

# Czechoslovakia and the Austrian Question 1918 - 1928 <sup>1)</sup>

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## I

The sudden disintegration in October, 1918, of the Habsburg Empire that had for several centuries unified politically and economically so large a part of Central Europe, could not but leave a host of problems, on the solution of which depended to a large extent the vitality and stability of the new system emerging out of the ruins of the First World War. The most startling aspect of the Empire's dissolution was the dramatic change of the roles in the region: the masters of yesterday — the Austrians and Hungarians — found themselves now in a most desperate predicament, confined to territories so small that their economic viability was in question, while the subject nationalities, for the most part, not only rejoiced in their regained freedom and independence but also acquired a dominant position in relation to their former masters.

Neither the Hungarians nor the Austrians would reconcile themselves to their new status, but in their efforts to change it they pursued quite different policies. While the Hungarians set their hearts upon regaining the lost territories, the Austrians, now that their own empire was gone, yearned for a union with their German kinsmen, seeing in it the only hope of salvation. The small Austrian republic, an entirely artificial creation, was alone among the succession states in showing little desire to retain its independence. But the Austrians saw themselves condemned to independence against their will. The victors, particularly France, were determined to prevent the realization of the Anschluss and to preserve at all costs an „independent“ Austria. They would not allow Germany to compensate its losses, which would make easier the revival of its menacing power.

No country had a more vital stake in the Austrian question than Czechoslovakia. The Czechs had good reason to be more alarmed than anybody else by the specter of the Anschluss, for in the event

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<sup>1)</sup> The article is primarily based on unpublished documents in the National Archives, Washington, D. C. Some of the documents are so important and revealing that this writer considered it not only justifiable but also desirable to cite them in extenso.

of it coming to pass they would be surrounded on three sides by the Germans and, if that were not enough, their paramount internal problem — that of the large resentful German minority — would automatically be hopelessly aggravated. On the other hand, the renewal of the Austro-Hungarian union in a new form was perhaps less dangerous but hardly less abhorrent. Thus the instinct of self-preservation dictated to the Czechs the policy of not letting Austria either be absorbed by Germany or join hands with Hungary. The ties which had for centuries bound Prague with Vienna might have been formally broken, but the fortunes of the two countries continued to be inseparably linked together.

Some Czech leaders, in particular President Thomas G. Masaryk and his intimate collaborator, Foreign Minister Eduard Beneš, were aware of this unpleasant fact from the very beginning. But it was one thing to recognize it and another to grapple with it and to work out an effective realistic policy. Against the reality of geography and economics was pitted historical experience and the hostility born of it. The Czechs had been the most dissatisfied of the Austro-Hungarian Empire's nationalities, and hated the Austrians and the whole „Austrian system“<sup>2)</sup>. During the First World War their sympathies were naturally with the Entente Powers. They worked steadfastly both at home and abroad for the overthrow of Austrian domination and the break-up of the Empire. Masaryk and Beneš had escaped to the West to become the most effective anti-Austrian propagandists. In turn, the Austrians regarded the Czechs as traitors. The armistice did not bring any lessening of tension between the two peoples. On the contrary, the dramatic reversal of fortunes and the thorny problems resulting from the dissolution of their long association deepened the hatred between them and rendered an eventual rapprochement difficult.

## II

After the overthrow of the Imperial Government, power in the rump state of Austria passed into the hands of a coalition government, in reality dominated by the Social Democrats. The country was in a state of utter chaos. Owing to the Allied blockade and parti-

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<sup>2)</sup> „If I really hate anything, it is Austrianism — or rather Viennism, that decadent aristocratism, chasing after tips, gratuities ...“ Thomas G. M a s a r y k, *The New Europe (The Slav Standpoint)* (For private circulation, 1918), p. 46.

cularly the lack of coal, nearly all industry was at a standstill; the roads were blocked and means of transport did not exist. There was some danger of anarchy and bolshevism. Councils of soldiers and workmen were formed, and for a few weeks real power was in their hands. It was not surprising that the Austrians did not believe their new state had any chance of survival. Significantly, when on November 12, 1918, Austria was proclaimed to be a Democratic Republic, it was stated that she formed an integral part of the German Republic. The new Foreign Minister and the strongest personality in the Government, Otto Bauer, became the most outspoken champion of union with Germany<sup>3</sup>). Germany, however, adopted a non-committal attitude at first.

Austria's desperate plight was to some degree due to its being completely cut off from the former provinces of the Empire now under the administration of the Prague government. Austria, and especially the city of Vienna, had always depended upon the Czechoslovak provinces for fuel and much of its food supply. Moreover, in Czechoslovakia were to be found most of the former Empire's industries and natural resources. Consequently, Czechoslovakia was far better off than any other state in Central and Eastern Europe, and the temptation was great for her to turn her advantage to account. The Czech Government was also a coalition government. However, it was the National Democrats who first played a leading role in it, sparing no efforts to further their bold designs. President Masaryk, who returned to Czechoslovakia several weeks after its liberation, found it well-nigh impossible to cut short some of the policies they had launched or to restrain their extreme nationalism. The high-sounding declarations unceasingly voiced by Masaryk and Beneš, who remained in Paris until the end of the Peace Conference, seldom expressed Prague's real policy as fashioned by National Democratic Karel Kramář and A. Rašín, and the Agrarian A. Švehla (the Prime Minister, Minister of Finance, and Interior Minister respectively).

The spread of the Anschluss movement in Austria worried the Czechs, and especially Masaryk. On the morrow of his return (De-

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<sup>3</sup>) Walter Goldinger, „Der geschichtliche Ablauf der Ereignisse in Österreich, 1918—1945“, in: Heinrich Benedikt (ed.), *Geschichte der Republik Österreich* (München, 1954), pp. 37 ff., 94—96; Otto Bauer, *Acht Monate auswärtiger Politik* (Wien, 1919).

cember 20, 1918) Masaryk was, however, very optimistic as evidenced by his letter to Beneš in Paris: „Vienna is in the hands of incapable people. The Viennese begin to realize this. Our influence will be considerable; we can bring it about that they will not desire to join Germany.“ And he concluded in an even more confident vein: „This is the absolute truth: we alone are ready to have and to maintain order and we will. Our view will be decisive. The Viennese say this and everybody else“<sup>4</sup>).

There was more wishful thinking than realistic appraisal of the situation in Masaryk's letter. Yet at that moment, in the hour of triumph, with his wildest dreams come true, amidst the jubilant acclamation of his grateful compatriots, the future must indeed have looked bright to him. So dramatic a change of fortune had befallen the Czechs that their confidence, or even overconfidence, was hardly surprising, particularly since it also rested on a solid foundation: their economic preponderance and their conspicuous organizing abilities and drive. No wonder they aspired to the position of leadership in East Central Europe, and wanted Prague to take the place left vacant by Vienna.

On the last day of 1918, Archibald C. Coolidge, who had just been appointed to head an American mission to countries of the former Austro-Hungarian Empire, reported to the U. S. Peace Commission on his conversations with three Austrian leaders in Bern. They agreed that Austria was „incapable of standing alone“ and saw only two courses possible for her: „either union with Germany which is favored by the Socialists not so much for nationalistic reasons as because they believe the socialistic cause in Austria would be strengthened by it, or a Danubian confederation.“ The latter, they thought, was favored by a majority of Austrians „for sentimental, historical, economic, and other reasons. To make it possible a fair modus vivendi with free interchange of products must be worked out between the different members of the confederation“. However, „In view of the recent events an understanding of this sort can hardly be brought about without strong moral support and perhaps direct pressure on the part of the Allies and of the United States“<sup>5</sup>).

<sup>4</sup>) František Nečásek, Jan Pacht, Eva Raisová (eds.), *Dokumenty o protilidové a protinárodní politice T. G. Masaryka* (Praha, 1953), No. 9, p. 42.

<sup>5</sup>) *Papers Relating to the Foreign Relations of the United States* (hereafter cited as *Foreign Relations*) 1919, The Paris Peace Conference, vol. II, p. 220.

Such a solution could hardly appeal to Prague bent on its emancipation from financial dependence on Vienna<sup>6</sup>). Even President Masaryk, able as he was to embrace wider horizons, was probably not yet ready to go so far. He apprised Beneš that his policy was „to attract German Austria, to divert her from Germany. In general, with regard to the Austrian Germans as well as to ours, we should protect very emphatically what is our own, but treat them properly“<sup>7</sup>). With Central Europe in desperate economic straits, economic instruments appeared to him the most effective in carrying out this policy. Hence „we must have Karvin (coal): when we have plenty of coal, we shall be able to supply Vienna, Budapest and Bavaria and thereby exert influence on these states“<sup>8</sup>). As the Karvin coalfield in the Duchy of Teschen was then in Polish hands, the Czechs did not hesitate some three weeks later to oust the Poles by force, taking advantage of the latter's preoccupation in the East.

Yet too deep a gulf separated the Austrians and the Czechs for Masaryk's policy of „attracting“ the former to be palatable to the latter. On the other hand, the Austrians had all along suspected his aspiration to „exert influence“ on them and were determined to thwart it. The prospects of a rapprochement between the two estranged peoples were remote indeed. Hugh Gibson, who spent several days in Czechoslovakia in January, 1919, on a fact-finding mission, had this to report on that country's attitude:

Of all the people whom we saw in the course of our journey [to countries of the former Austro-Hungarian Empire], the Czechs seemed to have the most ability and common sense, the best organization, and the best leaders. They seem, however, to have been seized lately with a strong attack of imperialism, and a desire to dominate central Europe. This was evident in frank conversations with President Masaryk, the Prime Minister, Dr. Kramarcz, and many others. Among the officials of the new Republic

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<sup>6</sup>) Felix John Vondracek, *The Foreign Policy of Czechoslovakia 1918—1935* (New York, 1937), pp. 63 ff; M. L. Flaningam, „A Survey of Czechoslovak-Austrian Tariff and Commercial Treaty Relations, 1919—1937“, *Journal of Central European Affairs*, VI, No. 1 (April, 1946), 32.

