The Future of Austria

Introduction.

Article 80 of the Treaty of Versailles reads:

"Germany acknowledges and will respect strictly the independence of Austria, within the frontiers which may be fixed in a treaty between that State and the principal Allied and Associated Powers; she agrees that this independence shall be inalienable except with the consent of the Council of the League of Nations."

Article 88 of the Treaty of St. Germain-en-Laye reads:

"The independence of Austria is inalienable otherwise than with the consent of the Council of the League of Nations. Consequently Austria undertakes, in the absence of the consent of the said Council, to abstain from any act which might directly or indirectly or by any means whatever compromise her independence, particularly, and until her admission to membership of the League of Nations, by participation in the affairs of another Power."

During the period between the wars, H.M.G. at various times made it clear that they regarded the maintenance of Austria's independence as an interest of their own, and that they would tolerate no violation of the treaties which would be calculated to imperil Austria's freedom.
On the 11th March, 1938, German troops marched into Austria. His Majesty's Government protested in the strongest terms both in London and Berlin against the use by the German Government of coercion backed by force against an independent state in order to create a situation incompatible with its national independence.

On the 2nd April, 1939, His Majesty's Ambassador at Berlin was instructed to inform the German Government that His Majesty's Government had decided to withdraw His Majesty's Legation from Vienna and to replace it by a Consulate-General. Thenceforward His Majesty's Government may be said, for all practical purposes, to have recognised the annexation of Austria by Germany.

The present attitude of His Majesty's Government towards Austria was most recently stated by the Secretary of State in the House of Commons on the 9th September and the 16th December, 1942. On the 9th September Mr. Eden said: "The policy of His Majesty's Government towards Austria was stated by my right honourable Friend the Prime Minister at the Mansion House on the 9th November, 1940, when he said that Austria is one of the countries for whom we have drawn the sword and for whom our victory will supply liberation. While His Majesty's Government cannot of course commit themselves at this stage to recognise or support the establishment in the future of any particular frontiers in Central Europe, I must make it plain that His Majesty's Government do not regard themselves as being bound by any change affected in Austria in and since 1938". On the 16th December Mr. Eden
Eden said: "In my speech at Leamington on the 26th September I referred to the existing Polish-Czechoslovak and Greek-Yugoslav agreements and said that, so far as we were concerned, we should continue to foster agreements of this kind and to encourage the smaller States to weld themselves into larger, though not exclusive, groupings. Whether it will be possible or desirable to include Austria and Hungary within a federation based upon Poland and Czechoslovakia must clearly depend, amongst other things, upon the views of the Polish and Czechoslovak Governments and peoples and upon the future attitude of the Austrians and Hungarians, who are now fighting in the ranks of our enemies."

**Historical Review**

Situated at the geographical centre of Europe Austria is intimately concerned in many of the most vital issues of European politics and economies. The Latin, Slav and Teutonic worlds meet within or at the Austrian frontiers. A great power which gains control of Vienna and the Austrian Danube is likely to be the economic master of Danubia. Strategically, either Austria can provide the German salient by the use of which an aggressive Germany can destroy all resistance in Danubia; or, together with the Bohemian bastion, Austria can form the only line of defence for Danubia against such a Germany. Again, Austria forms the strategic
the strategic extension of Switzerland and can serve to separate Germany from Italy and to cut the line of the Axis which has shut Danubia off from Western Europe. 

Austria is, from several points of view, the keystone of the European arch.

The Austrians are a German people, sharing the inheritance of German thought and art. But their vocation through more than five centuries has been Danubian, and living as they do at the crossing of so many ways they are by tradition Europeans. This perhaps helps to explain why the great majority of Austrians can hardly be said to have been nationally conscious before 1918.

