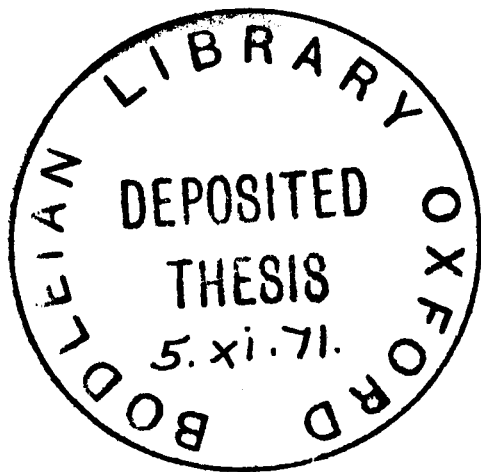


BRITISH WAR POLICY:
THE AUSTRIAN ALLIANCE, 1793-1801

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Abstract

The study of the war against Revolutionary France (1793-1802) has always been rather overshadowed in British history by the attractions of the second part of the struggle with France, the more successful Napoleonic Wars (1803-15). This is to see events out of perspective. Moreover, in both wars attention has usually been concentrated on the actual military operations rather than on the factors influencing the formulation of war policy and on the essential position of international diplomacy in this struggle. Although four (arguably five) European coalitions were organized against France in these wars, only the final, successful, combination has been studied in detail, yet, as this last coalition proved, the only way to defeat France was by such combinations. This thesis therefore examines both the handling of the Revolutionary War by the government of the Younger Pitt between 1793 and 1801, and the course of its diplomacy through its attempts to form a workable combination with the European Powers against

France. It does this through a detailed study of British relations with Austria in particular. Austria was chosen because the connection with Vienna provides the key to British policy on the continent throughout the war. Although Ministers desired a general European Coalition, they came to realize that in practice their best hope of success lay in close co-operation and alliance with Austria, the Power with whom they appeared to have most in common and who possessed the largest and most efficient army facing France. Moreover, even in the period of disagreement with Austria between 1797 and 1799 the fact of this disagreement had a decisive effect on British policy and its execution.

Such a study also has a wider perspective in that it marks the final revival of the Old System: the union of Britain, Austria and (to an ever decreasing extent) Holland, the efficacy of which as a barrier against France constituted one of the basic tenets of British foreign policy in the eighteenth century. The System had been in existence from 1689 to 1756, at which

date the Austrians had dropped it, but British governments had never lost faith in it, and successively they had vainly attempted to restore it ever since. Its revival and failure in the 1790s therefore represents the passing of an era in British foreign policy, and the reasons for its passing are fully considered in this thesis.

In order to place the Austrian alliance of the 1790s in its proper setting, both as an integral part of British war policy and as the major factor in British diplomacy, it has been necessary to consider Britain's relations with the other major European Powers besides Austria, and also the close relationship of diplomacy with three other factors: military considerations, finance, and public opinion. Attention has therefore been paid not only to diplomatic archives, but also to private correspondence among members of the government, to the state of the money market and foreign exchanges, to parliamentary debates and political pamphlets. Finally, in order to understand the path taken in

Anglo-Austrian relations it has also been necessary to investigate policy and reactions to British policy in Vienna.

Such a study reveals the immense difficulties faced by British Ministers in trying to pursue a coherent foreign policy in this war. Not only did they have to satisfy public opinion at home, but they also had to reconcile their natural wish to engage as many Powers as possible in the war with the obvious fact Austria was the most necessary Power to the implementation of their plans. The need to steer a delicate balance between a grand coalition and an Austrian alliance, at a time of conflicting interests in central and eastern Europe, was an insurmountable problem. Equally, the difficulties, both physical and personal, in trying to co-operate with an ally whose capital was anything from two weeks to two months away were immense. Moreover, even the best-laid plans were at the mercy of events elsewhere and of chance on the battlefield. As a result Ministers very rarely held the initiative and were often hurriedly reacting to

ever-changing situations and problems.

It was as a result of these factors that diplomatic needs in Britain's relationship with Austria dominated British strategy in the 1790s, constantly forcing Ministers away from their original intention of pursuing a maritime war. The truth of Dundas's observation that 'all modern wars are a contention of purse' is also apparent: from 1794 onward finance was at the heart of Anglo-Austrian relations and it held British policy in a straight-jacket. The legend of the limitless flowing of 'Pitt's gold' cannot be sustained when the paucity of British resources and the government's caution in using them is seen, but neither can the more recent myth of Pitt's niggardliness towards Austria. Pitt was quite willing to subsidize Austria, but having burnt his fingers on the disastrous Prussian subsidy of 1794, he wished to impose strict conditions which Austria was unwilling to accept. Consequently it was Austria, wishing to retain some freedom of action, and not Pitt, who insisted on the policy of loans which so much plagued Anglo-Austrian relations.

The thesis begins with an examination of the factors which drew Britain and Austria into a close co-operation in the first year of the war. It shows that Britain became committed to Austria because of the circumstances in which the war began. The British government wished to ensure its dominance over that of Holland, it wished to protect its trade and security interests in the Netherlands, and it believed that the best way to attain these ends was by keeping the latter independent of France through their continued possession by Austria. In order to encourage the reluctant Austrians to retain the Netherlands, it had politically to hold out the hope of enlarging them at France's expense and militarily to commit its forces to a 'Flanders war' to obtain such an enlargement. Austria, which wished in any case for a British alliance to escape from its diplomatic isolation, took the bait and so assumed the leading part in the war on the continent.

Despite difficulties caused by Britain's attempts

to hold the rest of the Coalition together and by Austria's sudden financial demands in the summer of 1794, this co-operation developed into alliance because the British Ministers came to realize that of all the European Powers Austria was the most earnest in the war, contributed the largest and most effective army, and constituted the best barrier to France on the continent. In Vienna the Austria Foreign Minister, Baron Thugut, wanted the alliance because he hoped for conquests from France and needed British money to continue the war, and also because he saw the chance of a Triple Alliance of Austria, Britain, and Russia which would isolate Austria's rival Prussia and enable it to make gains in Poland at Prussia's expense.

The thesis goes on to show that one of the basic reasons for the failure of the alliance, as in 1756, was Austria's rivalry with Prussia. For Britain the alliance was directed exclusively against France; for Austria it was directed as much against Prussia as France. Thugut became

increasingly dissatisfied when British Ministers not only refused to accept this interpretation but actually began to negotiate with Prussia to bring it back into the war. British Ministers became both annoyed and alarmed when they realized that Thugut, in his rivalry with Berlin, was neither interested in the Netherlands nor devoting his whole attention to the French war. As the war went from bad to worse the alliance fell apart because all bonds of common interest and mutual trust disappeared. Austria lost interest in the war as its hopes of aggrandizement diminished, as British military and financial aid decreased, and as Russia's refusal to participate became apparent. British Ministers became afraid that Austria would make a separate peace and so rushed to safeguard its own interests in the Netherlands, firstly by an attempted arrangement with Prussia and secondly by an attempted compromise peace with France, both initiated without prior consultation with Vienna. As a result Ministers provoked the very event they feared. Annoyed by British

actions and with British financial aid £530,000 in arrears, Thugut accepted Bonaparte's tempting offer to exchange the Netherlands for Venetia and made peace.

There followed three years of dispute and distrust between London and Vienna, engendered by the circumstances of the collapse of the alliance, by disagreement over the terms for the repayment of British financial aid, and by the clash of personality between Thugut and the British Foreign Secretary, Lord Grenville. This dispute delayed the formation of a new coalition against France and then ruined the campaign of 1799 when the continental war began again, for Britain and Austria went to war, together with Russia, without either political or military concert and in consequence pursued their own (conflicting) interests. The result was military defeat in Switzerland and Holland.

These defeats, however, brought a renewed realization that neither could pursue the war effectively without the other, and the penultimate chapter of the thesis studies

their final attempt at close co-operation in 1800. In this Lord Grenville zealously set himself to amend all the mistakes of the past and supplied full diplomatic and financial support for his ally, even to the extent of considering a naval armistice detrimental to British interests in the summer of 1800 in order to give Austria a breathing space to recoup its strength. The thesis shows that unfortunately he was let down by the failure of his colleagues to provide the military support he had promised. As a result the Austrian armies were defeated after a very close struggle, and once the extent of the Austrian defeat became apparent the former disunity in the alliance re-appeared. The British government sent its troops to Egypt to safeguard its own interests, the Austrians looked for a separate peace favourable to their objects. In consequence, when this latter was not forthcoming, Austria found itself left to its own resources and was crushed at Hohenlinden, a defeat which, as the last chapter explains, was decisive in ending the eighteenth-century belief in the efficacy of the Anglo-Austrian alliance as an instrument against France.

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M. D.

ABBREVIATIONS

Throughout this thesis 'Holland' has been used as far as possible rather than 'the Dutch Republic' or 'the United Provinces'. Similarly 'the Netherlands' has been used to describe 'the Austrian Netherlands' or 'the Low Countries'.

The following abbreviations appear in footnotes:

A. O. G.	<u>Archiv für Österreichische Geschichte</u>
Aspinall	A. Aspinall, <u>The later correspondence of George III</u> (5v., London, 1963 - 70)
<u>Auckland</u>	<u>The Journal and Correspondence of William, Lord Auckland</u> , ed. G. Hogg (4v., London, 1860-2)
Bod. Lib.	Bodleian Library, Oxford
B. M.	British Museum, London
Camb. Univ. Lib.	Cambridge University Library
<u>Cornwallis</u>	<u>Correspondence of Charles, First Marquis Cornwallis</u> , ed. C. Ross (3v., London, 1859)
<u>Court and Cabinets</u>	<u>Memoirs of the Court and Cabinets of George III</u> , ed. the Duke of Buckingham and Chandos (4v., London, 1853)
<u>Frieden von Campo-Formio</u>	H. Hüffer and F. Luckwaldt, <u>Quellen zur Geschichte des Zeitalters der französischen Revolution, Teil 2, Frieden von Campo-Formio</u> (Leipzig, 1907)
<u>H. M. C. Dropmore</u>	Historical Manuscripts Commission, <u>Report on the Manuscripts of J. B. Fortescue, Esq., preserved at Dropmore</u> (10v., London, 1892-1927)
H. H. St. A.	Haus-, Hof-, und Staats Archiv, Vienna
Helleiner	K. Helleiner, <u>The Imperial Loans</u> (Oxford, 1965)

- J. M. H. The Journal of Modern History
Malmesbury Diaries and Correspondence of James Harris,
First Earl of Malmesbury, ed. 3rd Earl of
Malmesbury (4v., London, 1844)
- Martens F.F. Martens, Receuil des Traités et
Conventions conclus par la Russie avec les
Puissances Etrangères (15v., St. Petersburg,
1874-1909)
- Mayr J.K. Mayr, Wien im Zeitalter Napoleons
(Vienna, 1940)
- Minto Life and Letters of Sir Gilbert Elliot, First
Earl of Minto, from 1751 to 1806, ed. the
Countess of Minto (3v., London, 1874)
- Nat. Lib. Scot. National Library of Scotland, Edinburgh
Nott. Univ. Nottingham University
Parl. Hist. The Parliamentary History of England from the
earliest period to the year 1803, ed. W.
Cobbett (36v., London, 1806-20)
- P.R. O. Public Record Office, London
Quellen A. von Vivenot and H.R. Zeissburg, Quellen
Geschichte der deutschen Kaiserpolitik
Österreichs während der französischen
Revolutions-Kriege (5v., Vienna, 1873-90)
- Rastadter A. von Vivenot, Quellen zur Geschichte des
Congresses Rastadter Congresses (Vienna, 1871)
- Les Razou- A.A. Vasil'chikov, Les Razoumowski, Tom 2,
mowski Le Comte André Razoumowski (4v., Halle,
1893-4)
- Rev. Hist. Revue Historique
S.R. O. Scottish Record Office, Edinburgh
Vertrauliche A. von Vivenot, Vertrauliche Briefe des
Briefe Freiherrn von Thugut (2v., Vienna, 1872)

CHAPTER ONE

THE WAR AGAINST REVOLUTIONARY FRANCE

I: Introduction

On Monday 11 February 1793 the British First Lord of the Treasury, William Pitt, and the Secretary of State for Home Affairs, Henry Dundas, both rather the worse for drink,¹ carried to the House of Commons a message from the King. It informed the House that 'the assembly now exercising the powers of government in France' had declared war on Britain and Holland. In accepting the challenge it expressed confidence in British efforts to set a barrier to the further progress of a system which struck at the security and peace of all independent nations. And it concluded with the reassurance that

In a cause of such general concern, his majesty has every reason to hope for the cordial co-operation of those powers who are united with his majesty by the ties of alliance, or who feel an interest in preventing the extension of anarchy and confusion, and in contributing to the security and tranquility of Europe.²

During three wars over the next twenty-two years, successive British governments tried to contain French expansion

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1. John Ehrman, The Younger Pitt, I (London, 1969), 585.
 2. Cobbett's Parliamentary History of England, XXX, cols. 344-5. The French National Convention declared war on 1 February but, because of an immediate embargo on all shipping, confirmation of this step did not reach London until the 9th.

in a conflict whose very duration indicates how far they considered that Britain's future political and economic development would be in jeopardy if they failed. The Younger Pitt's first Ministry faced the problem in the first of these wars, that from 1793-1802 against Revolutionary France. To check French maritime expansion, Ministers primarily trusted to Britain's own efforts: when war broke out, the Royal Navy was able to establish an early, though often precarious, superiority over the French at sea. However, security afforded by control of the seas would be eroded away if France establish military and commercial supremacy in Europe: there was the decisive theatre of war. The lesson handed down by William III was that an effective continental barrier could be formed against France only through co-operation with the other Powers of Europe. Unfortunately, complications had arisen in the course of the eighteenth century as to 'with whom?' and 'how?' to co-operate. These were problems basic to the formulation of British war policy, problems which suddenly confronted Pitt and his colleagues at the end of the year 1792 and which pressed urgently for solution in February 1793.

II. The Netherlands and the Austrian connection

Until the last part of 1792 British foreign policy was indifferent to the outcome of the French Revolution. When war broke out between France and the two German Powers, Austria and Prussia, in that year, the British government adopted the line of a rather complacent neutrality. Writing to his brother on 7 November the Foreign Secretary, Lord Grenville, expected that in the next year, 1793, Britain would again do nothing.¹ But events in November 1792 changed all this: within two weeks of Grenville's forecast the French overran the Austrian Netherlands; on 16 November they challenged the Dutch right to close the River Scheldt by declaring it open to all navigation; and on 19 November the National Convention offered its assistance to all peoples who desired to regain their liberty. Faced suddenly with this blow to Britain's traditional interest in keeping the French out of the Netherlands, with the threat to their newly regained influence over the Dutch government,² and with panic in Britain at the apparent

1. Memoirs of the Courts and Cabinets of George the Third, ed. the Duke of Buckingham, II (London, 1853), 223. Letter to the Marquis of Buckingham.

2. In 1787-8 by means of an alliance with Prussia, Pitt's administration had supplanted French influence in Holland, predominant since the 1750s. The Dutch government then joined Britain and Prussia in the Triple Alliance of 1788.

prospect of an imminent French-assisted internal insurrection, the British Ministers were abruptly awakened from their complacency. The internal crisis, largely one of confidence rather than any serious threat, was soon brought under control by mobilising part of the militia, encouraging anti-revolutionary associations and propaganda, and restricting the influx of aliens into the country. Nevertheless, while the French adhered to the decree of 19 November the menace could not be wholly eradicated.

The danger to British interests on the continent was more real and the remedy far more difficult. British interests in the Austrian Netherlands were connected with two vital issues - defence and trade. Austrian rule had been secured by Britain and Holland in the Barrier Treaty of 1715 with the intention of preventing these formerly Spanish provinces from being overrun by the French and used either as a base for an attack on British North Sea trade, or for an invasion of Britain or Holland - if Holland were forced into the French system, the Dutch fleet and commerce would fall under French control and the whole coast of north-west Europe would soon follow. To these strategic motives for British interest in the Netherlands were added commercial ones. The Barrier Treaty of 1715 had

allowed considerable commercial advantages to Britain and Holland, and, even after these were abolished in the 1750s, the Austrian Netherlands still, in the 1770s and '80s, provided Britain with one of its three largest favourable trade balances in Europe. As an entrepôt in the late 1780s, they provided the main entry point into Europe for British East Indian goods.¹ Since the other two largest favourable trade balances were with Holland and Germany, both of which were likely to be destroyed if the French extended their dominion northwards, the need to keep the Netherlands independent of France was of key importance.²

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1. J. Ehrman, The British Government and commercial negotiations with Europe 1783-93 (Cambridge, 1962), 144-8; B. M. Add. Ms. 38, 394 (Liverpool Papers), f. 97v ff., Report of the Committee of Trade to the Duke of Leeds, 6 January 1791.
 2. For exposition of this importance in the voluminous pamphlet literature of the eighteenth century see The Spirit of France and the political maxims of Lewis XIV laid open to the world (1689), 41; Daniel Defoe, The two great questions considered (1700), 22, 24-5; The dangers of Europe from the growing power of France (1702), 8-11; The case of the Hanover forces in the pay of Great Britain impartially and freely examined (1743), 48; John Campbell, The present state of Europe (1750), 208; Three words on the war (1793); Josiah Durnford, The motives and consequences of the present war impartially considered (1793), 36; Review of the events and treaties which established the balance of trade in favour of Great Britain (1796), 76, 96, 136-7, 152.

Pitt's administration always showed itself fully aware of these considerations. In 1785, when declaring his opposition to the Austrian proposal to exchange the Netherlands for Bavaria, Pitt himself went on to state that Britain could never allow the Netherlands to be traded to a weak prince who would be dependent on France, for then, in wartime, Britain would have no port between Cape Finisterre and the point of Jutland where its ships could expect a friendly reception, while in peacetime the French would dictate to the Netherlands in matters of trade and drive out British goods.¹ This principle was repeated when the Belgians rebelled in 1789. Pitt then declared that the maintenance of the independence of the Netherlands from France was 'undoubtedly worth the risk or even the certainty to this country of ... a war.'² Now, at the end of 1792, Grenville reiterated this doctrine when he warned the French that 'this government, adhering to the maxims which it has followed for more than a century, will also never see with indifference that France shall make herself, either directly or indirectly, sovereign of the Low Countries ...'³

1. Paul Bernard, Joseph II and Bavaria (Hague, 1965), 213.

2. B. M. Add. Ms. 28, 068 (Leeds Papers), f. 358, Memoranda in Pitt's handwriting, 1789.

3. Parl. Hist., XXX, col. 255, Grenville to Chauvelin, 31 December 1792.

Some of the worst fears of the British government seemed to be confirmed immediately the Netherlands fell to the French. The French decision to open the Scheldt was not only a direct violation of Dutch rights by the Treaty of Munster of 1648, but it was also seen as a direct attempt to overawe Holland. This was a threat which the British Ministers were bound to resist out of loyalty to their ally and to maintain their own dominant influence in Holland. They therefore decided to adopt a firm line themselves and forced the more hesitant Dutch to take a firm line also.¹

Having decided on its policy, the British government not only began to put its own forces in a state of readiness, but also to look for continental backing. On 13 November it informed the Prussian and Austrian governments of its determination to stand

1. Ibid.; J. Holland Rose, William Pitt and the Great War with France (London, 1911), 80: Minute by Pitt of his meeting with Maret, 2 December 1792; B. M. Add. Mss. 34,445-7 (Auckland Papers), passim. Though the British government took one of its main stands on the sanctity of Treaties against unilateral abrogation, Britain had been prepared in 1780 and 1784 to allow the Austrians to open the Scheldt if they could. This inconsistency can only really be explained in terms of a determination to uphold its own newly won dominance in Holland. (P. R. O. State Papers Foreign, series 80, vol. 223, Stormont to Keith, 8 August 1780; Foreign Office Papers, 7/8, Carmarthen to Keith, 11 May, 8 November 1784.)

by Holland and asked for a confidential communication of their objectives in the war.¹ At the beginning of December Grenville made separate representations to Austria and Spain on the need for European concert as security against French aggression and he expressed his wish for a confidential exchange of views leading to a close association with each of the two Powers.² At this stage, however, lack of information on the intentions of the other European Powers prevented Ministers from forming any precise plan of action. When the Empress Catherine II of Russia proposed a European concert Grenville, though expressing a general approval, had to ask for an elaboration of Russian views.³ When the Prussians asked how Britain intended to defend Holland, Grenville could only reply that its assistance would probably be confined to naval forces

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1. B. M. Add. Ms. 34, 445 (Auckland Papers), Grenville to Sir Morton Eden at Berlin and to Alexander Straton at Vienna, 13 November 1792, also Grenville to Eden, No. 19, Secret, 13 November 1792 (copies). Grenville explained that his request was made with a view to British mediation in the war.
 2. A. von Vivenot, Quellen zur Geschichte der deutschen Kaiserpolitik Österreichs während der französischen Revolutions-Kriege (Vienna, 1873-90), II, 393. Count Stadion to Philip Cobenzl, 7 December 1792; P. R. O., FO 72/25, Grenville to Francis Jackson, No. 8, 5 December 1792.
 3. B. M. Add. Ms. 34, 446 (Auckland Papers), Grenville to Vorontsov, 20 December 1792 (copy).

but that he could not give a precise answer until he knew how Prussia would fulfil its part of the Triple Alliance.¹ It was only when the French made an unfavourable reply to British protests that the British government finally decided to wait no longer for information on the views of the European Powers but to come forward with definite proposals of its own.