<sup>7</sup>) Nečásek, No. 10, p. 43.

<sup>8</sup>) *Ibid.*, p. 44. On January 26 Masaryk told three members of the Coolidge Mission that one of the reasons for the occupation of the Duchy of Teschen by the Czechs was „The imperative necessity of saving the mines from destruction as well as assuring the coal supply required to meet the demands of the present time for Vienna, Budapest and Bohemia.“ National Archives, Paris Peace Conference 186. 3114/35. F. R. King to A. C. Coolidge.

are many who had served under the old imperial regime, and the wrongs of the past still leave a bitter sting. They are filled with a desire to strike back at German-Austria, but do not seem to realize that the imperial regime which they hate is no longer there. They have, it seems, learned too well, the methods of the old empire, and in some instances are adopting them in their own country; for instance, in dealing with the Germans of Bohemia, where there has been discrimination in the distribution of food to such an extent that the deaths from malnutrition are really frightful<sup>9)</sup>.

A. C. Coolidge, who visited Prague at the beginning of February, wrote:

They [the Czech Government] complain of the lack of food and are quick to protest against the belief that Bohemia has more to eat and is better off than Austria, and even seem to parade their difficulties.

They dwell with bitterness on the way in which Bohemia had been stripped of everything during the war and on the centralization of materials in Vienna . . . .

Generally I was struck with the bitterness, even hate, with which the people talked of Vienna as being a parasite which had long lived from the toil of foreign nations and well deserved the trouble that had now come to it . . . .

They are confident in their ability to control, placate and in due time absorb the foreign elements in their new population. In general in spite of the difficulties that beset them they are still aglow with their triumph and confidence in their future. I have not seen any traces of any particular desire for a Danube confederation although theoretically the Czecho-Slovaks would not be opposed to it on their own terms<sup>10)</sup>.

Coolidge had already expressed doubts concerning the feasibility of such a Danubian confederation on the eve of his Prague visit, stating that if Czechoslovakia acquired all the territory it claimed, it would become the leading member of the confederation, and „might like an arrangement that would secure a large field of enterprise to its powerful industries and assure it of economical as well as political hegemony. But this hegemony would be particularly distasteful, not to say disastrous, to both Austria and Hungary, whose feelings toward Czecho-Slovakia would be like those existing between Germany and France“<sup>11)</sup>.

As a matter of fact, however, the question of confederation was an academic one. The question which really inflamed people in the post-war months was that of „liquidation“, i. e. division among the

<sup>9)</sup> Foreign Relations, The Paris Peace Conference, XII, p. 236.

<sup>10)</sup> Ibid., pp. 330—31. Despatch No. 66, February 5, 1919.

<sup>11)</sup> Ibid., p. 243. January 30, 1919.

succession states of vast amounts of materials and stores of many kinds, munitions, rolling stock and other assets of the former Empire concentrated at the war's end in Austria and Hungary. The Czechs with their great industries felt that they had contributed far more in the making of these materials than others and would not accept a per capita division as just. They claimed far more than their numbers entitled them to. Coolidge was „impressed with the importance that the President and others attach to this question of liquidation and their bitterness towards the Austrians for the way it had been carried out, or not carried out so far“<sup>12)</sup>.

An exceedingly moot question of liquidation was presented by Vienna's art galleries, museums and the Austrian war debt. Finance Minister Rašín talked to Coolidge „of getting back for Bohemia the things she had been deprived of after the battle of the White Hill in the early part of the 17th century“. Coolidge „gathered from him the impression that, feeling it was impossible for the Czecho-Slovak State to avoid accepting a large share of the Austrian war debt and of the vast issues of paper money which had been brought into existence for purposes to which the Czechs had been violently opposed, he intended to get even with Austria for this and other injuries in every way that he could“. „He is not alone“, Coolidge added, „in that sentiment. The hatred felt for Vienna notably in Bohemia is strong, and the idea of plundering her for the future profit and glory of Prague and other places presents many attractions.“<sup>13)</sup>

To extricate Czechoslovakia from the flood of destructive inflation surging over Central Europe and to protect its industrial and financial system, Rašín decided to separate its currency from that of Austria, whose socialistic policies fostered inflation. The execution of his plan, the essential part of which consisted in stamping the currency in circulation in Czechoslovakia and retiring half of the notes as a preliminary step to the introduction of a new currency, necessitated a complete sealing of the borders. This, of course, caused much hardship to many people. Vienna burst with anger at what it considered as an unwarrantable attack upon the rights and privileges of the Bank of Austria-Hungary, but its protest

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<sup>12)</sup> Ibid., p. 255. February 10, 1919.

<sup>13)</sup> Ibid., p. 256.

to the Peace Conference was of no avail<sup>14</sup>). Thus while some people in Vienna still talked of a Danubian confederation, the inexorable process of separation between the succession states was rapidly coming to completion.

On March 13 Vlastimil Tusar, the Czechoslovak Minister in Vienna, intimated to Coolidge that his government „was willing to assume not only its share of the foreign debt of the Empire incurred before the war but, if need be, to look after the whole of it. In return they would hope for the support of the Allies in questions concerning liquidation“. Coolidge suspected that „the Czechs, by taking care of the interests of the foreign creditors in the Allied countries, hope to avoid pressure to make them share in the far heavier responsibilities [the war debt]“. He thought it „a clever way for them to look after their own interests and let the rest of the Dual Empire, as far as they are concerned, go to smash“. To his remark: „I suppose you are looking forward to the complete bankruptcy of Austria“, Tusar replied: „Oh, Yes. They cannot keep on long at their present rate.“ Tusar also asserted that the same would happen to Hungary even sooner, leaving Coolidge with the impression that „the complete bankruptcy of both Austria and Hungary are therefore prospects which the Czecho-Slovak Government is prepared to face with apparent equanimity“. Coolidge thought that there existed „an elaborate Czech plan“ to obtain, as a result of liquidation, a large share of rolling stock, of official buildings, „a considerable portion of the scientific and artistic treasures of Vienna.“. „All this goes with the dream of making Prague the great central city of Europe, which shall inherit and surpass the former glory of Vienna, now condemned to inevitable decay.“<sup>15</sup>)

Austrian-Czech relations were further exacerbated by the mounting tension between the Czechs and the Bohemian German minority, culminating in bloodshed on March 3, when Czech soldiers in several towns fired on German crowds. Coolidge reported that

<sup>14</sup>) V o n d r a c e k , pp. 65—69. Also Foreign Relations, The Paris Peace Conference, XII, pp. 331—34, 342—44.

<sup>15</sup>) National Archives, Paris Peace Conference 184.01102/210. Coolidge to the American Commission to Negotiate Peace, No. 142. Tusar was one of the most prominent leaders of the Czech Social Democratic Party, who on July 8, 1919, succeeded Kramář as Prime Minister and filled that office until September 15, 1920.



„Whatever German sentiment there may have been last November favorable to the maintenance of political union with the Czechs for economic reasons is reaching the vanishing point“<sup>16</sup>).

Under these conditions the idea of Anschluss was uppermost in the minds of the Austrian people. At the end of February, Otto Bauer paid a visit to Berlin and Weimar with a view to bringing back concrete plans for it. The Germans showed lukewarm interest in the idea for they thought that Austria could at that moment only bring liabilities with her. Yet on March 14 the newly elected Austrian National Assembly gave vent to the popular sentiment by voting Austria an integral part of the German Reich. But if Bauer and other advocates of a union with Germany thought that the Allies would not be able to deny to the Austrians their right of self-determination as to their future destiny, they were soon to be disillusioned. The French immediately put pressure on Vienna<sup>17</sup>), and the Peace Conference even banned the name „German Austria“<sup>18</sup>) decreeing it to be changed to „the Republic of Austria“ instead. The real shock came when at the beginning of June the draft terms of the Peace Treaty became known in Vienna. A storm of indignation broke out, but denouncing these terms as a gross betrayal of Wilson's lofty principles was like beating the air. A feeling of complete hopelessness seized the country. Now even people who had been opposed to the Anschluss began to advocate it<sup>19</sup>). Moreover, internal disorder reached the point when it looked as if Vienna was to follow Budapest's example in succumbing to a Soviet dictatorship<sup>20</sup>).

Meanwhile, in Prague Kramář was forced to resign in June and was succeeded by a Social Democrat, Tusar, when the first communal elections revealed a marked swing of popular feeling toward the Left. The Czech Social Democrats had cooperated with the Austrian Social Democrats before and during the war, and now

<sup>16</sup>) Foreign Relations, The Paris Peace Conference, XII, p. 273. March 10, 1919.

<sup>17</sup>) Goldinger, p. 96.

<sup>18</sup>) Czechoslovakia „attached great importance to the disappearance of the word ‚German‘,“ for „the maintenance of the word might lead to the reattachment of Austria to Germany . . . .“ Foreign Relations, The Paris Peace Conference, VI, p. 106.

<sup>19</sup>) Ibid., XII, pp. 536 ff.

<sup>20</sup>) Goldinger, pp. 49—59.

that both dominated their respective coalition governments, chances for an improvement of relations between the two countries seemed brighter. However, no appreciable change in Prague's policy toward Austria eventuated. Albert Halstead, Coolidge's successor in Vienna, warned that

the trend toward Germany of the German-Austrians will be the greater if Czecho-Slovakia pursues her present ambitions and seeks to take from Vienna the former commercial supremacy of that city, if she furnishes coal and sugar only grudgingly, insists upon preferential treatment and in general blocks the way toward the rehabilitation of this nation. The influence of pride must not be overlooked. With the best peace possible a small country disappointed from its fall from power must be sensitive and dissatisfied<sup>21</sup>).

