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Documents on the Founding of Czechoslovakia, 1918-1919**

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CONTENTS:

1. September 3, 1918 Czechoslovak National Council recognized as co-belligerent
2. October 16, 1918 Masaryk sends draft of Czechoslovak Declaration of Independence to Washington
3. October 16, 1918 Official American recognition of the Czechoslovak National Council
4. October 18, 1918 Czechoslovak Declaration of Independence communicated to Washington
5. December 20, 1918 Foreign Minister Benes on the Sudeten Problem (includes two Austro-German protest notes)
6. February 5, 1919 Assessment of Czechoslovak-Polish dispute over Teschen (includes armistice document)
7. February 15, 1919 Assessment of Czechoslovak government's currency policies
8. February 26, 1919 Czechoslovak government decides to stamp currency in circulation
9. March 2, 1919 R.J. Kerner on conditions in Slovakia(Part I)
10. March 1, 1919 R.J. Kerner on conditions in Slovakia(Part II)
11. Early 1920s Open Letter to T.G. Masaryk from National Slovak Society (U.S.)--undated
12. July 14, 1922 Letter describing appropriation of aristocratic property in Czechoslovakia
13. May 22, 1924 US Commerce Department report on Czechoslovak economy

14. May 31, 1924

US Commerce Department on possible depreciation of
Czechoslovak currency

DOCUMENTS:

1. September 3, 1918

**Czechoslovak National Council recognized as co-
belligerent**

File No. 763.72/11343c

The Secretary of State to the Ambassador in Japan (Morris)

[Telegram]

WASHINGTON, *September 3, 1918.*

Following statement issued today by Secretary of State. Give publicity and repeat to Harbin, Vladivostock and Peking.

The Secretary of State makes the following announcement:

The Czecho-Slovak peoples having taken up arms against the German and Austro-Hungarian Empires, and having placed organized armies in the field which are waging war against those Empires under officers of their own nationality and in accordance with the rules and practices of civilized nations; and

The Czecho-Slovaks having, in prosecution of their independent purposes in the present war, confided supreme political authority to the Czecho-Slovak National Council,

The Government of the United States recognizes that a state of belligerency exists between the Czecho-Slovaks thus organized and the German and Austro-Hungarian Empires.

It also recognizes the Czecho-Slovak National Council as a *de facto* belligerent government clothed with proper authority to direct the military and political affairs of the Czecho-Slovaks.

The Government of the United States further declares that it is prepared to enter formally into relations with the *de facto* government thus recognized for the purpose of prosecuting the war against the common enemy, the Empires of Germany and Austria-Hungary.

LANSING

2. October 16, 1918

Masaryk sends draft of Czechoslovak Declaration of Independence to Washington

File No 861.00/2970

The President of the Czecho-Slovak Provisional Government (Masaryk) to the Secretary of State

Washington, October 16, 1918

MR. SECRETARY: I take the liberty of submitting to you the first draft of our Declaration of Independence: some weeks ago we have decided to publish it because of the insincere promises of the Austro-Hungarian Government to reorganize the Empire. It so happens that the answer of President Wilson to Austria-Hungary is promised just the day on which I was going to publish the declaration. Should you wish that we do not publish it till after the President's answer, we shall gladly comply with your wishes.

Believe me [etc.] T. G. MASARYK

3. October 16, 1918

Official American recognition of the Czechoslovak National Council

File NO. 861.00/2967

The Ambassador in France (Sharp) to the Secretary of State

[Telegram]

PARIS, *October 16, 1918, 6 p.m.*

[Received October 17, 3.45 p.m.]

5444. A letter of which the following is a translation [received for transmission to you] under date of October 14:

Sir: In pursuance of the decision of the Provisional Czechoslovak Government, I have the honor to transmit [to you] the following communication:

By the declaration of the Government of the United States of September 3, 1918, the National Czecho-Slovak Council situated in Paris was recognized as the *de facto* Czecho-Slovak Government.

This recognition was confirmed by the Allied Governments as follows :by England in its agreement with the National Council of September 3, 1918, by France in its agreement of September 28, 1918, and by Italy in the declaration of the President of the Council of October 3, 1918.

I have the honor to inform you that in view of these repeated recognitions, the Czechoslovak Provisional Government was constituted by the decision of September 26, 1918, its seat being officially fixed in Paris:

M. T. G. Masaryk, President of the Provisional Government and of the Council of Ministers, Minister of Finance;

M. Edward Benes, Minister of Foreign Affairs and of the Interior;

M. Milan Stefanik, Minister of War.

The Ministry then decided to accredit near the Allied Powers the following representatives:

M. Stephen Osusky, Charge d'Affaires at the Czechoslovak Legation in London, near the Government of Great Britain;

M. Leon Sychrava, Charge d'Affaires at the Czechoslovak Legation in Paris, near the Government of France;

M. Leon Borsky, Charge d'Affaires at the Czechoslovak Legation in Rome, near the Italian Government;

M. Charles Pergler, Charge d'Affaires at the Czechoslovak Legation at Washington, near the United States Government;

M. Bogdan Pavlu, at present at Omsk, will represent our Government in Russia;

The representatives for Japan and Servia will be appointed at a later date.

I have the honor to inform you that our decisions have been taken in agreement with the political chiefs of our countries. During three years our entire political and military action was exercised in, complete understanding with them. Finally, on October 2, 1918, the Czecho-Slovak Deputy Stanek, President of the Czech Union in the Parliament at Vienna, announced solemnly that the Czecho-Slovak National Council of Paris as the supreme organ of the Council's armies is called upon to represent the Czechoslovak Nation near the Allies and at the peace conference. On the 9th of October his colleague Deputy Zahradnik speaking in the name of the same union announced that the Czecho-Slovaks had definitely left the Parliament of Vienna, thus breaking for ever all ties with Austria-Hungary.

By the decision of our nation and of our armies we take in our hands from this time on as the National Provisional Government direction of the political destinies of the Czech and Slovak countries and in this capacity we enter officially into relations with the Allied Governments, basing our action either upon the reciprocal agreements with them or their solemn declarations.

We desire to affirm this in the most solemn manner, at this time when great political events summon all nations to take part in decisions which will, perhaps, give to Europe for several centuries a new political regime.

Accept [etc.]

In the name of the Government of the Czechoslovak countries:

Edward Benes, Minister for Foreign Affairs

Original follows by pouch.

SHARP

**4. October 18, 1918 Czechoslovak Declaration of Independence
communicated to Washington**

File No. 861.00/3124

The President of the Czecho-Slovak Provisional Government

(Masaryk) to the Secretary of State [Lansing]

[Washington], October 18, 1918

MR. SECRETARY: Political reasons as well as administrative exigencies induced our National Council to assume, in accordance with the recognition by your and the Allied Governments, the title of Government, and to publish the enclosed declaration.

As you, Mr. Secretary, did not express any wish concerning the date of publication, I assume that it is of no consequence and publish the declaration to-day, forced to do so by the rapid developments in Austria-Hungary.

Our Government has been constituted in the following manner:

Prime Minister and Minister of Finance: Professor Thomas G. Masaryk;

Minister of National Defense: Gen. Dr. Milan R. Stefanik;

Minister of Foreign Affairs and of Interior: Dr. Edward Benes.

The seat of the Government is in Paris. Believe me [etc.]

T. G. MASARYK

[Enclosure]

Declaration of Independence of the Czechoslovak Nation by its Provisional Government

At this grave moment, when the Hohenzollerns are offering peace in order to stop the victorious advance of the Allied armies and to prevent the dismemberment of Austria-Hungary and Turkey, and when the Habsburgs are promising the federalization of the Empire and autonomy to the dissatisfied nationalities committed to their rule, we, the Czechoslovak National Council, recognized by the Allied and American Governments as the Provisional Government of the Czechoslovak State and Nation, in complete accord with the declaration of the Czech Deputies made in Prague on January 6, 1918, and realizing that federalization, and still more, autonomy, mean nothing under a Habsburg dynasty, do hereby make and declare this our Declaration of Independence.

We do this because of our belief that no people should be forced to live under a sovereignty they do not recognize, and because of our knowledge and firm conviction that our nation cannot freely develop in a Habsburg mock-federation, which is only a new form of the denationalizing oppression under which we have suffered for the past three hundred years. We consider freedom to be the first prerequisite for federalization, and believe that the free nations of central and eastern Europe may easily federate should they find it necessary.