After the last war the majority of Austrians desired inclusion in Germany. The reasons are not far to seek. So determinedly did the Danubian states shake the dust of Austria from their feet that to the Austrians it seemed clear that their eastern mission had ended. Their ship had foundered and sunk. They were as men huddled in mid-ocean on the raft of German-Austria. Most naturally they welcomed the chance of scrambling on to another vessel to which they were invited in their own language. Further, it was apparently a new and wholly changed Germany which extended the invitation. The socialist democrats, who were at first in charge of the Austrian Government, saw their German colleagues in power in Berlin and promulgating the charter of liberties of the German workers.
To them, moreover, the only chance of rendering their control of Austria permanent seemed to be in a union with the great German social democratic republic. The Christian socialists saw the beginnings of that considerable influence which their colleagues of the Centre were to exercise in Germany for the next 14 years. Thus the two great parties which between them had the support of six-sevenths of the Austrian Electorate, saw their respective causes flourishing in the Reich; while the remaining seventh consisted of the German nationalists for whom union with Germany was their basic political principle.

The Allied and associated powers forbade union with Germany yet took no effective steps to ensure that Austria should enjoy at least some economic co-operation with the other successor states. It was not until 1922 when the economic situation had become desperate, that the Western Powers awoke to Austria's need of support if she was to bear the burden of the independence which had been forced upon her. The necessary loans were supplied in return for guarantees of Austrian independence and three years later, after the application of the League of Nations scheme, Sir W. Latham and Professor Rist submitted a paper which bore testimony to the recovery made by Austria. The recovery went on and Austrians began to have a certain confidence in their country, especially as they observed the difficulties with which Germany had to struggle. Even before the advent of the Third Reich, the idea of an alliance with Germany had lost some
Already in 1931 Hitler had shown, by his appointment of a Gauleiter for Vienna, that he was as devoted as ever to his intention to effect the Anschluss. A stream of threatening propaganda began, then German tourists were forbidden to visit Austria. A legion of Austrian Nazis was formed in Germany and the organisation of violence in Austria itself developed. Many Austrians, particularly amongst the disinherited intelligentsia and the students who feared future unemployment, responded to the Nazi appeal. But a large body of Austrian opinion swung over rapidly from a disinterested attitude to positive opposition to the Anschluss.

Economically what they wanted was not incorporation in the Reich but a fair chance in the economic field of Danubia. Politically they came to appreciate Dr. Seipel's statesmanship in quietly shelving, though never wholly dropping, the question of the Anschluss. The spectacle of Switzerland had taught them that Germanism could be combined with local liberty and international co-operation. The spectacle of the Reich had caused them to reflect that there were treasures peace, humanity, religious education, the rule of law, that were of higher value than linguistic

Yet when at last Hitler struck, the plebiscite of April 10th, 1938, recorded over 99 per cent of votes for the Anschluss. The apologists for Austria claim that, deserted by the Western Powers, the Austrians were cowed by the clatter of German guns and tanks.
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In this case, the majority of the Austrian republic of 1918-1938 did not succeed in assuring the patriotic devotion of the nation. Monarchy, and

The German-Austrians were no long established historical entity. There had never been a state consisting of the German

Austrian provinces, or the Dual Monarchy, and

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more shaky in the face of German pressure and probably nothing could then have saved it except the armed intervention of the western powers. It is true that in the very last days of Austrian independence signs of a genuine Austrian patriotism did emerge. But it seems for the most part to have been a negative emotion derived from opposition to Nazi ideology and Nazi methods, rather than a positive enthusiasm for independent Austria as such; and even so it was not shared by the whole population.

Immediately after the occupation of Austria by German troops in March, 1938, Austria was declared a "land" of the German Reich under an Austrian federal government in Vienna with Seyss-Inquart at its head. At the same time the first steps were taken to transform this status into one of complete absorption into the administrative system of the Reich. On the 15th March the German law of the 30th January, 1934, for the Reconstruction of the Reich was declared valid in Austria. This meant the abolition of a representative government and the transfer of the sovereign rights of the former Austrian state to the Reich. The Austrian federal government became the Austrian provincial government and Seyss-Inquart received the title of Reichstatthalter in Austria. The next step was taken by the Ostmark law of the 4th April, 1939. This set out a plan of administration which was put into operation on the 1st April, 1940. The effect of this measure was to destroy Austria as a territorial unit of administration and the office of Reichstatthalter in Austria was abolished. Some time later even the term /Ostmark
Gestern, the last symbol of Austrian unity, was dropped and all laws relating to former Austria used the phrase "Alpen und Donau Reichsgabe".