Sensitive or not, Austria had no alternative but to accept the treaty and to hope that in time she would find more understanding in the councils of the League of Nations. On July 26, 1919, Otto Bauer, the most zealous advocate of the Anschluss, tendered his resignation as Minister for Foreign Affairs, and conciliatory Chancellor Renner took over the Ministry. On September 6, the National Assembly, after formally protesting that the German Austrian people were deprived of the right of self-determination, instructed Renner to sign the Treaty. Four days later the Austrian Peace Treaty was signed in the Palace of St. Germain. Its Article 88 stipulated: „The independence of Austria is inalienable otherwise than with the consent of the Council of the League of Nations.“

### III

On September 12, 1919, on the eve of his return to Prague after having gained so conspicuous a diplomatic triumph at the Paris Peace Conference, Beneš confided to Allan W. Dulles, a member of the American Delegation, that he „had been on a false trail“, trying to form out of Czechoslovakia, Poland and Roumania „a Central European block against Germanism“. In consequence, he had started a new policy on the following lines:

1. Close friendship with the Western Allies, especially France, and strict adherence to the terms of the Treaties which Czecho-Slovakia had signed.
2. An effort to do away with the old prejudice towards Austria and to establish a basis for friendly agreement under the Treaty which had been concluded.

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<sup>21</sup>) Foreign Relations, The Paris Peace Conference, XII, p. 547. July 18, 1919.

3. Encouragement of friendliest relations with Hungary, which would depend largely upon Czech economic help and which would be thrown upon Czecho-Slovakia very especially, in view of the proximity of Budapest to the Czecho-Slovak frontier.

4. Close alliance with Yugo-Slavia . . . .

Summing up his policy towards the former Austro-Hungarian states, Dr. Beneš went so far as to throw out a suggestion of the possibility of a Danube Confederation, but did not develop his idea<sup>22</sup>).

Three days later Chancellor Renner intimated to Halstead that Austria hopes that England and America will propose and work for the formation of a Danube Federation and Austria would gladly support such a federation. Such a federation would be for peace because the United States and United Kingdom desire peace. They have no warlike ideas. A Danube federation under French auspices, however, could not be considered. The French are so full of spirit so visionary — they think of war — that such a federation would look to French interests as opposed to those of the Germanic peoples. Such a federation could never make for peace and Austria must, and will have, peace for the future. The French are not Austria's friends and they showed that at St. Germain<sup>23</sup>).

The Chancellor wished for „the establishment of particularly close relations with the United States and the United Kingdom“, and set his heart upon the reconciliation of the Anglo-Saxon and the Germanic peoples. „This did not mean any steps towards the union of the Germanic peoples. That is now impossible“, he avowed<sup>24</sup>).

It is noteworthy that both Foreign Ministers should have not only pondered on the desirability of a Danubian confederation but also talked about it to American representatives when the ink on the Treaty they had signed had hardly dried. However, their conceptions of such a confederation differed so much as to render its realization most difficult at best. The Austrian was obviously pressed hard by the prospect of the approaching winter to find a way to soften the plight of his people. In the confederation he envisaged, he hoped that with Anglo-Saxon support Vienna would retain the leadership. The Czech on the other hand, would only consider a confederation in which Prague's supremacy, backed by France, was assured. What was most important: he could afford to wait.

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<sup>22</sup>) National Archives, 860 f. 00/28. Dulles's memorandum.

<sup>23</sup>) Foreign Relations, The Paris Peace Conference, XII, p. 572.

<sup>24</sup>) Ibid.

On October 10, 1919, Halstead warned that „Austria stands on the verge of utter destruction . . .“<sup>25)</sup>. On November 26, Renner conceded in despair that the situation was hopeless: food could not be brought from Yugoslavia nor coal from Czechoslovakia because they had not the rolling stock. When Halstead asked what would follow the breakdown in Vienna, Renner replied „with a jerk of his shoulders“: „probably the entrance of the Czechs into Vienna“, and he added „troops from other countries, perhaps from Italy, possibly from Hungary and possibly Germany, and general chaos.“<sup>26)</sup> Only America could help<sup>27)</sup>.

As the economic plight of Austria was growing rapidly more desperate, Beneš began to urge his government to extend economic, financial and even political aid to that country. However, he ran into strong opposition, for Czech public opinion continued to be hostile to Austria and „most Czechoslovaks failed to appreciate that assistance to Austria would be the best method of averting Anschluss and might also enable her to become their best customer among the small states of Central Europe“<sup>28)</sup>. They had, of course, to contend with a multitude of their own problems, and even were they willing to extend a helping hand to their southern neighbor, they were probably not in position to offer much. But they were not averse to resorting to obstruction. In Vienna, people ascribed ulterior motives to the Czech policy all along. Halstead reported that the Czechs in their bitterness toward Austria „have apparently felt that the more difficult the revival of Austria was made, the better would be the Czechish opportunity to obtain a predominant influence in Southern Central Europe. The very policies pursued at the Peace Conference by the Czechs, and the difficulties since the completion of the Peace Treaty made by Czecho-Slovakia in the matter of the delivery of coal, coincide with the practice of keeping Austria weak“<sup>29)</sup>. Apart from Czech ambitions with regard to Vienna, the latter was also a victim of the Teschen conflict as a result of which the mining of coal in that important region dwindled, and which the Czechs used as a lever to obtain a favorable decision.

<sup>25)</sup> Ibid., p. 579, also pp. 584—89.

<sup>26)</sup> Ibid., p. 591.

<sup>27)</sup> Ibid., pp. 590—92.

<sup>28)</sup> V o n d r a c e k , p. 174.

<sup>29)</sup> Foreign Relations, The Paris Peace Conference, XII, p. 593. Halstead to Lansing, November 27, 1919.

In his efforts to get relief, first in foodstuffs and coal and then in raw materials for Austria's paralyzed industry, to secure credits, and to overcome transport difficulties, Renner paid visits in December and January to Paris (where he appealed directly to the Supreme Council) and to Prague. Although the purpose of his Prague visit was, of course, primarily economic, to obtain coal and sugar, he also had an eye on Czech support against Hungary, by whom the Austrian Socialists felt threatened — one should remember that the Prague Government was likewise Socialist-dominated at that time — and with whom Vienna had a dispute over the Burgenland<sup>30</sup>). Renner's endeavor to improve relations with Prague met with wide approbation in Austria. For instance, Police President Johann Schober, one of the strongest men in the country, also „believed the future of Austria to lie in a close relation with the other Danube states and not with Germany“<sup>31</sup>).

The Czechs were deeply split on the Austrian policy. On the one side stood the advocates of a rapprochement: President Masaryk, Prime Minister Tusar, Beneš. In pressing for such a rapprochement they were primarily actuated by considerations of internal politics, of the necessity of unifying the country, particularly in view of the approaching first national elections. They considered finding a *modus vivendi* with the large and powerful German minority to be the paramount task facing their country. On December 31, 1919, *Venkov* (the organ of the Agrarians) published an interview with Masaryk, in which he pointed to the close correlation between this task and the policy toward the neighboring states:

Our relation and the relation of our Government to our national minorities is at the same time the diplomatic relation to our neighboring states;

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<sup>30</sup>) Goldinger, p. 133. Beneš and Renner supposedly concluded a secret treaty which obliged Austria to maintain a position of „friendly neutrality“ toward Czechoslovakia in the event of war between that country and Hungary, whereas Czechoslovakia was to support Austria in the event of a Hungarian attack. See Charles A. Gulick, *Austria from Habsburg to Hitler* (2 vols, Berkeley, 1948), vol. I, p. 115; cf. Oskar Kleinschmied, *Schober* (Wien, 1930), pp. 181—86. Renner denies that there was any contractual compact, only friendly relations were inaugurated, but there is little doubt that the two ministers arrived at an informal understanding with regard to Hungary. Karl Renner, *Osterreich von der ersten bis zur zweiten Republik* (Wien, 1953), pp. 34—36.

<sup>31</sup>) National Archives, 760 f. 63/3. DuBois to Lansing, January 17, 1920. See also Renner, pp. 34—35. Concerning opposition to Anschluss see Gulick, p. 113.

I therefore should like to emphasize particularly that we ought to call to our mind, more than we have hitherto done, the foreign consequences of our whole internal policy. Our geographical situation in Europe and our historical development have brought it about that our internal policy is closely connected with our foreign policy. That is the significance of our minorities and that is at the same time our great administrative and diplomatic task<sup>32</sup>).

Yet insofar as the problem of the minorities, and particularly the German problem, was concerned, it was not Masaryk but his great rival, Kramář, the apostle of Czech nationalism, who expressed the prevailing temper of the country. In a memorable speech in the National Assembly on January 22, 1920, Kramář thundered:

We must not be afraid of the German problem. I know the strength of the Germans. They will not be less dangerous if we shall run after them, if we shall make up with them in spite of what they have inflicted upon us during several centuries. On the contrary, they would then see that we are weak and they would be foolish to yield to us in anything. The Germans will never forget what has happened, and I say quite frankly that I, as a nationalist, would never understand should they do so. I am convinced that whatsoever the Entente may do in Vienna, whatsoever treaties we may conclude with Renner, when the German fanfares will sound, all Germans in our Republic, all Germans in Austria, and all Germans in Germany will rise together. We must keep this in mind and fashion our policy accordingly<sup>33</sup>).