We make this declaration on the basis of our historic and natural right. We have been an independent state since the seventh century; and, in 1526, as an independent state, consisting of Bohemia, Moravia, and Silesia, we joined with Austria and Hungary in a defensive union against the Turkish danger. We have never voluntarily surrendered our rights as an independent state in this confederation. The Habsburgs broke their compact with our nation by illegally transgressing our rights and violating the Constitution of our state which they had pledged themselves to uphold, and we therefore refuse longer to remain a part of Austria-Hungary in any form.

We claim the right of Bohemia to be re-united with her Slovak brethren of Slovakia, once part of our national state later torn from our national body, and fifty years ago incorporated into the Hungarian state of the Magyars, who, by their unspeakable violence and ruthless oppression of their subject races have lost all moral and human right to rule anybody but themselves.

The world knows the history of our struggle against the Habsburg oppression, intensified and systematized by the Austro-Hungarian dualistic compromise of 1867. This dualism is only a shameless organization of brute force and exploitation of the majority by the

minority; it is a political conspiracy of the Germans and Magyars against our own as well as the other Slav and the Latin nations of the Monarchy. The world knows the justice of our claims, which the Habsburgs themselves dared not deny. Francis Joseph, in the most solemn manner, repeatedly recognized the sovereign rights of our nation. The Germans and Magyars opposed this recognition, and Austria-Hungary, bowing before the Pan-Germans, became, a colony of Germany, and as her vanguard to the east, provoked the last Balkan conflict, as well as the present World War, which was begun by the Habsburgs alone without the consent of the representatives of the people.

We cannot and will not continue to live under the rule-direct or indirect-of the violators of Belgium, France, and Serbia, the would-be murderers of Russia and Rumania, the murderers of tens of thousands of civilians and soldiers of our blood, and the accomplices in numberless unspeakable crimes committed in this war against humanity by the two degenerate and irresponsible dynasties. We will not remain a part of a state which has no justification for existence, and which, refusing to accept the fundamental principles of modern world-organization, remains only an artificial and immoral political structure, hindering every movement toward democratic and social progress. The Habsburg dynasty, weighed down by a huge inheritance of error and crime, is a perpetual menace to the peace of the world, and we deem it our duty toward humanity and civilization to aid in bringing about its downfall and destruction.

We reject the sacrilegious assertion that the power of the Habsburg and Hohenzollern dynasties is of divine origin; we refuse to recognize the divine right of kings. Our nation elected the Habsburgs to the throne of Bohemia of its own free will and by the same right deposes them. We hereby declare the Habsburg dynasty unworthy of leading our nation, and deny all of their claims to rule in the Czechoslovak land, which we here and now declare shall henceforth be a free and independent people and nation.

We accept and shall adhere to the ideals of modern democracy, as they have been the ideals of our nation for centuries. We accept the American principles as laid down by President Wilson: the principles of liberated mankind,-- of the actual equality of nations,-- and of governments deriving all their just powers from the consent of the governed. We, the nation of Comenius, cannot but accept these principles expressed in the American Declaration of Independence, the principles of Lincoln, and of the Declaration of the Rights of Man and of the Citizen. For these principles our nation shed its blood in the memorable Hussite Wars five hundred years ago, for these same principles, beside her allies in Russia, Italy, and France, our nation is shedding its blood today.

We shall outline only the main principles of the Constitution of the Czechoslovak Nation; the final decision as to the Constitution itself falls to the legally chosen representatives of the liberated and united people.

The Czechoslovak State shall be a republic. In constant endeavor for progress it will guarantee complete freedom of conscience, religion and science, literature and art, speech, the press and the right of assembly and petition. The church shall be separated from the state. Our democracy shall rest on universal suffrage; women shall be placed on an equal

footing with men, politically, socially, and culturally. The rights of the minority shall be safeguarded by proportional representation; national minorities shall enjoy equal rights. The Government shall be parliamentary in form and shall recognize the principles of initiative and referendum. The standing army will be replaced by militia.

The Czechoslovak Nation will carry out far-reaching social and economic reforms; the large estates will be redeemed for home colonization, patents of nobility will be abolished. Our nation will assume its part of the Austro-Hungarian pre-war debt;--the debts for this war we leave to those who incurred them.

In its foreign policy the Czechoslovak Nation will accept its full share of responsibility in the reorganization of eastern Europe. It accepts fully the democratic and social principle of nationalism and subscribes to the doctrine that all covenants and treaties shall be entered into openly and frankly without secret diplomacy.

Our Constitution shall provide an efficient, rational, and just government, which will exclude all special privileges and prohibit class legislation.

Democracy has defeated theocratic autocracy. Militarism is overcome,--democracy is victorious;--on the basis of democracy mankind will be reorganized. The forces of darkness have served the victory of light,--the longed-for age of humanity is dawning.

We believe in democracy,--we believe in liberty,--and liberty evermore.

Given in Paris, on the 18th day of October 1918.

PROFESSOR THOMAS G. MASARYK *Prime Minister and Minister of Finance*

GENERAL DR. MILAN R. STEFANIK *Minister of National Defense*

DR. EDWARD BENES *Minister of Foreign Affairs and of Interior*

**5. December 20, 1918 Foreign Minister Benes on the Sudeten Problem
(includes two Austro-German protest notes)**

Paris Peace Conf. 185.2125/9

Th Czechoslovak Minister Of Foreign Affairs (Benes) to the Secretary of State [Lansing]

PARIS, December 20, 1918.

Excellency: The Government of MM. Bauer-Renner in Vienna has recently sent a note to the Entente Powers and to the United States in which it requests the Allies not to reach a definite conclusion concerning the status of the Germans of Bohemia until a plebiscite

has been held. It further demands that this German population be not included within the confines of the Czecho-Slovak Republic.

It is with reference to these matters that I take the liberty of calling your attention to the following important facts:

1. When impartially examined, the problem presented by the presence of the Germans in Bohemia, appears in quite a different light from that in which M. Bauer presents it. Herewith, I take the liberty of sending you a detailed communication on this subject.
2. The German population of Bohemia, mixed as it is with a very large percentage of Czechs, is quietly accepting its incorporation with the Czecho-Slovak State. It is only the Government in Vienna that during the last four weeks has sought to avail itself of every possible means to agitate Bohemia with the purpose of embarrassing our Government and discrediting us in the eyes of the Entente.

With this purpose in view the Vienna Government threatens the Entente with an outbreak of Bolshevist revolution in Vienna and attributes the responsibility for the same to the Czechs because they refuse to supply Vienna with food and coal, but at the very same time it should be noted that the Vienna Government continues to send arms across Bavaria and Saxony to equip the German bands in the north of Bohemia and in Silesia, lawless bands composed of the very people who have prevented the mining of coal and its transportation not only to Vienna but even to the Czechs and German districts of Bohemia.

At one and the same time, the Vienna Government carries on a treacherous campaign in the neutral countries by deluging the newspapers with accounts of violent acts reported to have been committed by the Czechs to the detriment of the Germans in the regions of mixed populations, acts, which as a matter of fact, have never taken place.

3. M. Bauer, Minister of Foreign Affairs in Vienna, is a minority Socialist who participated in the Bolshevist revolution in Petrograd in the year 1917. He undoubtedly favors by every means the extremist movement in other countries. The Czecho-Slovak Republic is making headway, order is restored and a normal economic life is developing. In this respect it stands alone in Central Europe, but at present our Republic is seriously menaced by this Bolshevist movement acting from without. Every day bands of Bolshevists are going from Germany across the frontiers of northern Bohemia for the purpose of carrying on their propaganda among us. This is only possible because the German population of northern Bohemia, incited so to do by the Vienna Government, opposes the establishment of law and order by our authorities on the actual frontiers of Bohemia. In this way, it may be said, as a result of this activity, the Czecho-Slovak Republic has no frontiers against Germany and consequently is always exposed to the dangers arising from this movement and from the constant sending of arms to our enemies from Vienna.

This situation cannot be permitted to continue indefinitely although the note of M. Bauer has for its particular object such a continuance and for as long a time as possible. Certainly such a continuance would tend to the complete disorganization of the recently formed Czecho-Slovak State.

