in short, prepared to side with Germany, Italy and Hungary, against France and the Little Entente.

if things
these imp
from conf
policy clo
War, exc
the fight
20th, 1933
between A

What
taken the
not forese
thenced by
Centre Pa
This won
even afte
seeing on
surprise
which Se
Social Au
this sudd
German-
stone of
Bavaria
Germany
German
to a pol
State its
Seipel

it was C
the adva
with the
federatio
be the li
Hungary
become
future U
ception,
a Cathol
either of
Croatia,
regard S
present
conserva

if things were to come to that. It goes without saying that these important developments in the realm of foreign affairs, far from conflicting with German interests, really brought Austrian policy closer to the German line than it had ever been since the War, except perhaps during the short but unfortunate episode of the fight for the Customs Union. This happened on February 20th, 1933. Within less than a month of this date the relationship between Austria and Germany was actually at breaking point.

What had happened? Had the success of Hitler at the polls taken the Austrian Christian Socials unawares? Or had they not foreseen that the Hitler régime would be enormously strengthened by such a success, weakening correspondingly the German Centre Party and the position of German Catholicism in general? This would mean doing injustice to a group of politicians who, even after Seipel's death, must still be counted among the far-seeing ones of Europe. But in order to gauge rightly the terrible surprise which shattered at a blow the political structure upon which Seipel himself had built up the foreign policy of Christian Social Austria, and in order to understand the far-reaching effects this sudden change necessarily exercised upon the whole range of German-Austrian relationships, we must realise that the cornerstone of this edifice was the autonomy of the Bavarian State. Bavaria had been the invisible buffer State between Austria and Germany. Her disappearance in the stress and strain of the German Revolution in the first week of March was tantamount to a political earthquake. The independence of the Austrian State itself was in peril of immediate extinction.

Seipel's conception of the future of Austria was not German, it was Central European. He wanted to combine, if possible, the advantages for Austria of being inside a German federation with those of forming also part of a group of States outside this federation. His ideal was an Austria which would in some way be the link between the German States and the Danubian States, Hungary first of all. In this way Austria would naturally have become the centre of any new grouping in this region. For future upheavals in Central Europe were, according to this conception, regarded as possible, if not probable. Thus Austria, as a Catholic State, would become a natural centre for a regrouping either of the Catholic States of Southern Germany or of Hungary, Croatia, and Slovakia. It would be a total misunderstanding to regard Seipel, on this score, as working for the dissolution of the present political system in the countries concerned. That his conservative convictions would have refused to envisage, just as

his political realism would have dismissed such schemes as sheer fantasy. But this did not preclude his taking a long view of the future of Austria, and in this order of ideas keeping as close to Germany as seemed possible without running the risk of falling victim to the force of gravitation and being swamped by her. The maintenance of the federal structure of the German Reich became in this way an integral part of Austrian foreign policy, with Bavaria as the guarantor. Without Bavaria, Seipel, a determined antagonist of a union with a centralised Germany and, as we know, only a very cautious adherent of the admission of Austria to a federal Germany, would never have found it possible to keep Austria in so close a relationship with Germany as he actually did.

But, Seipel's ideas apart, the fact remains that as long as Bavaria existed as a separate State, Austria could rest assured that her independence was not imperilled, or at least that if union with Germany should turn out to be the only alternative, Austria would be able to stand out for her own terms.

Take the problem of German monarchy. The point is very far from academic, the restoration of the monarchy in Germany having been regarded ever since July 20th, 1932, as the most probable outcome of German counter-revolution. This would not necessarily have implied a victory of Hugenberg-Papen over Hitler, a compromise monarchy, as it were, being within the realm of possibilities. What monarchy would actually mean as between the German parties would depend mainly upon who would be the bearer of it. For the possibility of a monarchy more or less independent of groups and parties, and strong enough to return to power as an arbiter among warring factions, grew more and more remote as the lack of the essential popularity of the Hohenzollerns, in comparison with the Wittelsbachs in Munich, for example, became clear. Only a monarchy with a "label" could be reckoned with: a monarchy of the Hugenberg-Papen Junkers, a monarchy under the auspices of Hitler, or even a Left monarchy restoring democracy and the constitution, as in other countries where counter-revolution had been victorious—in Hungary, for instance, where legitimism was for a time strongly supported by trade unionism against the Horthy régime. Now as long as Bavaria stood, Austria could contemplate all these eventualities with relative calm. For the home of the monarchist idea in Germany is Bavaria. The Hohenzollerns in Berlin would mean, as a matter of course, the Wittelsbachs in Munich the day following—if not the day before—with Austria free to establish a monarchy of her own or at any rate in no

danger
restoratio
Hohenzoll
in Vienna
soon thin

Unfor
situation
optimist
They we
enough i
of the fe
Brüning
the star
Socialist
the Nazi
to be no
German
Schleich
by Pap
remaine
on the
federalis
weaken
exclusiv
a real da
in Germ
and III
would r
of the
constitv