Despite the Anschluss, Austria remains in many respects a different country from the Reich. The feeling in Austria that "Austrians are different from Germans" not only persists but is growing stronger. Already in 1941 there were growing doubts as to whether the Anschluss was worth it at the price of war. During 1942 this disillusionment increased and ripened, though it has not yet taken any clear political form. There have been signs recently of growing discontent. But the grip of the Gestapo on Austria is strong; Austrian troops continue to fight against us, though with waning enthusiasm, and Austrian industry works full time for the German war machine.

There is probably nothing Austrians desire so much as the end of the war, and there is certainly less fear in Austria than in Germany of the consequences of defeat. But while the majority of Austrians are very probably united in their dislike of the Nazi régime, there seems no agreement as to what the future of Austria should be: and there is little evidence that Austrians anywhere are prepared to make violent exertions for the sake of their freedom.

The future of Austria.

Austria's future will be one of the most difficult questions with which statesmen will be faced after the war. Austria has been at different times the leading state in a German confederation, the head of a largely non-German Empire in South-East Europe, an independent state and an integral part of a unitary German state.
opinion will be opposed to maintenance of the status quo, the more so as whereas Germany will suffer the consequences of defeat even more than after the last war, Austria may well hope to escape her share of responsibility and retribution by repudiating Nazidom. And the repudiation of Nazidom means, for the time being at least, the repudiation of Germany.

The political, economic, and strategic arguments in favour of detaching Austria from Germany are very strong. If a powerful Germany extends as far as Hungary, Bohemia, as experience has shown, becomes indefensible. It is true that if the future peace settlement leaves Hungary less aggrieved she would not necessarily again threaten Czechoslovakia from the rear; but even so the possession by Germany of upper and lower Austria robs the western frontiers of Bohemia of more than half their defensive value, and the German-Hungarian frontier, however drawn, would be practically indefensible by Hungary. Further the Tyrol separates Germany from Italy and gives Italy valuable protection if she still retains the Brenner frontier. It should also be taken into account that Germany without Austria contains several millions fewer Germans and that the German war potential is reduced.

Inclusion of Austria in a South German state.

If Germany is split up it is possible to envisage the creation of a south German state. In this new state Austria might be associated with Bavaria, Wurtemburg, and Baden. The result would be a predominantly Catholic
Catholic state. The creation of such a south German state could, however, only be undertaken if it received strong positive support from the people immediately concerned. To impose it on unwilling parties would be to court disaster since the consequent instability of the new state would make it a centre of unrest and a menace to the peace of Europe.

It is true that the Bavarians and Austrians dislike the Prussians, but this is too negative a sentiment on which to build a union between them. Feeling between Bavarians and Austrians has been particularly friendly. Both countries are predominantly Catholic, but Austrian Catholicism bears the stamp of the Counter Reformation and is more closely linked with Rome than is the case with the more national Catholicism of Bavaria. There are cultural affinities but there is also cultural rivalry. There are monarchist elements in both but their loyalties are directed to different dynasties. After the last war the special ties drawing Bavaria and Austria together were to be found rather among the extremists of the left and right and they were used by these groups, especially the latter, as weapons in the political conflict raging within their respective countries. The Soviet of Bavaria, for instance, saw in "red Bavaria" a possible ally in its fight against what it regarded as the reactionary pseudo-socialism which held power in the Reich. But Eisinger did not go to the point of advocating the creation of an Austro-Bavarian state. His aim was a federation including Germany and Austria. Similarly,
Similarly the reactionary Bavaria of Kahr, who was backed by Ludendorf, saw a possible ally in its struggle against the Weimar régime, in the conservative provinces of Salzburg and the Tyrol which for a time seemed prepared to contemplate separation from Austria and unite with Germany. But concrete proposals on the part of those provinces for union with Bavaria as distinct from the Reich as a whole, took the form of advocating only what was considered an "economic union". The plebiscites held in Salzburg and the Tyrol in 1921 yielded a substantial majority for union with Germany; the question of union with Bavaria was not raised.