4. The Czecho-Slovak Republic is being organized economically and financially as allied territory and this is one of the most difficult tasks that the situation presents, and, of course, the liquidation of Austria in this connection presents a formidable problem. However, we are endeavoring to leave nothing undone that will aid towards establishing a normal state of affairs and preparing ourselves for the Peace Conference.

However, the Government of German Austria leaves nothing untried that might tend to make our tasks more difficult. It simply floods our country with its depreciated paper money which spells disaster for us. It is constantly urging the German population of Bohemia to export into Germany its manufactured articles, its food supply and raw materials. All this goes on in spite of the fact that ours is an allied country. Germany an enemy country and that the orders for the blockade still remain in force.

It was only possible to bring about the conditions by which we are confronted because the Czecho-Slovak Republic wishing to proceed tactfully and moderately, and believing that its views on this subject were shared by the Allies, tried to bring order and a settled state of affairs into the mixed regions of northern Bohemia without violence and in harmony and cooperation with its inhabitants.

The Vienna Government by its disloyal action has prevented the realization of our plan and by its note which we are now reviewing asks for a continuance of this impossible state of affairs.

The Government of the Czecho-Slovak Republic confronted by this situation is of the opinion that the following stringent and categorical measures must be taken.

1. That the Government of Prague, which is the only Government in Central Europe recognized as an allied government, be permitted to establish order within its territory.
2. That the frontiers of the territory to which it is entitled must be settled in agreement with the Allies and the United States and that it must be empowered to exercise its authority so that a continuance of the deplorable conditions indicated above may be avoided.
3. These measures, of course, may be of a provisional nature because it is only within the province of the Peace Conference to lay down definite decisions on this subject. But, in the meantime, in order that an endurable state of affairs may be established, it is absolutely necessary to take some such steps as I shall indicate in the following paragraph:

It might be well for the Allies to make a declaration in the following sense: The Czecho-Slovak State shall organize and govern the peoples living within the historical boundaries

of Bohemia and Moravia, of Austrian Silesia and Slovakia (bounded by the Carpathians, March, Danube, Ipola (Eipel) as far as the city of R. Szombath, from there following a straight line towards the east, to the River Bodrog and the Ung down to the Carpathians). This temporary decision shall be later examined by the Peace Conference which will give to the problem its definite solution. But, for the present the German inhabitants and adjacent Governments would have to submit to the arrangement that is outlined above.

I appeal to your Government, Excellency, in requesting you to make an examination of this difficult question. During the war our Nation has pursued a loyal, open and sincere policy in all its relations with the Allied Governments. We have made sacrifices and have not failed to show our devotion to the ideals which we have in common. Even today, when the fighting in the west is at an end, our people continue to shed their blood in the defense of our common interest on the far away Siberian plains. This is done very willingly, but at the same time our Nation cannot remain indefinitely at the mercy of those enemies of the olden days which we also have in common.

The prestige of the Allies and the United States cannot be disputed by our enemies and it is certain that all would accept without protest such a decision as is indicated above.

I take the liberty, Excellency, of placing before you this memorandum in the hope that it may be helpful in making clear the purpose of the note that has reached you from the Vienna Government and with the request that you may be good enough to examine this communication although it is of a somewhat cursory character, and in conclusion I beg to present to you, Excellency, the assurance of my deepest consideration.

Dr. Eduard Benes

[Enclosure]

Copy of the Reply of the French Government to the Government of German-Austria, Communicated Through the Swiss Legation

The Swiss Legation has been good enough to communicate to the Ministry of Foreign Affairs under the dates of December 13th and 16th two communications from the Government of German Austria.

The first of these notes is in the form of a protest against the alleged intention of the powers of the Entente to place in subjection to the Czecho-Slovak state the Germans of Bohemia and of Moravia. In this note it is affirmed that the Germans in question are desirous of separating themselves from the Czecho-Slovak state and a plebiscite is proposed at an early date for the purpose of clearing up the situation.

In the second note it is proposed to submit to arbitration all questions relating to the frontiers between German Austria and both the Czecho-Slovak and the Jugo-Slav states.

These requests cannot be favorably received; the boundary questions which are here presented cannot as a matter of fact be settled except by the Peace Congress and they must be carefully examined with this purpose in view at an early date by the Allied Governments.

In the meantime as far as the Czecho-Slovak State is concerned the French Government holds that it should in conformity with the recognition which has been extended to it by the Allied Governments, have for its boundaries, at least until the decision of the Peace Conference is reached, the boundaries of the historic provinces of Bohemia, Moravia, and of Austrian Silesia.

In regard to Slovakia the boundary line should be drawn in the following manner: along the Danube from the present western boundary of Hungary to the river Eipel, along the stream of the Eipel to the town of Rima Szombat, then in a straight line proceeding from west to east to the river Ung, then following the course of the Ung to the frontier of Galicia.

This boundary line is identical with the one behind which General Franchet d'Esperey has invited the Hungarian Government to withdraw its troops. This request has been complied with and is already an accomplished fact.

Paris, on 19th of December 1918.

Pichon

768.72119/3263

The Swedish Minister (Ekengren) to the Acting Secretary of State

Washington, December 23, 1919

Mr. SECRETARY: By order of my Government I have the honor to transmit to You the following communication from the Austro-German Government which communication has been simultaneously transmitted to all of the allied powers:

"The Council of State finds itself under the necessity of taking the most formal exception to the military occupation by the Czecho-Slovak State of German Bohemia and of several parts of the Sudetes region and the Znaim district in Moravia. The armistice terms left the German Austrian Government powerless to resist the above mentioned invasion by force. The aforesaid occupation by Czecho-Slovak troops cannot however in any way impair the right of the German people concerned to shape out their own destinies. The German Austrian Republic insisting on the principle that no nation can be forcibly subjected to a foreign State again appeals to all the civilized States urging them to recognize the right of the aforesaid people to choose the State to which the territory shall hereafter belong by

means of a plebiscite superintended by neutral authorities and protected by neutral troops. Neither the Government of the Republic nor the two local Governments can under those conditions accept responsibility for the proper conduct of public administration.

With renewed assurances [etc.]

W. A. F. Ekengren

**6. February 5, 1919 Assessment of Czechoslovak-Polish dispute over
Teschen (includes armistice document)**

Paris Peace Conf. 184.01102/62

Professor A. C. Coolidge to the Commission to Negotiate Peace [Paris Peace Conference]

No. 61 VIENNA, February 5, 1919.

[Received February 12.]

SIRS: I have the honor to report that I have just returned from Prague where I spent nearly three days. During that time I saw President Masaryk twice, on the second occasion I lunched with him and had a conversation afterwards. In general he seemed to me rather tired and nervous and he spoke of not being able to sleep at the time of the recent fighting about Teschen. This question, which I shall report on separately, has evidently been much on his mind. He dwelt on the breaking of the agreement made by Messrs. Paderewski and Dmowski with him, indeed he repeated the story two or three times. He also talked of the necessity for the Czechs to get the mines at Karvin [present day Karvina], not only to procure the coal that the Allies were demanding of Bohemia, but also to check the Bolshevism that was rampant at Karvin and that was infecting the workmen in the Czech mines. Somehow I gathered the impression that in the affair he had been led rather than he had taken the lead himself, and he was evidently unhappy about the whole matter.

President Masaryk also took up the question of the historic boundaries of Bohemia and declared that the Czechs must have them, indeed that they are prepared to fight for them even if the decision of the Entente is unfavorable to their claims. When I questioned him a little he admitted that certain districts might be conceded without serious loss. He said he believes in the principle of self-determination, but that in the German Bohemian districts there are many Czechs whose interests must be considered and whom the Germans could not be trusted to treat fairly. He admitted that many of these Czechs were recent immigrants to mines, but said that in these democratic days the miners had as good a right to be protected as the land owners or anyone else.

In speaking of Slovakia the President admitted that the Czechs were at present occupying certain territories which were almost purely Hungarian, but he rather intimated that the final boundaries there were still unsettled.