The
of the
legal ba
of the s
an incor
28th, I
light of
ran:

"TH
preroga
The Ba
with th
was iss

danger of being swallowed up. But Bavaria now lost, the restoration of the Hohenzollerns in Berlin would mean the Hohenzollerns in Munich and, in case of union, the Hohenzollerns in Vienna. As far as the Christian Socials go they would just as soon think of restoring the Turks.

Unfortunately for the Christian Socials it was just the Bavarian situation which they had misjudged, misled no doubt by the over-optimistic information supplied to them by Munich headquarters. They were confident concerning Munich and so they felt free enough in dealing with Berlin, never losing sight of the importance of the federalist issue. They had been, in spite of the Catholic Brüning and the Centre Party, supporters of Papen almost from the start. In fact, a coalition of the Junkers and the National Socialists, with the participation of the Centre Party, in which the Nazis would not be the predominating force, seemed to them to be not only a good, but also the most probable outcome of the German upheaval. When Papen fell a victim to the Nazis, and Schleicher, who became Chancellor, was, in his turn, overthrown by Papen's selling the pass to Hitler, the Christian Socials remained all through adherents of the authoritarian side, always on the *qui vive* in order that only the democratic and not the federalist elements of the constitution should be injured or weakened. It can be freely stated that the main reason why the exclusive rule of the Nazis in Germany was regarded by them as a real danger at all, was the fact that Nationalism and Federalism in Germany are utterly incompatible with one another. Papen's and Hindenburg's repeated assurances, however, that federalism would remain untouched were accepted as sufficient guarantees of the will of the central authorities to safeguard the federal constitution of the Reich.

The first intimation of the coming earthquake was the burning of the Reichstag. The fact is sometimes overlooked that the legal basis for the supersession of the administrative sovereignty of the single States by the authority of the Reich was provided by an inconspicuous paragraph of the emergency decree of February 28th, 1933, which Hindenburg had signed, so to speak, by the light of the flames of the burning Reichstag. The paragraph ran:

"The Government of the Reich may provisionally assume the prerogatives of the supreme authorities of the single States."

The Bavarian Prime Minister, Held, at once asked for an interview with the Chancellor of the Reich, Hitler. An official statement was issued on March 1st, declaring that

"there can be no question of the appointment of a Commissary of the Reich for Bavaria," and that

"Dr. Held received new, most reassuring undertakings in addition to those already given by Papen and by the written statement of Hindenburg."

Form and tone were those of a State document. Moreover, there was the conviction that the elections in Bavaria would bring overwhelming confirmation of the Catholic and independent character of the Bavarian State. The *Reichspost* had felt so sure of this fact that, even on February 24th, it had written in a leading article that

"Bavaria is in no way inclined to suffer a further infringement of her constitutional rights and even less to submit to a National Socialist dictatorship. This is the feeling all over the country, not excepting a great part of the National Socialists themselves."

Solemn pledges, the monarchist traditions of the Bavarian people, and the logic of counter-revolution which must needs compromise with conservatism had seemed to make the Bavarian position, and thereby that of Austria, impregnable.

The alarm shot was fired from Munich. It followed close upon the grand and reassuring statement which Hitler had made to Held. At any rate the *Reichspost* published on the next day, March 3rd (two days before the German elections), a leading article which did not fail to cause a sensation in Austria, entitled "A New Beginning." The gist of this article, full of mysterious hints, was that the Christian Social Party had to shoulder pluckily a total change-over in the political system of the country. Later it was known that the article foreshadowed the proclamation of monarchy in Munich. The general elections, in fact, brought one great surprise, the enormous growth of the Nazis in the Catholic South. Catholicism had proved to be no bulwark against extreme nationalism. In the dawn following that decisive election night, Göring announced the results of the polls thus: "The majority of the German people have voted for the national parties," meaning the Nazis and Nationalists together. "For the first time since Bismarck, the Centre Party has been thrown out of its key position." Baden and Hesse had a "national" majority, in Bavaria and Württemberg the "national" parties had grown much stronger than the local Catholic parties. It was clear that a dissolution of the State Legislatures would be asked for and granted, and that in the new coalition governments to be formed the centralist elements—that is, the opponents of federalism—