On 29 December 1792 Ministers made their first proposal for a European coalition. Grenville wrote to St. Petersburg taking up Catherine's suggestion and proposing that the Powers of Europe should concert peace terms to put to France and should back them up by force if rejected. He also suggested various ways in which British and Russian forces might co-operate in the event of war and added that if that eventuality arose they would be justified in exacting an indemnity from France for their expenses and efforts.² These proposals were also sent to the other major Powers of Europe and,

1. Ibid., f. 287, Jacobi to Grenville, 27 November, Grenville's reply (f. 289 ff.), 22 December 1792 (copies).

2. P.R.O., FO 65/23, Grenville to Charles Whitworth, No. 13, 29 December 1792: the peace terms to be offered were that France should abandon its conquests, withdraw any decrees injurious to other nations, and give a public pledge not to excite disturbances against other governments. In return the European Powers would pledge themselves not to interfere in France's internal affairs.

to hasten the long-awaited explanation of the views of the two German Powers, Sir James Murray was sent to Frankfurt to negotiate directly with the king of Prussia at his campaign-head-quarters.¹

Hitherto the British Ministers had recovered well from the shocks of early November, but in January and early February 1793 they found the situation slipping out of their hands once more. Despite this they allowed relations with France to deteriorate into war with very little circumspection. It was only at the very last moment that they tried to hold back the course of events till they were more fully prepared both diplomatically and militarily.² By then it was too late and in consequence Britain had to adapt its foreign policy and its military operations to events. Its war policy was thus dictated by the circumstances in which the war began and having lost the initiative, try as it might, it never regained it.

In the first place it only became apparent on 12 January why Prussia and Austria had been so reticent about revealing their

1. P. R. O., FO 29/1, Grenville's instructions to Murray, 4 January 1793. The proposal was sent to the Hague, Berlin and Vienna (B. M. Add. Ms. 34, 446, f. 292 ff.), also to Madrid (P. R. O., FO 72/25, Grenville to Jackson, No. 10) and later, on 10 January 1793, to Turin (P. R. O., FO 67/11).

2. See below, p. 19, footnote 2.

objects. On that day the Prussian and Austrian ministers in London, Baron Jacobi and Count Stadion, called on Lord Grenville and informed him that they intended to indemnify themselves for the expense of the French war, Prussia by participating with Russia in a new Partition of Poland, Austria by exchanging the Netherlands for Bavaria.¹

This unwelcome news confronted Grenville and his colleagues squarely with the problem of Britain's relationships with the two German Powers - the two Powers on whom it would depend most on the continent in the event of war. Britain had been in alliance with Prussia since 1788, though this alliance was really only nominal after 1791, when public opinion forced Pitt to back down from supporting Prussia in a confrontation with Russia in that year. Now even this tenuous relationship was threatened by Prussian action in Poland. Grenville declared British opposition to a scheme to rob a neutral and unoffending nation,² but it was already too late: on 14 January Prussian troops marched into Poland to occupy their

1. F.R.O., FO 64/27, Memorandum by Lord Grenville of his conversation with Jacobi and Stadion, 12 January 1793.

2. Ibid.

share of the spoils, and on 23 January Prussia signed a treaty with Russia to defend each other's spoils against opposition from other Powers.¹ As the crisis with France deepened, and the Prussian fait accompli became apparent, the British government had to step down from its high moral tone and find a compromise. On 20 January Grenville wrote to Murray at Frankfurt expressing 'much concern and regret' at the Prussian action in Poland, but he also emphasized his regret if this were to produce coldness and distance between Britain and the German Powers. He pointed out that though Britain disapproved of, and could never be a party to, the partition of Poland, nevertheless it had no engagements to Poland and no intention of interfering by force.² British Ministers, therefore, through force of necessity, chose to deplore the conduct of the German Powers in Poland but to co-operate and concert with them against France. They chose to ignore differences on policy in the east in the illusion that in this way they could maintain the Prussian alliance in the west. This point was made perfectly clear on 6 February when Grenville wrote to Murray

1. This Treaty of St. Petersburg gave effect to the new Partition of Poland. It was kept secret for the moment even from Austria, which was trying to delay the Partition till it secured its own indemnity by the Bavarian exchange.

2. P.R.O., FO 29/1, Grenville to Murray, No. 2, 20 January 1793.

that the Polish business was of a nature entirely unconnected with the settlement of affairs with France and that Britain sought a concert solely on the latter issue.¹

Unfortunately such distinctions were impossible for the German Powers and Russia. Their interests in Poland continually interfered with their policy in the war against France and this proved a perpetual hindrance to British hopes and plans. In fact the British government was faced with an insoluble difficulty on this issue. The Partition of Poland was an event beyond British control. Public opinion in Britain abhorred it and would have opposed the Ministers had they been inclined to associate Britain with it in any way. On the other hand the Ministers' policy of trying to ignore Poland completely was disastrous. Because they excluded it from all negotiations for concert and co-operation, they were never able to understand fully the policies of the German Powers and consequently never able to assess the impact that the Polish question would make on the execution of British war policy against France.

For the moment, however, by ignoring Poland, Britain retained the appearance of alliance with Prussia. With Austria on

1. Ibid., Grenville to Murray, No. 3, 6 February 1793.

the other hand it had no alliance. The Old System, the alliance between Britain, Austria and Holland, which formed the main basis of British foreign policy after 1689, had broken down in 1756 when Austria sought a rapprochement with France in order to concentrate on its new rivalry with Prussia. While the Franco-Austrian alliance lasted, from 1756 to 1791, successive British governments made frequent attempts to overturn it and to restore the Old System,¹ but strangely when it did break down in 1791,² the British government had not taken advantage of the breach to restore the former connection with Austria. Ministers had burnt their fingers in the Ochakov crisis

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1. See H. F. Schwarz, 'The Political relations of Great Britain and Austria during the reign of the Emperor Joseph 1763-83' (unpublished B. Litt thesis, Oxford, 1931) for overtures in 1763, 1765, 1779, and 1780. The last overtures made were in 1784 and 1787 by Lord Carmarthen, Grenville's predecessor as Foreign Secretary in the Pitt administration, see Carmarthen to Keith, 23 January 1784 (P. R. O., FO 7/8), 7, 21 September 1784 (FO 7/13), 3 April, 1 August 1787 (FO 7/13).
 2. Due to French encouragement of the Belgian rebels and Austrian concern for the safety of the French royal family (the Queen of France was the Emperor's sister).

with Russia and wished to keep out of Europe;¹ they distrusted the Emperor Leopold II;² and they had no desire to become involved in the war between France and Austria which broke out in April 1792. This latter made the prospect of renewing the Austrian alliance so remote that Sir Robert Murray Keith, minister in Vienna since 1772, obtained his recall,³ and throughout the autumn and winter of 1792 Britain was only represented at Vienna by the Secretary of Legation, Alexander Straton.

Once the crisis broke, however, three factors determined that Britain should seek closer relations with Austria and that the Austrian connection should dominate its war diplomacy and strategy.

The first of these was that the crisis resulted from the Austrian Netherlands being overrun by the French. Britain's whole policy for this area was based on the maintenance of Austria

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1. Bod. Lib., Mss. of Sir James Bland Burges, 'Transcripts of political papers of Col. Burges 1747 and Sir James Burges 1789-92, 1814-16', f. 74, Burges to Auckland, 17 March 1792. Burges was Under-Secretary of State at the Foreign Office.
 2. Historical Manuscripts Commission, Report on the Manuscripts of J. B. Fortescue, Esq., Preserved at Dropmore (1892-1927), II, passim.
 3. Nat. Lib. Scot., Ms. 6524 (Melville Papers), f. 87, 90, Sir R. M. Keith to Dundas and Grenville, 8 May 1792.

in the Netherlands as a defence for those provinces and Holland against France. This in itself inevitably necessitated some sort of connection, and this had been one of the main bases of the Old System: the Duke of Newcastle in 1752 described the Netherlands as '... the cement of union between the Maritime Powers and the House of Austria';¹ and Grenville in 1793 was to declare that the basis of an Anglo-Austrian connection 'must be, as it always has been, the retaining the Low Countries under the lawful Government of the House of Austria, to serve as an effectual barrier against the aggrandizement of France in that quarter.'²

Austrian possession of the Netherlands therefore was the keystone of the connection with Austria. It was 'the real bond and interest, the casus foederis of every treaty that ever was, or can be made, between this country and the House of Austria.'³ Hence the particular approach to Vienna reported by Stadion on 7 December 1792.⁴

1. P.R.O., S.P.F. 80/188, Newcastle to Keith, 21 January/1 February 1752.

2. P.R.O., FO 7/33, Grenville to Sir Morton Eden, No. 4, 12 July 1793.

3. Considerations upon the state of public affairs at the beginning of the year 1798 (1798), II, 27.

4. See above, p. 8.

The second factor leading to a greater commitment towards Austria than to any other Power was the news of 12 January that Austria intended to exchange the Netherlands for Bavaria. Grenville's initial reaction was not completely unfavourable - apparently because he saw that, in order to carry out the Bavarian Exchange, Austria would first have to reconquer the Netherlands.¹ But he soon had second thoughts: firstly, he foresaw practical difficulties in reconquering the Netherlands if the inhabitants knew they were to be exchanged to the Elector of Bavaria;² and secondly, the old fears for the future security of the Netherlands soon prevailed. On 5 February Grenville told Stadion that if the Bavarian Exchange were effected, the Ministers much doubted 'whether the Palatinate and those Provinces [i. e. the Elector's dominions] would not necessarily form so defenceless a territory as always to be exposed to the invasion of France, necessarily to fall under its influence.' In order to encourage the

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1. B. M. Add. Ms. 34,447 (Auckland Papers), Grenville to Auckland, No. 6, 15 January 1793; P. R. O., FO 64/27, Grenville to Eden, No. 5, 5 February 1793.
 2. Grenville to Auckland, No. 6, 15 January, op. cit.; P. R. O., FO 7/32, Mémoire by Lord Grenville of his conversation with Count Stadion, 5 February 1793.

Austrians to retain the Netherlands, he therefore suggested the propriety of adding a new barrier to them.¹ It was the need to influence Austria into adopting this suggestion that was to be the main guide to British diplomacy and strategy in the early years of the war. On the same day as he saw Stadion (5 February) Grenville ordered Sir Morton Eden to go from Berlin to be the new Minister at Vienna, with instructions to 'take every opportunity of endeavouring to cultivate the most perfect good understanding with the Court of Vienna.'²

The third factor bringing Britain and Austria together was the way in which the British were gradually drawn into military co-operation with the Austrian army in the Netherlands. This had formed no part of British plans before the war: Ministers had hoped to avoid being sucked into the continental war and planned

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1. Ibid., Grenville's suggestion probably stemmed from a report by Murray on 19 January (FO 29/1), received on 27th, that the Austrians were thinking of adding Lille and Valenciennes to the Netherlands to make them more attractive to the Elector of Bavaria and his heirs.
 2. P.R.O., FO 64/27, Grenville to Eden, No. 5, 5 February 1793. Sir Morton Eden (1752-1830) was the youngest brother of Lord Auckland. He entered the diplomatic service in his early 20s and was minister to Bavaria, the Imperial Diet, Denmark, Saxony, and Prussia before going to Vienna. See Dictionary of National Biography, XVI and Complete Peerage, VI (as 1st Baron Henley).

instead to conduct amphibious operations, in co-operation with Russian troops, along the French coast.¹ Unfortunately the crisis broke before the Dutch were ready to defend themselves and before the 13,000 Hanoverian troops which Britain was contributing to their defence could arrive.² On 1 February 1793 France declared war on Britain and Holland, and on 16 February French troops crossed the Dutch border. In response to desperate appeals from the Hague, the British government was obliged to send the Duke of York with two brigades of British infantry to help the Dutch, and it took steps to hire 8,000 Hessians to be used initially for the same purpose. Thus at the very beginning of the war the small striking force at the Ministers' disposal was immediately tied down to the defence of Holland.

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1. P.R.O., FO 65/23, Grenville to Whitworth, No. 13, 29 December 1792; B.M. Add. Ms. 34,449 (Auckland Papers), Dundas to Murray, No. 14, 16 April 1793 (copy).
 2. Because of this unpreparedness the British government tried to delay the outbreak of the war in the first week of February by seeking to open a negotiation with the French by way of General Dumouriez, their commander in the Netherlands. It was also hoped that this might give time to come to an understanding with the German Powers. (B.M. Add. Ms. 34,447, Grenville to Auckland, Nos. 17, 18, 4 February, Private, 5 February; P.R.O., FO 64/27, Grenville to Eden, Nos. 5, 6, 5 February; FO 29/1, Grenville to Murray, No. 3, 6 February 1793.)

It was not the British army, however, but the Austrian which saved Holland. Taking the offensive in March the Austrians defeated the French at Aldenhoven (1 March), Neerwinden (18 March) and Louvain (22 March). By the end of the month they had driven the French back across their own frontier. Within two months of going to war two of the main British objects were achieved: Holland was safe and the Austrian Netherlands recovered. But despite this happy outcome Ministers determined to leave the British troops in the Netherlands and even to reinforce them. In this way it was hoped to help the understrength Austrians to press their advantage until the rest of their army arrived from Germany.¹ George III proposed a British attempt to surprise Dunkirk so that heavy artillery could be brought up quickly by sea from Holland and the French frontier fortresses besieged as soon as possible.² This project was taken up by his Ministers, and on 3 April Grenville instructed his ambassador in Holland, Lord Auckland, to offer it

1. H. M. C. Dropmore, II, 388, Pitt to Grenville, 1 April 1793.

2. Ibid., II, 387, George III to Grenville, 29 March; J. Holland Rose, Pitt and Napoleon: Essays and Letters (London, 1912), 224, George III to Pitt, 29 March 1793.

to the Austrians at a four-Power conference at Antwerp to be held on 7th.¹

Even now the Ministers believed that they were retaining their freedom of action. Pitt proposed to withdraw the British troops from the Netherlands when Austrian reinforcements arrived and when British preparations for other operations were completed. On 4 April he told the Duke of Richmond that expeditions against the French coast and French West Indies would be their principal object as soon as possible.²

A maritime policy was the one advocated by popular opinion. Ministers were fully aware that 'there exists in this country many strong prejudices against continental wars; and, with many, a strong prepossession against the strength of the country being directed in any other channel than that of naval operations.'³ There was considerable distrust of the German

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1. B. M. Add. Ms. 34,449 (Auckland Papers), Grenville to Auckland, No. 42, 3 April 1793. Prussia and Holland were the other Powers represented.
 2. H. M. C. Dropmore, II, 388, Pitt to Grenville, 1 April; Camb. Univ. Lib., Add. Mss. 6958/7 (Pitt Papers), Richmond to Pitt, 5 April 1793.
 3. B. M. Add. Ms. 34,449 (Auckland Papers), Dundas to Murray, Private, 16 April 1793 (copy).

Powers largely due to their conduct in Poland. The Opposition in Parliament and the Press used the new partition to show that no reliance could be placed on the good faith of Russia, Prussia and Austria, and it warned that if Britain were to co-operate with them against France it might find itself wasting its blood and treasure for objects which the British people had no wish to see accomplished.¹ This distrust of the German Powers was also shared by some members of the Cabinet. In particular the Master-General of Ordnance, the Duke of Richmond, was strongly opposed to any co-operation with the Powers on the continent. He urged that Britain could have little influence in a continental campaign and might find itself the dupe of the German allies. The only way to be sure of securing British interests was by directing British operations against French ports. Because of this, and because he

1. Parl. Hist., XXX, Debates of 12 February (cols. 373, 395), 18 February (cols. 428-31, 439), and 25 April 1793 (cols. 707-10, 721, 723); also Letters on the subject of the concert of Princes and the dismemberment of Poland and France (1793), 119 ff., Letters 7 and 8, 25, 29 March, 10 April 1793 (first published in the Morning Chronicle); Comments on the proposed war with France (January 1793), 24; A speech in which the question of a war with France is stated and examined by a lover of his country (1793). Even Pitt spoke against the Polish partition in Parliament on 25 April 1793 (Parl. Hist., XXX, col. 718). The Austrians were very conscious of this feeling and fearful of its effects - see Quellen, III, 143, Thugut to Cobenzl, 12 July 1793 (following the debate of 17 June, Parl. Hist., XXX, col. 997).

was afraid that the Duke of York's impetuosity might commit the British troops beyond recall, he advocated the immediate withdrawal of British forces from the continent.¹

Against this view Pitt, Grenville and Dundas, the three directing Ministers in the Cabinet, had a pressing political reason for keeping British troops on the continent: they wished to encourage the Austrians to retain the Netherlands and hoped to clinch this by helping them conquer the French frontier fortresses. When Auckland reported that the Austrian representatives at Antwerp seemed personally favourable to British plans, the troops remained.² On 16 April Dundas, who had charge of the armed forces, ordered preparations to begin for the siege of Dunkirk. He explained to Sir James Murray, now the Duke of York's chief of staff, that the Ministers considered the gaining of a new barrier and the preserving of the Netherlands to Austria as essential to the tranquility of Europe and the safety of Holland. The Duke was authorized to co-operate in these objects 'notwithstanding the

1. Camb. Univ. Lib., Add. Mss. 6958/7 (Pitt Papers), Richmond to Pitt, 3, 5 April 1793.

2. P.R.O., FO 37/47, Auckland to Grenville, Nos. 73, 74, 8, 9 April 1793.

difficulties and embarrassments to which it may expose His Majesty in the prosecution of other important objects.¹ It was hoped that the early capture of Dunkirk by a royal Duke would counter the national prejudice against continental involvement.¹

However, the personal opinion of Austrian officials at Antwerp was not the same as an official declaration by the Austrian government that it would retain the Netherlands if strengthened, and until a full explanation of Austrian views and objects was received there were still grounds for anxiety. Grenville had proposed twice, on 5 and 15 February,² that the German Powers should send plenipotentiaries to Britain or Holland to arrange a concert, but though the Austrians announced that they would send their veteran diplomat Count Mercy to London, his departure from the Netherlands was continually delayed. This alarmed the Ministers, who had even sent a frigate to Holland to fetch him. Dundas warned Murray that they could not 'give a blind co-operation to measures not distinctly

1. B. M. Add. Ms. 34,449 (Auckland Papers), Dundas to Murray, No. 4 and 'Private', 16 April 1793 (copies).

2. P. R. O., FO 64/27, Grenville to Eden, Nos. 5, 6, 5 February; FO 7/32, Grenville to Stadion, 15 February; FC 29/1, Grenville to Murray, No. 3, 6 February, No. 6, 15 February 1793.

explained',¹ and Grenville also declared that Austria must give a full explanation before the British government could decidedly adopt its line of operations on the continent.²

It was not till 27 April that any form of explanation was received in London. In the meantime Dunkirk had been found to be too strong for the British forces alone to attack, and Murray reported that the only employment left to them was to co-operate more closely with the Austrian army as its commander, the Prince of Coburg, was urging.³ In this context the explanation given by the new Austrian Director-General of Foreign Affairs, Baron Thugut, was far from reassuring. He was willing to give up the Bavarian Exchange for the sake of a British alliance, though he would not pledge its permanent renunciation. Moreover he wanted Britain to use its influence to persuade Prussia and Russia to give up the partition of Poland, and he warned that, failing this and failing an indemnity from France, Austria would have to secure an

1. B. M. Add. Ms. 34, 449 (Auckland Papers), Dundas to Murray, Private, 16 April 1793.

2. Ibid., f. 232, Grenville to Auckland, No. 46, 23 April 1793.

3. J. B. Fortescue, History of the British Army (London, 1899-1930), IV, 89.

equivalent in Poland or 'elsewhere'.¹ Since Mercy's mission was cancelled at the same time, there seemed much truth in Auckland's remark that the Austrians appeared to be relying on the supposed necessity of Britain's continuing the war to produce its co-operation in Austrian projects without further explanation.²

This undoubtedly accounts for the icy interview which Grenville gave to Stadion on 3 May. He told the Austrian that the Duke of York was to be ordered to curb the ardour with which he complied with Austrian wishes. He could not be allowed to follow a foreign lead, the motives of which were unknown. It was only by protesting that this might have ruinous consequences on the campaign in the Netherlands that Stadion managed to get this order suspended. Next day Grenville declared that it was now too late and beyond Britain's power to interfere in Poland. In any case he had no wish to alienate Prussia and Russia who were needed against France. He repeated his opposition to the Bavarian Exchange and gave a very cold reception to talk of the need for closer rapprochement between Austria and Britain.³

1. P. R. O., FO 7/33, Eden to Grenville, No. 15, 15 April 1793.

2. B. M. Add. Ms. 34, 449, Auckland to Grenville, No. 87, 29 April 1793 (copy).

3. Quellen, III, 69-74, note given by Stadion to Starhemberg on

On the other hand Stadion was now instructed to express Austrian recognition of the need for a new barrier for the Netherlands and willingness to besiege the French fortresses, and a few days later the Ministers received Coburg's detailed plan of campaign. In it Coburg requested British co-operation to besiege Condé and Valenciennes, which were expected to fall by the end of July. Thereafter Coburg promised in return to assist the Duke of York against Dunkirk.¹ It was probably as a result of these developments that when, on 10 May, Stadion had a further conference with Grenville, he found the Foreign Secretary far less inflexible. Grenville not only expressed approval of the Austrian plan of campaign, but asked for more information on Austrian ideas for the bases of a concert between the two Powers so that he could report them to the Cabinet. Stadion hastened to comply and to provide details of the new barrier envisaged by Austria, and on the same day Dundas sent to Murray the Cabinet's authorisation to

1. Ibid.; Hist. of British Army, IV, 90.

participate in the Austrian plan of campaign.¹

In his orders to Murray, Dundas repeated that British participation depended on a full explanation of views by all the Powers and by Austria in particular, but this demand was now almost a formality. Ministers were obviously satisfied with the explanations so far received or they would not have agreed to co-operate in Coburg's plans. In any case it was no longer possible to set conditions on their co-operation for British forces had now been drawn in beyond recall. On 1-2 May they had helped to repulse a French attack near Condé and their withdrawal would expose the entire Netherlands front to collapse. In normal circumstances this might have strengthened Britain's diplomatic-bargaining position but now it weakened it, for Britain, not Austria, was the most interested in seeing the latter retain the Netherlands, and this

1. Quellen, III, 72-3, Stadion's note of 24 May; P.R.O., FO 7/33, Extract of a despatch from Count Cobenzl to Count Mercy, 26 March, communicated by Stadion, 10 May 1793; Hist. of British Army, IV, 90. Cobenzl's optimum was to reduce France to its 'ancient limits' by taking French Flanders, Alsace, Lorraine, and the Three Bishoprics. As a minimum he expected the fortresses along the Sambre and Meuse across to Luxembourg, together with Alsace and a frontier at the Vosge Mountains.

effectively deprived the British government of its freedom of choice in military co-operation there.¹ An additional obstacle to the withdrawal of British troops also appeared in George III's concern for the career of his favourite son, the Duke of York.² Once British troops were committed, even temporarily, in Flanders, it became a trap from which it was impossible to extricate them. In fact far from being able to withdraw their troops for alternative operations, Ministers found in September

1. As late as 16 April Ministers believed they retained freedom of choice: Dundas explained to Murray that after the Dunkirk operation it was hoped to use the British troops on other British operations unless it was 'truly essential' to the success of Coburg's operations for them to stay - one can hardly imagine any general willingly releasing troops when such a loophole was open to him, and Dundas's hopes proved vain.
2. See A. Aspinall, The later correspondence of George III (London, 1963), II, 105. Dundas to George III, 2 October 1793. Dundas complained angrily of royal interference to Abercromby on 13 October (Hist. of British Army, IV, 146). The Austrians fully appreciated George III's special regard for his son and did all they could to take advantage of it by showering compliments and honours on the Duke. (See H. M. C. Dropmore, II, 421, Grenville to Elgin, 4 September; A. von Vivenot, Vertrauliche Briefe des Freiherrn von Thugut (Vienna, 1872), I, 17, 56, 57. Thugut to Colloredo, 2 June, 12 November 1793.) It was probably to end this restriction that the Ministers sought an excuse to recall the Duke of York (H. M. C. Dropmore, II, 446, Buckingham to Grenville, 16 October 1793).

and October that they had to withdraw other troops collected for these alternative operations and send them to Flanders as a temporary reinforcement to prevent that front from collapsing.¹

For all these reasons, largely centring on the Netherlands, Britain became inextricably committed to co-operation with Austria in particular among the Powers fighting France, and for very different reasons this co-operation was reciprocated in Vienna.