It is probable that even if Bavaria were to express a desire for a union with Austria after the war, this desire would prove to be an ephemeral reaction to the circumstances of the moment in which a wish to escape from the expected economic consequences of a German defeat might play a part. After a time an increasing number of Bavarians would want to return to the Reich and might very possibly try to bring Austria in with them. There is no particular reason to suppose that Wurtemburg and Baden would be induced to follow Bavaria if it decided in favour of separation from Germany.

Precisely it is clear that a German state stretching from Salzburg to Stuttgart and Freiburg could not be a member of a federation. By joining it, Austria would forfeit her claim to be treated as a Danubian state, and would be thrown into that close association with Germany which it should be our primary aim to break.
Austria as an Independent State.

If it can be accepted that it is our primary aim to wean Austria from her traditional association with Germany, we must clearly reject the first two of the four possible solutions put forward in paragraph above, viz., the association of Austria with Germany and the inclusion of Austria in a South German confederation. Excluding the possibility of the partition of Austria, it would seem to follow that we must accept as the only practicable alternative the restoration of an independent state of Austria, which might either stand alone or form part of an East European confederation. But this will have been no easy solution, involving as it does firstly the re-creation of an Austrian state and secondly a tremendous effort on the part of the Great Powers to ensure the survival, as an independent state of restored Austria.

We are faced at the outset with the handicap that there is no Austrian Government in exile representing the Austrian unity that has been destroyed or ready to return and take control through the period of re-creation. Nor is there the slightest prospect of building up a representative Austrian Council or Committee from the material available in this country, in the U.S.A. or elsewhere outside Austria. Not only is there no unity amongst the rival Austrian refugee groups, even if unity were achieved, there are, with the possible exception of Dr. Dorresteiner, no personalities whose names carry any weight at all in Austria today. The Austrian people themselves will have to furnish the first responsible Government of
restored Austria.

Austria will very probably not need to make any special effort to detach itself from Germany. The machinery which links the Austrian Reichsgaue with the Central Government of Germany is of recent creation, it is closely associated with the Nazis and it is largely manned by Nazi personnel. Consequently it would very likely be shattered by a revolution which drove the Nazis out of Austria. Further, when the United Nations occupy Germany, it will rest with them whether to administer Austria as part of Germany or not. In the latter event, they could do much to help Austria to complete her disentanglement from Germany and to rebuild an independent Austrian constitution and administration.

But what of the Austrian people? Will they be willing to assume once more the responsibilities of independence? On the whole it is unlikely, at all events in the early stages, that they will wish to maintain their association with Germany even if they were allowed to do so. The position is likely to be radically different from that which prevailed in 1918 (see paragraph above). An independent Austria emerges after this war, she will do so by emancipating from a tyrannical German rule which, so far from giving Austria the federal status which was the least that even Germanophile Austrians hoped for, destroyed unity even as an administrative region. Moreover, whereas Germany will suffer the consequences of defeat more heavily than after/
after the last war, the Austrian people may well hope to escape them almost altogether by repudiating Nazidom and, with Nazidom, Germany.

It will be appreciated, however, that it is not possible to build very solidly on a negative basis of this sort. Will the years of subjection to Nazi Tyranny have strengthened or killed altogether the tender plant of Austrian national sentiment which even before the access of the Nazis to power was beginning to make growth and to deprive the conception of an Anschluss of some of its appeal? It is impossible to say. It can only be noted that the circumstances attendant on the re-establishment of a responsible Independent Government in Austria are likely to be difficult. Particularist sentiment, which has always been strong in Austria, may well be reinforced by local political antagonisms, as for instance between a conservative south-west and a predominantly socialist north-east, and above all difficult and expensive the return of the repressive autocratic clashes between Republicans and Legitimists are not unlikely. Even though the majority of Austrians may be in favour of the restoration of their independence, there will inevitably be dispersion of energy and effort which might more profitably be concentrated on rebuilding the State.