would dominate. On March 6th the Government in Baden was peremptorily asked to resign. In Hesse dissolution was impending. In Württemberg the Nazis demanded the resignation of the President of the State, the Catholic Dr. Bolz. Catholic rule in Bavaria was on the brink of collapse. On the evening of March 7th the Austrian Government drafted its *Pronunciamento* and the crisis began.

But the worst blow was yet in store. Instead of the expected announcement of a struggle for Bavarian constitutional rights—a conflict in which all the conservative forces might and could have unfolded their reserves of strength—there came the news of a quite incredible event. On March 9th the Bavarian Government was to all intents and purposes deposed, Lieutenant-General von Epp being nominated Commissary of the Reich for the State of Bavaria. The *Reichspost* made no attempt to conceal what that meant. Its headline was "*Finis Bavariae.*" Every move of the Austrian Government since has been solely determined by what it regards as the moral to be drawn from that day.

To make a long story short, the Austrian official version is that Bavaria would never have fallen unless ruse, treason and force had combined to paralyse her resistance. The *Reichspost* gave on March 12th a detailed analysis of the events of March 9th in Munich. As I am not concerned here with German politics I merely mention that, according to the *Reichspost*, the Berlin authorities assured the Munich Government at 4.30 p.m. that no intervention in Bavaria was contemplated, yet when this intervention actually took place at 7.30 p.m., the Bavarian Government was not informed of the orders sent to General von Epp by which the prerogatives of the highest Bavarian State authorities were provisionally transferred to him. The telegram by which the Bavarian Government, it was alleged, had been informed of this act had been mysteriously lost. When it was "repeated," things had already happened. Until the last minute negotiations had been on foot between Berlin and Munich, the Bavarian Government having proposed that it should itself nominate von Epp as General State Commissary for Bavaria, thereby safeguarding the federal constitution of the Reich. Moreover, many signs confirm the belief that in order to dig itself in, in preparation for the fight for federalism, the Bavarian Government had actually planned to proclaim the monarchy.

Never was legitimism in Austria so near to becoming an issue of practical politics as in the fortnight following the *Pronunciamento*, when the Austrian Government feared it might suffer the

fate of Bavaria. Bavaria had given away her chance to get in the first blow; Austria must beware of this mistake! This was the moral Vienna deduced from those black days of early March in Munich. Since the beginning of March the Vienna Government has been hypnotised by the fear of being late. When, a week later, on March 18th, the Bavarian Minister of Justice, Dr. Frank, made a speech against the Austrian Government because it hindered Nazi propaganda, and said that Lieutenant-General von Epp would be, perhaps, entrusted with looking after matters in Austria, the Vienna Government promptly instituted cooperation between the army, gendarmerie, and *Heimwehr* in defence of the frontier, and reservists were called up.

If, on the face of it, the policy followed by the Christian Socials in the conflict with Germany may sometimes seem contradictory and more than once disturbed by cross-currents, the main reason for this can be easily given. The reaction of Catholicism in Germany and Austria as a whole to National Socialism had, as it were, two different centres, the Vatican in Rome and the Christian Socials in Vienna. Again and again Vienna had to reckon with the fact that the Vatican, fixing its eyes upon Germany as the greater scene of action, was seeking to find a basis for cooperation between the Centre Party and the Nazis. But while, from the middle of March to the middle of April, Vienna adjusted its policy, or rather its tone, as far as possible to the conciliatory tendencies of the Vatican, since the middle of April Vienna has decidedly put its regional interests first in both cases. In both instances Rome was the scene of important decisions. But whilst in the middle of March it had been the Rome of the Vatican speaking through the mouth of the new Austrian Cardinal-Archbishop, Dr. Innitzer, in the middle of April it was the lay Rome of Mussolini which set the scene for the negotiations of Dollfuss. That the exigencies of Austrian policy were at this stage wholly recognised by the Vatican was clearly shown by the change in tone which Dr. Innitzer's speeches manifested in the middle of April. In the middle of March the Church of Rome had assumed as its chief task the building of a bridge by which the German Centre Party could retire from the most exposed strategic positions in which the victory of Hitler had left these political exponents of German Catholicism. Dr. Innitzer's friendly words on March 13th in Rome about the German upheaval were the introduction, as it were, to the declaration of the German Bishops' Conference of Fulda, at the end of March, which allowed "that the general prohibitions and admonitions issued against the