III. Baron Thugut and the British connection

It was not until 23 March that the terms of the Prusso-Russian treaty of 23 January became known in Vienna, and only then did the Austrians realize the full extent of their diplomatic defeat. They had failed to prevent the two Northern Powers from partitioning Poland until Austria could exchange the Netherlands for Bavaria. A far greater extent of Poland had been taken than expected, and Prussia and Russia had bound themselves to defend their gains against all opposition. All Austria would receive was a mere promise that they would help to facilitate the Bavarian Exchange at a future date if Austria ratified the partition treaty at

1. Hist. of British Army, IV, 141, 144, 146.

once. The projects of the directors of foreign policy, Count Philip Cobenzl and Baron Spielman had left Austria isolated and powerless, and on 27 March they were dismissed. In their place was appointed Baron Thugut with the task of re-establishing Austria's diplomatic position.¹

It was not in Thugut's nature to adopt so simple a solution as either to concede the Polish Partition or to abandon the French war so as to concentrate all Austrian efforts on one object alone.² A man of dogged courage which at times degenerated into blind obstinacy, he would persevere with even the most desperate

1. Johann Amadeus Franz de Paula, Baron Thugut (1736-1818). Of humble origins he rose to his rank and honours through the Austrian diplomatic service. In 1793 he was probably the most experienced Austrian diplomat after Count Mercy, having served as minister at Constantinople, Warsaw and Naples, besides being sent on several missions to France, to Frederick the Great in the Bavarian war, and to the Austro-Russian army in the Turkish war. A counsellor hitherto in the reign of Francis II, he owed his appointment largely to his connection with Count Franz Colloredo, the Emperor's Minister of Conferences and former tutor. (Allgemeine Deutsche Biographie, (Leipzig, 1894), XXXVIII, 138-58, article by H. von Zeissberg, which is more reliable than that in Wurzbach, Biographisches Lexikon des Kaiserthums Oesterreich (1856), XL, 1 ff.)

2. Cf. The criticism of H. von Sybel, The French Revolution (Eng. trans. by Perry, London, 1867), II, 475, and Luckwaldt in H. Hüffer, Der Frieden von Campo-Formio (Leipzig, 1907), p. xli. Neither make allowance for the complexities of Thugut's position.

policies in the hope that eventually he might be able to turn defeat into success.¹ But in any case the solution to Austria's problems was not this simple. Thugut was unwilling to abandon the French war because he saw prospects of aggrandizement in France, and also he seems to have possessed a genuine hostility to the French Revolution and a realization of its dangers if not kept in check.² Moreover if Thugut had abandoned the French war and concentrated wholly on opposing the Polish partition, Austria would have stood alone against Russia and Prussia, for Britain would not help and a French alliance was undesirable, impracticable and unlikely to achieve the desired object. On the other hand Thugut felt that if he conceded defeat immediately on Poland then Austria would have no hold over Prussia to enforce its continuation in the war. Thugut had a passionate hatred and distrust of Prussia,³ but he preferred to see it involved in the French war, where it

1. See Vertrauliche Briefe, I, 30, 101-2, 330-1, 332, 371.
2. Frieden von Campo-Formio, p. xl; Quellen, III, 26, 309; Vertrauliche Briefe, I, 103; The Journal and Correspondence of William, Lord Auckland, ed. Hogge (1861-2), III, 43-4, Quintin Craufurd to Auckland, 29 April 1793.
3. This permeates through all Thugut's private correspondence. See Vertrauliche Briefe, I, 15, 16, 27-8, 35, 37, 46, 61, for the year 1793 alone.

might possibly be of some little use, rather than free to conspire against Austria outside it. Consequently he intended to withhold assent to the Treaty of 23 January for as long as possible in order to force Prussia to continue the war.¹

All the possible solutions which Thugut devised to his difficulties rested on the co-operation of Britain, the only Power with whom Austria could act at that moment. His first hope was to secure a British guarantee of the Bavarian Exchange and British opposition to the Polish partition. However, he did not wish to press the Bavarian Exchange if this would alienate the British government. Since he had no confidence in Prussian and Russian promises he would then set it aside until some future opportunity and look for Austria's indemnity elsewhere.² The

1. P. R. O., FO 7/33, Eden to Grenville, No. 18, 24 April; Quellen, III, 54, Thugut to Starhemberg, 5 May 1793. Sybel and Luckwaldt condemn this policy because it finally alienated Prussia, but it is unlikely that the alternative - to accede to the Polish partition - would have procured more vigorous Prussian aid. As in 1792 the goodwill of the Prussian king would undoubtedly have vanished at the first defeat, while once the Polish indemnity was gained the Prussian ministers had no desire to continue the French war (see below, p. 63, footnote 2).
2. Quellen, II, 498-501, Mémoire by Thugut, March 1793, Mémoire to serve as instructions for Count Mercy, 18 March 1793; III, 24, Thugut to Mercy, 14 April; P. R. C., FO 7/33, Eden to Grenville, No. 15, 15 April 1793.

British were hinting that Austria might obtain a new barrier for the Netherlands and the rapid success of Coburg's army in March offered good prospects of considerable gains at France's expense. This confirmed Thugut in his plan to secure a close understanding with Britain.¹ An alliance with Britain was indispensable, not only to break Austria's diplomatic isolation, but also to ensure British help to gain an indemnity from France, and also to help secure Prussian co-operation in the war.²

A British alliance therefore seemed to Thugut to be the answer to all Austria's immediate problems, and it also formed an essential part of his wider schemes. His main aim was to restore the Habsburg Monarchy to its former glory and dominance. With British help he hoped to weaken France substantially and permanently while Austria was proportionately strengthened. By allying with Britain, and by winning back Russia to its former alliance with Austria, he hoped to isolate Prussia. In this way the Habsburgs would again dominate central Europe. As Thugut wrote to his

1. Quellen, III, 53, Thugut to Starhemberg, 5 May; P.R.O., FO 7/33, Eden to Grenville, No. 24, 13 May 1793. Nevertheless if no indemnity could be obtained from France, Thugut was prepared to find it in Poland or 'elsewhere'.

2. Quellen, III, 52-5, Thugut to Starhemberg, 5 May.

friend and patron, Count Mercy, the alliance with Britain

offre encore dans un avenir plus ou moins éloigné la possibilité d'une triple alliance entre l'Autriche et la Russie, alliance dont l'Empereur serait le centre, et qui de toutes celles que la politique peut imaginer semble la plus avantageuse, la plus susceptible de stabilité et de durée ...

It was with these considerations in mind that Thugut applied himself at the beginning of May 1793 to securing a rapprochement with Britain. On 27 April he granted Count Stadion's request to be recalled² and ordered Count Starhemberg, the Austrian minister at the Hague, to move to London immediately as his replacement.³ Starhemberg was to conclude a Convention

1. Quellen, II, 505, Mémoire to serve as instructions for Mercy, 18 March 1793.
2. Eden reported that this was in order to restore his private affairs since his estates had been ravaged by the French (P.R.O., FO 7/33, Eden to Grenville, No. 18, 24 April 1793), although Wurzbach, Biographisches Lexikon, XXXVII, 37-43, suggests that it was due to ill-humour at Mercy's proposed mission to London.
3. Ludwig Joseph Max, Count Starhemberg (1762-1833), was the eldest son of Prince Starhemberg, the former ambassador to France and Minister in the Netherlands. He was relatively inexperienced: he had been sent on special missions to St. Petersburg in 1790 and London in 1792 to announce the accessions of Leopold II and Francis II, but his eight months in Holland, from September 1792, were his only experience of a major diplomatic post. For a brief biography see A. graf Thürheim, Ludwig Fürst Starhemberg (Graz, 1889). Lord Auckland had urged his brother in Vienna to press for the appointment of Starhemberg as Stadion's replacement because of his anglophile views. (B.M. Add. Ms. 34,450, Auckland Papers, Auckland to Eden, 12 April 1793.)

with the British Ministers for the continuation of the war against France. He was to ask for British help to stimulate Prussia into active operations by delaying the execution of the Treaty of 23 January and by replacing it with a new negotiation. Britain was also to be asked both to undertake vigorous maritime operations and to contribute a considerable body of troops in the Netherlands. As regards Austria's indemnity, Thugut demanded that it should be equal to that of Prussia and Russia, and he announced that he would seek it in France. Finally he instructed Starhemberg to sound out the British government's feelings on the formation of a close alliance between the two Powers.¹

IV. The formation of the First Coalition

Starhemberg arrived in London on 21 May 1793 and had his first conference with Grenville three days later. He was able to report that his overtures were well received. Ministers had been waiting for months for Austria to negotiate a Convention on the continuation of the war, and though their plans had not so far extended to permanent alliance with Austria, Grenville took up Starhemberg's

1. Quellen, III, 52-5, Thugut to Starhemberg, 5 May 1793.

approaches on this subject with enthusiasm also. Starhemberg reported the Foreign Secretary as repeating several times that no one desired more than he the re-establishment 'de ce qu'il appelle l'ancien système', that the alliance of their two Courts appeared to him one of the most natural and proper, and that he believed this to be the right moment to begin thinking of it seriously.¹

Grenville's language demonstrates how far the concept of the Old System was still a live force in British diplomatic thought.² Moreover now that Ministers planned to strengthen the Austrian Netherlands there was further reason for its resumption since, as Auckland pointed out, if they did not incorporate Austria into their alliance system, they would be creating a dangerous neighbour for Holland and one whose new advantages of position would operate against Britain in the event of future quarrels.³ There were also

1. Quellen, III, 79, Starhemberg to Thugut, 24 May 1793.
2. Equally significant Starhemberg's language also indicates how far the concept was absent from the thought of younger Austrian diplomats. It would seem that only the older Austrian diplomats, such as Thugut, had any reverence for the System (see below, p. 40 and P.R.O., FO 7/33, Eden to Grenville, No. 15, 15 April 1793).
3. B. M. Add. Ms. 34, 450 (Auckland Papers), Auckland to Grenville, No. 79, 19 April 1793 (copy).

other factors now favourable to such a union. The success of the campaign had produced a widespread admiration of the quality of the Austrian army among British troops and public.¹ George III himself mentioned to Starhemberg his satisfaction at the friendship of the British and Austrian troops in Flanders and added 'vox populi, vox Dei'. He confided to the Austrian minister in German 'Mein Herz ist Österreichisch und war es immer; die Gelegenheiten waren verschieden, aber die gute Zeit muss wieder kommen.'²

On the other hand there were still many hindrances

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1. See Journals and Correspondence of General Sir Harry Calvert, ed. Verney (London, 1853), 80, 83, 142; Life and Letters of Sir Gilbert Elliot, First Earl of Minto, from 1751 to 1806, ed. Countess of Minto (London, 1874), II, 157; A sketch of the campaign of 1793 (1795), 37; Reflections on the propriety of an immediate conclusion of peace (1793), 127.
 2. Quellen, III, 148, Starhemberg to Thugut, 12 July 1793. As early as 1771 George III had declared that 'I confess my political creed is formed on the system of King William. England in conjunction with the House of Austria and the Republic [of Holland] seems the most secure barrier against the Family Compact, and if Russia can be added to this, I think the Court of Versailles would not be in a hurry to commence hostilities.' J. B. Fortescue, The Correspondence of George III (London, 1927-8), II, 204. However, there were those who disapproved of any connection with Austria: see Letters on the subject of the concert of Princes and the dismemberment of Poland and France (1793), which objected to the instability of Anglo-Austrian relations in the past fifty years and the little security this gave for the future (p. lvii).

in the way of the re-establishment of the Old System. These delayed the signature of the Convention on the war for a further three months and they prevented the completion of an alliance between the two Powers for two more years.

The main obstacle was the natural wish of the British government to 'bring down every Power on earth to assist them against France.'¹ Just as Ministers planned wider military projects than mere co-operation with Austria in the Netherlands, so also their diplomatic objectives were far wider than mere co-operation with Austria. They wished to form the belligerent Powers into a workable coalition akin to the Grand Alliance against Louis XIV. Any engagement with Austria, however desirable, therefore had to be made to fit in with these plans and not override them. This was made plain to Starhemberg in his very first conference with Grenville. The Foreign Secretary refused finally and absolutely to intervene in Poland. The time was passed. They could not antagonize Prussia and Russia. They must confine themselves merely to preventing a recurrence of the abuse.²

1. Parl. Hist., XXX, col. 378, Dundas's speech to the Commons, 12 February 1793.

2. Quellen, III, 78, Starhemberg to Thugut, 24 May 1793.

This policy became even plainer during the negotiations for an Anglo-Austrian Convention. Britain had already concluded Conventions with Russia (25 March), Piedmont-Sardinia (25 April) and Spain (25 May), while negotiations were in progress with Naples and were completed on 12 July.¹ Four belligerent Powers still remained outside this framework - Austria, Prussia, Holland and Portugal. Grenville wished Holland to be included in the Conventions with Austria and Prussia, but Prussia was still holding back from communicating its views to the British government. To obviate any jealousy therefore, Grenville delayed the conclusion of the Convention with Austria until he had sent Lord Beauchamp to the

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1. The Convention with Russia served as the model for all subsequent Conventions. It engaged the signatories to make no peace with France until it had restored all conquests from them and their allies, and it bound them to close their ports to French ships and commerce and to prevail on neutrals not to trade in contraband of war with France. See F.F. Martens, Receuil des traités conclus par la Russie (St. Petersburg, 1893), LX (X), 358-61. The Sardinian Convention additionally engaged Britain to pay £200,000 to keep 50,000 Sardinian troops in the field, and to send a fleet to the Mediterranean. The Neapolitan Convention additionally engaged Naples to provide 6,000 troops and 12 ships (including 4 battleships) to co-operate in the Mediterranean with Britain, which would maintain a 'respectable fleet' there and protect Neapolitan commerce. See Parl. Hist., XXX, cols. 1030 f., 1033 f., 1050 f.

king of Prussia's headquarters to secure Prussian approval of a similar Convention.¹

This same anxiety to give no offence to other Powers was shown in the matter of the Anglo-Austrian alliance. Grenville approved the idea and suggested to Starhemberg that they begin working on its terms, but he also insisted on the greatest secrecy, especially towards their respective allies, and added that having agreed the basis and principles of the alliance they should wait for a more opportune moment to sign.² Naturally this circumspection little satisfied the Austrians. Count Mercy, to whom Starhemberg was directed to refer on all matters requiring immediate advice, complained that 'all this is not a very warm friendship' and demanded real proof of Britain's sincerity in wishing to ally with Austria.³

What most dissatisfied the Austrians was Grenville's

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1. Quellen, III, 121, Grenville to Starhemberg, 26 June, 145-6, Starhemberg to Thugut, 12 July; P. R. B., FO 29/1, Grenville to Beauchamp, Most Secret and Confidential, 27 June 1793.
 2. Quellen, III, 110, Starhemberg to Thugut, 14 June 1793. Postscript.
 3. Ibid., III, 83, Mercy to Thugut, 29 May 1793.

evasiveness on the indemnity question. The Foreign Secretary insisted that Austria must renounce the Bavarian Exchange as the condition for British support, but, while he agreed in principle to an Austrian indemnity in the Netherlands, he would not be drawn into a guarantee of specific territory. This might arouse Prussian jealousy and acquisitiveness and it would bind Britain to objects whose chance of attainment were not yet justified by the military situation. His early offer to include a separate and secret article in the Convention admitting the principle of an Austrian indemnity was not renewed.¹ Moreover Grenville wanted Austria to accept the principle of a Dutch indemnity and suggested that part of this might come from the Austrian Netherlands to meet the Dutch desire for security on their own frontier.² Finally, Austrian distrust was further increased by Grenville's failure to clarify Britain's own indemnity - here they were particularly concerned

1. Ibid., III, 109-10, Starhemberg to Thugut, 14 June, 121-2, Grenville to Starhemberg, 26 June, 178, Thugut to Starhemberg, 13 August; P.R.O., FO 29/1, Grenville to Beauchamp, Most Secret and Confidential, 27 June 1793.

2. P.R.O., FO 7/33, Grenville to Eden, No. 4, 12 July 1793.

about British plans for Dunkirk. All Grenville would say was that no settled plan of indemnities for the belligerent Powers could be formed while their conquests were undecided, and Britain was ready to reach an understanding when the time came.¹

Thugut was prepared to go some way towards meeting Grenville's wishes. He was willing to renounce the Bavarian Exchange in private.² He no longer pressed Britain to oppose the Polish Partition, though he insisted that Prussia and Russia should receive no further indemnity. He conceded that Austria's indemnity could not yet be definitively fixed and, since he was reluctant to admit the right of all belligerents to indemnities, he preferred to make Austrian claims part of the separate Anglo-

1. Quellen, III, 110, Starhemberg to Thugut, 141, Starhemberg to Mercy, 8 July. For Austrian suspicions on Dunkirk see A. graf Thürheim, Briefe des Grafen Mercy - Argenteau an Grafen Louis Starhemberg (Innsbruck, 1884), 85-6, 100; Quellen, III, 51-2, Thugut to Starhemberg, 5 May; Auckland, III, 68, Eden to Auckland, May 1793.
2. I. e. without Prussia's knowledge. P.R.O., FO 7/33, Eden to Grenville, No. 27, 29 May, No. 30, 8 June 1793. Thugut still had hopes of using the Exchange as a bargaining counter with Russia and consequently he was extremely annoyed when the British revealed his renunciation to the Prussians (Quellen, III, 185, Thugut to Starhemberg, 13 August 1793).

Austrian alliance rather than of the Convention.¹ However, as Starhemberg's further reports reached Vienna he felt that the British had grown cold about the alliance and his complaints and suspicions mounted. Consequently he instructed Starhemberg to send the Convention to Vienna for approval before he signed it.²

The draft Convention was accordingly sent to Vienna on 12 July, only two days before Beauchamp (now Earl of Yarmouth³) signed a similar Convention with the Prussians at Mainz. There was thus a considerable delay between the conclusion of the Prussian and Austrian Conventions.

Thugut was not impressed by either Convention. Their engagements were too imprecise to be of much value. There was nothing in the Prussian Convention to bind that Power to show more vigour in the war; no specification of the aid it should provide;

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1. Quellen, III, 119-20, Thugut to Starhemberg, 19 June 1793.
 2. H. M. C. Dropmore, II, 403-4, Auckland to Grenville, 7, 9 July; P.R.O., FO 7/33, Starhemberg to Grenville, 10 July 1793.
 3. Beauchamp became Earl of Yarmouth on the elevation of his father to Marquess of Hertford on 5 July 1793.

nor any obligation to continue the war beyond the mere restitution of French conquests.¹ Nevertheless he accepted the Anglo-Austrian Convention as a step towards the union with Britain which he sought. His one amendment was to exclude Holland from the Convention, so as to avoid Austrian involvement in an overseas war to recover colonies which the Dutch in their weakness might lose. He was also afraid that their inclusion might encourage the Dutch to exaggerate their pretensions to indemnities which they had done so little to earn. Rather he wished to confine the Dutch indemnity to some colony outside Europe and he regarded any cession by Austria as extremely inconvenient.² Since Grenville proved willing to omit the Dutch, the Convention was finally signed in

1. Article I merely declared rather vaguely that Britain and Prussia would 'continue to employ their respective forces, as far as circumstances will permit, in carrying on a war equally just and necessary.' For the Anglo-Prussian Convention see Parl. Hist., XXX, cols. 1052-3.

2. Quellen, III, 181-3. Thugut to Starhemberg, 13 August, 228-30, 31 August 1793. The Prussians also excluded the Dutch from their Convention (B. M. Add. Ms. 34, 451, Auckland Papers, Spencer to Auckland, 26 July 1793).