The American Minister in Prague noted that because of their having taken the initiative in launching a policy of reconciliation with the Germans, „the Social Democrats are accused of having played into the hands of the Social Democrats in Austria during the War and are considered unpatriotic by the other Czech parties<sup>34</sup>). The opponents of the present regime here are stating openly that this reconciliation with the Germans is caused by the above mentioned international tendency and say that the Germans now are inclined to be good but once they have gotten into positions of power they will work for the overthrow of the Republic“<sup>35</sup>). When seven months later W. R. Castle Jr. visited Prague on a fact-finding mission for the State Department, he arrived at the conclusion that

The Czechs form a tremendously powerful and arrogant nationalist bloc . . . .

<sup>32</sup>) National Archives, 860 f. 00/61.

<sup>33</sup>) Ibid., 860 f. 00/75.

<sup>34</sup>) However, Crane overstated the case here, for the Czech Clericals also had had pro-Austrian leanings.

<sup>35</sup>) Ibid., 860 f. 00/62. Crane to Lansing, January 10, 1920.

It seemed to me from conversations with various Czech leaders that the Czechs had no feeling at all as to the value of compromise and mutual concessions. Minorities were to be dominated and suppressed rather than used in building up a strong federated state. This attitude is probably almost inevitable when one considers the character of the Czech people . . . .

I could not see on the part of any of the leaders in Prague any appreciation of the fact — I believe it undeniably to be fact — that the Czechs were making a great mistake in their attempt rapidly to introduce Czech customs in the Slovak and German parts of the state. The Czechs always pointed out the rights undeniably given in the Constitution to these minorities. They failed to see that the almost universal replacing of Slovak by Czech officials . . . and the many little irritating endeavors to impose the Czech point of view did more harm to the idea of state unity than general propositions in the Constitution did good<sup>36</sup>).

However, interestingly enough, when the attitude of the German minority in Teschen was likely to prove a decisive factor in the Polish-Czech conflict there, which was to be settled by the plebiscite, the Czechs of all parties spared no efforts to win the Germans over.

When Renner returned with empty hands from Prague, the situation in Vienna reached such a critical point that it impelled Secretary Lansing to send the following telegram to the Minister in Prague (and in Belgrade) on January 23, 1920:

Reports indicate that situation in Vienna was never so hopeless as today. Dr. Renner is completely discouraged since his fruitless visit to Prague and is reported to be about ready to resign. Rumors of Bolshevist plots are rife . . . Vienna appears on the verge of a reign of anarchy.

You are instructed to bring this situation to the attention of the Minister of Foreign Affairs pointing out to him that chaotic conditions in Austria must seriously affect Czechoslovakia and that unless the Government of Czechoslovakia will do its share in preventing a crisis, it will inevitably assume its share of the responsibility.

. . . . You should point out that Czechoslovakia without serious inconvenience would be able to supply Austria with coal sufficient at least for its minimum needs, and that with the cordial cooperation of Prague the Austrian situation would be greatly improved<sup>37</sup>).

Yet apparently Beneš could not prevail upon his colleagues<sup>38</sup>) for on February 13 he declared that „Austria must help herself if

<sup>36</sup>) Ibid., 860 f. 00/218. Castle's memorandum, November 6, 1920. See also Vondracek, esp. pp. 176—77.

<sup>37</sup>) Foreign Relations 1920, vol. I, pp. 248—49.

<sup>38</sup>) „Beneš' domestic opponents took advantage of the unfavorable condition of public opinion to stress the needs of Czechoslovakia herself, then in the midst of the process of domestic stabilization, and to point out what they considered

she does not desire to prolong her own agony"<sup>39</sup>). At the same time, however, he avowed to the American Minister that he believed „in coming to an agreement with the neighboring countries“. „Austria“, he said, „is the most natural country to begin with. A good understanding with Austria gives Czecho-Slovakia a connection through to Jugo-Slavia . . .“ „Economic reasons“, he emphasized, „also make friendly relations in this direction advantageous. In addition the breaking away from isolated position in which the Republic has been, will . . . produce a favorable reaction in Poland, which will be more inclined to assume a friendly attitude“. Crane carried away the impression that „The entente with Austria and Jugo-Slavia, if not actually inspired by France, seems to be strongly supported by that country“<sup>40</sup>).

Although much time had yet to elapse before Prague would extend economic aid to Vienna, Austrian-Czechoslovak negotiations, inaugurated by the Renner visit, were making slow but steady progress in spite of the unfavorable state of public opinion in both countries. The treaty of Brno (June 17, 1920) and a supplementary protocol (August 3) provided for mutual protection for the respective minorities and for a special Court of Arbitration<sup>41</sup>), thus preparing the ground for an economic agreement.

However, it was not the Austrian question that gave rise to grave anxiety in Prague in the summer of 1920, but the danger posed by the Bolshevik offensive against Poland, the final phase of the Teschen dispute, and the scheming intransigence of Hungary. Far from appearing cap in hand as expected, Hungary was actually in contact with Czechoslovakia's best friend France, offering military aid against the Bolsheviks in return for the revision of the Treaty of Trianon<sup>42</sup>). Beneš' reaction was to bring together the beneficiaries of the Treaty. On August 14 he signed in Belgrade a convention of alliance with Yugoslavia, and on his way home he reached a

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the folly of attempting to aid a rival when in so great need herself." V o n d r a - c e k , p. 175.

<sup>39</sup>) Ibid., p. 175.

<sup>40</sup>) National Archives, 860 f. 00/75. February 15, 1920.

<sup>41</sup>) League of Nations, Treaty Series, vol. III, pp. 183—232.

<sup>42</sup>) V o n d r a c e k , pp. 164—65. Also National Archives, 761. 64/1—7. U. G r a n t - S m i t h ' s despatches from Budapest, July 23-August 21, 1920.



tentative agreement with Take Jonescu in Bucarest<sup>43</sup>). The Little Entente, his masterpiece, was launched.

A few days after his return, Beneš received Castle. The State Department official found him „a good and convincing talker with right-minded ideas which he would always put into practice unless they would seriously endanger his own political standing“. Apparently his views had undergone quite a change since his conversation with Dulles in September, 1919, for he now explained that

. . . one reason for the formation of the Little Entente was to give immediate and convincing proof to the Allies that a Danube Confederation was totally unnecessary. Such a confederation he said would be a continual menace to the political independence of Czechoslovakia. A second reason for the formation of the Entente was a measure to calm the people in the three countries at first concerned by showing them that these three countries would act together in case of foreign aggression. Close questioning proved that the only foreign aggression contemplated was on the part of Hungary.

Castle was not carried away by the Little Entente. „As it is now“, he reported, „all the states made out of the former Austro-Hungarian Empire are thoroughly jealous of each other. Roumania, Jugoslavia, and Czechoslovakia all feel that they did not get all they deserved, that perhaps their neighbors got more than they deserved, and that Austria and Hungary, small as they are, perhaps ought not to be at all“<sup>44</sup>).

#### IV

A distinct change in Czechoslovak public opinion regarding Austria began to manifest itself by 1921. At last the pressing immediate problems began to overshadow the bitter memories of the past. Czechoslovakia could not escape being adversely affected, even though to a lesser degree than the other Central European states, by the disruption of the established economic ties. Practical Czechs came to realize that their prosperity depended to a large extent on Austria's economic well-being, that a bankrupt Austria could no longer purchase Czech industrial products and coal<sup>45</sup>). Moreover, the Anschluss movement in Austria began to mount again. On April 24 and May 29 the Tyrol and Salzburg voted for union with Germany. True, this movement was stopped once more by Allied threats, but

<sup>43</sup>) V o n d r a c e k , pp. 165—67.

<sup>44</sup>) National Archives, 860 f. 00/218. C a s t l e ' s memorandum, November 6, 1920.

<sup>45</sup>) V o n d r a c e k , pp. 176—77.

more and more people were now coming to the realization that in the long run threats alone would not suffice and something positive had to be done to prop up Austria. Czechoslovakia's stake in this was far greater than that of any other country.

With Czech public opinion coming around to his point of view, Beneš could press his Austrian policy more forcefully. His first important success was the conclusion of a commercial treaty with Austria on May 4, 1921<sup>46</sup>), which cleared the way for further progress toward rapprochement. This progress was facilitated by the fiasco of the Anschluss plebiscites and the ensuing change of the government in Vienna. The new Chancellor Schober, who succeeded Mayr on July 21, was even a stronger partisan of establishing closer relations with Austria's neighbors, especially with Czechoslovakia, than Renner had been. He recognized that this was a necessary prerequisite for securing foreign loans. On August 10, he and President Hainisch of Austria met with Masaryk and Beneš at Hallstatt, where a loan of 500 million Czech crowns for the purchase of Czech coal and sugar was discussed<sup>47</sup>).

One of Beneš's projects was to bring about an economic cooperation of all the Succession States. Already in December, 1920, he had invited them to an economic conference at Bratislava but to no avail. Also the Rome Conference (April 6 — June 15, 1921) had been a failure, as both Austria and Hungary were absent. But deteriorating economic conditions at last forced all of them (Italy, Hungary, Czechoslovakia, Rumania, Yugoslavia and Austria) to attend the economic conference held at Portorose from October 15 to November 25. The Conference adopted a number of protocols. However, they were only partially put into effect, and the most important one, proposing a general tariff union of the Succession States, was dropped. Ironically enough, Czechoslovakia, following Yugoslavia, refused to ratify the Portorose protocols. Apparently Czechoslovak public opinion had not been completely converted to the ideas of its Foreign Minister (now also Prime Minister) and of the President. This was neither his first nor last discomfiture at home, and Beneš, seldom at a loss, in his usual adroit way, tried to turn the tables by declaring that until Austria and Hungary were thoroughly

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<sup>46</sup>) League of Nations, Treaty Series, vol. XV, pp. 13—157. For a summary see Flaningam, pp. 33—34.

<sup>47</sup>) Vondracek, p. 177.

reconstructed, normal conditions could not be restored in Central Europe<sup>48</sup>).