Nazis were now no longer regarded as necessary." In keeping with this, Hitler had, a few days before, been accorded an Enabling Bill in the Reichstag at Potsdam by a two-thirds majority, including the Centre Party. The next day the *Reichspost* daily commented upon the Potsdam speech in a most conciliatory manner under the headline "A New Hitler." It is difficult for an outsider to gauge whether at this time the Vatican could really hope to effect a compromise with the German Nazis of so inclusive a character as to cover Austria. In any case the spiritual moderation professed towards the National Socialist doctrine by Dr. Inuitzer, the Conference of Fulda, and the *Reichspost*, stood in the most paradoxical contradiction to the extreme vehemence with which the Austrian Government meanwhile fought the Nazis politically. "We fight for our bare lives!" the *Reichspost* wound up an article which called upon the country to defend itself in case of a possible incursion of Bavarian Nazis, and went so far as to threaten the immediate restoration of the Hapsburgs if German aggressiveness should leave the Austrian Government no other line of defence. What seemed a misprint was, in reality, a rather witty manner of hinting at a legitimist *Putsch* in Austria, when the *Reichspost* wrote:

"The Austrian will not consider long, if his house is set on fire, whether what he does be regarded as legal or even be called *legitimate*."

"Legitimate" as juxtaposed to "legal" could only make sense, of course, when derived from the technical term "legitimism."

But besides the Vatican there may have been other moderating influences at work in Rome. Indeed from the middle of March until the middle of April, Rome was also the centre of the negotiations around the Four Power Pact. Austrian Christian Social leaders well recognised the importance of a positive outcome of these negotiations, if concluded on the basis of the original Italian-British draft. They realised equally well that a negative outcome would deeply and lastingly influence the international position of Austria. I have mentioned the article in the *Reichspost* in which Austria announced her adherence to a revisionist *bloc*, if *blocs* there were to be. Carried to its logical conclusion, this meant that Austrian questions were henceforward to be internationally regarded as mainly concerning Italy and Germany either under the (original) Four Power Pact—as the two neighbouring Great Powers—or under the *bloc* system, as a component part of one of the *blocs*. The full implications of this alternative cover perhaps all the most topical aspects of the

Anschluss problem. At any rate it was more than a coincidence that the sudden trip of Dollfuss to Rome in the middle of April was prelude by an article in the Government organ which in so many words stated that the original Four Power Pact was dead and done for. This opened up the second period of the conflicts with Germany in which not the Vatican but Italy came to the fore. Dollfuss had been clearly given preference in Rome as against Papen and Göring. On his return he declared that "Austria has now a friend in the South." Next day this was qualified into the statement that it now had a friend *also* in the South. The correction did not carry conviction.

The most acute phase of the conflict with Germany had now begun. On April 24th, 1933, just one year after the Vienna municipal elections, the elections to the Town Council of Innsbruck, the capital of the province of Tyrol, gave 41 per cent. of the total poll to the Nazis. The Social Democrats, the largest local party, lost some 25 per cent. of their votes to the Nazis. The rest of the Nazi votes were won from the Pan Germans and the *Heimatblock*, which were both wholly obliterated. As in Germany, many votes were cast by people who usually refrained from voting. But this time the Christian Socials, contrary to their experience a year before, lost hardly any votes at all. This favourable outcome was interpreted by them as a result of the fact that the Government had taken a very firm stand against the Nazis. Actually, the Government in Austria had never relaxed its pressure against the Left. The attack upon the position of the Left was carried several stages further. The Socialist press, the Social-Democratic Party, social services, rights of collective bargaining, the legal standing of public servants and of employees of public utility enterprises, the finance of the Municipality of Vienna, all had to suffer. At the same time, the Government maintained its strong line against the Nazis: the wearing of private uniforms was forbidden, meetings prohibited, civil servants, State employees, the army and the police were compelled to renew their oath of allegiance. Most important of all, the Government began to develop the idea of Austrian patriotism as the basis of its home and foreign policy. The new formula of the oath actually included a passage which stated that no civil servant could be a member of a foreign political society, this term for the first time covering any political body located in Germany.