London on 30 August 1793.¹

For Thugut this Convention had little real meaning and he continued to press for an alliance. He accepted Grenville's requirement of secrecy and was even willing to allow the Foreign Secretary to draw up the first draft. On the other hand he distrusted Grenville's proposal to delay the signature as this would leave the choice solely to Britain as to whether and when to sign. Instead he suggested that either it be signed and kept secret till an opportune moment or a definite future date be set for its signature. Moreover he accused Grenville of evasion on indemnities; Britain seemed to be trying to fob them off with vague hopes and verbal promises. He warned that Austria would only renounce the Bavarian Exchange on express condition of receiving compensation elsewhere. Finally, he demanded that the British Ministers, who were always

1. Apart from the above addition (p. 45, footnote 1) to the Prussian Convention, and an additional clause in the Austrian providing for mutual assistance against any attack on the signatories as a result of the Convention, both followed the Russian Convention (p. 40, footnote 1) and differed only in minor variations in wording and clause-order. Neither contained any provision for military aid in return for subsidies as J. H. Rose asserts (Pitt and the Great War, 123). For the Anglo-Austrian Convention see Parl. Hist., XXX, cols. 1053-5; A. F. Pribram, Oesterreichische Staatsverträge: England, II (Vienna, 1913), 217-9.

asking for greater confidences from Austria, should confide their own hitherto undisclosed intentions.¹

Undoubtedly in the summer of 1793 the British government was as reticent towards Vienna as the Austrians had been towards London in the spring. This was for two reasons: the first, the uncertainties of the military situation,² and the second, the lack of bargaining cards in its hands to force Austria into the unpalatable sacrifices which Ministers considered necessary to give cohesion to the Coalition. By the beginning of September substantial progress had been made on both these points. On the Rhine on 22 July Mainz surrendered to the king of Prussia and freed his army for further operations, while in Flanders Condé surrendered on 10 July and Valenciennes on 28th. Coburg thereupon, though with some reluctance, fulfilled his promise of May, and gave the Duke of York 15,000 Austrians to help him besiege Dunkirk, while he himself besieged Le Quesnoy,

1. Quellen, III, 178-80, Thugut to Starhemberg, 13 August 1793. Perhaps Starhemberg was partly responsible for Grenville's evasiveness on indemnities, for he interpreted Thugut's instructions of 19 June (p. 43) to mean that Austria would not press for any mention of indemnities in either Convention or Alliance (see F.R.O., FO 7/33, Starhemberg to Grenville, 10 July 1793).

2. See p. 43.

the next fortress south of Valenciennes. York marched on 13 August with 37,000 men and reached Dunkirk on 24th. The question of indemnities could now be discussed with more precision, and Grenville now seized the opportunity to use it to supplement his Conventions in giving greater energy and cohesion to the Coalition. On 30 August Grenville intimated to Eden at Vienna that in a few days he would send full details of the government's sentiments connected with the negotiation of an alliance with Austria.¹

V. British war policy, September 1793

On 7 September Grenville transmitted to Vienna a mammoth exposition of nearly five thousand words which formed the only comprehensive declaration of British intentions sent to any of the Powers in 1793.² It provides an excellent opportunity

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1. P.R.O., FO 7/34, Grenville to Eden, No. 7, 30 August 1793. Apart from their important (for Britain) provisions on maritime blockade, the Conventions of 1793 (the last was signed with Portugal on 26 September) were little more than defensive agreements on minimum terms of peace. As the highest common factor among the members they formed the basis of the general coalition but they did little to foster the practical advancement of the war.
 2. Ibid., Grenville to Eden, No. 8, 7 September 1793, on which the following section is based and from which are derived all unattributed quotations in it.

to examine the Ministers' war aims towards the end of their first campaign of the war.

Grenville first discussed the objects to which they should aim if the war was successful. Britain's optimum objects went far beyond the mere restitution of conquests contained in the Conventions. In Pitt's words Ministers wished 'to obtain indemnity for the past and security for the future.'¹ However, the precise application of this principle was still vague. They did not wish to dictate the form of the French government but they did want to overthrow the existing system and, for future security, 'to facilitate the establishment of a just and well-ordered Government by the efforts and according to the opinions of the reasoning and moderate part of that nation.' They would not therefore espouse any party but encourage all opponents of the existing French

1. Parl. Hist., XXX, col. 715, Pitt's speech to the Commons, 25 April 1793. See also cols. 1013-20, debate of 17 June.

government and see how the situation developed.¹ Consequently all that could be engaged with Austria on this was that neither should do anything to commit themselves without prior communication with the other. On indemnities Grenville conceded Austrian frankness and admitted British reticence. He now stated that Britain would look for its indemnity from France's overseas dominions, so that Austrian and British objects were compli-

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1. Starhemberg believed British views extended beyond this. He reported that Ministers appeared convinced of the need to re-establish some form of monarchy in France, though not of a total restoration of the abuses of the ancien régime (Quellen, III, Starhemberg to Thugut, 6 September 1793). Grenville gave no hint of this to Eden and had specifically rejected the restoration of the 'Constitution of 1789' which he believed was a main cause of the present trouble (Quellen, III, 71, Stadion's mémoire of 21 May 1793). Some indication of Ministerial intentions may be seen in their instructions to Sir Gilbert Elliot, who was to be Civil Administrator of Dunkirk when captured. As far as was practicable and consistent with circumstances, Elliot was to restore the government of Dunkirk to its condition in 1788. Officials were to be restored, confiscated property returned, and the clergy re-established as before the revolution (N. L. S., Minto Papers, M544, Minto's Journal, entry for 8-9 September 1793).

mentary and each had an interest in helping the other.¹

Grenville's second topic was the form of engagement to be made which could ensure their mutual co-operation. Here he was reluctant to bind himself by the usual engagement to make no peace without the other's consent: this might place either at the mercy of the other's whim. Instead he proposed an engagement for a limited period to make no peace which did not include the restitution of French conquests and which did not leave the other party in possession of its conquests from France at that time.

The third point was the means of securing the co-

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1. The desire to weaken France permanently was widely expressed in Britain. Pitt's proposals to continue the war for this object received majorities in the Commons of 211 to 36 (25 April) and 187 to 47 (17 June) (Parl. Hist., XXX). Captain Bentinck, newly returned to Britain from the Netherlands, wrote to Auckland on 30 April that he had been home long enough to 'catch the disease of the country' for the taking of conquests (Auckland, III, 47). George III (so often the mirror of public opinion) urged that 'Now is the hour to humble France, for nothing but her being disabled from disturbing other countries, whatever Government may be established there, will keep her quiet.' Aspinall, II, 46, to Dundas, 1 June - see also to Chatham, 2 June, ibid., and to Grenville, 27 April, H. M. C. Dropmore, II, 393). See also W. Playfair, Thoughts on the present state of French politics and the necessity and policy of diminishing France for her internal peace and to secure the tranquility of Europe (London, 1793). British forces had already taken Tobago in the West Indies, and now Dundas was preparing an expedition under Sir Charles Grey to complete the conquest of the Caribbean.

operation of other Powers to attain their objects, and this was the one which Grenville regarded as 'at the same time the most important and the most difficult point of discussion with the Court of Vienna'. This was the key to British policy towards Vienna and the clearest pointer to Britain's grand Coalition design.

Concerning the neutral Powers, Grenville wished Austria to use its influence by persuading the rest of the Italian states and Switzerland to join the Coalition. Concerning the other belligerents, Grenville undertook to endeavour to secure the active co-operation of Russia¹ and Spain,² but he looked to Austria to obtain that of Sardinia, Holland and Prussia.

Hitherto Grenville had failed in his efforts to secure

1. Russia was evading sending troops by making extravagant financial demands. Grenville now tried the expedient of demanding them as the price for the alliance for which the Russians were asking (The Vorontsov Archives, ed. P. Bartenev, Moscow, 1870-95, XIV, 252-4; Martens, IX, 364; P. R. O., FO 65/25, Grenville to Whitworth, No. 15, 17 September 1793).
2. Grenville tried to obviate possible Spanish jealousy of British West Indian conquests by turning their thoughts to indemnification on the French frontier (P. R. O., FO 72/27, Grenville to St Helens, No. 9, Secret, 9 August 1793).

greater Austrian help for the Sardinians in the south of France.¹ Thugut considered this the least important theatre in which Austrian troops were engaged and he was reluctant to divert thither reinforcements which he felt might be more usefully employed elsewhere. He would allow Austria's treaty commitment to Sardinia of 8,000 men to be employed in offensive operations with the Sardinian army, but he refused to reinforce them unless he received a share of resultant conquests or Sardinia restored some of its past acquisitions from the Milanese.² Since the Sardinians refused, operations remained at a standstill. Grenville now expressed his regret at Austrian coldness and disposition towards Sardinia and instructed Eden to endeavour to remove it. He tried to discourage Austrian demands of retrocessions and urged greater Austrian efforts in the Mediterranean.

To secure vigorous Dutch co-operation Grenville

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1. See P. R. O., FO 7/33, Grenville to Eden, No. 2, 11 June, No. 4, 12 July, to Starhemberg, 21 June 1793.
 2. Auckland, III, 105 ff., Eden to Auckland, 10 August; Quellen, III, 228, Thugut to Starhemberg, 31 August 1793. In 1738 Austria ceded the Novarese and Tortona to Sardinia, and in 1743 the territory west of Lack Maggiore - this last at British insistence so as to secure Sardinian help in the War of the Austrian Succession.

demanded more positive sacrifices from Austria. As a result of pressure from its Dutch ally, the British government demanded that Austria grant Holland an indemnity. Dutch wishes had been expressed as early as April, but their representations became more persistent in July and August when the Greffier, Hendrik Fagel, was sent to London to push their claims. At Grenville's request Auckland drew up a Memorandum for the Cabinet in which he pointed out the need to conciliate the Dutch so as to bolster the pro-British party in Holland. He felt that the Dutch indemnity should be secured before the end of the war or Austria might not concede it, and for this purpose he suggested that Britain take a French fortress such as Dunkirk and hold it in the king's name as guarantee of an Austrian cession to the Dutch.¹ This policy, adopted by the Cabinet, largely explains the Cabinet's eagerness to push forward the Dunkirk expedition in August and also Grenville's delay in opening himself to Austria until the expedition had been

1. P. R. O., FO 37/48, Auckland to Grenville, Secret, 9 August 1793. See also FO 37/47, Auckland to Grenville, No. 74, 9 April; FO 37/49, Lord Henry Spencer to Grenville, No. 10, 12 July; Auckland, III, 83, Spencer to Auckland, 23 July, 85, Grenville to Auckland, 31 July 1793.

launched. Sir Gilbert Elliot recorded after an interview with Dundas and Lord Chancellor Loughborough on 8 September that

... the motive for attacking Dunkirk was thus explained - That it would be advantageous to have that place in our hands when the Peace should be negotiated; because meaning as we should to deliver it to Austria we might however obtain in return from the Emperor such concessions for the Dutch on their frontier and respecting Antwerp and the navigation of the Scheldt.¹

Thus it was that on 7 September Grenville ordered Eden to support the requests of the Dutch Minister at Vienna for an extension of their Netherlands' frontier to the limits of 1715,² and for a strip of territory from the Netherlands and the Bishopric of Liege which would link isolated Maestricht with the rest of Holland. The problem of the Dutch indemnity thus intruded itself

1. N. L. S., Minto Papers, M544, Journal entry for 8 September 1793.
2. This frontier had been revised in favour of Austria in 1718, and more drastically by the Treaty of Fontainbleau of 1785 by which Austria received the fortresses of Lillo and Liefenshoeck with further territory on the Scheldt.

into Anglo-Austrian relations which it was to bedevil for more than a year.¹

Most important and most difficult of all, in Grenville's eyes, was the need to secure continued Prussian co-operation. He urged the Austrians to do their utmost to dispel the renewed jealousy between Prussia and Austria and suggested they might gratify Prussia by publicly renouncing for ever any form of Bavarian Exchange. This had the additional advantage of encouraging the Elector of Bavaria to take a more active part in the war. Grenville offered his good offices in putting this proposal to Prussia, though he would not guarantee its success,² and he was also willing to purchase Bavarian troops to support the Austrian army. However, he fully realized that he was on delicate ground -

1. There were differences of opinion in the Cabinet on this point. Pitt was rather more anxious than Grenville about forcing the question to an issue and preferred to encourage the Dutch to look for an indemnity outside Europe. He wrote to Grenville on 16 August that 'It is material enough to obstruct the giving solidity to our connection with Austria, which is probably material to induce them to persist in the war, instead of looking to other projects.' (H. M. C. Dropmore, II, 416).
2. On the same day (7 September) Grenville instructed Yarmouth to encourage the Prussians to look on a permanent Austrian renunciation of the Bavarian Exchange as an object for which it was worth continuing the war. He was to discourage Prussian hints at a British subsidy (P. R. O., FO 29/2, No. 15).

Starhemberg had already reacted violently to the proposal¹ - and he recommended Eden that while he should urge this point with great earnestness he should also employ the greatest dexterity. To back Eden's efforts Grenville employed one last card which shall be seen shortly.

On the fourth point of planning for a campaign in the next year which now seemed inevitable Grenville wanted a full consultation. Britain was willing to continue its present efforts in the Netherlands and even increase them if it could obtain Bavarians. Ministers were ready to engage for this and also to secure Dutch co-operation as the price of its indemnity. On the Rhine Grenville felt that the Prussians and Austrians should act to a concerted plan but separately to avoid friction. In the Mediterranean 12 - 15,000 more Austrians were indispensable to co-operate with the British fleet.

Grenville deliberately left the projected Austrian alliance until last. He hoped to use Thugut's eagerness for an alliance as his second bargaining card (besides Dunkirk) to procure the required Austrian sacrifices to Holland and Prussia.

1. Quellen, III, 259, Starhemberg to Thugut, 6 September 1793.

He explained at the start of his despatch that it was

... extremely desirable to combine this object with the others which must now fall under discussion, and to postpone the actual signature of a treaty of alliance till some explanations, more or less extensive according to circumstances have taken place relative to the many points of common interest now subsisting between the two Courts.

He concluded the despatch by expressing British willingness to form a defensive alliance with Austria on a basis

the same with that of the ancient system by which the two countries were formerly united: the securing a barrier against France; the retaining the Netherlands under the lawful sovereignty of Austria; the security and augmentation of the commerce of the Maritime Powers, and the mutual guarantee of all possessions antecedent to the war.

Only two matters required particular discussion: when to conclude the treaty, and whether to invite their allies to accede to it.

However, he warned finally that 'the arrangement of both these points depends in great measure on the result of the other subjects discussed in this despatch.'

Two points clearly emerge from this despatch. The first, that the main concern of Ministers was to form a workable grand coalition against France; alliance with Austria

was one of their least important priorities. However, secondly, Austria was regarded as the key continental Power in making this coalition work. Britain's relations with Austria were on a more confidential level than with any other Power, and indeed the facts of the war spoke for themselves in determining to whom the Ministers should look for closest liaison. Not only did Austria seem to hold the key to the co-operation of Sardinia, Holland and Prussia, but of all the Coalition Powers Britain and Austria had the greatest identity of objects. The very demands Ministers made for Austrian concessions were primarily to secure the co-operation of other Powers in Austria's views of acquisition which they wished to favour.¹ Further, Austria deployed the greatest number of troops against France and was playing a major rôle in three of the four European theatres of war.² In August 1793 there were in the

1. P. R. O., FO 29/2, Grenville to Yarmouth, No. 15, 7 September 1793.

2. Viz. the Netherlands; the Rhine and Moselle valleys; the Piedmontese frontier; the Spanish frontier.

Netherlands 93,000 Austrians,¹ 22,000 British-paid, and 15,000 Dutch troops. On the Rhine were 38,000 Austrians² and 46,000 Prussians - the latter being very backward in both military operations and political explanations. In Piedmont 8,000 Austrian auxiliaries formed the nucleus of the Sardinian army which itself numbered only half the 50,000 promised to Britain.³ In fact British dependence on Austrian military support was increased in September. On 13th news reached London of the surrender of the French naval base of Toulon in the name of Louis XVII, and

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1. V. von Witzleben, Prince Friedrich Josias von Coburg-Saalfeld (Berlin, 1859), IV, 267, 279. The Austrians were reinforced by the end of the year to 106 - 114,000 (IV, pt. 2, 26). Mercy put their numbers even higher - at 158,626 with 29,051 horses, independent of allies, between Trier and Niempport, and 50 - 60,000 Austrians on the Rhine (Briefe des Mercy-Argenteau, 184, to Starhemberg, 13 December 1793).
 2. J. Colin, La Campagne de 1793 en Alsace (Paris, 1902), 101-4. Here also the Austrians were reinforced before the end of the year. In October Count Wurmser attacked the lines of Wissemburg with 42,500 Austrians (488), and he must have left at least 10,000 more on the right bank of the Rhine where there had been 20,000 in August.
 3. Quellen, III, 230-1. Thugut to Starhemberg, 31 August 1793. In all there were probably 300,000 coalition troops (including Spanish and Neapolitan) in the field on the continent. Against these the levée en masse gave France a nominal strength of 650,000 in summer/autumn 1793 (G. Lefebvre, The French Revolution (London, 1964), II, 81).

Grenville redoubled his appeals for more Austrian troops for the Mediterranean theatre, to be sent to Toulon.¹ On 8th the French had defeated the Duke of York's army at Hondchoote, forcing him hastily to abandon the siege of Dunkirk, and on 12-13th they routed the Dutch near Menin. While British troops destined for the West Indies were hurried to Flanders, the situation was saved by the Austrian general Beaulieu who recovered Menin with York's help. This crisis discouraged ideas of the British acting as a separate army, and Grenville wrote to Lord Elgin, his envoy at Brussels, that the Cabinet believed the two armies should be reunited and act on a plan of joint operation.² At the same time he assured Vienna that the Dunkirk failure had only increased their determination and that Ministers were ready immediately to consider the details of an alliance.³ The clearest indication of the trend of Cabinet thinking

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1. P.R.O., FO 7/34, Grenville to Eden, No. 10, 14 September 1793. Grenville asked for 12 - 15,000 Austrians on 7 September, now he asked for 5,000 for Toulon immediately and 15,000 to follow (No. 11, 27 September).
 2. Hist. of British Army, IV, 129 ff.; P.R.O., FO 26/21, Grenville to Elgin, No. 9, 13 September 1793.
 3. P.R.O., FO 7/34, Grenville to Eden, No. 9, 13 September 1793.

can be seen in Grenville's reply to Whitworth's hint that British influence at St. Petersburg could tip Russian favour towards either Austria or Prussia. The Foreign Secretary wrote:

Precisely at this moment it does not appear that any avowed interference can be properly used for the purpose either way; but events may soon vary this, and in proportion as Prussia grows cooler and Austria more eager in support of the war in which we are engaged, our wishes must of course lean towards the latter.

VI. The weakness of the First Coalition

Grenville's despatch to Vienna of 7 September was intended to help bring unity to the Coalition, but in the autumn of 1793 the Coalition's lack of cohesion became all too apparent.

Thugut's response to the despatch was not unexpected. He agreed with the objects for which the war should be continued: he would have liked a stringent absolutism restored in France

1. H. M. C. Dropmore, II, 425, Grenville to Whitworth, Private, 17 September 1793.

to bring back order, but he would defer to British wishes.¹

However, he strongly resisted the sacrifices demanded from Austria.

Moreover, Grenville's proposals for securing Prussia were immediately nullified when, on 22-3 September, the Prussians demanded an Anglo-Austrian guarantee of their Polish gains and a subsidy as the price of their further participation in the war.²

Their ultimatum, however, temporarily drew Britain and Austria closer together on this issue. Grenville dropped the idea of a permanent renunciation of the Bavarian Exchange though Thugut

1. P.R.O., FO 7/34, Eden to Grenville, No. 55, 25 September; Quellen, III, 309, Thugut to Starhemberg, 4 October 1793. In fact the surrender of Toulon in the name of Louis XVII and the 1791 constitution forced an early British declaration (29 October) exhorting the French to return to hereditary monarchy, though without specifying the form of monarchical government nor committing Britain to continue the war till monarchy was restored. A draft of this declaration was sent to Vienna before publication and received Thugut's approval (FO 7/34, Grenville to Eden, No. 11, 27 September; FO 7/35, Eden to Grenville, No. 59, 12 October 1793).
2. The Prussians were rapidly losing enthusiasm for the war: they were annoyed at Austria's attitude to the Polish Partition, alarmed at the possible extent of Austrian aggrandizement in France, and short of money (A. Sorel, L'Europe et la Révolution Française (Paris, 1885-1904), III, 491-5; P.R.O., FO 7/34, Eden to Grenville, No. 50, 30 August; FO 29/2, Yarmouth to Grenville, No. 9, 24 September 1793).

now declared himself willing to make it.¹ Instead the Foreign Secretary took up the Austrian idea of demanding that Prussia perform its treaty obligations.² When Lord Malmesbury was sent to Berlin in November to assess the situation, he was instructed to work in full concert with the Austrian envoy, Count Lehrbach. Nevertheless difficulties still existed - Ministers intended to do all within reason to keep Prussian support, and Grenville asked that Lehrbach be empowered to define Austria's intended acquisitions if this would satisfy Prussia. Further, Ministers were prepared to consider financial help if absolutely necessary whereas Thugut would not because of Austria's own financial difficulties. Finally Thugut grew suspicious when Grenville was backward in confiding Malmesbury's instructions to Vienna.³

Ministers thus found themselves faced with new problems

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1. P.R.O., FO 7/34, Grenville to Eden, No. 14, 8 October; FO 7/35, Eden to Grenville, No. 59, 12 October 1793. Though Thugut would only make the renunciation if it were likely to secure active Prussian support, which he very much doubted.
 2. Quellen, III, 311-12, Thugut to Starhemberg, 4 October 1793.
 3. P.R.O., FO 64/31, Grenville to Malmesbury, No. 1, 20 November; FO 7/35, Grenville to Eden, No. 17, 14 November, Eden to Grenville, No. 78, 16 December; Auckland, III, 150, Eden to Auckland, 8 December 1793.

regarding Prussia, and, if relations with Austria on this score were temporarily eased, the Dutch indemnity question remained as an immediate obstacle to further Anglo-Austrian understanding. Thugut maintained that the 1715 boundary had proved unworkable, that such a cession would provoke unrest in the Netherlands,¹ that secularisations from Liege would be a fatal precedent for the Empire, that Dutch conduct hitherto little justified their pretensions, and he urged that the Dutch indemnity should be found in the East or West Indies. The furthest he would go in the face of persistent British pressure was to promise to consider what concessions to make when the Dutch declared the efforts they would make in the next campaign.²

Grenville, though temporarily unbalanced by his ignorance of the 1715 boundary, persisted in his support for the

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1. C.f. Grenville's similar argument against the Bavarian Exchange (p. 17).
 2. P. R. O., FO 7/34, Eden to Grenville, No. 55, 25 September; Quellen, III, 313, Thugut to Starhemberg, 4 October; FO 7/35, Eden to Grenville, No. 62, 23 October, Thugut to Starhemberg, 4 November 1793. The Dutch had been routed at Linselles (August) and Menin (12-13 September). In October they undertook to help besiege Maubeuge, but refused to assist the Austrian covering force when it was attacked by the French at Wattignies (15-16 October). The Austrians blamed their defeat on this refusal (Briefe des Mercy-Argenteau, 146, 21 October; FO 7/35, Thugut to Starhemberg, 4 November 1793).