He spoke with some bitterness of what he called the dishonesty of the Hungarians, instancing that the Hungarian Government had recently appealed to the Austro-Hungarian Bank for a sum of 2,000,000,000 kronen, which had been allotted to Hungary from the last general loan, but had not yet been handed over to them. They are now asking for the whole of this sum regardless of the fact that their country is now much reduced in territory and has, therefore, no right to more than its share in proportion to its size. He added that the bank had prepared to hand over the whole sum of the money if the Czecho-Slovak Government had not protested. The President also referred to the way in which Austria had stripped Bohemia during the course of the war and spoke of her unwillingness to liquidate and give back many things to which the Czechs were entitled.

Finally President Masaryk more than once expressed his hope that the United States would soon appoint a regular minister to Bohemia.

I have [etc.] Archibald Cary Coolidge

Paris Peace Conf. 184.01102/63

Professor A. C. Coolidge to the Commission to Negotiate Peace

No. 62 Vienna, February 5, 1919.

[Received February 12.]

Sirs: I have the honor to report that on my recent visit to Prague I have had an opportunity to hear the opinions of President Masaryk, Mr. Stepanik [sic], Director of Foreign Affairs, and several other people on the question of the recent conflict between the Czechs and Poles in Austrian-Silesia. The Czechs dwelt particularly on the historic rights, on the violation by the Poles of their agreement, on the necessity for heightened production, on the danger of Bolshevism and other arguments well known to the Commission. On the other hand they said little of the reasons that prompted them to take action at the time they did, except to make the general remark that they could stand the situation no longer. It is pretty clear that they hoped, to put it colloquially, to bluff the Poles out of the contested region without fighting, and were surprised as well as troubled by the Polish resistance. While carefully avoiding any official statement which could be construed as a claim that they were acting with the consent of the powers of the Entente, the Czech Government made use of legionaries, that is to say, soldiers who have actually fought in the Entente armies, who wear the French uniform and are often popularly called Entente soldiers. President Masaryk admitted to me that these men were sent in the hope that the Poles would not oppose them. It was also with the same idea, I feel sure, that a

group of foreign officers, including one from our own army, were allowed and probably encouraged, though they may not have been authorized, to summon the Poles to retire; and also post, over their own signatures, proclamations exhorting the population not to resist. When contrary to expectations the Poles did resist, though the fighting itself was trifling, and when there followed great excitement in Poland and stir elsewhere the Czecho-Slovak Government seems to have become alarmed. A little over a week ago President Masaryk told Lieut. Foster that the Czechs were determined to push matters to the end and indeed not to stop until they reached the frontier of Galicia. They have now by the terms of the armistice accepted and contented themselves with their first gains, and their attitude is that they had not intended to go any further. President Masaryk went so far as to say that though Eastern Silesia historically belonged to Bohemia it was not of much importance nor did the Czechs lay great insistence on its possession. I believe that Mr. Stepanik, Director of Foreign Affairs, was opposed to the action taken by his government, but he did not betray this in the conversation I had with him.

I enclose herewith a copy, taken from the *Narodni Listy* of February 4, of the military conventions signed for cessation of hostilities. President Masaryk's secretary assures me the terms given in the paper are correct.

I have [etc.] Archibald Cary Coolidge

[Enclosure]

Prague, February 4, 1919.

PRESS

From the "*Narodni Listy*", February 4, 1919

Terms of Armistice With Poles

1. Armistice to last seven days, beginning Feb. 4, 1919 at midnight, and will be automatically prolonged by 7 days.
2. The opposing forces to remain in the positions held by them on January 30, 1919.
3. Diplomatic representatives of both nations, are allowed free passage through Silesia, including territory occupied by the armies. Polish diplomats must pass through Mährisch-Ostrau, and Czech diplomat through Trebne.
4. All prisoners of war and all interned civilians will be well treated and well fed.

5. Communication between Bohumin and Dziedzice is to be re-opened with control at Pruchne. The road Teschen, Skocov, Isterbra, Jablunkov cannot be used except by permission of the commander at Teschen.

Made at Teschen and Skocov, February 3, 1919

Latinik

Brig. Gen. Polish Army

Snejdarek

Col. Czech Army

7. February 15, 1919 Assessment of Czechoslovak government's currency policies

Paris Peace Conf. 184.01102/99

Lieutenant Hugo G. Campagnoli to Professor A. C. Coolidge

[VIENNA,] February 15, 1919.

Subject: Reasons given by the Czecho-Slovaks for their stamping the bank-notes in Czecho-Slovakia.

Interview with Minister Tusar and Dr. Venicek, Finance Commissioner, representing Czecho-Slovakia at the Austro-Hungarian Bank.

The principal reasons for the stamping of the banknotes by the Czecho-Slovakia Government are, first, to eliminate the new country from the combined bankruptcy of the other states of the former Dual Monarchy; and, second, to protect the industrial and financial system of Czecho-Slovakia. The Dual Monarchy [Austria-Hungary] had on October 31, 1918, a debt of 130,000,000,000 kronen. Of this amount 101,000,000,000 were incurred during the war. Therefore, prior to this the country had a debt of about 29,000,000,000 kronen. From statistics we find that over one-half of the wealth of the Dual Monarchy is in debt.

Valuta Frage:

At the beginning of the war there were 2,500,000,000 kronen in circulation, but the circulation has increased tremendously during the four and one half years of the war so that at the beginning of 1918 it amounted to 36,000,000,000. During the last year alone 18,000,000,000 were printed. There are at the present time ten or twelve billion kronen

banknotes in Czecho-Slovakia, about 1,200,000,000 in Ukrainia, and about 800,000,000 in Serbia. Poland has it great amount of banknotes, while the foreign countries are supposed to hold approximately 500,000,000 in Austrian banknotes. All of these lump sums were exported to other countries so as to increase the value of the kronen. The Czechs opposed greatly the increase of the paper currency, but had no power to stop it although they held one-third of the shares of the stock of the Austro-Hungarian Bank in their lands. They had no representative in the directory of the Austro-Hungarian Bank before and during the war. On October 1, 1918, the Austrian Government had very little money, and the expenses of the demobilization began. Dr. Redlich, then Finance Minister, through the Austro-Hungarian Bank had 2,000,000,000 notes printed, and was supported by the country in general. This amount, however, lasted only until the middle of December, and then again the Government was obliged to look for more funds. They took the measure of selling the army supplies, and other measures of the same type to pay partly the coupons of the other loan and the pensions due. On January 1st, only 100,000,000 kronen were left of that amount, which was supposed to last until the end of January. In December the Austro-Hungarian Bank asked for permission to print further 2,000,000,000 kronen, and to the protests of the Czecho-Slovak Government they gave the reason that the old Parliament had authorized the Austro-Hungarian Bank to print 12,000,000,000 kronen. Redlich had used 10,000,000,000, so that they asked to have the other 2,000,000,000 printed. The Czechs, who since the revolution were represented by a commissioner, gave their veto to increasing further the banknotes. However, this was of no avail, as during the month of December 1,200,000,000 notes were printed, and up to the present time since October 31, 3,000,000,000 new notes were put in circulation. The Magyars as their part of the authorized 12,000,000,000 issue, claimed 34 percent of it and were not opposed because of favorable agricultural conditions, and the Ausgleich etc. Austria itself took 66 percent. Hungary, however, left her part largely untouched. Soon after the revolution they demanded their share. The Czecho-Slovaks, the Jugo-Slavs, and the Rumanians put in a veto for their share of these notes because they hold occupied sections and maintained that the present government is not the same as the old. To this the Magyars objected and declared that their government assumes responsibilities of the old and is entitled to these notes. This means that the present Magyar Government assumes responsibility not only for the debts but for the indemnity which Austria-Hungary is expected to pay. These are some of the reasons which cause the Czechs to fear the financial government, and saw in it positive future bankruptcy. Again, the Government, through the Austro-Hungarian Bank, issued Kassencheine, which were substituted in part for the banknotes, and were to be used mostly by the commercial companies. One quarter billion of these Kassencheine were printed immediately and then increased so that by the 15th of March 1919, combining them with the regular Austro-Hungarian banknotes and the banknotes issued by the private banks, the sum of paper money printed in the old Dual Monarchy would approach the sum of 50,000,000,000 kronen.