Meanwhile Prague supported Vienna in the Burgenland dispute between Austria and Hungary. Austria obtained that area, with the exception of Ödenburg which voted for union with Hungary. On the morrow of the Ödenburg plebiscite Hainisch and Schober visited their Czech counterparts at Masaryk's country residence Lány, where a far-reaching agreement — valid for five years — was concluded on December 16, 1921. The two countries undertook to carry out the provisions of the St. Germain and Trianon Treaties, to guarantee their territories mutually, to maintain neutrality in the event of one of them being attacked, to support each other against any attempt at a restoration of the „old regime“ or any other conspiracy, to observe the settlement of minority questions, to resort to arbitration in case of controversies, and to conclude no agreement in contradiction with the provisions of the Lány treaty<sup>49</sup>). A loan of 500 million Czech crowns was arranged, as was a coal agreement.

Explaining the purpose of this agreement to the new American Minister to Prague, Lewis Einstein, Beneš indicated that „it formed part of his policy for the reconstruction of Central Europe along lines corresponding with actual necessities and no longer artificially imposed as under the Habsburgs.“ The guarantee of Austrian integrity was „political and diplomatic but not military“. The treaty „showed that Austria no longer looked toward Germany and realized that she now had little to hope for from that direction; that Czech resentment caused by centuries of oppression had been put aside, while Austria was now disposed to work in full acceptance of the Treaty of St. Germain. It would also exercise a beneficial effect with the German minority in Czecho-Slovakia who must realize that there was no reason“ for not working „in harmony with the Czechs when even their German-Austrian kinsmen did so“. Einstein thought that Czechoslovakia pursued „a farsighted policy“ which aimed at drawing „Austria within her economic orbit“<sup>50</sup>).

In Austria both the Christian Socialists and the Social Democrats assented, though understandably without too much enthusiasm, to

<sup>48</sup>) Ibid., 189—93.

<sup>49</sup>) League of Nations, Treaty Series, vol. IX, pp. 247—51; Kleinschmied, pp. 179—80.

<sup>50</sup>) National Archives, 760 f. 63/17. Einstein to Hughes, December 27, 1921.

the Lány Agreement, but the Nationalists raised a great uproar charging that the Sudeten kinsmen had been ignobly abandoned and that the agreement constituted the first step on the road to a Danubian confederation under Czech domination. Schober had to reconstruct his cabinet, which managed to survive only with the greatest difficulty<sup>51</sup>).

## V

The year 1922 was a fateful year. It marked a turning point in the history of the Austrian Republic, and it brought the Czech leaders' dream almost within their reach, only to deceive them in the end.

In February, Czechoslovakia joined Great Britain, France and Italy in extending a loan to Austria<sup>52</sup>), a palliative measure relieving only temporarily the needs of that country. Beneš confided to Einstein that

... this was only the first of a series of similar credits which would, from time to time, be extended. At the Austrian request he had refrained from demanding any lien on the customs in order not to handicap the loan which Vienna is now negotiating in Paris. If, however, the customs should be hypothecated to the French he had arranged that Czecho-Slovakia was to enjoy equal rights in this respect.

He had obtained as guarantee the receipts of certain Austrian railways over which passed Czecho-Slovak exports to Italy and to Jugoslavia. He remarked that his country always possessed sufficient means to obtain payment from Austria. If the latter went into bankruptcy, which he anticipated, other nations might then be the losers but not Czecho-Slovakia. All that it became necessary to do was to collect the duty on Czecho-Slovak sugar at the Austrian frontier.

When Mr. Loucheur had spoken to him about French hesitation in lending money to Vienna he had told him to lend it instead to Czecho-Slovakia and it could then be re-lent<sup>53</sup>).

Einstein reported that „Dr. Benes' unconcealed policy is to make Vienna increasingly dependent on Prague. But it is not unlikely that he entertains ulterior political ambitions over Austria and counts on French assistance to further any designs intended to prevent Vienna from turning to Berlin“<sup>54</sup>).

<sup>51</sup>) Goldinger, p. 121; Kleinschmied, pp. 180—90.

<sup>52</sup>) National Archives, 760 f. 63/23. Einstein to Hughes, February 4, 1922. Czechoslovakia's share was the loan negotiated at Lány. Kleinschmied, p. 190.

<sup>53</sup>) National Archives, 863.51/260. Einstein to Hughes, February 6, 1922.

<sup>54</sup>) Ibid.

The loan was quickly used up to pay for coal and other necessities without giving new life to Austria's productive forces with the effect that by summer Austria suffered the agonies of extreme inflation; prices rose with staggering rapidity driving the whole socio-economic structure to the brink of destruction. At the fruitless Genoa Conference the problem of Austria had been overshadowed by those of Russia and Germany. Nevertheless Schober contrived to impress on the Western statesmen the urgency of succoring his country<sup>55</sup>). At the end of May he was replaced by Mgr. Ignaz Seipel, the leader of the largest party, the Christian Socialists, and at the same time the strongest personality in Austria. The new Chancellor adopted a policy of strong anti-inflationary measures at home concomitantly with doing his utmost to obtain financial assistance from abroad. His method consisted in convincing the world of Austria's loyalty to the Treaties and of the European necessity of her preservation on the one hand, and in turning to account the power rivalries in Central Europe, on the other<sup>56</sup>). Italy and the Little Entente had long been at cross-purposes there, affording a golden opportunity for Seipel to play off one against the other.

In Prague one watched the development of the situation in Austria with a confident air of gratified expectation. On August 1, on the eve of feverish diplomatic activities and fateful decisions, the leading Czech financier and a friend of Masaryk and Beneš, Jaroslav Preiss, the head of the Commercial Bank of Prague, urged the Government to make a decision „as to how much we want to help Austria and what for“. For „otherwise than within the framework of State policy this thing would have no sense. Do ut des. And especially so in this matter, where a possibility offers itself to us of gaining influence, perhaps a decisive one, over Austria in the future. We need Austria for transit and as a purchaser. With the given opportunities we could hook an anchor fast both in her economy and in her financial institutions“<sup>57</sup>). Ten days later Preiss pressed again for increasing Austria's economic dependency on Czechoslovakia and considered gaining political influence in Vienna feasible<sup>58</sup>).

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<sup>55</sup>) Kleinschmied, p. 192; Gulick, p. 167 n. 74; Goldinger, pp. 122, 124.

<sup>56</sup>) Goldinger, pp. 124—126.

<sup>57</sup>) Nečásek, p. 102. Preiss to Šámal.

<sup>58</sup>) Ibid. Preiss to Šámal.

After having appealed to the Powers during the London Conference (August 7—14) and having been referred to the Financial Committee of the League of Nations, Seipel paid a visit to Prague on August 21. A few hours before the opening of conversations, Masaryk, Beneš and Šámal, the head of the presidential chancellery, reviewed the Czech policy. Beneš wanted to propose the organization of a Czecho-Austrian bank in Vienna and to provide money for Austria in such a way that the Entente would lend the money to Czechoslovakia and she, in turn, would re-lend it to Austria. Masaryk pointed to the necessity of making „such political plans as would attach Austria to us politically, and in this way obtain an access to Trieste, which would later give us a possibility of gaining some economic control over Trieste . . . . One will soon have to consider the method of carrying out this political action, and it will be necessary to clear this matter with Paris“. Šámal called attention to the fact that the Austrian army was „completely communized“ and it was necessary to reorganize it. To this, Masaryk expressed the opinion that Czech instructors could help in carrying out various reforms in that army<sup>59</sup>).

In his talks with Seipel, Beneš was optimistic regarding the prospects of the League's helping Austria effectively; at any rate, he promised his full support in bringing this about. But he was opposed to the alternative broached by Seipel of Austria's receiving assistance from her immediate neighbors only<sup>60</sup>). From Prague, Seipel proceeded to Berlin to find out that no help could be expected from there. As his journey to Prague and Berlin caused some agitation in Italy, Seipel hastened at once to meet the Italian Foreign Minister Schanzer at Verona, with whom he discussed the possibility of a customs union with Italy<sup>61</sup>), disclaiming any intention of uniting either with Germany or with the Little Entente. No doubt about it, Seipel played his diplomatic game with consummate skill indeed<sup>62</sup>).

<sup>59</sup>) Ibid., p. 105. Šámal's minute of August 21, 1922.

<sup>60</sup>) E. Beneš, *Problémy nové Evropy a zahraniční politika československá* (Praha, 1924), pp. 205—06.

<sup>61</sup>) Goldinger, pp. 126—27.

<sup>62</sup>) Even Renner acknowledged Seipel's statesmanlike qualities. Renner, p. 63.

Soon after Seipel's departure, in the last week of August, the Little Entente held its first formal meeting in Prague, the Austrian question being one of the most important items on the agenda. When on August 30 Einstein asked Masaryk for his opinion about the future of Austria, he answered that

he could see only two possibilities. The one was a union with Germany which neither France nor Jugo-Slavia would permit. The other was with Czecho-Slovakia, each state preserving its own separate existence. He excluded as out of the question the reported union with Italy. On the other hand, he said, the people of this country and Austria had worked together for centuries and there were today half a million Czechs and German Bohemians living in Vienna. On my asking him how such a union would affect the relations with the Germans here he said that it implied a preliminary understanding. He asked me to consider what he said as highly confidential.

In this connection Einstein referred to his despatch of February 6<sup>63</sup>), regarding Prague's ulterior ambitions entertained with respect to Austria. He did not think that „there is any present intention of pressing these but rather the idea of allowing circumstances themselves to render their realization inevitable“.

Also Beneš talked to Einstein „with great frankness about the future of Austria“. He confided that Seipel

had tried to play Prague against Rome. At the conference of the Little Entente which has just been held it was agreed that any union with Italy would not be permitted. The permanent policy of the Jugo-Slav State and for other reasons of this country, must always be to prevent Italy and Germany from becoming contiguous powers.