While the German Government did not cease to profess officially a very detached attitude regarding the Union*with

Austria, Hitler's newspaper, *Der Völkische Beobachter*, struck a very different note. So did close collaborators of Göring, like the Bavarian Minister of Justice, Dr. Frank. As was later revealed, the German Foreign Office had left the complaint of the Vienna Government regarding the speech of Dr. Frank substantially unanswered. The announcement by a Vienna Nazi newspaper on May 8th, 1933, that Dr. Frank, accompanied by Kube, Kerl, Freissler, Ley and others, had decided to visit Austria, was therefore a deliberate provocation of the Austrian Government. Had it taken this lying down, the Government of Austria would have *ipso facto* resigned its authority and handed it over to Berlin. At the present stage the conflict has developed into an economic attack by Germany upon Austria. Germany's embargo upon travel to Austria is a very severe blow, especially to the Tyrol and Salzburg. It will unjustifiably direct much political feeling against the Government in Austria. Actually it continues to excite the most bitter feelings between the two countries.

Germany says she is prepared for a policy of understanding in the field of foreign affairs. She takes a moderate line with regard to such matters as equality of status, revision, Danzig, relations with Poland; but against German Austria she wages an economic war. It may be freely stated that the outcome of the present struggle will decide the turn which Austro-German relations will take in the future. If the Dollfuss Government is driven to capitulate, Berlin will have actually assumed power in Vienna. It may be that even then Hitler will deem it opportune to restrain the Austrian Nazis from taking power openly. But it will rest with him alone to decide when this step is to be taken. This would, in fact, be tantamount to a union of Austria with Hitlerite Germany. The consequences of such a development for Europe would assuredly be great.

Summary of Discussion.

MR. F. V. SCHUSTER asked if Dr. Dollfuss was likely to succeed in his attempt to create an Austrian patriotism. There had been no Austrian patriotism since the War, but regional patriotism in the various *Länder* with much internal jealousy between the *Länder*. Dr. Dollfuss was trying to establish a dictatorship of the moderates, and therefore the driving idea behind it was more or less negative. Was there the chance of uniting the Anti-Nazi parties in defence of the idea of freedom? An attack such as that from Germany would in Great Britain have united even those economically damaged in defence of their own Government; was this proving the case in Austria?

DR. POLANYI said it was true that Austrian patriotism was a new phenomenon. Whether the Dollfuss Government would win through depended upon the way in which it presented its case; for it too had turned against parliamentarism and representative democracy, so that there was not much left in the way of programme with which to counter the Nazis. Further, if Austrian freedom did not mean political liberty and also cultural and spiritual liberty, the danger was that it would only mean freedom to develop an Austrian brand of Fascism. One could not be sure that Austrian citizens would defend that. At first, up to mid-April, the "new patriotism" had even included anti-Semitism as vehement as that of the Germans, but the Dollfuss Government had later dissociated itself from this. He hoped that the Government would succeed in giving a fuller content to Austrian independence and that it would make Austria the repository of all that was best in the German tradition. Such a policy would greatly improve the prospects of the Government. The Government had decided to give financial help to those interests most affected by the German economic attack on Austria. Ten million Austrian *schillings* was to be used for assisting hotel-keepers who had depended on German tourists.

MR. WALTON NEWSOLD described May Day in Vienna and how, although celebrations had been forbidden and machine guns were at the corners of the streets, the people were walking about enjoying themselves, Socialist and Nazi flags were flying side by side, and nobody had thrown any stones.

He asked what the attitude of the Social Democrats was towards the cultivation of national patriotism, as they had formerly been strongly in favour of the *Anschluss* with Germany. He understood that behind the scenes they had frequently come to a compromise with the Government.

How far was an alliance possible between the Social Democrats and the Christian Socials?

What was the attitude of the elements of the Left to Czechoslovakia, which was the industrial area with which commercial Vienna was naturally connected?

What would be the reaction of Italy to any attempt at Germanising the Tyrol? The Fascist Exhibition had laid great stress on the fact that the movement grew out of Mussolini's efforts to waken the Italian people to take Trentino and Trieste, and Italy was not likely to tolerate a return of German influence to the Brenner.

DR. POLANYI said that the celebration of May Day in Vienna, as described, in spite of extreme political tension, showed the high level of political culture in Austria. This was the outcome of the traditions of an Empire which had been always in danger of falling to pieces and could only be held by political wisdom and technique.