War Bonds:

The bank lombarded the war bonds up to 75 percent of their real value. The Czechs from the beginning did not want to buy war bonds, in fact they did not trust in them but,

against their own will, they were forced to purchase them. Austrian speculators soon began to go to Bohemia and bought their war bonds at the price of from 62 to 66 kronen and returned to Vienna, where they were able to get 75 kronen on a 100 kronen bond as loan, thus making a good profit. In other words, the bonds were greatly speculated in during the war. The main reason why the Czechs sold the war bonds was, as said above, that they did not trust them and preferred the banknotes, although of very little value. Secondly, the Czechs saw that there was great danger in remaining any longer in a financial combination with German Austria, Hungary, Poland and Ukrania, and therefore they preferred to withdraw before a general bankruptcy came, which was only a matter of time.

New Valuta:

The Czechs are now ready to export goods, namely sugar, china, etc., and are anxious to have their own currency and, as soon as possible be able to balance it to a better value. They see at this time an opportune moment to withdraw from the financial combination and stamp the kronen held by the people in Czecho-Slovakia. The exportation to Switzerland, Italy, etc., would of course raise the value of the kronen, and if stamped in time the difference in the exchange would only be to the profit of the Prague Government and not in Vienna or Budapest. The kronen value in Zurich at present is around .26 francs, and as we know very well it will go down further, mainly on account of the continued printing of the kronen. But this will only happen in the case of the countries where no stamping has as yet been done. Therefore, to protect their own industrial and financial system, the Czecho-Slovaks intend to stamp their own money. It is expected that the difference between the Jugo-Slavs and the Czechs stamping will be great. That is, the Czechs appear to be thinking over the matter in a more intelligent and practical manner. The Finance Minister of the Czechs collected the extra floating banknotes, about two billion, as a loan and prepared that amount ready to stamp for circulation. The probable method will be to exchange all the small notes at once, while great amounts will only be paid in half. This is only for the present moment. The people have not paid any taxes for a number of years, quite contrary to the English system where some of the war industries were taxed about 80 percent. The government therefore expects to tax the war made rich when they come to have their notes stamped. By changing the notes the Finance Minister will be able to determine who holds the money of the land and tax accordingly. Of course many wealthy people will escape their full quota of taxes because during the war they bought jewels and real property to a large extent and believed that it would not be taxable. The present circulation of banknotes is, I have already said, from ten to twelve billions, but it is predicted that circulation will be made smaller. However, this will have to be done in a careful manner, as there may be an unhealthy shrinkage which may cause a crisis. The best way out would be to issue *rentes* or government bonds for the remainder not paid out. Dr. Preiss, in Paris, dealt with the Dutch, the Americans and the French and is reported to have obtained a gold loan, so that Dr. Rasin when informed of it went ahead and had the arrangements made for the stamping of the notes. It is believed that probably at a later date the exchange of the Czech currency will rise to the equivalent of the French franc and that the new franc value will replace the old stamped kronen.

H. G. Campagnoli

8. February 26, 1919 Czechoslovak government decides to stamp currency in circulation

Paris Peace Conf. 184.01102/177

Lieutenant F. R. King to Professor A. C. Coolidge

No. 50 Prague, February 26, 1919.

Subject: Stamping of bank notes in the Czecho-Slovak Republic.

The National Assembly on February 25 passed a bill governing:

- (1) The Stamping of banknotes, and
- (2) The Declaration of property. (This latter with a view to the proposed tax on capital).

(1) *Stamping of Banknotes.*

All notes of the Austro-Hungarian Bank in circulation in the Czechoslovak Republic, with the exception of one and two crown notes, will bear a stamp of the value of 1% of the respective note. The stamping will take place between the 3rd and 9th of March inclusive; merchants and tradesmen, however, will only be allowed to present their notes to be stamped on March 9th. Fifty per cent of the notes will be with-drawn from circulation and will be held as a Government loan bearing interest of 1% from March 15th. After March 9th only stamped banknotes will be valid in the Czechoslovak Republic. (A provision of the law requires wages of workmen (paid weekly) to be paid in stamped banknotes which are in this case exempt from the stamp tax and states that monthly payments (e. g. salaries of officials) will be made as follows : 1/4 on March 1st and balance on March 10th) The purpose of this bill may be said to be:

- (a). To ascertain the amount of money in circulation,
- (b) . To reduce this amount by half, and
- (c) . To nationalise the crown.

(2) *Declaration of Property.*

All war loan bonds, Austrian or Hungarian, will be recorded and stamped. All bank deposits, shares in stock companies, bonds etc. must be declared in the name of the real owner and failure to comply with this provision within three months will give the state

the right to confiscate all property not declared. An inventory of certificates, of gold and silver, in coin or specie, and of foreign banknotes etc. and list of live stock, agricultural implements, raw materials and stocks etc. must be submitted. Any sums spent between August 1, 1914 and February 28, 1919 for the purchase of precious stones, pearls, jewels, antique rugs, *objects d'art* etc., must also be accounted for. Finally a list of insurance policies on life, capital or income, will be made and submitted to the Government.

All persons having lived in the Czecho Slovak territory for a year or more must declare all their possessions including those in foreign countries. Others need only declare their property within the territorial limits of the State.

The frontiers of the Republic will be closed between February 26 and March 9th to all passengers and freight traffic, couriers and doctors excepted. Between March 1st and 9th no money orders will be issued nor will deposits (cash or cheques) in Saving banks be accepted.

Frederic R. King

9. March 2, 1919 **R.J. Kerner on conditions in Slovakia(Part I)**

Paris Peace Conf. 184.01102/162

Professor R. J. Kerner to Professor A. C. Coolidge

Vienna, March 2, 1919.

Subject: Slovakia, Report I.

The four reports which accompany this one were written as the result of a trip which the writer took to Slovakia. It is proposed here merely to enumerate the results of the investigation leaving the reader the option of consulting each report where fuller details and proof may be found.

The Czecho-Slovak government has established itself thoroughly in the region north and east of the demarcation line. It enjoys the enthusiastic support of the vast mass of the Slovak people, both as individuals and as rapidly forming political parties. All separatist movements engineered by the Magyar government have collapsed, especially the Eastern Slovak movement of Dwortsak because the population refused to support them. There are left only the disgruntled individuals and they act only as individuals and as propaganda agents. The Slovaks are rapidly forming into three political groups, the Clericals whom both Hlinka and Juriga aspire to lead, the Social Democrats, and the Agrarians. There is no party which wishes Slovak independence. Only the Clericals desire a form of autonomy which will guarantee them against Czechicization and the separation of Church

and State. In answer to this the Czechs have handed over the entire administration of Slovakia to the Slovaks and excluded Slovakia from the Church and State legislation.

The Germans prefer the Czecho-Slovaks to the Magyars, but they themselves do not feel nationally. The Ruthenes likewise prefer the Czecho-Slovaks but with a certain degree of warmth and enthusiasm. The Magyars are resolutely opposed to the Czechs because if they are pure Magyars they will in all probability lose their political and official positions, of which they hold the bulk. Many of these officials and some of the lower-class Magyars are cooperating with the Government at Budapest to wreck the Czecho-Slovak Government by means of railroad strikes and the spread of Bolshevism.

To accept the Magyar official census as a correct and just basis on which to run the final boundary line would in the opinion of the writer

be unscientific and unjust. According to the hand-book of "Official Instructions" to Census-takers the mother-tongue can be stretched to include any Slovak who can speak Magyar or is learning it. Thus the Slovaks actually registered as Slovaks are for the most part those who never attended the schools which it is well known have all been Magyarized. Until and unless a new census is taken the official Magyar statistics should be taken with a good deal of reserve.

Pressburg [present day Bratislava] is a cosmopolitan city in which the non-national German element predominates but in which neither the Germans, nor the Magyars (who are largely the officials) nor the Slovaks predominate. To include it in the Czecho-Slovak state will not outrage any considerable permanent national population and will answer to the economic needs of the city. To exclude it from the Czecho-Slovak state as a free city (i.e. internationalized) will cause the Czechs to build up Diven at the junction of the Danube and Morava. In such a position Pressburg would be ruined. On the other hand, it would not be just to deprive a hinterland of over a million people (not including the population of Bohemia and Moravia), who are officially recorded as 70% Slovak, of its natural port so that 30,000 Magyars of whom 10,000 are political and railroad officials, and 31,000 Germans who do not feel nationally, might have a free city which could not exist economically.