Dr. Beneš feels that the salvation of Austria can only come from here, although this cannot yet be said openly. He feared however, that both Austria and Germany would have to sink still lower before this became possible. Meanwhile the powers at Geneva would be invited to extend more credit to Austria, and the League of Nations might even assume financial control at Vienna. Should such credits be refused the solution would then be to make this country the mandatory for Austria. The Little Entente would welcome this while neither Great Britain nor France would be unfavorable. Only Italy would oppose it. Ultimately there must be some kind of union in what he looked forward to as the United States of Central Europe. Each state would retain its own corporate existence and a new political machinery might have to be created. But such processes could not be hurried and he was satisfied to proceed gradually, and even to incur the risk of a body of international control established at Vienna. He now expected more disturbances there, and thought that the most imminent

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<sup>63</sup>) See n. 54.

danger was the wish of the Hungarians to take advantage of these to occupy the Burgenland. Neither Jugo-Slavia nor Czecho-Slovakia would allow this.

At the recent conference here the Little Entente had also discussed the future of Germany in view of the growing rift between France and England. The result of this will be reflected through Central Europe in the corresponding independence of the Little Entente and the feeling that they have only themselves to rely on. The news received from Berlin leads them to fear a monarchist rising . . . .

A possible civil war in Germany would probably do more than anything else to convince the Austrian Pan Germans of the uselessness of their wishes and would probably provide the occasion for Czecho-Slovakia realizing its hopes . . .<sup>64</sup>).

Einstein had also had occasion to speak to the Foreign Ministers of Yugoslavia and Rumania. Ninčić at first professed to see no solution to the Austrian problem but in a subsequent talk he said to Einstein „that while his own country could not admit the union of Austria either to Italy, to Germany, or to Hungary, it would like to see Austria joined to Czecho-Slovakia. The difficulties in his opinion lay here as the task would be colossal of bringing order into the Austrian financial chaos. Yet it was of paramount importance to Czecho-Slovakia not to be encircled by hostile states as might easily happen if Austria were to slip toward her other neighbors“. Duca, on the other hand, was more circumspect in saying that „the policy of his country while friendly toward Austria and willing to extend limited assistance, was based on the understanding that the Peace Treaties were not to be changed. Apart from this they recognized that Czecho-Slovakia had very special interests in Austria far exceeding those of any of the Succession States“<sup>65</sup>).

A week later Einstein wrote that Beneš's „opinion that salvation for Austria can only come from here will result in a sharp controversy with Italy as soon as any steps are taken to put such a policy into execution“. He reiterated that „Dr. Beneš' idea is to advance only step by step, making the circumstances themselves decide the policy“. And he added: „Meanwhile I hear confidentially from another source that he [Beneš] has instructed his representatives at Paris and Vienna to spare no money in order to influence opinion in this sense. Time is likely to operate in his favor, though Czecho-Slovakia can only acquire the coveted position with regard to

<sup>64</sup>) National Archives, 760 f. 63/32. Einstein to Hughes, August 30, 1922.

<sup>65</sup>) Ibid.



Austria at a moment like this when Germany is helpless . . .". There were rumors that Italy supported German monarchist organizations in Austria. „Yet Dr. Benes remarked to me a few days ago that an Italian adventure in Austria would be attended by the same consequences as in Abyssinia“<sup>66</sup>).

On September 14, President Masaryk called on Einstein and spoke once more about the problem of Austria.

Dr. Seipel's recent visit to Berlin, Verona and Prague clearly indicated that in his mind help could only come from one of the three neighboring countries. President Masaryk however, again expressed the opinion that a real solution could only be found here. When I asked him what lines such a proposed union should take, he believed that it would mean a common foreign policy, customs and monetary union and also an army uniformly equipped and able to work in cooperation. The great problem was one of enforcing governmental authority which had lapsed in Austria and would have to be reasserted. This could be done from here. The assistance of other countries would, however, be necessary to reestablish Austrian finances. Dr. Benes had just written him from Geneva that he did not yet despair of success though it is most unlikely that he should have unfolded his real plan.

I asked President Masaryk how union with Austria would be regarded here as many Austrians seem to believe that Czech hatred stands in the way. The President, however, said that it would be acceptable. There are a number of elements in this country to whom it ought to be very welcome. The manufacturers who remain, with their plants intended for the old Austria-Hungary, in a land with a quarter of the population, the Social Democrats who would find themselves reinforced by Vienna, and also the German Bohemians, would probably all welcome such a step.

Meanwhile this aim cannot yet be avowed and suggestions of the foreign press that Czech imperialist designs over Austria have been contemplated, are denied by the Government papers<sup>67</sup>).

It is remarkable to what extent the statesmen who prided themselves on being realists, as Masaryk and Beneš did, were in fact embracing illusions. Their Utopian views on the possibility of a union with Austria were not an exception; their previsions on the course of events in Russia and Germany, based on the „intimate“ knowledge of these two countries, were also consistently optimistic and almost invariably wrong<sup>68</sup>), to cite only two other examples. But they were by no means the only ones who were living in a

<sup>66</sup>) National Archives, 760 f. 63/33. Einstein to Hughes, September 7, 1922.

<sup>67</sup>) National Archives, 760 f. 63/34. Einstein to Hughes, September 15, 1922.

<sup>68</sup>) Many despatches from American Ministers in Prague testify to this.

make-believe world; they were only the best incarnations of the prevailing spirit of that strange post-World War I age.

The League of Nations took up the Austrian problem in September<sup>69</sup>). Seipel made a very clever appeal for help, stating Austria's willingness to accept a system of control if assistance were forthcoming, and warning that if left unaided, Austria would become a grave danger to the peace, a danger which it was the duty of the League to avert. Owing largely to Beneš's efforts the Council undertook the financial rehabilitation of Austria, and on October 4 three protocols embodying its scheme were signed by representatives of Great Britain, France, Italy, Czechoslovakia, and Austria. In the first protocol all the signatories pledged to „respect the political independence, the territorial integrity, and the sovereignty of Austria“, while the latter promised not to alienate her independence and to „abstain from any negotiations or from any economic or financial engagement calculated directly or indirectly to compromise this independence“. The second protocol stipulated the terms of the loan and the powers of the Committee of Control. The four Powers guaranteed a loan of up to 650 million gold crowns. The third protocol contained Austria's obligation to carry through a program of reform aimed at balancing her budget in two years. The Austrian Government agreed to surrender all right to issue paper money or to negotiate loans except by special authorization. A commissioner-general, appointed by the Council, was to supervise the execution of the plan<sup>70</sup>).

The Geneva protocols paved the way for Austria's financial resuscitation. The inflationary issue of notes was stopped, the currency was stabilized, and a new monetary unit, the schilling, was introduced in 1924. There was an increased feeling of confidence and hope. Austrian capital flowed back, and foreign capital was being attracted. But the reforms also caused much hardship. As a necessary economy measure large numbers of government employees were dismissed; in 1923, Vienna contained a greater number of State officials than when she was the capital of an Empire of 50 million people. Widespread unemployment and frequent strikes harassed the country. The Government's policy was undoubtedly one-sided;

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<sup>69</sup>) Francis P. Walters, *A History of the League of Nations* (2 vols., London, 1952), I, pp. 205—210.

<sup>70</sup>) League of Nations, *Treaty Series*, vol. XII, pp. 385—411.

it was focused on the financial problem without due regard to other considerations. However, by the middle of 1926 the work of financial reconstruction had progressed to such a degree that the League's control of Austrian finances, naturally obnoxious to most Austrians, came to an end<sup>71</sup>).

It must have been with mixed feelings that Beneš had signed the First Protocol thus putting an end, for some time to come at least, to the dream of a union with Austria. This must have been a blow to his own and Masaryk's plans, yet in his usual way, he put a good face on it, was all smiles, as if there were nothing he desired more. Ostensibly, the Protocol appeared to be directed against the Anschluss, but as that was most unreal at the time, it actually staved off Czechoslovakia and Italy. To all purposes these two rivals checkmated one another. Naturally each preferred the League's control in Austria to the other's preponderance there. To end the estrangement Beneš, immediately after signing the Geneva Protocols, hastened to Venice and on October 9 met with Schanzer. They announced that they had reached an understanding regarding the reconstruction of Austria and envisaged a rapprochement between Italy and the Little Entente. Yet the high-sounding words only belied the actual state of affairs. In his December speech in the Parliament Beneš importuned that selfish national interests be eliminated. He denied vehemently the rumors that he had attempted in any way to interfere with Austrian sovereignty or wanted to send a comptroller to Vienna. Only the League, he insisted, should have exclusive control and should receive full credit<sup>72</sup>).

## VI

Their plans for a Czechoslovak-Austrian union temporarily thwarted, Masaryk and Beneš spared no efforts to carry into effect a far less ambitious scheme of a preferential customs system in the Danubian region. If their efforts were crowned with success an important step would have been made on the way to their ultimate objective.

On November 27, 1924, Czechoslovakia and Austria signed a supplementary tariff agreement to the commercial treaty of 1921. Austrian exports to Czechoslovakia were to be no longer subject to

<sup>71</sup>) Goldinger, pp. 129 ff.; Gulick, pp. 683—86.

<sup>72</sup>) Vondracek, pp. 195—97.

governmental control. Czechoslovakia reduced tariff rates on many items. Duties were definitely fixed on virtually all goods exchanged between the two nations<sup>73</sup>). At the same time rumors were afloat that Beneš had launched a project of a Danubian Confederation<sup>74</sup>). Actually, as often is the case with newspaper stories, the contrary was true. Since Seipel's visit to Budapest in January, 1923, Austria and Hungary had been unmistakably drawing nearer to one another, and the Burgenland issue was receding into the background<sup>75</sup>). Beneš could not but be wary of a confederation in which Budapest would make common cause with Vienna against Prague. The memories of the past were too fresh.