Dutch. The best remedy for Dutch misconduct was to grant their demands, and if this was done he would secure 15 - 20,000 Dutch troops for active operations under Austrian command in the next campaign. If Thugut rejected the indemnity proposed then he should name an alternative - the East or West Indies were out of the question since the Dutch were too weak to gain such conquests alone. Finally, he made it plain that the alliance could not be signed until the Dutch indemnity was settled.¹

The diplomatic battle between Grenville and Thugut over the Dutch indemnity was to persist for another year. Due allowance must be made for the sheer obstinacy of the two men. They both always looked to drive a hard bargain and this was the first of many unfortunate occasions when they locked themselves in a stubborn battle of will-power. But their inborn obstinacy was nurtured by other factors. The need to maintain British ascendancy at the Hague strongly impressed itself on Grenville. Several times he stressed to Starhemberg the utility of the Dutch alliance for so many reasons of convenience, locality and commerce.

1. Quellen, III, 345, 405, Starhemberg to Thugut, 27 October, 22 November; P.R.O., FO 7/35, Grenville to Eden, No. 18, 14 November 1793.

Further he warned of the dangers of a separate Dutch peace.¹

Thugut on the other hand later confided to Eden that his attitude was due to

the circumspection necessary in his situation, unsupported by any powerful connections, and many of the great nobility ready to seize every opportunity to thwart his measures and to bias the Emperor against him, ... this consideration particularly prevented him from recommending a cession of which the advantages were not immediately obvious ...

Making due allowance for Thugut's political vulnerability, however, his main object was probably to see the terms of the alliance and even have it signed before he conceded the Dutch indemnity. Hence he pressed the former while evading the latter.³ The result was that the two governments were completely at cross-purposes: Grenville wanted indemnity to precede alliance, Thugut to follow it; in the ensuing stalemate all other aspects of Anglo-Austrian relations were jeopardized.⁴

1. Quellen, III, 344, Starhemberg to Thugut, 27 October 1793; IV, 50, Starhemberg to Thugut, 21 January 1794.

2. P.R.O., FO 7/36, Eden to Grenville, No. 18, 11 March 1794.

3. Ibid. and No. 15, 19 February 1794. C.f. Thugut's conduct in 1798 when he tried to discover what financial aid, on what strings, Britain would give Austria, before he would ratify the 1797 Loan Convention (see below, pp. 329 ff.).

4. P.R.O., FO 7/35, Grenville to Eden, No. 23, 13 December 1793.

Besides the Dutch indemnity another matter arose temporarily to blight Anglo-Austrian relations in autumn 1793, and this was their dispute over strategy in the Mediterranean. In Britain the fall of Toulon was considered to be a blow 'in every view the most important which could be struck towards the final success of the war'.¹ Ministers planned to assemble a multi-national army, 60,000 strong, there. This, acting in conjunction with the Spanish and Sardinians, in a disaffected part of France where there was no fortified barrier, could prove 'decisive of the war'. Grenville urged the sending of 20,000 Austrians to Toulon 'as a point the non-compliance with which would endanger the very foundation of all future cordiality and connection.'²

This was not the way Thugut saw things. Initially he offered to contribute 5,000 troops to Toulon, apparently to avoid British withdrawals from the Netherlands,³ but when this appeared

1. Camb. Univ. Lib., Add. Mss. 6958/7 (Pitt Papers), Pitt to Westmorland, 15 September 1793. See also Court and Cabinets, II, 241-2, Grenville to Buckingham, 15 September 1793.

2. P. R. O., FO 7/34, Grenville to Eden, No. 11, 27 September 1793.

3. P. R. O., FO 7/34, Eden to Grenville, No. 56, 2/25 September; Quellen, III, 295-6, Thugut to Starhemberg, 25 September 1793.

to have failed he tried to withdraw his offer and wished to postpone any large reinforcement for Toulon at least until a general plan had been worked out for the next campaign. Quite apart from British and Sardinian opposition to retrocessions by the latter to Austria, Thugut could see little utility in a major campaign in the south of France: it was too far from the main Coalition efforts in the Netherlands and Alsace to act as a diversion for them, and it was too far from Paris to be decisive in itself. Support for the royalist rising in the Vendée would be more useful and Thugut was willing to contribute to this, but generally he warned of the danger of scattering their forces in too many enterprises and weakening themselves at all points.¹

1. Quellen, III, 326-7, 363, Thugut to Starhemberg, 16 October, 7 November; P.R.O., FO 7/35, Eden to Grenville, 12 October (No. 59), 19 October (No. 61), 30 October (Private), 9 November (No. 66), 7 December (No. 74), Thugut to Starhemberg, 7 December 1793. This was the second Anglo-Austrian dispute on the strategic importance of Toulon - see that of 1707 in G. M. Trevelyan, England under Queen Anne: Ramillies (London, 1932), Chapter 15. George III was also alarmed at having 'too many irons in the fire', and advocated concentration on Flanders, the most easily supplied from Britain and most suitable for an advance on Paris (Aspinall, II, 123, George III to Dundas, 16 November; Pitt and Napoleon, 225-6, George III to Pitt, 17 November 1793).

This attitude, and particularly Thugut's attempts to evade his original promise of troops, greatly angered the British government. Grenville complained bitterly of 'the jealousies and trifling conduct adopted on this occasion by the Court of Vienna'. He sent repeated demands for the promised troops, culminating on 13 December in a threat to make no engagements for the next campaign while Austria defaulted on its present engagements. Though Thugut finally gave way on 14 December, it was then too late, for Toulon fell to the French in the same week. Grenville blamed Austria privately for this loss, though he refrained from public recriminations. However, the lesson he drew from the dispute was that

... experience has too strongly shown that it is only from the continual repetition of the most pressing solicitations that we can hope for success.

This explains much of Grenville's future firm reaction to opposition from Vienna, but obviously it became a mode of action very much resented at the Austrian Court.

However, while Grenville and Thugut quarrelled over

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1. P.R.O., FO 7/36, Grenville to Eden, No. 1, 3 January 1794. For Grenville's complaints to Vienna see FO 7/35, Grenville to Eden, 11 November (No. 16), 14 November, 24 November (No. 20), 30 November (No. 21), 13 December 1793 (Nos. 22-4).

the Dutch indemnity and Toulon they were tantalizingly close to agreement on all else.

Firstly, on further engagements for the war: Thugut considered that Grenville's proposals (see above, p. 51) would enable Britain to gain quick conquests through its maritime supremacy and make peace before Austria had gained anything. Instead he proposed that whichever wished to make peace should supply an auxiliary force to the other if that wished to continue the war. Though this might involve Britain in furnishing assistance for objects which it did not approve, Grenville nevertheless accepted this alternative provided that the auxiliaries could be commuted to money.¹

Secondly, the details of the projected alliance were worked out on Grenville's proposed bases (see above, p. 58). Thugut added acquisitions made during the present war to the mutual guarantee of their possessions and he asked that the military commitment to implement this guarantee be as high as possible - 30 - 40,000

1. P.R.O., FO 7/34, Eden to Grenville, No. 55, 25 September; FO 7/35, Eden to Grenville, No. 18, 14 November; Quellen, III, 310, 343, Thugut to Starhemberg, 4 October, Starhemberg to Thugut, 27 October; Pitt and Napoleon, 259, Grenville to Pitt, 8 October 1793.

men initially and all forces if necessary. Further, he wished to exempt from the guarantee participation in maritime or extra-European wars, in return for which he was willing to exempt wars between Austria and the Ottoman Empire. Again Grenville accepted this provided the military commitment might be commuted from men to money.¹

Two other points in Grenville's proposed bases - the barrier against France and the augmentation of the commerce of the Maritime Powers - touched tender nerves in Vienna by reviving memories of unpleasant aspects of the Old System. Thugut rejected any idea of re-establishing Dutch garrisons in the old Barrier Fortresses in the Netherlands, nor would he allow the restoration of the old commercial immunities which had enabled the Maritime Powers to destroy the industry and wealth of the Netherlands. Grenville denied any intention of reviving either, but he expected Austria to give full consideration to the defence of Flanders and Holland and he asked for solid commercial advantages. Despite Thugut's wish for commerce to be removed to a separate treaty after

1. P.R.O., FO 7/34, Eden to Grenville, No. 55, 25 September; Quellen, III, 316, 345, Thugut to Starhemberg, 4 October, Starhemberg to Thugut, 27 October 1793.

the alliance, Grenville wanted at least a declaration of commercial principles written into the alliance. These should be that Austria would allow the Netherlands to be used as a country of transit for the passage of British goods into Europe, and that Britain should retain the advantages of the 1786 Anglo-French commercial Treaty in any Austrian conquests from France. To these Thugut made no objection.¹

The other proposed basis for alliance in Grenville's despatch of 7 September was the retention of the Netherlands under the lawful sovereignty of Austria. This also drew strong protests

1. Ibid. (pp. 314-5 of Thugut's despatch of 4 October). Grenville further enquired as to tariff concessions in Austria's German territories (FO 7/35, to Eden, No. 18, 14 November) but Eden returned an unfavourable report (ibid., to Grenville, No. 71, 28 November): British goods could undersell Austrian, and no Austrian goods were wanted in Britain. It was unlikely that they would depart from their protectionist system in Germany. Eden had already asked as to the possibility of British cotton goods being admitted to Hungary in exchange for Hungarian wines, but had been told that this would ruin the Hungarian cotton industry and that only woollen cloths could be allowed. This he rejected as too restrictive (FO 7/34, Grenville to Eden, No. 6, 9 August, following an application by some cotton manufacturers; Eden to Grenville, No. 47, 26 August; FO 7/35, No. 71, 28 November). Grenville talked with Lord Hawkesbury, President of the Board of Trade, at the end of October on possible commercial articles for the treaty. Hawkesbury referred him to the recommendations made by the Board of Trade to the Duke of Leeds on 6 January 1791. This report ((B. M. Add. Ms. 38, 394, Liverpool Papers, f. 97v-140v) dealt almost exclusively with trade between Britain and the Austrian Netherlands. The only point of difficulty foreseen by Hawkesbury was over the import of Flemish linens (B. M. Add. Mss. 38, 310, Liverpool Papers, Hawkesbury to Grenville, 3 November 1793).

from Thugut as to the implications behind the word 'lawful'. This left to Britain the right to decide on the legality of Austrian actions and it encouraged disorder in the Netherlands by giving the inhabitants a way of appeal to a foreign power. He refused to allow others to interfere in Austria's internal affairs. The Emperor had already expressed his wish to re-establish Belgian privileges and had promised the entire preservation of the Netherlands constitution; this should be enough. Grenville raised no objections to this statement for the moment.¹

Though in practice these negotiations were nullified by Thugut's continued evasion of the Dutch indemnity, they show that the British government really was in earnest in its wish to unite with Austria and revive the Old System in autumn 1793 and also just how close the two Powers were to agreement. Already on 12 October Grenville had written to Whitworth enquiring as to the likely effect at St. Petersburg of the closer connection between Britain and Austria to which their present situation as the two principal parties in the war might possibly lead.²

1. Quellen, III, 314-5, Thugut to Starhemberg, 4 October 1793.

2. P. R. O., FO 65/25, Grenville to Whitworth, No. 17, 12 October 1793.

Nevertheless the events of autumn 1793 revealed to British Ministers the extreme difficulty of turning the Coalition into a vigorous and cohesive war-machine. The 'Combined Powers' were still combined in little more than name only. Prussia was demanding a subsidy if it was to continue in the war. Spain showed signs of jealousy at British activity at Toulon, Corsica, and, to a lesser extent, the West Indies.¹ Sardinia and Holland were incapable of major effort and discontented with their lot. Russia was taking no active part in the war. Portugal contributed little; Naples and the Empire not very much more. While Britain and Austria, who contributed most, were still squabbling over the Dutch indemnity and Toulon. Already Thugut was seeking outside reassurance by negotiating secretly with Russia for an alternative indemnity from Venice if he failed to win one in France.² None of the points raised in Grenville's despatch of 7

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1. Cambridge History of British Foreign Policy (Cambridge, 1922), I, 241-2; P.R.O., FC 72/28, 33 passim. Minto, II, 188.
 2. Archiv für österreichische Geschichte (Vienna, 1869), LXII, 383-91, Thugut to Cobenzl, 18 December 1793; A. Wassiltchikow, Les Razoumowski, Tom 2: Le Comte André Razoumowski (French ed. by Brückner, Halle, 1893), I, 159-60. Austria had old claims on the mainland territory of the Venetian Republic and Catherine II had already accepted Joseph II's claims to them in 1783.

September had been definitively settled by written agreement. Instead Britain and Austria continued to co-operate militarily by means of a tenuous verbal understanding, the continuance of which was for a time gravely threatened by the Toulon dispute, and which did not yet extend into the next year because of Thugut's reluctance to concert plans for further operations until the present campaign ended.¹

When this is contrasted with the great efforts made by the French to increase their forces and to create an efficient, centralized war-administration, the setbacks suffered by the Coalition at the end of 1793 are hardly surprising. In October the Austrians were defeated in Flanders at Wattignies and forced to raise the siege of Maubeuge. In December the British were expelled from Toulon and the Austrians from Alsace, while the defeat of the Vendéean royalists upset British plans for operations in western France.

It remained to be seen how these defeats would affect Anglo-Austrian co-operation. Grenville was accusing the Austrians

1. P. R. O., FO 7/34, Eden to Grenville, No. 55, 25 September; FO 7/35, Grenville to Eden, 14 November (No. 17), 13 December (No. 23). Eden to Grenville, No. 71, 28 November; Quellen, III, 360-1, 363, Thugut to Starhemberg, 7 November 1793.

of persistent evasion of British demands, and Thugut recriminated with accusations of British uncommunicativeness.¹ On 28 November Eden confided to his brother that 'I most earnestly wish that M. de Thugut may have an opportunity of seeing Lord Grenville, since it will be the only method to remove the distrust that I am sorry to say prevails.'² It was arranged that such a meeting should take place during the Emperor's intended visit to the Netherlands in the

1. P. R. O., FO 7/35, Grenville to Eden, Nos. 22-4, 13 December; Auckland, III, 149-50, Eden to Auckland, 8 December 1793.
2. Auckland, III, 148-9, Eden to Auckland, 28 November 1793. This distrust was not eased by the dissatisfaction of Thugut and Grenville with their own envoys. Thugut thought Starhemberg zealous enough but lacking circumspection, and he was hesitant to confide in his envoy lest the latter repeated the confidences to his father, Prince Starhemberg, who was still a powerful and discontented force at Vienna. (Vertrauliche Briefe, I, 60, 28 November; P. R. O., FO 7/34, Eden to Grenville, Separate, 25 September 1793.) Judging from the tenor and frequency of his despatches Grenville felt Eden lacked zeal in pressing the Toulon business, and Eden had in fact become an ardent admirer of Thugut ('my friend' - Auckland, III, 106-7, 144, 150). In January 1794 Grenville offered Eden the Madrid embassy after Yarmouth had offered to exchange his claim to it for the Vienna post (H. M. C. Dropmore, II, 478, 479, 495). Naturally both Ministers were satisfied with the other's representative. Thugut thought Eden so useful that he alone of the foreign envoys was to accompany the Emperor to the Netherlands (Vertrauliche Briefe, I, 43, 95, 27 September 1793; 7 May 1794). Grenville was anxious not to upset his advantageous relationship with Starhemberg (H. M. C. Dropmore, II, 473, Grenville to Elgin, 3 December 1793).

autumn, but unfortunately this was postponed from week to week throughout the rest of the year, and in consequence hindered the very problems it might have solved, since both governments deferred all decisions pending the Emperor's journey.¹ Much therefore remained to be done before Anglo-Austrian understanding, and with it the cohesion of the Coalition, could be achieved.

1. H. M. C. Dropmore, II, 440, Grenville to Eden, 8 October; Pitt and Napoleon, 259, Grenville to Pitt, 8 October; P. R. O., FO 7/34, Eden to Grenville, Separate, 25 September, Grenville to Eden, No. 14, 8 October; FO 7/35, Thugut to Starhemberg, 7 November (copies), Grenville to Eden, No. 17, 18, 14 November, Eden to Grenville, No. 71, 28 November 1793.

CHAPTER TWO

DEFEAT IN THE NETHERLANDSI. Organizing the campaign of 1794

British Ministers put a bold face on the setbacks of autumn 1793 despite the problems besetting them. Painstakingly they began to rebuild the Coalition for the next campaign. Chances still seemed bright, for Thugut had not ceased to desire an indemnity in French Flanders and, despite their squabbles, Austrian policy was still 'de nous en tenir principalement aux Anglais pour les opérations de la guerre'.¹ Consequently Austrian efforts were to be concentrated into one major offensive from the Netherlands in the approaching campaign. To direct it the adventurous Colonel Mack, having recovered from ill-health, was made Major-General and reappointed Chief-of-Staff of Coburg's army which he had directed so successfully in the previous spring. Mack's appointment, and the news that he was to come to London to concert plans with the British government, delighted Ministers who were ready to augment their own forces

1. Vertrauliche Briefe, I, 71, Thugut to Colloredo, 7 January 1794; A.O.G., XLII (1869), 400-1, Thugut to Cobenzl, 27 February 1794.

in the Netherlands in consequence.¹

However, the problem remained of securing the co-operation of other Powers. Thugut still sought to evade the Dutch indemnity by offering to negotiate an eventual cession, to be concluded after the alliance.² Prussia also reappeared as a pressing issue. Because of the Austrian defeat in Alsace and Malmesbury's reports of Frederick William II's zeal, British Ministers convinced themselves that Prussian help was indispensable and that a subsidy should be given to secure it. On 28 January therefore Grenville offered £2 million for 100,000 Prussians, the subsidy to come from Britain (two-fifths) and Austria, Holland and Prussia (one-fifth each; Prussia to be reimbursed from France after the war). Unfortunately, in his haste for a settlement at Berlin, Grenville failed to consult Austria first and only transmitted the project to Vienna on 4

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1. P.R.O., FO 7/36, Eden to Grenville, No. 2, 4 January; Quellen, IV, 50, Starhemberg to Thugut, 21 January 1794.
 2. P.R.O., FO 7/36, Grenville to Eden, 3 January (No. 1), 4 February (No. 5); Eden to Grenville, 4 January (No. 2), 14 January (No. 5), 19 February (No. 15); Quellen, IV, 49-50, 63-5, Starhemberg to Thugut, 21 January, Thugut to Mercy, 31 January 1794.

February.¹

This was the position when Mack arrived in London on 12 February, and his conferences with British Ministers on 13th and 14th only increased their determination to persist in their demands from Vienna. Mack's plan required 340,000 men between Basle and the sea instead of the present 270,000. For this he wished the British to increase their present contingent by 20,000, the Dutch by 10,000 and the Prussians by 15,000. His plan was for 95,000 Austrians to punch a hole in the middle of the French fortress barrier in Flanders by taking Landrecies, Avesnes, Maubeuge and Cambrai, while British and Austro-Dutch forces conducted covering operations on each side of the main army. If they met with early success then 80,000 Austrians and 40,000 British would march on Paris that year, though Mack expected this final decisive advance to be deferred till the next year.²

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1. Quellen, IV, 49, Starhemberg to Thugut, 21 January; P.R.O., FO 7/36, Grenville to Eden, 7 January (No. 2), 4 February (No. 5); FO 64/31, Grenville to Malmesbury, No. 4, 28 January 1794.
 2. Lt. Col. Coutanceau, La Campagne de 1794 à l'Armée du Nord (Paris, 1907), II, pt. I, 32-69.