Kassa [present day Kosice] is a city whose population 44,000 is 75% Magyar but whose immediate environs and hinterland 420,000 is 75% Slovak. It should be included in the Czecho-Slovak state because it cannot exist without its hinterland. The whole region of Eastern Slovakia should be included in the new Czecho-Slovak state because the utter collapse of the Eastern Slovakia movement shows how little support it received from the population. To exclude Kassa from the Czecho-Slovak state without its hinterland would be to ruin the city.

10. March 1, 1919

R.J. Kerner on conditions in Slovakia(Part II)

Paris Peace Conf. 184.0no2/162

Professor R. J. Kerner to Professor A. C. Coolidge

Vienna, March 1, 1919.

Subject: Political conditions in Slovakia. Report II.

It is the purpose of the writer here to describe political conditions as he saw them during his recent trip through Slovakia. Each of the nations living there is analyzed so far as possible.

I. General Considerations.

The writer found no movement for the complete independence of Slovakia, either among the Slovaks or the Magyars. The Eastern Slovakia movement which had been headed by Dwortsak with its center at Kassa [present day Kosice] and which had been supported by the Magyar government collapsed because it had found no support among the Slovaks. Here the "American" Slovak, i.e. Slovaks who had returned from America resolutely defied and wrecked the movement.

II. The Slovaks.

(a) The Clericals.

There is a certain fear among those Slovaks who were either almost Magyarized or were known as Magyarones (Magyarophils) that Slovakia will be "Czechicized". And this has led to the coalescing of a party among such Slovaks for the preservation of a considerable

amount of autonomy for the Slovaks in the Czecho-Slovak state, but not in the Magyar state. Strange to say this party consists for the most part of those who most strenuously desired to be Magyars and who most disregarded the Slovak language and cause before and during the war.

This party is coming to be known as the Clerical Party, for the leadership of which Fathers Hlinka and Juriga are rivals. The membership of this party, as it is now forming, seems to include the Magyarone priests, ultra-Catholics, and Catholic Slovak landowners and officials. Their main concern besides that of the groundless "Czechicization" fear is that the church and state will be separated to the great detriment of the former. They fear these things in spite of the fact that the Czechs have turned over the entire administration to the Slovaks (there being not one Czech in the whole political administration) and in spite of the fact that the law on the separation of the church and state does not apply to Slovakia.

(b) The Social Democrats.

The Social Democratic Party among the Slovaks is rapidly forming among the Slovak industrial and agrarian workmen. This is staunch in its loyalty to the Czecho-Slovak state and stands only for a few moderate planks on "semi-autonomy". It is, however, very small in numbers because of the undeveloped character of Slovak industry. It is significant that Bolshevism has not taken root among them and their desire to work, while the Magyar and German workmen, who were permeated with Bolshevism, called a series of strikes against the new government, is a significant comment on their point of view.

(c) The Agrarians.

The Slovaks are also slowly forming an Agrarian party which will include the free-thinking and protestant landed class and intellectuals. These stand on the basis of compact national solidarity with the Czecho-Slovaks and will tend to state centralization as against the autonomist clericals. This party bids fair to be strong in Western Slovakia, while the Clericals may easily count on being stronger in Eastern Slovakia.

(d) Conclusion.

It may therefore be concluded that there is no organized political movement among the Slovaks either for independence or for autonomy under the Magyars for all of Slovakia or a part of it. There are individuals whose economic interests will be injured by severance from the Magyar state, but these are few and far between. Some fear to express themselves openly for the Czecho-Slovak state because they fear the future terror should the Magyars come back. In some cases a few communes were forced to sign declarations of loyalty to the Magyar state by the retreating Magyar forces. But taken as a whole that one impression which the Slovak people now make upon the observer is that they are happy in their new freedom. They do not as a whole fear the Czechs and are delighted to know that such exemplary soldiers as the Legionaries are really their brothers and "actually speak their own language". In a recent tour which Czecho-Slovak officials made of Slovakia the uneducated Slovaks were spoken to first by a Slovak and then by a Czech. The Czech got the greater applause because to their great astonishment they understood perfectly and could hardly believe their ears after the propaganda which the Magyars had scattered broad-cast to the effect that the Czechs spoke another language. The writer can vouch for the fact that Czech and Slovak are two dialects of the same language and the difference is too slight to notice. With Czech one can travel to Ungvar as though lie were always in the environs of Prague.

III. *The Magyars.*

It is natural that the Magyars should resist will [*with*] all means possible the establishment of the Czecho-Slovak state. But even they are divided into:

(a) Pure Magyars, who make up the bulk of the official class (especially in public offices and transportation) and the lowest classes of workmen.

(b) Jews who have enjoyed the exclusive privilege of liquor licenses, special concessions in business, credit, etc.

(c) Magyarized Slovaks and Germans who through political or economic advancement have almost lost their previous national identity.

The Pure Magyars are divided into two political schools: those who favor the present administration at Budapest and those who wish to overthrow it. Some of the latter, the higher capitalists among them, have even made advances to the Czecho-Slovaks, but it may be said with certainty that the Magyars as a mass will not compromise with the Czecho-Slovaks as long as there is a chance of their getting back into Hungary. Those who favor the present Magyar administration are doing their best to scatter Bolshevism and to call political and rail-road strikes to paralyze the Czecho-Slovaks. Aeroplanes without national designation even scatter over Pressburg [present day Bratislava] and other places masses of Bolshevist and Magyar propaganda. See the appended copies of such literature. The Italian officers in command have refused to fire on such aeroplanes on grounds that they do not know their nationality. In the appendix will also be found a letter every third word of which tells the story of Bolshevist preparations to wreck the Czecho-Slovak government in Slovakia. This propaganda is supported partly by the Magyar government at Budapest (especially by payment of salaries to strikers) and partly by Bolshevists in Budapest whose connection with the government there and with Vienna and Moscow has not yet been explained.

The Jews stand most to lose in Slovakia. In the Czecho-Slovak state they cannot long maintain their liquor and concession privileges and their financial control of the peasantry. In the long run--after the final boundaries are fixed--the Jews will become Slovaks or Czechs as the case may be or move out. Most of them speak Slovak perfectly. They are not insignificant in numbers and range from 10 to 20 even to 30% of the total number of Magyars, among whom they are reckoned by official statistics.

The Magyarized Slovaks are in a peculiar position. When finally the fear of the return of the Magyars will be gone, the situation will clear itself, and they will in large percentage become Slovaks among whom they still have relatives who do not speak a word of Magyar.

It is in this way that large portions of those who are now recorded as Magyars will disappear to form a part of the future consolidated nation of the Czecho-Slovaks.

IV. *The Germans.*

The Germans of Slovakia are the least national of the three nations. As simple farmers who live to themselves isolated from the rest of the German world or as business men in Pressburg or Kassa they realize that they cannot carry on a national policy. This they have concretely expressed by refusal of the Pressburg Germans to come into Deutsch-Osterreich. They prefer the Czecho-Slovaks to the Magyars oppressed them almost as badly as they did the Slovaks. Above all they look forward to business relations in the

rich Czecho Slovak state. If they had their way they should like to govern themselves as in the middle ages as free towns, hut they realize that this might have bad economic results especially at Pressburg.

V. *The Ruthenes.*

Undeveloped nationally as they are, they prefer the Czecho-Slovaks to the Magyars. In fact it is difficult to distinguish them from the Slovaks because the languages blend gradually into each other on the northeast. [Recent article on Carpatho-Rusyn population of this region]

VI. *Conclusions*

To sum up then we may say

1. That the Slovaks as a whole and as organized parties are for the Czecho-Slovak state.
2. That there are some elements, especially the clericals who favor autonomy under the Czecho-Slovaks.
3. That the Magyars naturally favor the re-establishment of the old Hungary but are divided among themselves, some wishing to wreck the present Magyar administration, others to spread its Bolshevism and disorder in Slovakia by means of political strikes and propaganda literature.
4. That the Germans prefer the Czecho-Slovaks from economic and political motives.
5. That the Ruthenes are as a whole in favor of inclusion with the Slovaks.