It would be foolish to attempt an easy evaluation of the political situation in Austria after the war, but assuming that, with the help and encouragement of the United Nations an Independent Austrian state.
It successfully overcomes its political troubles, what are its economic prospects? A careful examination of the Austrian national income and of movements of the standard of living makes it clear that Austria in the interwar period did not solve her economic problems. This was partly due to the failure of the various Governments to pursue an active policy of finding employment for the labour and capital resources of the country and particularly to the various forms of trade barriers which impeded economic relations with the outside world. The two causes were inter-related, since owing to the restrictions on foreign trade the pursuit of an active internal policy would have been used as a lever to encourage the increase of the national income, even in spite of the conditions prevailing in world trade, and it is none the less true that theoretically a sound internal economic policy would have made it possible to maintain and even slightly increase the national income, even in spite of the conditions prevailing in world trade. But this would have required a Government strong enough to assert itself against vested interests and to demand that international loans to Austria might have been used as a lever to encourage the pursuit of such a policy. But this would have required a Government strong enough to assert itself against vested interests and to demand that international loans to Austria might have been used as a lever to encourage the pursuit of such a policy. But this would have required a Government strong enough to assert itself against vested interests and to demand that international loans to Austria might have been used as a lever to encourage the pursuit of such a policy. But this would have required a Government strong enough to assert itself against vested interests and to demand that international loans to Austria might have been used as a lever to encourage the pursuit of such a policy.
this war, the same conclusions will follow: and Austria could exist under wise Government could prevent a deterioration of her economic position. But she would have little hope of securing substantial improvement and the task set to her Government would be an exceedingly severe one. It will be seen, therefore, that to be prosperous Austria, more perhaps than most states, will be dependent on a satisfactory solution of the wider problems of post-war international trade.

To sum up, there is likely to be a fairly strong movement in Austria after the war in favour of the restoration of Austrian independence. But this movement will probably be inspired at least as much by a reaction from Nazi tyranny as by any positive national sentiment, and the evolution of a responsible Austrian Government is likely to be attended by great difficulties. On the longer term policy, it would be foolish to under-estimate the attraction which Germany may still exert in certain circumstances on Austria. The ties of blood and language are strong and the restored independent Austrian state will have to be assured of a degree of political and economic security not substantially lower than she might expect from association with Germany, if she is to have the will to maintain her independence. This is a responsibility that the United Nations must foresee.

Inclusion of Austria in a new European Confederation...
as they are for the existence of Austria as an independent state. Membership of a confederation would not, therefore, solve any of the immediate problems with which an independent Austria will be faced after the war; it could only help to assure to Austria some part of that political and economic security without which the Austrian people may come to regard independence as not worth

...would the inclusion of Austria confer on a confederation and how would the other partners view her inclusion in it? Politically, Austria might be able to render important services to a such a Confederation. The Austrian people are less nationalistic than most of the peoples of Europe and they might be able to exercise a moderating influence on their Danubian neighbours. From the cultural point of view the contribution of Austria as a whole and of Vienna in particular would be of the first importance. Finally, the acceptance of Austria into such a confederation would strengthen her in her resistance to German domination, which is clearly a paramount interest of the states to encourage. Strategically, the possession of Austria by Germany would present a permanent threat to South Eastern Europe. Conversely, it would seem to be effective...
measures for the defence of Austria could best be taken if considered as an integral part of the defence measures of South Eastern Europe as a whole. An independent Austria on the 1919-1938 model could never have the necessary military strength to defend herself. The strategic protection which her territories provide for the exposed frontiers of her neighbours could only be utilised to the full if she were included in an East European Confederation, disposing of very considerable military forces. Economically, it is probable that an East European Confederation would be strengthened by the inclusion of Austrian industries. The natural economic connexions of Eastern Austria are with the Middle Danube area. Before 1918, the bulk of its trade was with other parts of the Dual Monarchy. Vienna was the banking centre for the whole of the Monarchy and for the Balkans as well. Moreover, the easiest communications between Bohemia and Poland on the one hand, and South Eastern Europe on the other pass through Vienna. Despite the economic changes which have occurred in Austria since 1919, these fundamental geographical facts and their economic consequences remain unaltered.