On February 9, 1925, Einstein reported that

The idea of a Danubian Confederation which would group the Succession States into an economic unit has frequently been advanced as a suggestion by those whose intentions are better than their personal knowledge of Central Europe. Certain London newspapers like the Times also have recently favored it under the inspiration of the Bank of England. The latter controls different banks like the Anglo-Czech, as well as others in Austria, and Hungary, formed by the dissolution of the former Anglo-Austrian bank, and would like these banks to work in closer harmony than now is possible. While the merit of the argument from a purely business point of view is considerable, it does not take into consideration the immense opposition the mere discussion of this plan arouses in Czechoslovakia as well as in the remaining Succession States. In part this is due to it being regarded as a concealed Habsburg propaganda which aims to do away with the economic independence of the different countries created or enlarged since the war. The Czech press is unanimous in disapproving this idea which has lately again been mooted in the Morning Post of London, and resents keenly any proposition which appears to threaten national independence either through a forced union or by the exertion of any foreign capital. Another reason renders impracticable the idea of such a union under existing circumstances. The old Austro-Hungary can no longer be created into an economic unit as so much of the territory of the former Dual Empire has been incorporated into other states whose territory extends far beyond its original limits. Such a proposed Confederation would, in fact, have to embrace Poland, Roumania, Jugoslavia and Italy, nations whose economic interests are by no means similar or complementary.

The more restricted idea of a union between Czechoslovakia, Austria and Hungary would hardly be more feasible at the present time in view of the deeprooted distrust and hostility existing between Prague and Buda-

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<sup>73</sup>) League of Nations, Treaty Series, XLII, pp. 201 ff.

<sup>74</sup>) V o n d r a c e k , p. 284.

<sup>75</sup>) R e n n e r , pp. 59 ff.

pest, although it finds a defender here in Dr. Hotowetz, a former Minister of Commerce, who is now associated with the Anglo-Czech Bank. The latter has been advocating, without success, for an economic union of the Central European and Balkan countries, to meet the competition of Germany and the expansive tendencies of American capital in Europe.

The present plan in Czechoslovakia which is being slowly but systematically carried out is to negotiate separate commercial treaties with the neighboring states. These treaties allow for considerable bargaining to meet the particular situation in each case and affirm national sovereignty instead of restricting this<sup>76</sup>).

Several days later Einstein wrote that Beneš told him that

he entertained no illusions regarding the permanence of existing conditions in Central Europe. He realized that considerable changes would have to take place but he expected that these would be gradual and he wanted a few years to elapse in order to bring about a greater internal consolidation. He anticipated what the future would be by a process of elimination. Reasoning along these lines he excluded the union of Austria to Germany as such a step would produce too great an international tension and thereby provoke a crisis . . . .

Likewise he excluded a customs union between Austria and Hungary as this also would produce a highly undesirable tension. He did not expect any future customs union between the Succession States but looked forward instead to a system of preferential tariffs not unlike the one within the British Empire. This he thought would be the reasonable line to expect for future development<sup>77</sup>).

Yet in his conversation with France's Premier E. Herriot on March 16, 1925, Beneš expressed his desire „to see Austria enter a Confederation grouping the Succession States, save Italy“<sup>77a</sup>) only to declare before the Foreign Affairs Committee of the Czechoslovak Senate, on April 1, that he did „not regard as possible . . . the plans for a Danubian Confederation or Customs Union“. He thought that

The only correct solution of the economic difficulties and problems of the new Central European States is their close economic rapprochement in the spirit of the last commercial treaty between Czechoslovakia and Austria, the principles of which can be developed further in conjunction with the maintenance of the full economic and political sovereignty of the respective States. I repeat that, given the good will of the parties concerned, this policy will certainly lead to the desired end<sup>77b</sup>).

<sup>76</sup>) National Archives, 870.50/2.

<sup>77</sup>) National Archives, 840.00/17. February 14, 1925.

<sup>77a</sup>) Edouard Herriot, *Jadis* (2 vols., Paris, 1952), II, p. 190.

<sup>77b</sup>) E. Beneš, „The Diplomatic Struggle for European Security and the Stabilisation of Peace“, *International Conciliation*, No. 212 (September, 1925), p. 242. Also *idem*, *Boj o mir a bezpečnost státu* (Praha, 1934), p. 321.

Thus, now as before, Czechoslovakia was against any combination if there was an uncertainty as to whether she would play a dominant role in it. The hold of economic nationalism on Czech business circles continued unabated. Any project that embodied some surrender of sovereignty, however slight, in things economic would without fail run into a wall of all-powerful opposition. It is well to remember that the Czechoslovak government was a coalition of five parties (*pětka*), in which the agrarian and business interests predominated.

From 1924 on, Prague had good reason to be again disturbed by the reappearance of the Anschluss specter. The consultations of the German and Austrian Chambers of Commerce, the visits of Chancellor Marx and Foreign Minister Stresemann in Vienna, and of Dinghofer and Frank in Berlin, the propaganda tours of Austria by German deputies, and the growing wave of Pan-German demonstrations<sup>78)</sup>, could not but vex the Czechs. Beneš's visit to Vienna, to return that of Seipel at Prague, had to be postponed several times, and at the end of May, 1925, it was postponed indefinitely<sup>79)</sup>. The American Minister in Vienna observed: „The truth is that the Czechs undoubtedly fear a cold reception or a hostile demonstration . . . All this is quite natural, but the repeated postponements, which might have been at least reduced in number, have created an atmosphere of intense irritation here.”<sup>80)</sup> Einstein had this to say:

The purpose of his [Beneš's] visit . . . was probably to express the willingness of Czechoslovakia to assist Austria economically so long as there was no question of her annexation to Germany. This Czechoslovakia resolutely opposed. But the annexation movement in Austria has lately become popular once more as a hoped for solution of her financial difficulties. Dr. Beneš has been so prominent in opposing this that his visit to Vienna ran serious danger of encountering an organized demonstration against him. Sooner than risk this he has preferred to abandon his visit for the present although by so doing he has been obliged to admit the strength of the movement<sup>81)</sup>.

Yet Masaryk's optimism would not be abated. On June 13, 1925, Einstein sent the following very interesting and strictly confidential despatch to Kellogg.

<sup>78)</sup> Goldinger, pp. 138 ff.

<sup>79)</sup> National Archives, 760 f. 63/39. Einstein to Kellogg, May 28, 1925. Also 760 f. 63/37. A. H. Washburn to Kellogg, May 12, 1925.

<sup>80)</sup> National Archives, 760 f. 63/38. Washburn to Kellogg, May 27, 1925.

<sup>81)</sup> National Archives, 760 f. 63/39. Einstein to Kellogg, May 28, 1925.

President Masaryk yesterday paid me a lengthy visit at the Legation. He spoke of the general European situation and expressed satisfaction with the growth of republican ideas in Germany, and with the abandonment at Berlin of the wish to reconquer the former western frontier. He has hopes that something of real value may develop out of the Security Pact. I asked him about the future of Austria. In his opinion Germany has no desire for annexation. He phrased this as follows: „Formerly Germany controlled an Empire of fifty million people which she did not try to annex. Why should she do so now for a country of six millions.“

The entire policy of Czechoslovakia is, however, so set against Austrian annexation that this wish may be father to the thought ... [The goal of some kind of confederation with Austria] still exists in a somewhat different form. Instead of the dual state which he then [in 1922] advocated, he now favors a preferential tariff arrangement which would allow Czechoslovakia, Austria and Jugoslavia to trade with each other on mutually advantageous terms and also do away with the present restrictions of transit along the frontier zones. He believes that Poland and Greece might later join such a confederation and in this way a large economic unit would be created, which would provide a greater advantage to Vienna than could come from the annexation to Germany. He also thought that Bulgaria might enter into this arrangement. Dr. Beneš' diplomacy, I hear, has lately been directed toward bringing the Jugoslavs and the Bulgars closer together, somewhat to the apprehension of the Greeks who fear lest what they regard as a Pan Slav movement should turn against them.

President Masaryk sketched to me the broad lines of such a future confederation which in his idea could be established in Central and South Eastern Europe without loss of national sovereignty and by the simple process of preferential arrangements between the different powers. He foresaw, however, that such a plan might meet with the opposition of Italy.

Roughly speaking this policy offers an alternative to the Austrian hope of annexation to Germany, and appears to have the approval of France where it is realized that something must be done to prevent the present drift at Vienna. Although offered as a remedy to Austria, it provides for a Central European confederation in which Austria would find its place, and into which eventually Hungary would have to fit, but which would in reality be controlled by Prague with French support. The idea is an ambitious one and the steps now under way to carry it out form part of the general plan which lies in the mind of President Masaryk and Dr. Beneš. For the present the opposition appears to lie in Austria itself, where Dr. Beneš' recent overtures and plans for a visit have not been attended with much success. I am also under the impression that its merits have hitherto not been altogether convincing to the Jugoslavs, perhaps, because Belgrade is disposed to be a little jealous of an initiative which emanates from Prague<sup>82</sup>).

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<sup>82</sup>) National Archives, 760 f. 63/40.

The idea of creating a preferential customs system in the Danube region was not a new one. Already Article 222 of the Treaty of St. Germain envisaged such reciprocal preferential treatment between Czechoslovakia, Austria and Hungary, providing a period of five years for its realization<sup>83</sup>). However, this provision had been all but forgotten, and only some months before its expiration did Czech and Austrian experts meet with a view of arriving at a convention to be presented to the Great Powers for their sanction. These negotiations broke down, for Italy insisted that she should enjoy full and equal rights in any new customs arrangement. A similar fate befell the Central European Economic Conference held, on Austria's initiative, at Vienna in September, 1925. Unable to make any headway, the Conference adjourned with the statement that it considered „as one of the principal evils of the Central European economic situation the continuing isolation of the economic systems of the small States“<sup>84</sup>).