British Ministers readily agreed to augment their forces from 20 to 40,000, and they also bowed to Austrian pressure for them to retain the Duke of York as their commander in the Netherlands.¹ Mack for his part agreed to a British request to participate in the main attack; an Austrian force with some British support replacing them in West Flanders.² Ministers thereupon gave their approval to the plan 'subject

1. Besides the obvious advantage of having the king's favourite son in command in Flanders, the Austrians were undoubtedly anxious to retain the Duke since the alternative was Lord Cornwallis, just returned from India, who had the reputation of being the foremost British general of the day and who was likely to be far less complacent than the amenable Duke. The wife of General Harcourt noted on 22 December 1793 that 'Great civility is now shewn to the English generals; they are flattered and coaxed, but neither consulted with nor treated with confidence; and are often ignorant of the plans till the troops are ordered to march. They have state sentries; Hulans, with flags, attend them; and there is much outward show of respect; but their advice is not asked, and no military councils are held. All is Austrian; and the English and Hanoverian generals are mere cyphers.' (The Harcourt Papers, Oxford, 1876, IV, pt. 2, 416-7.) The new British Chief-of-Staff, Col. Craig, complained to Dundas on 10 April 1794 that the Duke of York was entirely guided by Count Merveldt 'who is put about him by the Austrians for the purpose', and that no British general had any say in the movements of their own army (S. R. O., Melville Papers, GD 51/1/605).
2. Pitt considered this essential to satisfy the wishes of the king and country, Quellen, IV, 91.

to such political measures as it seemed right to insist upon on the part of this country.¹

These 'political measures' were the Prussian subsidy and the Dutch indemnity which Ministers saw as the only way to secure Prussian and Dutch reinforcements. The necessity of the latter in Mack's plan gave Grenville new leverage in his wrangle with Vienna. Accordingly on 18 February he tried to force Thugut to a decision by sending him a proposed Convention between Britain, Austria and Holland. By this each would furnish the forces required by Mack and undertake to make no separate peace that year. In return, pending any more satisfactory arrangement, Austria would restore the 1718 boundary to Holland if it acquired an indemnity from France itself, and in similar circumstances Britain would restore Negapatnam to the Dutch.² Each would also contribute its quota to the Prussian subsidy. Finally, as an incentive to Austria,

1. H. M. C. Dropmore, II, 505, Grenville to George III, 16 February 1794. For Grenville's report of these conferences see ibid., 505-7, for Mack's report see Quellen, IV, 89-96, 18 February 1794.
2. Negapatnam, in Ceylon, had been ceded by the Dutch to Britain in the 1783 Treaty of Paris.

they should conclude a defensive alliance immediately after the Convention was signed. Grenville followed this up two weeks later with a warning that British troops would be withdrawn from the Netherlands unless Austria paid its share of the Prussian subsidy.¹

Such threats, however, made as little impression in Vienna as previous representations. Thugut asserted that Austria could not afford a subsidy and that, after the evidence of the last two campaigns, he could place no reliance on Prussian good faith. His great fear was of seeing a large Prussian army on the Rhine, between Austria's main army in the Netherlands and its homeland. This would effectively enable Prussia to control the campaign and dictate the peace. If the Maritime Powers wished to subsidize the Prussians and could get them to act effectively, so much the better, but he would not deprive Austria of its last resources to subsidize a potential enemy. The furthest he would

1. P. R. O., FO 7/36, Grenville to Eden, No. 8, 18 February; Quellen, IV, 85-8, 116-7, Starhemberg to Thugut, 18 February, enclosing Grenville to Starhemberg and draft Convention of the same date, Starhemberg to Thugut, 4 March 1794.

go was to offer to pay Prussia 6 million florins after the peace if it would conquer Lorraine and the three bishoprics and hand them over to Austria!¹

Consequently, despite some anxiety as to British reactions,² Thugut resisted Grenville's projects and blandishments. He could not accept proposals which gave Holland a specific indemnity while Austria's remained unspecified and might even be less than the cession it was required to make. He would make a cession proportionate to Austrian conquests, but he could only do this if his own political position in Vienna was first strengthened by a prestigious alliance with Britain. He regretted that Mack had ignored orders not to count on any considerable Prussian force and that Austria could not help pay for one. And he matched threat with counter-threat. The defence of the Netherlands was just as important to Britain and Holland as to Austria; if they withdrew their forces, Austria would be obliged

1. Quellen, IV, 107-12, 'Observations on the propositions of Lord Malmesbury'; P.R.O., FO 7/36, Eden to Grenville, No. 18, 11 March 1794, enclosing despatch to Berlin.
2. Vertrauliche Briefe, I, 34, Thugut to Colloredo, 27 March 1794.

to do the same, thus letting in the French.¹

In fact Grenville never intended to enforce his threats (which made them the more foolish) and when resisted they melted away. Austria's refusal to contribute to the Prussian subsidy was received on 13 March, but even before this Grenville had warned Prussia against trying to alienate Britain from Austria by deliberately exaggerating its demands so as to provoke an Austrian rejection. Even if Austria failed to contribute, Britain would not separate from such a zealous confederate. The Prussian deficiency might be supplied elsewhere and this 'would be infinitely preferable to a disunion of the other confederates.'² In a choice between Prussia and Austria, Britain in the present circumstances would choose Austria. Indeed it had little alternative, for as Mercy remarked, no one else fielded nearly so many troops as the 250,000 put

1. P.R.O., FO 7/36, Eden to Grenville, Nos. 17, 18, 11 March; Auckland, III, 193, Eden to Auckland, 24 March; Quellen, IV, 116-7, Thugut to Starhemberg, 25 March 1794.

2. P.R.O., FO 7/36, Starhemberg to Grenville, 13 March; FO 64/31, Grenville to Malmesbury, No. 9, 7 March 1794.

forward by Austria.¹ To alienate Vienna would destroy the whole effect of the war effort which Ministers wished to promote. This was the basic weakness which hamstrung any strong British line towards Austria.

Consequently Grenville resignedly accepted the Austrian decision and instead applied himself to alleviating its effects.² He told Malmesbury that he could not condemn Austria and indeed its suspicions of Prussia seemed reasonable in the light of its past experience. Instead he proposed an alternative agreement by which the Maritime Powers alone should hire 50,000 Prussians for £1 million.³

Similarly Grenville gave up his confrontation with Thugut on the Dutch indemnity and sought other means to secure it. He returned to Auckland's suggestion of the previous August by including in the Prussian treaty a clause that all conquests by

1. Briefe des Mercy-Argenteau, 202, Mercy to Starhemberg, 4 February 1794.
2. P.R.O., FO 26/24, Grenville to Elgin, No. 8, 15 March 1794.
3. P.R.O., FO 64/31, Grenville to Malmesbury, No. 12, 14 March 1794. The Prussians had also declared they could not pay their own quota (Diaries and Correspondence of James Harris, First Earl of Malmesbury, ed. 3rd Earl of Malmesbury, London, 1844, III, 61). Malmesbury eventually contracted 62,400 Prussians for £1,450,000 (ibid., III, 91-3).

the subsidized army should be put into the possession of the Maritime Powers. He retorted to subsequent Austrian complaints that their own unwise conduct had been such 'as not only to afford a justification but even to have created a necessity for this stipulation.'¹ These conquests would be security for an Austrian cession to Holland at the peace.

Thus six months after Grenville's despatch of 7 September 1793 matters had still advanced little further. A form of cohesion was improvized for the Coalition at the very last moment only by temporarily disregarding political disputes for the sake of Mack's great offensive.

II. The Spring Campaign of 1794

Although the political disputes within the Coalition were eventually shelved, the uncertainty created in the meantime necessarily affected the military situation. Because of the subsidy dispute, the Prussian army was not contracted until 19 April. In

1. P.R.O., FO 29/4, Grenville to Yarmouth, No. 1, 19 May 1794. Grenville even thought this might persuade the Austrians to give way on both Dutch indemnity and Prussian subsidy (FO 64/33, to Malmesbury, No. 14, 28 March 1794).

the meantime the Prussians had begun to withdraw, leaving Germany exposed, and consequently Austrian troops destined for the Netherlands were left on the Rhine or halted at Trier to guard against this danger.¹ Moreover British Ministers could only provide a few thousand of the 20,000 reinforcements they had promised on 13 February,² and the Dutch were also below full strength.³ Consequently only 160,000 of the 220,000 required by Mack were available for the campaign in the Netherlands.⁴

To this ominous start was added the complication of revolt in Poland, which broke out in March and which assumed

1. Coutanceau, 55 ff.; Quellen, IV, 173-4, Thugut to Mercy, 1 April 1794.
2. Only three regiments of infantry and one of cavalry were sent by the end of April (Hist. of British Army, IV, 225, 246-7). Partly this may have been due to the late reception of the Austrian plan, but the Ministers had rashly undertaken more than they could fulfil.
3. Briefe des Mercy-Argenteau, 211, to Starhemberg, 18 March 1794.
4. Composed of 20/25,000 British, 20/25,000 Dutch, and 110/120,000 Austrians (ibid., 226; Hist. of British Army, IV, 226-7). The French Armies of the North and Ardennes numbered 227,703, shortly reinforced by 56,000 (32,000 effectives) from the Moselle army (Phipps, Armies of the First French Republic, Oxford, 1926, I, 284; II, 148).

serious proportions in mid-April when the Russian army of occupation was driven from Warsaw. In alarm the Prussians immediately looked to the safety of their Polish provinces and began to think of a further partition. All the king's advisers except Count Haugwitz were against continuing the French war, and Frederick William was persuaded to go to Poland, on 12 May, instead of to the Rhine. Orders were also sent to the Rhine army to remain in a position to send 25,000 troops to Poland if required. Thus the whole object of the Prussian subsidy-treaty was frustrated within a month of its signature.¹

The Austrians on the other hand were committed to the Netherlands campaign before the Polish revolt assumed serious proportions. The Emperor left for Brussels on 2 April, Thugut following a fortnight later,² and the campaign began on

1. Sybel, III, 376, 381-2, 396-8. Malmesbury only secured the signature of the subsidy treaty by persuading Haugwitz, the 'efficient' Foreign Minister at Berlin, to remove the negotiations to the Hague, away from the interference of the other advisers. His coup secured the treaty but lost the army, for the other advisers were able to work on the king in Haugwitz's absence (Malmesbury, III, 76, 100).
2. It did not delay the movement of the last reinforcements to the Rhine (Vertrauliche Briefe, I, 85, Thugut to Colloredo, 29 March), though Thugut was alarmed at events in eastern Europe: by Russian preparations on the Turkish frontier and by the prospects opened to the Northern Powers in Poland; hence his delay before following the Emperor (P.R.O., FO 7/36, Eden to Grenville, 24 March (No. 21), 31 March (No. 22), 9 April (No. 24) 1794; Sybel. IV.

17th when, despite the deficiency in numbers, the main army advanced to besiege Landrecies.

Thugut reached the Netherlands in the last week of April, but neither he nor Grenville took advantage of his proximity to London to settle the differences between the two Powers. In fact Grenville sent no instructions at all to Eden between his ultimatum of 18 February and 7 May when Eden finally took his leave of the Emperor to take up the Madrid embassy.¹ He did indeed send Malmesbury to the Austrian Headquarters after signing the Prussian subsidy treaty. Malmesbury was to see if Mack or Mercy, both generally favourable to British views, had gained a predominant influence over the Emperor now they had direct access to him, and he was to receive Austrian views as to where the Prussians should be used, 'in order that no further time may be lost here in deciding on a permanent system and in establishing the necessary concert according to the new situation as a result of the Hague negotiations.'² But Malmesbury's report

1. See P.R.O., FO 7/36; Vertrauliche Briefe, I, 94, 7 May 1794.

2. P.R.O., FO 64/33, Grenville to Malmesbury, No. 17, 21 April 1794; A Series of Letters from the First Earl of Malmesbury, His Family and Friends from 1745 to 1820 (London, 1870), I, 504-5, Grenville to Malmesbury, Private, 4 April 1794.

was little comfort; Thugut was still firmly in control, disliked Mack, and interfered with his military arrangements. Mack and the Emperor were at first willing to meet British wishes to employ the Prussians on the Meuse, near the main attack, but the Emperor, after seeing Thugut, finally told Malmesbury he preferred them to remain on the Rhine. There was thus great lack of union and decision in the Austrian Cabinet; the only agreement seemed to be that the Netherlands were a drain on their resources and that Lorraine and Alsace were more desirable.¹

Malmesbury made his report in London on 7 May, but it was not until 23rd that he was sent back, and even then the final decision on the Prussians was left to Lord Cornwallis who accompanied him to assess the situation. Nor was the first payment of the Prussian subsidy made till 27 May, five weeks after the signature of the treaty.² Similarly the new minister to the Emperor, Lord Yarmouth, was forewarned for his mission before 10 May, but he did not receive his written instructions till

1. P.R.O., FO 64/36, Malmesbury to Grenville, No. 36, 7 May 1794.

2. Malmesbury, III, 96-7; P.R.O., FO 64/33, Grenville to Malmesbury, No. 19, 23 May 1794.

the 19th, and did not reach Austrian headquarters till 26th.¹

Malmesbury complained that Ministers were 'fully employed in their discoveries and examinations of seditions and treasonable practices'.² But Yarmouth's instructions and the sending of Cornwallis would seem to indicate that there was more to the Cabinet's delay than simply preoccupation with domestic conspiracies. They had run out of practical ideas as to how to reconcile their general object -

the keeping together by His [Majesty's] influence and weight that great confederation by which alone the designs of France can be resisted and which if left to itself would be too likely to fall to pieces from the jarring interests of the Powers engaged in it.³

- with their particular object regarding Austria -

the bringing forward the efforts of that monarchy in the most effectual manner for the prosecution of the war in which so many of the principal Powers of Europe are

1. Quellen, IV, 223, 245, Starhemberg to Thugut, 10 May, Thugut to Starhemberg, 31 May 1794; P.R.O., FO 29/4, Grenville to Yarmouth, No. 1, 19 May 1794.

2. Malmesbury, III, 96.

3. P.R.O., FO 64/33, Grenville to Malmesbury, No. 17, 21 April 1794.

engaged, but in which Britain and Austria must, from their situation and interests, take the leading part.

Grenville stressed to Yarmouth that Austro-Prussian jealousy was disrupting their common efforts, but, apart from recommending 'the means of temper and moderation' to keep the great confederacy together, he had no practical proposals as to how they were to be reconciled.² He recognized the futility of depending on mutual co-operation between Austrian and Prussian troops, but he considered it important for both political and military reasons to use the Prussians as near the Austrian attack as possible. Nevertheless again he had no solution to this problem. The difficulty was left for Cornwallis to unravel after consultation with the Duke of York and Mack. Ministers were thus bankrupt of ideas as to

1. P. R. O., FO 29/4, Grenville to Yarmouth, No. 1, 19 May 1794.
2. Grenville accepted that concert between Austria and Prussia now depended on British intervention (H. M. C. Dropmore, II, 545, to Malmesbury, 14 April 1794), but of his efforts so far (1) that of conciliating Prussia by an Austrian renunciation of any future Bavarian Exchange had been abandoned, (2) appeals to both for reconciliation met with no success (P. R. O., FO 7/36, Grenville to Eden, No. 2, 7 January; FO 64/33, Grenville to Malmesbury, No. 14, 28 March 1794), (3) the idea that Austria should remove Prussian suspicions by communicating its views on indemnities to Berlin had been rejected by Thugut as merely making it easier for Prussia to thwart them (FO 7/36, Eden to Grenville, No. 18, 11 March 1794). Undoubtedly Grenville added to his difficulties by often being backward in communicating his Prussian policy to Vienna.

how to maintain the momentum of the Coalition. Grenville did nothing to break the existing deadlock in Anglo-Austrian relations. While he regretted that Austria was not yet allied to Britain, he told Starhemberg that Yarmouth had no new overtures to make. He was to listen to Austrian propositions and report them.¹

While British diplomacy ground to a standstill, so also did Mack's great offensive. The campaign opened favourably enough. French attempts to relieve Landrecies were easily driven off and the fortress surrendered on 30 April. However, while a wedge was being driven into the centre of the French line, the French themselves attacked on either side and took Menin in West Flanders on 29th. Mack and Coburg therefore stopped their advance, stemmed the tide by reinforcing each flank, and then decided to move the main army to West Flanders to cut off and destroy the French force, 40,000 strong, which had pushed forward into the salient between the Lys and Scheldt. Unfortunately Mack's plan was too ambitious and made little

1. P.R.O., FO 29/4, Grenville to Yarmouth, No. 1, 19 May; Quellen, IV, 256, Starhemberg to Thugut, 6 June 1794.

allowance for the marching powers of his troops. In consequence the Duke of York was defeated at Tourcoing on 18 May before the Austrian columns could arrive from Landrecies. Having surrendered the initiative after taking Landrecies, Mack's attempt to regain it had failed. Although a French counter-attack was repulsed near Tournai on 22 May, there was no prospect of resuming the original plan, and the confederates had now to expect further French attacks all along the line.¹ In these circumstances there was a drastic reappraisal of policy at the Austrian headquarters.

As Malmesbury had reported, the Austrians were heartily sick of fighting for the Netherlands and this extended in many to a hostility towards Britain and a desire for peace.

Mrs Harcourt recorded that

They talk of our naval success, of the islands we have taken, of Prussia's being paid by Poland, etc.; they add that we have suffered them to exhaust themselves without a possible recompense; that many of their troops came on a four months' journey to guard a country that can never pay them. They say these Revolutions have more than taken the fruits of twenty years' rest; that they do not want this country; that

1. Hist. of British Army, IV, 231 ff.; Phipps, I, 288 ff.

it is their ruin, but that it is our interest they should have it, and therefore we have drawn them into fighting for it.

Mack, Count Trautmansdorf, Chancellor of the Netherlands, and General Rollin, the Emperor's aide-de-camp, all advised peace overtures, but in a series of conferences at Valenciennes at the end of May the views of Thugut and Mercy prevailed.²

Thugut was thoroughly dissatisfied with the way the campaign had been handled,³ but he insisted that the war be continued. During the dispute over the use of the Prussians he had stressed the need for firmness and consistency, without which they would lose all respect, particularly from Russia which was gradually being won back by their bold show. This

1. The Harcourt Papers, IV, pt. 2, 476, 6 July; see also Briefe des Mercy-Argentau, 198, 17 January; Calvert, I, 250-3, 406, Calvert to Pitt, 14 June, Calvert to St Helens, 29 November 1794.

2. Frieden von Campo-Formio, xlvii-viii.

3. He was angered by the constant appeals of Mack and Coburg for Prussians at any price and condemned their generalship as a 'guerre de petits paquets'. He felt they should have begun by besieging a major fortress such as Cambrai instead of the minor Landrecies. This would have forced the French to a decisive battle in good cavalry country, where the Coalition had the advantage, instead of in the swamps and enclosed country between the Lys and Scheldt where the advantage lay with the numerous French infantry (Vertrauliche Briefe, I, 84-5, 100, to Colloredo, 27 March, 19 May 1794).

argument was even more applicable to the great question of peace or war. Thugut's letters to Colloredo abound in exhortations not to despair: there was no situation in which some resource could not be found if only they would show a little firmness.¹ To the Emperor he stressed Austria's treaty obligations.² Further, there was the danger from the French system: this was a combat to the death between sovereignty and anarchy; the palliative of a short repose would only make their ruin the more inevitable.³

On the other hand Thugut fully shared the universal prejudice against the Netherlands,⁴ and he was not at all satisfied

1. Ibid., I, 92 (28 April 1794), 102, 105.
2. Frieden von Campo-Formio, xlviii. To these had been added another on 23 May when, by the Treaty of Valenciennes, the Sardinians finally agreed to share with Austria their joint conquests from France and to exchange them for retrocessions (Sybel, III, 437-8).
3. Vertrauliche Briefe, I, 103, to Colloredo, 29 May 1794.
4. Quellen, IV, 261, Thugut to Starhemberg, 8 June 1794. See also Auckland, III, 42, Craufurd to Auckland, 29 April 1793, for an earlier declaration.

with the efforts of the British government. He complained that it had provided only 20,000 of the 40,000 effectives promised in February.¹ He was resentful of its reserve towards Austria. It seemed to be setting traps for Austria by its conduct over the Prussian subsidy.² And he was highly suspicious of the behaviour of its agents on the continent: Lord Yarmouth said nothing and appeared to avoid opportunities to treat with him; Elgin, minister at Brussels, meddled in the internal government of the Netherlands by assuring the Belgians of British protection for their constitution and by warning them to guard against Austrian infringements of their rights; Malmesbury was Prusophile and told the Austrians nothing; and Cornwallis was almost equally uncommunicative.³ Besides these considerations, Poland loomed large in Austrian thoughts now that the campaign in the

1. Quellen, IV, 245-6, Thugut to Starhemberg, 31 May; see also Briefe des Mercy-Argenteau, 236, 238, 17, 24 June 1794.

2. Vertrauliche Briefe, I, 92, to Colloredo, 28 April 1794.

3. Briefe des Mercy-Argenteau, 236, 238, 17, 24 June; Quellen, IV, 282, Thugut to Starhemberg, 17 June; Vertrauliche Briefe, I, 91, to Colloredo, 27 April 1794.

Netherlands had failed. The situation there became more alarming with the arrival of each messenger, and Thugut was particularly anxious at the signs that it was drawing Russia and Prussia together again.¹

Thugut's solution was to save the Austrian army as much as possible, so as to strengthen his bargaining position with Russia and Prussia, but also to defend the Netherlands as far as was consistent with this policy. Though he wished eventually to disencumber himself of the Netherlands, he could not wilfully abandon them because Austria would thereby lose their exchange value.² To save Austrian resources, however, he proposed that the Maritime Powers should be asked to assume a greater part of the military and financial burden of their defence. On these terms they would maintain the struggle in the Netherlands: the Emperor would adopt 'la plus ferme défense de ses provinces, autant qu'il serait possible de l'effectuer, sans toutefois s'exposer à la destruction de son armée.'³

1. Ibid., I, 100, 103, 106, 23, 29 May, 4 June 1794.

2. This consideration applied equally in 1799, see below p.356ff. He wished also, of course, to retain the support of Britain and Holland.