11. Early 1920s

Open Letter to T.G. Masaryk from National Slovak Society (U.S.)—undated

MR. PRESIDENT:

Some time ago the Slovak Catholic Federation in America issued an Open Letter, addressed to you and signed by Father John B. Pastorak and Father Andrew Pavlis, in which complaints are being raised against you and your Government. A spirit of narrow sectarianism lurks behind every line of the Open Letter. You, Mr. President, and your Government are accused of desiring to "exterminate the Slovaks as a nation," of "cultural piracy," of having "mised the peace delegates," of "breach of faith," etc. In order that you may not have an erroneous idea as to the feelings and views of the American Slovaks, we, the undersigned, representatives of Slovak organizations in America, desire to point out that the Slovak Catholic Federation in America represents a very small part of our

compatriots, and that the great majority of the American Slovaks are heart and soul with you.

Under your able leadership the Czechoslovak Republic has been most successful in piloting itself through the dangerous postwar period and it has been consolidated to such an extent that to-day it may be classed among the most ordered and prosperous States of Europe. In Slovakia, especially, great progress has been made as regards both cultural and economic development. We, therefore, are at a loss to understand the unjustified complaints made by the above mentioned Slovak Catholic Federation against you and your Government.

Permit us, Mr. President, to draw your attention to some of these complaints. The writers maintain that the Slovaks are "directly endangered in their national existence." How can this statement be reconciled with the progress which Slovakia has made in educational matters? As you are no doubt aware, under the Magyar regime all schools, whether elementary, secondary, or high schools, were in the hands of the Magyars. Properly speaking, there were no Slovak schools at all, with the exception of a few schools where the work was carried on by a handful of teachers who were evangelical for the greater part, the instruction was Magyar both in letter and spirit. To-day there are over four thousand elementary schools, over fifty secondary schools, besides commercial and technical institutes, and a university at Bratislava.

The educational progress made since the liberation of Slovakia certainly does not prove the statement that the Slovaks are "endangered in their national existence." On the contrary, it proves that the national existence and the cultural development of the Slovaks within the Czechoslovak Republic is fully assured.

The Slovaks have three ministers in the Government and many officials in all branches of civil service. In certain cases, owing to lack of competent officials among the Slovaks, it was necessary to send Czechs to Slovakia but these are being withdrawn as soon as the Slovaks are able to fill these places with their own officials. There are, however, no proofs that Slovakia has been treated in "step-mother fashion," nor do the writers offer any proofs of their vague generalization.

The writers "object most emphatically" to the statement alleged to have been made by the Czechoslovak delegates at the Paris Peace Conference to the effect that the "Czechs and Slovaks are one nation". Assuming that this statement has really been made we should like to point out that we, too, are of the same opinion. Moreover, we may add that Father Hlinka, the leader of the Slovak Autonomists, himself held, and probably still holds, the same view. On May 4th, 1908, he made the following declaration before the Magyar court at Bratislava: "It will remain an eternal truth that we Slovaks are one stock, one culture, one nation with the Czechs, and up to quite recent times we had a language in common with the Czechs, and up to this day our evangelical ministers make use of the Czech language in their church service. And it was the same Father Hlinka who, on October 30, 1918, cordially associated himself with the manifesto of the Slovak nation

which contains the following words: 'In language, culture and historical traditions, the Slovak nation forms a part of the single Czechoslovak nation.'

[1]

It may be disputed whether from a strictly historical and ethnographical point of view that the Slovaks and Czechs are one nation or not. Their feeling and consciousness, however, is the deciding factor. If the Slovaks and Czechs feel themselves as one nation, no historian or ethnographer can alter that feeling or consciousness.

The writers accuse you, Mr. President, of "breach of contract" known as the "Pittsburgh Agreement." As regards this agreement which was arrived at between the American Czechs and Slovaks on May 30, 1918, we should like to point out in how far the provisions of this agreement have been carried out. For this purpose we are giving on one side the text of the Pittsburgh Agreement and on the other what has been done:

1. We accept the political program providing for a union of Czechs and Slovaks in an independent State composed of the Czech territories and Slovakia.
2. Slovakia will have its own administration, its diet and its courts.

In accordance with the Constitution the whole Republic is divided into 20 autonomous regions, 6 of which comprise Slovakia. These regions are administered by the Slovaks themselves by means of autonomous bodies containing about 40 members who are elected by the vote of all citizens, irrespective of sex, on a system of proportional representation. These zones thus have all the attributes of democratic local autonomy. From the representative bodies is elected an administrative council for the whole of Slovakia, also by proportional representation. This council is composed of 24 members, 8 of whom, under the presidency of Slovak administration, attend to the executive authority for Slovakia.

3. Both Czech and Slovak are official languages throughout the territory of the Republic.
Slovak will be the official language in schools, administration and in public life.
4. The Czechoslovak State will be a Republic and its constitution will be democratic.
5. The organization of the co-operation between the Czechs and Slovaks in the United States will, according to the needs and to the changed situation, be broadened and regulated. Left to be carried out by the American Slovaks and Czechs.
6. Concrete details concerning the administration of the Czecho-Slovak State are left to the liberated Czechs and Slovaks and their duly elected representatives. In accordance with this provision the present status of Slovakia (see article 2 of the agreement) has been elaborated.

You will observe, Mr. President, that as a matter of fact the Pittsburgh Agreement has been substantially carried out. The aim of this agreement was to assure the future status and cultural development of Slovakia within the Czechoslovak State, and this aim has been achieved.

The Czechoslovak Republic is the result of the work of both the Slovaks and Czechs. During the war neither the Czechs nor the Slovaks demanded self-determination for each separately; they demanded self-determination for the Czechoslovaks. Hence the unity of the Czecho-Slovak Republic and of the Czechoslovak Nation. We, in America, are watching the development of events in Czechoslovakia very closely and we are not unmindful of the great progress the Republic has made. We are especially aware of the fact that your untiring efforts have in no small measure contributed to this progress. The good name of the Czechoslovak Republic abroad has been established, above all, by your indefatigable work and by the work of your able collaborator, the Foreign Minister, Dr. Benes. On behalf of the American Slovaks we thank you most heartily for your labor which has given to Slovakia her due place among the free nations of the world. We beg you to continue in your endeavors to make of Slovakia a happy land such as we have dreamt of while fighting in common for Czechoslovakia's freedom and national independence.

Please accept, Mr. President, the assurances of our highest esteem and respect.

JOHN. KRAFCIK,
President National Slovak Society.

JOHN DVORSCAK,
Secretary National Slovak Society.

JOHN ZEMAN,
President Slovak Gymnastic Union Sokol.

FRANK OSLISLO,
Secretary Slovak Gymnastic Union Sokol.

FRANK STAS,
Treasurer Slovak League of America.

JOHN MATLOCHA,
President Western Assembly District of the Slovak League.

JOHN L. ZAROVY,
Secretary Western Assembly District of the Slovak League

There is unfortunately, a good deal of feeling here against Count Apponyi and his very prominence makes it difficult to do anything. Only lately I spoke to John Masaryk (the President's son) on the subject. He told me that he had practically arranged the matter in Count Apponyi's interests when a demand was made by the Hungarian Legation here on the ground that the seizure would be a violation of the Treaty of Trianon. After that it was impossible to do anything.

I hear that Mr. Dwight was expected yesterday in Carlsbad. I will be very glad to meet him personally, and arrange for an interview with the Prime Minister. But again, from what Dr. Benes tells me, I fear that there is little to do in the matter. The Arch Duke Frederic's estates in Czecho-Slovakia, in common with all the Hapsburg property, passed to the State by the Treaty of Saint Germain, and Czecho-Slovakia is only liable for the value of such property to the Committee of Reparations. Dr. Benes expressed to me his regret that whatever American money had been sunk in this would be lost.

I am glad to have such good reports of Winslow. Lately he wrote me enthusiastically about you, and he appreciates to the fullest his present opportunity. I hope that Howell's successor will be appointed very soon, and would be grateful if you could assist in picking out a good man and have him come here without much delay. I shall look forward with real pleasure to seeing you at Prague in the autumn.

Sincerely yours, [signature illegible]

Source: Herbert Hoover Presidential Library, William R. Castle Papers, (Box 8)

13. May 22, 1924

US Commerce Department report on Czechoslovak economy

DEPARTMENT OF COMMERCE
BUREAU OF FOREIGN AND DOMESTIC COMMERCE
WASHINGTON

TO: Mr. [Herbert] Hoover

May 22, 1924

From: Goldsmith.

Subject: Financial Problems of Czechoslovakia.