The Social Democrats were still the largest numerical party in

Austria and many people thought they would be willing to take a patriotic line, but the Government did not yet seem inclined to make use of them. Their former attitude towards Union with Germany had been completely changed by Hitlerism.

Czechoslovakia played very little part in Austrian politics directly, but it played an important part indirectly through Paris. The present reliance of Austria on Italy did not bring Austria closer to Czechoslovakia, since the opposition between Italy and the Little Entente was one of the main factors of policy in the Danubian Basin. The speech of Signor Mussolini after the signing of the Four Power Pact, in which he spoke of Austria, Hungary, Turkey and Greece as States near to the heart of Italy, seemed rather to suggest some new sort of grouping, and not that Italy was making its peace with the Little Entente proper. It was therefore the Hungarian question which was more to the fore in Austria.

Italy had put down its foot against any German move towards the South, not only on the Brenner but also towards Trieste and the Adriatic. It was clearly Italian influence which had made Dr. Dollfuss strong enough in the middle of April to put up real resistance against Germany.

The view in Vienna upon the situation in world politics arising out of the Four Power Pact was that Austria would rely further on Italy for support, but that perhaps Italy might now begin its negotiations with France and so lead to a lessening of the opposition between Italy and the Little Entente by way of Paris.

QUESTION : What was likely to be the effect of the recent Concordat between Austria and Rome on the politics of Austria?

DR. POLANYI said that the Encyclical "*Quadragesimo Anno*," the political instrument which the Vatican had formed for dealing with very different and contradictory questions in the Central European field, had two poles which made it possible to change the emphasis as necessity arose. One was that the Catholic Church had definitely taken up a friendly attitude to the idea of a corporative society, so that Fascist sociology had been given a place in Catholic State philosophy. But, on the other hand, the Fascist Party had been excluded from this recognition. So the Encyclical made cooperation possible, it made opposition possible, and it made competition possible, while the Church retained its independent position in fundamentals. Seipel had understood it as a hand extended to Fascism. The German Catholics, on the other hand, took up the other idea, that the dominance of the Fascist Party in the State was not in accordance with the ideas of the Church on the task of the State.

The Concordat with Austria did not seem to be directly linked up with the Catholic action in Central Europe. The text of the Concordat had not yet been published, but it was understood to be very moderate and not very far-reaching. Rome seemed to take the long

view that it was better to have a Concordat which the whole country would accept than to put through one which in the end might not turn out to be lasting. The Concordat dealt chiefly with marriage and divorce and left the rights of the Church with regard to schools unaltered except in details. It would appear that the Church did not intend to take up a militant attitude.

MR. C. F. MELVILLE said that as a Roman Catholic and a contributor to clerical newspapers he had received instructions when in Central Europe to "soft pedal" on the Nazis, but that in Austria he had received no such instructions, which suggested that the Church was anxious for a compromise with the Nazis in Germany but was anti-Nazi in Austria.

Had Cardinal Pacelli a dream of establishing a sort of Holy Roman Empire?

Had the present régime in Austria lent itself to the Italian policy of "divide and rule" in the Balkans by favouring the idea of an Austrian-Croatian federation?

What was the attitude of the Austrian Government to the idea of a Danubian Confederation, either political or economic, or both? In Prague it was thought an excellent idea, but one which tariff barriers had now complicated; in Vienna it had been thought a good idea if Germany were not left out; in Budapest it was approved if Budapest and not Vienna were the centre; while the Italian attitude appeared to be that of a dog in the manger, objecting to both the *Anschluss* and the Danubian Confederation.

What was the position with regard to the monarchy and how was it related to the same question in Hungary?

DR. POLANYI agreed that, viewed from the Vatican, the German question was separate from the Austrian question. The idea of a revived Holy Roman Empire had certainly been in Seipel's mind, but he did not know whether Cardinal Pacelli cherished it and he thought it had lost all actuality.

The Austrian Government favoured closer relationships with Hungary, but certainly did not entertain any idea of a subversive action with regard to Croatia, whatever might be the Italian hope of a Croatian rising.

The Danubian Confederation was one of the things more spoken of than any other in connection with Central European problems, but there was in it little more than talk and it generally meant Austro-Hungarian relations.

The question of the monarchy was always present, but he had no information about the actual position in Hungary. He thought strong forces there were opposed to any monarchist attempt. Hungarians wanted to keep their own little revision quite clear from the questions of the big German revision or of an Austrian monarchy.