3. Quellen, IV, 315, quoted in Mercy to Thugut, 3 July 1794.

The first result of the new policy was the departure of the Emperor for Vienna at the beginning of June, leaving strict instructions to Coburg to concentrate on 'the conserving of His brave troops'.¹ Equally indicative was the fact that Thugut now dropped his objections to the employment of the Prussians in West Flanders. He demanded that Britain complete its quota of 40,000 and asked that 12,000 more, held back for operations in Western France under Lord Moira, should be sent also.² Finally, he dropped hints that Austria would have to give up the war at the end of the campaign unless it was subsidized, and he asked for the British government and parliament to assist the loan which the Netherlands' government was trying to raise in London.³

1. Frieden von Campo-Formio, 1.

2. Quellen, IV, 246-7, 279-82, Thugut to Starhemberg, 31 May, 17 June 1794.

3. P.R.O., FO 29/4, Yarmouth to Grenville, 30 May (No. 5), 11 June (No. 12), 1794. This was the second loan which the Netherlands' government tried to raise in London. The first, for £1 million, at the end of 1793, failed. The second, for £3 million, met with objections from the Bank of England because of its size, from holders of British stock who feared it would depreciate British funds, and from Merchants who opposed a drain on specie. After a poor start it picked up, but then lost ground again after the defeats in the Netherlands (K. Helleiner, The Imperial Loans, Oxford, 1965, 3-13; P.R.O., PRO 30/8/115, Boyd to Pitt, 9 May 1794).

Meanwhile the situation in the Netherlands deteriorated rapidly. The Austrian army was demoralized by the Emperor's departure. Mack resigned, and his successor, the Prince of Waldeck, was one of the main advocates of abandoning the Netherlands. These factors, combined with the orders to save the army, produced a sluggishness in Austrian operations little adequate to meet the remorseless pressure and superior numbers of the French. Moreover, as Malmesbury and Cornwallis soon discovered, the Prussians had no intention of leaving the Rhine to help in Flanders.¹ Consequently the campaign was soon decided on the Sambre where, after five failures, the French finally secured a firm bridgehead over the river by taking Charleroi on 25 June. Coburg hurried to the spot to meet the danger, but was beaten at Fleurus on 26th and fell back. The French were thus left in position to strike at Austrian communications with Germany, and this precipitated the withdrawal of Coburg's army eastward towards Maestricht to avoid being cut off; the British and Dutch retreated northward to Antwerp and the Dutch frontier. On 11 July the French entered Brussels.²

1. Malmesbury, III, 101-116.

2. Frieden von Campo-Formio, xlix-xli.

These misfortunes made it all the more urgent for Thugut to implement his new policy of increased contributions from the Maritime Powers, and on 12 July he decided to send Count Mercy to London.¹

Mercy was instructed² to ask for all the British troops that could possibly be sent. The Dutch should also send their interior troops to the frontier. They should support Austria's demand for the 20,000 Prussians owed to it by treaty.³ Coburg had instructions to hold his ground and prepare for a new advance, and Thugut asked that the British and Dutch commanders be authorized to concert plans with him to recover the lost ground as soon as possible.

Thugut now declared explicitly that financial aid was absolutely indispensable and he proposed three modes by which it

1. Vertrauliche Briefe, I, 113, to Colloredo, 12 July 1794.
2. A. von Vivenot, Thugut, Clerfayt und Wurmser (Vienna, 1869), 601-Emperor to Mercy, 15 July; 602-5, Thugut to Mercy [16] July; 606-9, Thugut to Mercy [30] July 1794 (dated in Quellen, IV, 362, 364).
3. Thugut further suggested (Thugut, Clerfayt und Wurmser, 604) that the Prussian subsidy should be used instead to hire Russians and recruits from the Empire. In this case the Emperor might be able to persuade the Imperial Diet to pay part of the Prussian subsidy-army.

might be furnished. Firstly, that the British government should support the Austrian loan in London. Secondly, that the Maritime Powers should provide a subsidy. And thirdly, that Britain should provide immediate advances until a subsidy could be arranged, so as to prevent the general dissolution of the Austrian army. In order to take advantage of the abundant credit which the British government was believed to have at its disposal, Mercy was authorized to mortgage part of the revenues or even the territory of the Netherlands.

Having made his demands, Thugut gave assurances of the Emperor's determination to fulfil his engagements and maintain a close concert with Britain. The British government's recent experience with the Prussian army seemed to provide a good opportunity to bring Britain closer to Austria again. If Grenville renewed the alliance proposal it would readily be accepted provided it was founded on reciprocal advantage.

However, even before Mercy could leave for London, he was visited at Bonn on 28 July by two British envoys, Earl

Spencer and Thomas Grenville, who were passing through en route for Vienna. The disasters in the Netherlands had forced the British government from its silence into making renewed overtures to Austria.

III. The Mission to Vienna, Summer 1794

Defeat in the Netherlands produced many accusations of Austrian treachery from British officers on the spot, and the belief spread among the public that the Austrians were deliberately abandoning the Netherlands.¹ Ministers, however, though disappointed, kept an open mind. Pitt ignored York's proposal for the British and Dutch to separate from the Austrians and form an independent army.² While Yarmouth was ordered to remonstrate strongly against the Emperor's departure, he was not to persist if he seemed unlikely to succeed.³ When news of Charleroi and

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1. H. M. C. Dropmore, II, 559-60, Duke of York to George III, 23 May; Harcourt Papers, IV, pt. 2, 478 ff.; Bod. Lib., Bland Burges Mss., 'Original letters, Foreign Affairs 1794', H. Taylor to Burges, 29 May, 22 June, 2 July; 'Transcripts of Sir J. Burges Political Papers, Book 8, 1793-4', f. 132 [4-8], July; Quellen, IV, 255, Starhemberg to Thugut, 6 June 1794.
 2. H. M. C. Dropmore, II, 560, Pitt to Grenville [26-31 May 1794].
 3. P. R. O., FO 29/4, Grenville to Yarmouth, 1 June (No. 4), 3 June (No. 5), 1794.

Fleurus arrived, Starhemberg was relieved to find Ministers more concerned at possible Austrian despondency than dejected themselves. Grenville urged the need for unity, new efforts and more vigour. Provided there was no despondency, he saw no reason why they should not fight the country over again, inch by inch, with means and resources for carrying on the war which were out of all comparison superior to those of the French.¹

Events in the Netherlands brought home to the British government the full extent of their task, and produced important repercussions in both its domestic and foreign politics. In June negotiations were opened for the incorporation into government of the Duke of Portland and his followers from the Opposition. Approaches had hitherto failed, but on this occasion the obvious need for strong government in this time of crisis resulted in acceptance and the formation of a coalition ministry on 7 July.² Portland's followers, as disciples of Burke and his anti-

1. Quellen, IV, 312, Starhemberg to Thugut, 1 July; P.R.O., FO 29/4, Grenville to Yarmouth, No. 9, 1 July; Court and Cabinets, II, 257, Grenville to Buckingham, 9 July 1794.
2. F. O'Gorman, The Whig Party and the French Revolution (London, 1967), chapter 5, passim; just under half of the old opposition in the Commons, and nearly all of it in the Lords, went over to government.

revolutionary philosophy, were ardent advocates of vigorous prosecution of the war. The basis of their union with Pitt was, in Portland's words, 'the annihilation of the present evil spirit that prevails in France, and the restoration of order and good Government there and in the rest of the world.'¹ They were also supporters of an Austrian alliance. The new Minister without portfolio, Lord Mansfield, their most experienced and influential member on foreign affairs,² had consistently advocated 'the renewal of that ancient system which is, perhaps, the only foundation upon which the Liberties and Independencies of Europe can stand secure.'³ Portland, the new Home Secretary,⁴ also confessed his 'partiality for the old Austrian system, which I

1. Nottingham University, Portland Mss., PwF 3,762, Portland to Fitzwilliam, 14 June 1794 (Draft).
2. As Lord Stormont he had been minister to Vienna (1763-72), to Paris (1772-8), and Secretary of State for the Northern Department (1779-82).
3. P.R.O., SPF 80/202, Stormont to Sandwich, 23 January 1765. See also SPF 80/221, Stormont to Keith, 9 November 1799; SPF 80/223, to Keith, 25 August, 14 November 1780, quoted in Schwarz, The political relation of Britain and Austria, 35,204.
4. Pitt and Grenville retained their offices, and a new Secretaryship for War was created for Dundas. Three other Portland Whigs, Earl Fitzwilliam, Earl Spencer, and William Windham also entered the Cabinet.

acknowledge that I feel somewhat strongly ...'¹ Since Grenville never varied in principle on the great utility of the alliance and only regretted the obstacles in its path, a considerable part of the Cabinet favoured the Old System and support for it grew in proportion to disillusionment with Prussia. In August, Starhemberg reported that alliance with Austria was 'desired extremely' in Britain: Prussophile Ministers were overcoming their prejudices which the public, always favourable to Austria, had never shared. Austria was seen as the guardian of the Netherlands, the surest defence of Holland, and the most solid rampart against France.²

Domestic changes thus influenced foreign policy, to which the reformed Cabinet first turned. Cornwallis had been recalled from the continent for consultation and he reported that the Austrians had fled from shadows and the campaign had been absolutely given away. He blamed this on the Austrian generals and urged the removal of Coburg and Waldeck. As regards further

1. Mss. of Earl Spencer, Althorp. Vienna Mission 1794, Letters received (4707), Portland to Spencer, 2 September 1794.

2. Quellen, IV, 407, Starhemberg to Thugut, 28 August 1794.

operations he urged that the captured fortresses in French Flanders be relieved as soon as possible.¹

In consequence Ministers determined to send a special mission to Vienna. Its object was, said Grenville, 'to endeavour to encourage our Austrian allies to a little more exertion and energy which, after all the late events, I continue persuaded is the only thing wanted to ensure success ...'² For once Ministers acted with great promptness: on 15 July they reached their decision; on 17th they resolved to send a Cabinet Minister, the Lord Privy Seal, Earl Spencer, to give added weight to the mission; on 18th Grenville's brother, Thomas, agreed to accompany him; on 19th their instructions were drawn up, and they left immediately.³

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1. Harcourt Papers, IV, pt. 2, 48; Court and Cabinets, II, 259, Grenville to Buckingham, 19 July; Correspondence of Charles, First Marquis Cornwallis, ed. C. Ross (London, 1859), II, 270-3, Cornwallis to the Duke of York, 8 November 1794. The Austrians had left garrisons in Condé, Valenciennes, Le Quesnoy, and Landrecies when they retreated.
 2. Court and Cabinets, II, 258-9, Grenville to Buckingham, 19 July 1794.
 3. H.M.C. Dropmore, II, 599-601, Minute by Pitt, 15 July, Grenville to Hertford, 17 July; Aspinall, II, 225, Grenville to George III, 18 July; P.R.O. FO 7/38, Grenville to Spencer, Nos. 1-4, 19 July 1794.

Spencer was to concert with the Austrians the best means to recover the lost ground and resume the offensive into France. His first object was to secure the removal of Coburg and Waldeck, as the precondition to all future co-operation, and their replacement by a more active man: Grenville suggested either the Archduke Charles with Mack, or General Browne. This commander should be ordered to hold the Meuse and concert plans for an advance with York and the Prince of Orange. The 120,000 men present in the Netherlands, if reinforced by part or all of the subsidized Prussians, should be sufficient to relieve the captured fortresses.¹

Spencer was then to urge the need for speedy reinforcement to enable an early start to the next campaign. He was to ask for the Austrians to be raised from 70 to 100,000, and it was hoped to raise the British to 50,000 and the Dutch to 20,000. With 60,000 Prussians or Austrians from the Rhine, this would give 230,000 - the number originally wanted by Mack. To effect this, Ministers considered Austrian resources as

1. On 15 July Ministers decided to persist in their attempt to bring the Prussians to Flanders (H.M.C. Dropmore, II, 600, Minute by Pitt, 15 July 1794).

sufficient in everything except finance. Here, while definitely excluding the possibility of a subsidy in addition to those already paid to other Powers, Spencer was to hold out the hope that the British government's superior credit might be used to bolster the Austrian loan in London. However, the precise means to effect this had not yet been determined, and meanwhile Spencer was to ascertain the real state of Austrian finances.

Little more precise were the further inducements to be offered to Austria. Apart from appealing to Austria's self-interest, Spencer was to offer to guarantee to it a new barrier provided this was sufficiently limited to give neither jealousy to Prussia nor lasting grievance to France. But Grenville refused to be any more precise than to specify it as 'a respectable and adequate barrier', consisting of one line of fortresses, including those captured fortresses which could be retained, and any more that might be gained before the peace in French Flanders.

Grenville thus intended to obviate Austro-Prussian rivalry by limiting Austrian acquisitions, and he hoped to reconcile Thugut to this by the offer of 'a system of defensive

Alliance and political union¹ which would guarantee British and Austrian possessions at the peace. However, after all had been agreed and turned into a Convention, Spencer was to raise the subject of the Dutch indemnity in the hope that Thugut would not jeopardize the rest by refusing this yet again.¹

For all the special and prestigious nature of Spencer's mission, therefore, the British government had changed its position very little. It was still concerned to protect 'the close bonds of Anglo-Dutch friendship',² and to secure a workable Coalition which included Dutch and Prussian co-operation. Consequently though the two governments were in substantial agreement on continuing operations in the Netherlands, they were still far apart on how Austria should be enabled or induced to act. In particular Mercy's instructions were most specific where Spencer's were weakest - on Austria's financial needs. This alone sufficed to upset British attempts to secure immediate and vigorous Austrian action, for their other inducements were hardly enough. Indeed British offers were so vague and general

1. P.R.O. FO 7/38, Grenville to Spencer, No. 1, 19 July 1794.

2. Ibid.

as to require lengthy negotiation and reference to London, and in any case the unfortunate coincidence of Mercy's and Spencer's missions led each government to await news from its own envoys before answering the other's. At a time when prompt action was required, none was forthcoming.

Spencer and Thomas Grenville reached Vienna on 6 August and began negotiations with the Austrian delegates, Thugut¹ and Prince Rosenberg,² two days later. The Austrians readily agreed to remove Coburg and Waldeck, but they resented British attempts to influence the choice of their successors. Instead of Grenville's suggestions, they determined to leave the command temporarily with Count Clerfayt, the senior general in the Netherlands. Moreover, although Clerfayt was ordered to prepare plans with the Duke of York for the relief of the frontier fortresses,

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1. Thugut became official as well as effective controller of Austrian foreign policy, with the title Minister for Foreign Affairs, on 13 July following the death of the Chancellor, Prince Kaunitz.
 2. Rosenberg was High Chamberlain and, with Thugut and Franz Colloredo, enjoyed the full confidence of the Emperor, though he was too old and infirm to interfere much in business (P.R.O. FO 7/34, Eden to Grenville, 25 September 1793). His opinion, expressed to Zinzendorf on 16 August 1794 was that '... il faut suivre une campagne, sans quoi l'Angleterre s'allie avec le Roi de Prusse à notre détriment' (H. Weill, Un agent inconnu de la coalition: le général de Stamford, Paris, 1920, 640).

Thugut had no intention of advancing until he knew what financial help to expect from London. He wanted Britain to become security for the Austrian loan; he wanted the Prussian subsidy transferred to Austria when the treaty expired.¹ Negotiations thus came to a stop at this insurmountable obstacle. The Austrians insisted that they could not act without financial support; the two Britons protested that they were not empowered to discuss the matter and they refused to be drawn into making a Convention on the other points while waiting for news from London.² In any case the Austrians wanted certain fortresses outside French Flanders and wished to know what barrier Britain would guarantee if no further conquests were made from France, so that both questions had also to be referred to London.

Little over a week after their arrival, therefore, the two British envoys despaired of early success and began hinting that they should be replaced by a permanent minister at Vienna

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1. Vertrauliche Briefe, I, 119-20, Thugut to Colloredo, 9 August; P.R.O. FO 7/38, Spencer and T. Grenville to Lord Grenville, 12 August (No. 3), 16 August (No. 4) 1794.
 2. Thugut here anticipated Grenville's trap on the Dutch indemnity (above, p. 112) by trying to spring one of his own on financial aid.

to carry through the business.¹ Their overriding conviction was that nothing much could be achieved because of deep and fundamental differences between the character and outlook of the two governments. They reported that while there appeared no intention to abandon the war there was no great hope of Austria showing more vigour. The Emperor was personally inclined to the war but lacked strength of character to influence the government. Thugut was the only efficient minister and he was disliked by the nobility. Further, Thomas Grenville wrote,

What we however miss in him is, either the disposition or capacity to see the present great crisis of Europe upon the large scale on which it should be looked at by the leading Minister of this Empire; instead of which we see, in all our discussions, a cold, narrow and contracted view of this subject, infinitely too languid and little for the object, and made peculiarly unfavourable to our propositions by the disinclination which he certainly feels to concur heartily with us in the great interests attached to the Austrian possession of the Low Countries.²

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1. P.R.O., PRO30/8/180, pt. 1, Spencer to Pitt, 16 August; H.M.C. Dropmore, II, 624, Spencer to Grenville, 24 August 1794. There was at that moment no permanent minister: Yarmouth (now Marquis of Hertford on his father's death) had not wished to return to Vienna with the Emperor (Quellen, IV, Thugut to Starhemberg, 17 June 1794).
 2. H.M.C. Dropmore, II, 627-8, Thomas Grenville to Lord Grenville, 1 September 1794.

Spencer accused Thugut of using British zeal for the war to obtain additional security for Austrian possessions by alliance, and to secure British resources to meet expenses which Austria was fully capable of paying itself. Moreover he was expecting the sacrifice of a considerable part of British conquests to redeem Austrian losses at the peace.¹

Proof of the weakness and 'incurable inefficiency' of the Austrian government were the facts that it had tried no new taxes to meet war expenses; that it dared not assemble the Hungarian Diet, which could provide considerable assistance in both men and money, because of its religious grievances; and that, while they talked boldly of arming the Empire and other vigorous measures to meet a French menace to Germany, they did nothing about it.²

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1. P.R.O., PRO30/8/180, pt. 1, Spencer to Pitt, 16 August 1794.
 2. H.M.C. Dropmore, II, 618, Thomas Grenville to Lord Grenville, 15 August; Court and Cabinets, II, 265, T. Grenville to the Duke of Portland, 24 August 1794. The Austrians raised money by free loans in Holland, Germany and Austria until January 1794, when a forced loan was levied in Austria (see article by Mensi on the State Debt in Mischler & Ulbrich, Oesterreichischen Staatswörterbuch, Vienna, 1895-7, II, 1102 ff.).

The basic defect seen by Thomas Grenville was the lack of a soul in the Austrians alive to the magnitude of all the objects at stake and willing to share the great points of common danger and interest. Nor was this all. It was thought in Britain

that the preservation of the Austrian Netherlands is an object important to us as providing a defence for Holland, and important to the Court of Vienna as forming a rich and considerable possession to the House of Austria, and, therefore, making an object of common interest, though touching Austria still more sensibly than England. If this obvious view of the interests of both countries prevailed in the Governments of both - as one might rationally expect that it would - it would naturally furnish, by common consent, a very leading and governing motive, as well to the operations of the war, as to the ultimate issue of it. This, however, is not the view which is entertained here, or which I can persuade myself is really acted upon by those whose influence is decisive here.¹

Thugut complained that the Netherlands had never produced much advantage for Austria; in normal years the Emperor had not received £200 clear money from it. The British envoys reported that he was very much disposed to the Bavarian Exchange and only retained the Netherlands as a means of contact with Britain. Instead of exerting himself for them, he preferred to concentrate

1. Court and Cabinets, II, 261, 263, T. Grenville to Duke of Portland, 24 August 1794.

Austrian forces on the German frontier to guard against Prussia, and he relied on British readiness to defend the Netherlands or recover them at the peace by exchange of conquests. They suspected that his offer to mortgage the Netherlands was meant to give Britain a financial stake in their recovery.¹

Because of the 'total want of vigour and activity in the Government, as well as a cold and languid view of the great interests which are at stake', Spencer and Thomas Grenville advised strongly against transferring the Prussian subsidy to Austria: it was unlikely to arouse the Austrians from their lethargy; it would aggrieve Prussia and increase Austro-Prussian rivalry; and if it failed to produce the desired effect, as was probable, it would have dangerous repercussions in domestic politics. It was better to seek auxiliary troops elsewhere who would be fully at the disposal of the Maritime Powers.²

1. Ibid., II, 261-2, 280, T. Grenville to Portland, 24 August, to Fitzwilliam, 30 August; P.R.O. FO 7/38, Spencer to Grenville, No. 3, 12 August; H.M.C. Dropmore, II, 626, T. Grenville to Lord Grenville, 11 September 1794.

2. Ibid., II, 619, T. Grenville to Lord Grenville, 15 August; P.R.O., PRO30/8/180, pt. 1, Spencer to Pitt, 16 August; Court and Cabinets, II, 266, T. Grenville to Portland, 24 August; FO 7/38, Spencer to Grenville, No. 4, 16 August 1794.