IN REPLY REFER TO 23

The \$9,250,000 of Czechoslovakia Government bonds offered yesterday on the New York market represents one half of the unissued balance of the External 8% Loan authorized in 1922. According to the press, the remaining portion, 1,850,000 was offered simultaneously on the London market. Of the \$50,000,000 originally authorized 30,000,000 was floated in 1922; one half in London and Amsterdam and one half in New York; Yesterday's offering has, therefore completed this particular piece of financing by the Czechoslovak Government.

That some effort to obtain funds abroad would be made was indicated in a report recently submitted by the Bureau's representative in Prague in which he reviewed the debt position of the Czechoslovak Government. A digest of this report may be of interest to the Secretary.

According to figures issued by the Finance Ministry in February, the total obligations of the National Government were in the neighborhood of 33,000,000,000 paper crowns or roughly \$1,000,000,000, divided as follows:

Internal Debt:

(a) Funded Debt	10,606,290,375
(b) Floating Debt	7,923,655,500
External Debt	4,739,182,616
Debt Imposed by Peace Treaties	4,300,000,000
Debt Resulting from Currency Reform	5,508,754,099
Grand Total in Czechoslovak Crowns	33,077,882,590

Long-time Loans: The internal funded debt represents various loans drawing interest of from 2 to 6% floated during 1920-1922. Full service on these obligations has been maintained from the date of issue.

Short-time Loans: This is the weak link in the Czechoslovak financial chain. The Government has for a long time been meeting its current needs by calling on the banks to absorb short-dated treasury bills in one form or another. For the distribution of these obligations, the relations between the Finance Ministry and the banks were somewhat similar to the relations existing between the United States Treasury Department, the Federal Reserve Board, and the American banking institutions during the War and immediately thereafter, when Government financing had precedence over private financing and a certain amount of pressure was applied to carry out the Government's requirements,

Although the figures given above indicate a total short-time indebtedness of slightly under 8 billion crowns, Mr. Groves states that he was confidentially informed by a reliable source that the Government has additional short-time loans outstanding to the amount of 2 or 3 billion crowns, which would run the figure up to 10 or 11 billion crowns, or approximately \$300,000,000.

Upward of 7 billion crowns or over 85% of the outstanding treasury bills mature by the end of the current year and the Government is in a dilemma as to how to handle these maturities. There seems little prospect that a long-time funding issue could be floated in the domestic market under present conditions, and the only solution would appear to be renewal or extension. The situation is further complicated by the deficit in the 1924 ordinary budget amounting to slightly over 600 million crowns; in order to cover this deficit, the Government will probably have to resort to additional short-time bank loans.

Although the American Bankers underwriting the recent issue do not state the purpose to which the funds will be put, Groves reports that it is the intention of the Government to use the loan to cover the "capital investments" foreseen in the 1924 extraordinary budget. The Czech banks, therefore, cannot look to this loan for relief.

External Debt: Of the external debt of the Czech Government (approximately \$140,000,000) owed to England, France, Italy and the United States \$92,000,000, or nearly two-thirds of the total debt, represents credits granted by the United States Government after the armistice. This figure, moreover, does not include interest accrued and unpaid. According to Groves, the Government has now taken the position that these are debts arising from the war and should be considered, together with other inter-allied debts, as part of the general problem of reparations. There would appear to be little prospect, therefore, of the Czech Government refunding its obligations to the U. S. Treasury.

Debts Imposed by the Peace Treaty: The amount given in the statement of the Finance Ministry \$4,300,000,000 crowns-represents an approximation of Czechoslovakia's portion of the outstanding pre-war debts of the Austro-Hungarian Government. These obligations are recognized by the Czechs and preparations being made for the resumption of service.

In addition to the pre-war debts, the St. Germain Treaty requires Czechoslovakia to pay a Liberation sum in favor of reparations account of 750,000,000 gold francs (5 billion crowns) and a further sum to cover the properties of the old Austro-Hungarian Empire taken over by the Czech Government. The value of these properties has not yet been definitely determined, but estimates vary from a minimum of 15 billion crowns to a maximum of 30 billion. Accepting the sum of 15 billion as the maximum instead of minimum and adding the 5 billion crowns of the "Liberation" payment, there is an item of some 20 billion crowns or \$600,000,000 which is entirely omitted from the figures issued by the Finance Ministry. According to Groves, the reason for this omission lies in the fact that some downward revision of these obligations is hoped for somewhat in proportion to the modifications accorded by the Reparations Committee to Austria and Hungary.

The trend of developments in Czechoslovakia during the next few months would seem to depend largely upon the way in which the Government handles the internal floating debt maturities. The diplomatic and consular representatives at Prague incline to the opinion that the Government will resort to a moderate note inflation. Mr. Groves, on the other hand, believes that there will be no departure from the present policy of deflation and that the Government will renew or extend the treasury certificates until such time as the situation is favorable to the floating of a long-time internal refunding loan.

This solution, however, is not only jeopardized by the failure of the Government to achieve budget equilibrium, but has the additional disadvantage that it will not relieve the strained credit situation. Moreover, even if the Government succeeds in extending the outstanding treasury bills for a further period, it is highly questionable whether the banks will be able to absorb the additional treasury certificates which must be floated in order to cover the deficit in the budget.

Alan C. Goldsmith,
Chief, Western European Division

Source: Hoover Presidential Library 1923-25,

14. May 31, 1924 **US Commerce Department on possible depreciation of
Czechoslovak currency**

DEPARTMENT OF COMMERCE
BUREAU OF FOREIGN AND DOMESTIC COMMERCE
WASHINGTON

To: Mr. [Herbert] Hoover

March 31, 1924

From: Miller

Subject: Possibility of Depreciation of Chechoslovak currency

IN REPLY REFER TO 23

On March 1, the Consul in Prague, C. S. Winans, wrote as follows:

"I am of the opinion that an industrial depression is setting in Central Europe, especially in Czechoslovakia and that the depression will develop until it will amount to a great crisis which may cause Czechoslovakia to change, her financial policy and even to

force a depreciation of her currency. Industrialists in Czechoslovakia are frightened of the outlook for the year 1924. A drop has occurred in industrial stocks and government bonds. The situation is undoubtedly becoming worse. Czechoslovakia is trying to remain stable and to keep her currency so but I believe that the policy may be changed in the near future. Money is becoming scarce and the scarcity will result in decreased imports."

As late as March 4, however, Mr. Groves, the Bureau's representative, wrote as follows:

"I have indicated in my last report that there was some talk of a possible substantial depreciation of the currency based on the assumption that the Banking Office could not get the necessary funds to maintain its control of exchange. I do not agree with this viewpoint, and feel on the contrary that the Banking Office is in position, with the measures and funds at its disposal, to maintain control of the exchange, and therefore for the reasonably near future see no reason to anticipate any substantial change in the crown from its present level."

Mr. Winans' apprehensions are undoubtedly based largely on the depletion of the foreign credit holdings of the National Bank, which declined from 1,350,000,000 crowns in December to less than 850,000,000 crowns in February. The unfavorable balance of trade in January and early February was followed by an increased demand for foreign currency, with the resulting decline in bank reserves. Even should these conditions maintain, which is unlikely, present holdings are sufficient to cover import deficits for many months to come. A year ago the foreign credit holdings of the National Bank fell to less than 500,000,000 crowns but there was no question at that time of the ability of the government to support the crown.

Mr. Winans may also be influenced by the fact that the Czechoslovak Government has obligations maturing in July and August amounting to two and one-half billion crowns. It is probable, however, that new short term notes will be issued in exchange for the old, on a six per cent basis.

It is very difficult in view of the strenuous efforts which the government has made to maintain the stability of the crown to agree with Mr. Winans' statement that a policy of deliberate depreciation may be adopted. It is doubly difficult to accept the soundness of this prediction in face of the fact that Czechoslovak industry is only now bringing to a successful conclusion the reduction of overhead costs and readjustment in operation methods made necessary by the conditions which followed upon credit and currency deflation. I am inclined therefore, in the absence of more substantial evidence than that submitted by Mr. Winans, to accept Mr. Groves' opinion that there is no immediate prospect of any change of policy on the part of the government.

Douglas Miller
Acting Chief,
Western European Division

Source: Hoover Presidential Library 1923-25

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