There are, of course, also important arguments on the other side. The East European peoples, if they are prepared to admit Austria at all to their confederation, would only admit her as an equal, not as a senior partner. Probably, Austria would have no desire to claim for herself the dominant position formerly held by the Germans of the Austrian empire; but the other peoples...
of the Confederation may well feel some doubts on this point, however unfounded, and they may in particular be nervous of the development within the confederation of an Austro-Magyar alliance reminiscent of the old Austro-Hungarian Dualism. Moreover, during the inter-war period, the successor states have been busy building up their own industries and banking systems. They will no doubt have some anxiety, if Austria is admitted to membership, that even if she makes no effort to regain the political hegemony, her geographical position, her industries and her banking system may give her economic predominance in this part of Europe. Perhaps most important of all there is likely to be a very lively fear that Austria might become a centre of disturbance within the confederation by serving as a stepping stone for German penetration and as a camouflage for activities pursued in Germany's interests. Nor can the possibility be ignored of a rapprochement at a later date between Austria and a revived and reformed Germany. In recent years many East European states possessing German minorities have found them a source of great trouble and danger. In some of these states the idea of expatriating these minorities, should opportunity offer, is becoming widely popular. They may well feel that the fewer Germans an East European Confederation contains the safer it will be, and that on that ground alone they would prefer a confederation which did not include Austria.

As regards the attitude towards Austria of the individual potential partners in an East European Confederation, there is no reason to believe that any of them considers the inclusion of Austria essential to its success. President Benes has, however, stated that Czechoslovakia would not oppose the admission of a democratic Austria and would indeed welcome it. General Sikorski has expressed himself in favour of the establishment of a Free Austria, but it is known that Polish circles are not at present favourably inclined to the idea of the inclusion of Austria in an
East European Confederation, mainly on the grounds that she might constitute a dangerous fifth-column element. The Hungarian Government has of course made no official pronouncement on the subject, but there has been an indication that official circles in Hungary recognise that the future of Hungary may lie in association with a Confederation which would include Austria.

It is very difficult to strike the balance between the advantages and disadvantages of the inclusion of Austria in a Central or South East European Confederation. Much will depend on political and other factors, which are at present incalculable. It is indeed by no means certain that any such confederation will come into being, anyhow immediately after the war. It would then clearly be foolish to reckon on partnership in such a confederation providing an easy and immediate solution of the Austrian problem. In the circumstances, it would seem that the first step must be the restoration of a free and independent Austrian state, standing alone. It must however be realised that whatever international guarantees such a state receives, it will inevitably be weak and therefore a potential danger spot. Anything that can be done to strengthen Austria's international position, and to this end the way should be left open for her inclusion if circumstances permit, in whatever form of international or regional structure that may develop in Central and South-Eastern Europe.

Conclusions:

The foregoing study would seem to justify the following conclusions:

1. In the interests of peace and security in Central and South-Eastern Europe, it is essential to encourage
and maintain Austrian resistance to domination by Germany.

(ii) The first step to this end must be the re-creation of an independent Austrian state. In the absence of an Austrian Government in exile and of any pronounced Austrian national sentiment, this step will need careful planning and execution.

(iii) Once restored, an independent Austria will only survive if the United Nations are prepared to afford her sustained support and encouragement both in the political and economic field. Failure on the part of the United Nations to shoulder this responsibility will almost inevitably result in the end in the return of Austria to the German fold.

(iv) The best chance of maintaining Austrian independence probably lies in the ultimate association of Austria with some form of South East European Confederation. But this consummation must obviously depend largely on the way in which such a confederation evolves, and on the wishes of the partners in it.

(v) Meanwhile any plans for relief and reconstruction in the East and South Eastern European area should include Austria within their scope. It should thus be possible so to direct Austria's internal reconstruction that subsequent inclusion in a confederation, if circumstances made it desirable, would represent a fulfilment of the policy she had pursued in the interim and not a reversal of it.