After this failure, the project of a Danubian Economic Confederation would reappear now and again, in one form or another, during the next several years without making any more progress. All the patients had been well aware of the nature of the disease, there being hardly any disagreement on the diagnosis, but they stubbornly refused to accept the prescribed medicine. The fact was that they all were overly jealous of their sovereignty, intent above all on wresting a selfish advantage and at the same time averse to anyone else gaining too much by chance, and extremely wary of any other assuming the leading position. However, it is only fair to remember that the small Central European states were by no means an exception in this regard.

The lack of any progress in economic negotiations had no adverse effect on the official relations between Prague and Vienna, which remained correct though continually wanting in cordiality. Beneš expected Locarno to have a quieting effect on Austria, and especially on Hungary, and believed it would dispel certain illusions among the minorities and thereby hasten „the pacific and loyal collabo-

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<sup>83</sup>) *Traité de paix entre les Puissances Alliées et Associées et l'Autriche, protocole et déclarations, signés à Saint-Germain-en-Laye, le 10 septembre 1919 (textes français, anglais et italien)*, p. 282.

<sup>84</sup>) *Vondracek*, 285.



ration of all elements in the State"<sup>85</sup>). On March 5, 1926, at long last he paid a visit to Vienna and signed there the treaty of arbitration and conciliation. Such treaties were very fashionable in that age of „pactomania“, and scores of them were concluded between nearly all countries. Measured in terms of actual achievement, the results of Beneš's visit were not „especially noteworthy“<sup>86</sup>). At the end of the same month Chancellor Ramek returned the visit, stopping for a day in Prague on his way back from Berlin. Einstein thought it „unlikely that any serious business was transacted“, yet added that

The danger of annexation is, however, the leverage which Austria has successfully utilized to obtain the assistance of other states, for France, Italy and the nations of the Little Entente, all of whom are absolutely opposed to the „Anschluss“, have been obliged, in consequence, to go to the assistance of Austria.

It was Dr. Beneš' merit to have been the first public man to realize that if Vienna was not to fall into the German orbit it would be necessary to make it self-supporting and assist it during the critical years of its early development. His efforts last autumn to give preferential tariff rates to Austrian industry were not very successful in the face of the opposition encountered from Czech manufacturers. But Dr. Beneš has persevered in his policy of friendly collaboration with Austria and his real desire to establish and further a community of interests between the two neighboring states has at last met with a deserved success<sup>87</sup>).

It is difficult to see in what that „deserved success“ actually consisted. At any rate Einstein's supposition proved premature. For, several months later negotiations for a new economic treaty foundered, and at the end of November, 1926, Austria denounced all previous agreements<sup>88</sup>). With the expiration of the treaty of 1921 on April 15, 1927, a tariff war broke out between Austria and Czechoslovakia, and feelings ran high in the business circles of both countries. On July 21 a new treaty was signed allowing Austria a slight increase in its 1921 tariff against Czechoslovak textile products in exchange for a reduction of its tariff on metal goods and certain types of glass pro-

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<sup>85</sup>) National Archives, 740.0011 Mutual Guarantee (Locarno)/222. Pearson to Kellogg, November 2, 1925.

<sup>86</sup>) National Archives, 760 f. 63/41. Washburn to Kellogg, March 7, 1926.

<sup>87</sup>) National Archives, 760 f. 63/42. Einstein to Kellogg, March 31, 1926.

<sup>88</sup>) League of Nations, Treaty Series, vol. LXXVIII, p. 437. Strangely, this concided with a marked improvement in the relations between the Czechs and the Bohemian German minority, manifested in the entrance of two German leaders into the Czechoslovak government, thus ending a long period of German non-cooperation with that government.

ducts. The reductions of the Czechoslovak tariff were negligible<sup>89</sup>). The treaty was far from satisfactory. It was a great exaggeration, to say the least, on the part of Beneš to assert later that it had been of „enormous benefit to the Austrians“<sup>90</sup>).

However, the treaty did improve Czech-Austrian relations<sup>91</sup>). Inevitably, when Chancellor Seipel visited Prague in the middle of February, 1928, to deliver a lecture to the Catholic students, this visit gave rise to a new wave of speculation about a Danubian confederation. Even Einstein, who should have known better, seems to have been carried away by the atmosphere of affected friendliness enveloping this visit. Comparing it to Seipel's last visit in 1922, Einstein wrote:

Today the position of his country is far better and its relations with Czechoslovakia have improved enormously. There is an increasing recognition of the numerous common interests of the two states and the need for mutual cooperation . . . . His visit comes at a time when there is a growing feeling of friendliness between Czechs and Germans and will assist this. It coincides also with the renewal of relations with the Vatican . . . .

Dr. Beneš told me that in his talks with Mgr. Seipel he pointed out that Czechoslovakia sought no selfish advantages and did not wish to take the lead. On the contrary he would gladly welcome Austria first signing treaties with Italy or Germany, excluding the possibility of war . . . He had himself refrained from making any concrete suggestions and preferred to let events shape themselves in the direction he foresaw. Whereas six years ago all his effort had been directed toward the preservation of the Peace Treaties, this was no longer necessary. Today he was working toward attaining security through moral and psychological guarantees. And in another few years time even this would not be necessary for the need of peace would have become self evident. . . . The alternatives of Anschluss,

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<sup>89</sup>) Ibid., vol. LXXXI, pp. 7—275.

<sup>90</sup>) National Archives, 760 f. 63/43. Einstein to Kellogg, February 17, 1928.

<sup>91</sup>) Yet on December 14, 1927, Washburn (Vienna) sent the following despatch to Kellogg: „Der Montag' printed a sensational story on the 5th instant . . . to the effect that the [Austrian investment] loan had gone on the rocks, mainly because of the opposition of Czechoslovakia. In point of fact, Czechoslovakia is not interested in the relief credits, because it extended none. The Czech Minister here denies that his government is unfriendly. It is nevertheless true that the Austrians believe that the Czechs have been throwing cold water on the loan proposal. Two reasons are given: first, it is said that the electrification of the railways is against Czech interests as it would make Austria less dependent upon Czech coal and, secondly, some proceeds of the new loan are to be devoted, it was announced, to the improvement of Austrian dairies, the Austrian market for milk from Southern Moravia thereby being lessened.“ Foreign Relations 1927, I, p. 461.

or some kind of economic federation, are the opposite poles between which these rival ideas oscillate today. Neither is openly espoused as the program of any government and neither can make much headway so long as the Anschluss would lead to war, and the federation remains impossible while Hungary is irreconcilable.

... Dr. Beneš, of course, aims farther than Vienna. Although he would like to present the solid benefits of his policy to Austrian opinion he looks forward eventually to embracing all the States of the Danubian basin in a great economic confederation which would repeat many of the good sides of the old Dual Monarchy without its objectionable political features. And he hopes in this way by a new prosperity gradually to lessen the pressure for the Anschluss in Austria ... He realizes that Czechoslovakia must find its place within such a confederation failing which its future independence will be seriously threatened. And no more terrible blow could be imagined than that of the Anschluss ... Hence this question is regarded as one of life or death ....

Dr. Beneš is satisfied that however great is the sympathy the Anschluss idea enjoys in Austria the fear of international complications will prevent it from maturing. For the Austrians as he remarked have no wish to become a new battleground for Europe in order to gratify this wish.

The Austrian Chancellor expressed sympathy for Dr. Beneš' views especially with regard to Regional Understandings and the so-called Locarno for Central Europe, and also stated his personal opposition to the Anschluss idea ...<sup>92)</sup>.

Yet, as Beneš was to find to his chagrin two years later, the attraction of Anschluss for the Austrians, far from waning with the passage of time, was actually rising. And this in spite of all his efforts to influence Austrian opinion through some Austrian papers under his control<sup>93)</sup> or through the Czech Socialists who were in close contact with their Austrian comrades<sup>94)</sup>.

With the first post-war decade drawing to a close, Austrian-Czechoslovak relations were correct, the edge of the old hostility

<sup>92)</sup> National Archives, 760 f. 63/43. Einstein to Kellogg, February 17, 1928.

<sup>93)</sup> In discussing an article in *Deutsche-Österreichische Tages-Zeitung* of October 19, 1928, entitled „Dr. Beneš, the Newspaper King of Vienna“, and headlining that the majority of Vienna papers were under Czech influence, Washburn observed: „The article is, to be sure, somewhat hysterical in tone, but it is a well known fact that the Czech control of the Austrian press, or a section of it, is progressive.“ National Archives, 863.91/1. Washburn to Kellogg, October 25, 1928. For the accounts of payments made from a secret fund of the Czech Foreign Ministry to Viennese papers in the inter-war period, see Rudolf Urban, *Tajné fondy III sekce. Z archivů ministerstva zahraničí republiky Česko-Slovenské* (Praha, 1943), pp. 130—74.

<sup>94)</sup> National Archives, 863.00/676. Einstein to Stimson, November 1, 1929.

was blunted, but the Austrian problem was no nearer to a solution than it had been at the outset, haunting as ever the chancelleries of Europe, above all that of Prague. The ambitious plans and dreams of the Czech statesmen — the Czechoslovak-Austrian union, the preferential tariff system, and now the Danubian confederation — were, if anything, farther from realization. The Decade of Opportunity was over; the Decade of Trial set in. The time was at hand when yesterday's leaders, the masters of lofty declarations and specious formulae, had to measure swords with the strong-arm challengers who had no „fear of international complications“, but indeed thrived on them.