This series of reports on the state of Austria¹ and the character of its government were the most lucid hitherto received in London. Thereafter Ministers could not excuse themselves for want of information. The Vienna negotiations now turned on their decisions on the basis of this information, for, as Thomas Grenville picturesquely put it, '... till they can hear the money jingle in Count Mercy's courier's portmanteau we shall not yet advance.'²

In London Thugut's overture began disastrously. Mercy did not arrive until 15 August, after being held up by bad weather for 15 days in Holland and 3½ at sea. Unfortunately the crossing proved too much for him, and he died on 25th without being able to transact his business.³ Starhemberg had to take

1. They also reported the desire of the Austrian people for peace, the great party spirit and intrigue in the army, and the lack of able commanders (H.M.C. Dropmore, II, 614, T. Grenville to Lord Grenville, 12 August 1794).
2. Ibid., II, 618, to Lord Grenville, 15 August 1794.
3. Quellen, IV, 389, 403, Starhemberg to Thugut, 19, 26 August 1794. His death was a great loss for the pro-war and pro-British party in Vienna, see Malmesbury, III, 14-15; Auckland, III, 235, Craufurd to Auckland, 2 September 1794.

over his task and consequently negotiations were not begun till the evening of 23 August when he met Grenville and Pitt. The two Ministers were astonished by the extent of Thugut's financial demands and adamant against providing immediate advances, but they agreed to take all Thugut's proposals into consideration with the Cabinet. In the meantime they informed Starhemberg that they intended to send Cornwallis back to the Netherlands with the rank of Field-Marshal to replace the Duke of York. The Austrian minister correctly divined in this a scheme to have there a British commander of superior rank and influence to the Austrians, and he suggested to Thugut the counter of making the Emperor Commander-in-Chief with Clerfayt as his deputy on the spot.¹

The deteriorating situation in the Netherlands, the attractiveness of the Cornwallis project, and the first reports from Vienna, soon led Ministers to reconsider their original resistance to financial aid. Starhemberg had not objected to Cornwallis, Thugut had provided an opportunity by not naming a successor to Coburg and Waldeck. After a short delay, therefore,

1. Quellen, IV, 403-7, Starhemberg to Thugut, 26 August 1794.

while the delicate task of securing the king's consent to his son's removal was accomplished, Grenville sent a completely new set of proposals to Vienna on 29 August.¹

The basis of these new proposals was that Cornwallis should be the actual commander of the Coalition forces in the Netherlands. In return for this Ministers would obtain a parliamentary guarantee of the Austrian loan;² they would transfer the Prussian subsidy to Austria, provided also that it furnished 60,000 more men to replace the Prussians and secured a subsidy for the Prussians from the Empire instead; and they would make the immediate advances Thugut required, provided also that the Austrians held the Meuse and Maestricht.³

As an additional incentive Grenville was willing to extend his guarantee of a new barrier to fortresses captured outside

1. P.R.O., FO 7/38, Grenville to Spencer and T. Grenville, No. 5, 29 August; Court and Cabinets, II, 276, Grenville to T. Grenville, 29 August; Quellen, IV, 412-4, Starhemberg to Thugut, 29 August 1794.
2. I.e. the British parliament would act as additional security for the loan and pay the interest if Austria defaulted.
3. On 31 August Dundas authorized the Duke of York to advance three payments of £50,000 each to the Austrian commander (P.R.O., FO 7/37).

French Flanders. On the other hand he refused to enumerate particular fortresses in the guarantee, and he rejected all idea of Britain exchanging its conquests to secure a new barrier if Austria failed to conquer one. Moreover, if, as Starhemberg was hinting, it was intended not to restore the Netherlands' constitution when they were regained, it would be almost impossible for Britain to guarantee either their possession or a new barrier.¹

Nevertheless Ministers had chosen to ignore the strong warnings of their envoys and to grant financial aid. Portland hoped that their reports had been coloured more darkly by the contrast between Austrian behaviour and British liberality, and Grenville hoped that they had laid too great stress on gloomy language long heard from all Austrian ministers to enhance their bargaining power.² In any case they had made their offers strictly conditional to guard against Austrian languor, besides which, as Pitt and Grenville pointed out, the opportunity for real advantage

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1. P.R.O., FO 7/38, Grenville to Spencer and T. Grenville, No. 5, 29 August 1794.
 2. Althorp Mss., Vienna Mission 1794, Letters received, Portland to Spencer, 2 September; Nott. Univ., Portland Mss., PwF 4, 403, Grenville to Portland, 6 September 1794.

if their proposals were accepted was such 'as fully to justify every pecuniary sacrifice that is necessary.'¹ But why, in the light of the reports from Vienna, did the Ministers expect Thugut to accept such a stringently conditional offer? Pitt anticipated much reluctance, particularly on the command issue, but he thought that the loan and subsidy would overcome all objections.² This was to believe that a price could be set on Habsburg pride and independence. Cornwallis subsequently asserted that he never believed the Austrians would agree to their army being commanded by a foreigner,³ and possibly the Ministers were misled by Starhemberg. Pitt told Cornwallis that the idea of his command had been repeatedly suggested by Starhemberg acting in concert with Mercy, though Grenville was probably nearer the truth in declaring that Starhemberg 'in a great degree suggested the

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1. Althorp Mss., Vienna Mission 1794, Letters received, Pitt to Spencer, 29 June [August]; Court and Cabinets, II, 274-8, Grenville to T. Grenville, 29 August 1794.
 2. Althorp Mss., Pitt to Spencer, 29 June [August] 1794, cit. supra.
 3. Cornwallis, II, 273, Cornwallis to Duke of York, 8 November 1794.

measure on some general hints which I threw out to him in order to try the ground.¹ Starhemberg must have realized the impossibility of the idea,² but he nevertheless allowed Ministers to draw from his replies the belief that Vienna would accept Cornwallis, just as he allowed Thugut's offered attempt to secure a subsidy from the Empire for a Prussian corps to be expanded into a condition that the Empire should take over the entire army.

Whatever the reasons, Ministers overplayed their hand. They were in any case too late to save the frontier fortresses which surrendered at the end of August. Grenville's proposals did not reach Vienna until 12 September and then they proved totally unacceptable to the Austrian government. Thugut complained bitterly of Starhemberg's ineptitude and even more of British arrogance.³ Having resisted British attempts to influence the

1. Ibid., II, 257-8, Pitt to Cornwallis, 24 August; Court and Cabinets, II, 274, Grenville to T. Grenville, 29 August 1794.
2. In any case he had no confidence in Cornwallis - 'cet officier, dont je ne sais pourquoi on met ici les talents militaires au niveau de ceux des Eugènes et de Marlborough' (Quellen, IV, 414, Starhemberg to Thugut, 29 August 1794).
3. Vertrauliche Briefe, I, 133-4, Thugut to Colloredo, 14 September 1794.

choice of an Austrian commander, he was hardly likely to accept their nomination of one of their own generals for command in the Netherlands. He expressed 'such soreness' on this issue to Spencer and Thomas Grenville as to exclude any major operations being conducted by any but Austrian commanders. He 'complained warmly' of the difference between the conditions attached to a subsidy for Austria and those for Prussia. He protested that if he could have obtained a subsidy for an entire army from the Empire he would have taken it for himself and not bothered to ask for one from Britain. In conclusion he asserted that the fall of the fortresses made any advance useless; there was no probability of Anglo-Austrian combination in that campaign. Austria would do all it could to defend Holland without exposing Germany; but, without financial assistance it would be forced to carry on the war on a much reduced scale. Thomas Grenville bitterly accused Thugut of behaving 'more like a haberdasher of small wares than the Minister of a great Empire'. So despondent were the two British envoys that they sent a pressing request for their recall.¹

1. P.R.O., FO 7/38, Spencer to Grenville, No. 6, 15 September; H.M.C. Dropmore, II, 630-1, 632, T. Grenville to Lord Grenville, Spencer to Grenville, 15 September 1794.

The second British overture thus failed, but it left far wider ill-effects than was realized at the time. Grenville's proposals would have put Austria's main army in British hands in the middle of the Polish crisis, and Austria would have been denied both an independent foreign policy in the east and military control in the west. Thereafter Thugut was extremely wary of becoming dependent on British financial aid before he knew the precise terms on which it was offered.¹ Nevertheless he had no intention of abandoning the war so long as he could get money. Indeed, as Thomas Grenville reported, if only the financial demands could be got over, the general language of the Austrians was very promising in their earnest desire to establish the most intimate union between the two Courts.² Thugut still wanted both financial assistance and alliance and, therefore, to enable Austria to continue the war in union with Britain and yet retain as much independence as possible, he dropped his demand for a subsidy

1. See below, Chapter 6, passim.

2. H.M.C. Dropmore, II, 635, T. Grenville to Lord Grenville, 22 September 1794.

and decided instead to seek another loan.¹ Thus began a policy which was to have an extremely damaging effect on Anglo-Austrian relations.

So it was that, on 20 September, Thugut announced that Austria would be content with a British guarantee of the £3 million loan for that year and another £3 million loan in the next, to be raised on the security of the Netherlands. When Spencer and Grenville protested at the size and inadequate security, Thugut declared his willingness to extend the security to all the Hereditary States and to raise the Austrian army in the Netherlands to 100,000, though not under a British general. But he still insisted that the whole sum was necessary, and these terms were reluctantly forwarded to London on 22nd by the two envoys.²

1. Once a loan had been floated the British government had no control over it as it could with a subsidy. Moreover, since a public loan was indirect financial aid, it could not attach as many initial conditions to it. This is undoubtedly the reason for this volte face which puzzles Helleiner (see The Imperial Loans, 22-3).
2. Vertrauliche Briefe, I, 135, Thugut to Colloredo, 20 September; P.R.O. FO 7/38, Spencer to Grenville, No. 8, 22 September; H.M.C. Dropmore, II, 635, T. Grenville to Lord Grenville, 22 September 1794.

Thugut's rejection of the British proposals was learnt in London on 2 October. It was in fact received with relief, for Ministers had had second thoughts. For once the very maladroitness of their overture proved an advantage.

Two new factors had changed Ministers' minds. One was the fall of the fortresses: if these could have held out until relieved, wrote Grenville, 'there was just reason to hope that a very great exertion of force on that side in the next campaign might have led to success decisive of the war. The same grounds for this expectation no longer exist ...'¹ The other was the report of Windham, the Secretary at War, who had been sent to the Duke of York to explain the reasons for his replacement. He declared that little reliance could be placed on Austrian exertions. York was sure that they would never place their troops under a foreign commander, and it appeared that Clerfayt had been given a provisional rank for use to outrank Cornwallis should he take command of the British forces.² On 9 September, when this news

1. P.R.O., FO 7/38, Grenville to Spencer and T. Grenville, No. 7, 14 September 1794.
2. Camb.Univ.Lib., Add. Mss. 6958/8 (Pitt Papers), No. 1483, Windham to Pitt, 4 September 1794.

was received, Pitt wrote to the king that these two considerations so far changed the face of affairs that he was unwilling without more reflection to submit any sentiment to him. Next day he replied to Windham that these factors, coinciding with unfavourable reports from Vienna, would probably mean the abandonment of the Cornwallis plan, the end of subsidies to either Prussia or Austria, and a search to hire troops where they could.¹

These are the first signs of the growing disillusionment of the British government with the German Powers: the Prussians refused to move; the Austrians surrendered the frontier fortresses after barely token resistance and on terms which involved the surrender of French émigrés for execution. In the meantime there was turmoil in Paris with the fall of Robespierre on 27 July, of which the Coalition was unable to take advantage.² Consequently Pitt, Dundas and Grenville, who still controlled war planning, began

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1. Aspinall, II, 241, Pitt to George III, 9 September; The Windham Papers, ed. Lord Rosebury (London, 1913), I, 231, Pitt to Windham, 10 September 1794.
 2. Court and Cabinets, II, 272, 301, 303, Grenville to T. Grenville, 26 August, 15 September, to Buckingham, 17 September 1794.

to pay more attention to the urgings of the Portland Whigs that Britain's efforts should be concentrated in the next spring towards helping the royalists in western France, leaving a hired foreign force to defend Holland.¹

This changing attitude was reflected in a new set of instructions sent to Vienna on 14 September. If the Austrians had accepted their 29 August proposals then they must reluctantly go through with them. If not, a more limited project was suggested. Instead of the great offensive from the Netherlands, the Austrians would be left to attack France where they thought best, provided only that they left 80 -100,000 men in the Netherlands to recover those provinces with British and Dutch assistance. On these terms Ministers would guarantee the £3 million loan, withdrawing the subsidy offer and their insistence on Cornwallis.

That Ministers had abandoned hope of Austrian vigour was also revealed by the new Convention which Grenville proposed on peace terms: any new barrier must be the result of Austria's own efforts and there would be no British cessions for this purpose;

1. P.R.O., PRO30/8/101, Pitt to Chatham, 24 September; Nott. Univ., Portland Mss., PwF 3, 485, Dundas to Portland, 16 September; Court and Cabinets, II, 301, Grenville to T. Grenville, 15 September 1794.

moreover he would only renew the pledge in the 1793 Convention, to fight till France restored its conquests from Austria, if the latter would also observe its pledge in the same Convention, to press the war vigorously. If Thugut accepted the new offer, Grenville was still willing to make an alliance, but he confessed to Spencer that he much doubted that Thugut would accept. At all events the two envoys were to end their negotiation one way or other as soon as possible and return home.¹

Despondency regarding Austria was further reflected in the deliberate withholding of all mention of the Western France project - 'The reason is that we doubt whether we ought to trust the Government at Vienna with our secret in this respect', Grenville confided to his brother.² Moreover, in a second despatch on 14th, Grenville demanded an explanation of the disgraceful surrender of Condé and Valenciennes, and he protested

1. P.R.O., FO 7/38, Grenville to Spencer and T. Grenville, No. 7, 14 September; Althorp Mss., Vienna Mission 1794, Letters received, Grenville to Spencer, 16 September 1794.
2. Court and Cabinets, II, 301, Grenville to T. Grenville, 15 September 1794.

vigorously against the apparent Austrian attempt to change the Netherlands constitution. Starhemberg insinuated that they wished to regard the Netherlands as a conquered country when they were recovered, and the Emperor had dissolved the Netherlands government. Grenville stated categorically that the king 'never can be, in any manner, a party to measures which He disapproves as equally impolitic and unjust, and which he has by Treaty a full right to oppose.'¹

Such lofty language was both an individual weakness of Grenville and a traditional failing of British diplomacy which greatly harmed relations with other Powers.² It provoked a passionate outburst from Thugut:

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1. P.R.O., FO 7/38, Grenville to Spencer and T. Grenville, No. 8, 14 September 1794. Grenville denied any desire to intervene constantly, but only to defend 'the great outer lines of these constitutions and particularly ... those Principles in them which distinguish the few constitutions of Europe from the military and absolute Governments established there.'
 2. Grenville's offensive tone also alienated Frederick William II of Prussia (H.M.C. Dropmore, III, 139-40, Duke of Brunswick to Princess of Orange, 14 October 1795). Similar factors also caused the collapse of the Old System in the 1750s, see F. Pibram, Austria-Hungary and Great Britain (Oxford, 1951), 24.

... les procédés de l'Angleterre sont révoltants; mais à mesure que nos revers se multiplient, chacun se permet de nous manquer et de nous vexer de plus en plus, et l'Angleterre surtout qui est dans tous les temps insupportable par son ton impérieux.¹

Spencer and Thomas Grenville reported direct and unremitting resistance, and 'much soreness' at their remonstrances.²

Thugut was now too wedded to his demand for the £6 million loans to accept Grenville's lesser offer. In these circumstances the two envoys prepared to return to London. Thugut had promised an investigation of the surrender of the fortresses and gave assurances that all possible measures would be taken to defend Holland and Maestricht.³ However, as Thomas Grenville wrote, much lengthier negotiations were required than had been expected when they undertook their mission, and these they left to their successor.

We have promised them here that they shall have a minister without delay, and I think we leave them in

1. Vertrauliche Briefe, I, 139, Thugut to Colloredo, 25 September 1794.
2. P.R.O., FO 7/38, Spencer and T. Grenville to Lord Grenville, No. 9, 1 October 1794.
3. ibid

very good inclinations and dispositions, though sturdily insisting on their money, and convinced, I believe, that somehow or other it will be given to them.¹

On 7 October 1794 the two envoys left Vienna.

IV. Stalemate in Anglo-Austrian relations

Spencer and Thomas Grenville had been in Vienna exactly two months, but, apart from obtaining information on the state of Austrian finance and government, they had achieved nothing. All their proposals had been rejected. Even their one success in securing Coburg's removal had been anticipated by his resignation on 9 August.² Thugut blamed their failure on the limited nature of their instructions,³ and certainly they felt bound to insist on Austrian acceptance of their terms, particularly those attached to financial aid, before they could negotiate an alliance. Consequently only financial questions ever really came

1. H.M.C. Dropmore, II, 636, T. Grenville to Lord Grenville, 1 October 1794.

2. Sybel, IV, 115; FO 7/38, Spencer and T. Grenville to Lord Grenville, No. 4, 26 August 1794.

3. Quellen, V, 4, Thugut to Starhemberg, 11 October 1794.

under detailed discussion, and here Grenville's instructions allowed little room to manoeuvre: it was either straightforward acceptance or reference back to London. When it took nearly four weeks between sending a report and receiving new orders, the summer was soon lost. On the other hand Ministers' reticence was understandable. The Austrians, like all the European Powers, seemed to think that the British government had unlimited funds at its absolute disposal. In fact British resources, though superior to those of the other Coalition Powers, were nevertheless limited. Moreover, Ministers were answerable to Parliament and, after the disastrous experience of the Prussian subsidy, they had to be far more cautious as to how they spent their money. Further, Ministers still had the ideal of a Grand Coalition in mind, and consequently their overtures were hampered by the need to conciliate their other partners. This in itself dictated their insistence on agreement on financial terms before all else: since their main bargaining counter was their financial aid, they could not set it aside, otherwise they would be unable to secure the terms they required.¹

1. P.R.O., FO 7/38, Spencer and T. Grenville to Lord Grenville, 16 August (No. 4), 22 September (No. 8) 1794.

Thus the Vienna negotiations never got off the ground. For this Thugut was equally responsible. He played for the highest sum he could get, believing that, in view of the deteriorating situation in the Netherlands, the British would eventually be forced to accept his demands.¹ In September 1794 the British government was not ready to accept this form of blackmail. It had gained considerable conquests in the West Indies, whereas Austria had lost most of the Netherlands. In these circumstances Grenville considered it more in Austria's interests than Britain's to press the negotiations.²

After two campaigns, therefore, the two major Powers most closely involved in the war against France still had not proceeded beyond the almost worthless Convention of August 1793 and their tenuous verbal understanding. Now even this

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1. Moreover, Starhemberg had advised Thugut on 10 May that it was only by firmness that they could get what they wanted from the British government - the least vacillation and it became unalterably stubborn (Quellen, IV, 224). Grenville had already drawn precisely the same conclusions regarding Austria! (see above, p. 70).
 2. Althorp Mss., Vienna Mission 1794, Letters received, Grenville to Spencer, 16 September 1794.

latter was in jeopardy. The 1794 campaign had failed disastrously. Austria was threatening to reduce its future efforts from 200,000 men to only 30 - 40,000 defending the Rhine unless it received financial aid.¹ Britain intended to reduce its co-operation with Austria and, without confiding to Vienna, to concentrate its efforts in western France - 'the quarter where we act alone, and have neither to depend on Prussian faith or Austrian energy.'²

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1. P.R.O., FO 7/38, Spencer and T. Grenville to Lord Grenville, No. 3, 12 August 1794.
 2. Court and Cabinets, II, 301, Grenville to T. Grenville, 15 September 1794.

CHAPTER THREE

TRIPLE ALLIANCE AND THE RE-ESTABLISHMENT OF THE
OLD SYSTEMI. Doubts on Continental connections

Towards the end of September 1794 ministerial disillusion with the German Powers became complete.¹ On 24th Pitt wrote to his brother that there could be no certainty of active Austrian exertions, and Britain's principal efforts would therefore be diverted to the French coast.² Next day Grenville warned Vienna that unless the Austrians made positive efforts to save Holland,

all idea of connection or Concert between the two Courts for the future must be abandoned, as indeed all prospect of their co-operating usefully for any point of common interest would be at an end.³

1. The majority of pamphlets appearing towards the end of 1794 were opposed to war, and in particular to a war on behalf of the Austrians in the Netherlands. See Better late than never! (London, October 1794); A refutation of Mr Pitt's alarming assertion... (London, 1794), 62-3; Letters to the people of Great Britain respecting the present state of their publick affairs (London, January 1795), 40. Even one pamphlet which supported the war was opposed to its being waged in Flanders and advocated maritime war: A short explanation of the important advantages to be derived by Great Britain from the War (London, 1794), 9, 13.
2. P.R.O., PRO 30/8/101, Pitt to Chatham, 24 September 1794.
3. P.R.O., FO 7/38, Grenville to Spencer and T. Grenville, No. 10, 25 September 1794.

On the next day payment of the £100,000 advances outstanding to the Austrians was stopped, and finally, at the end of the month, Pitt suspended further payment of the Prussian subsidy.¹

It was from this attitude of disillusion that the British government moved into full alliance with Austria in the next spring.

In part the withholding of money was an attempt to shock the German Powers into defending Holland, and payments were resumed on 10 October when such help appeared likely. However, the Prussian subsidy was finally withdrawn after news was received on 23 October, that the king of Prussia had ordered his army to retire.² Advances to Austria nevertheless continued³ because the Cabinet heard that Clerfayt had been ordered to take all possible measures to defend Holland.⁴

1. Quellen, IV, 464, Starhemberg to Thugut, 26 September 1794; Malmesbury, III, 141.
2. P.R.O., FO 7/37, Grenville to Starhemberg, 10 October; Malmesbury, III, 144, ftnt. 1; The Paget Papers, ed. A. Paget (London, 1896), I, 76-9, Grenville to Paget, 24 October, St. Helens to Paget, 27 October 1794.
3. Payments of £50,000 on 30 October and 19 November (P.R.O., FO 7/42, Grenville to Eden, No. 59, 25 August 1795).
4. P.R.O., FO 7/38, Spencer and T. Grenville to Lord Grenville, No. 9, 1 October 1794, received 16 October.

In this way another step was taken away from Prussia and towards Austria.

Even so, no overtures were made to Vienna between 14 September and 28 November, nor was there an accredited Minister at the Austrian Court from the departure of Spencer and Thomas Grenville on 7 October until the return of Eden on 13 December. Two months of fruitless negotiation were followed by two months of no negotiation at all.

This delay was the product of a number of factors, but it largely stemmed from indecision in London. In particular Thugut continued to press his financial demands¹ but Ministers could not see how they could meet them: they themselves were about to float a loan of £18 million - the largest ever attempted in Britain - and, if a loan of £6 million to Austria were added to this, they feared that the drain on the floating capital of the country would be so great as to occasion a serious financial crisis.²

1. Quellen, V, 4, Thugut to Starhemberg, 11 October; P.R.O., FO 7/37, Starhemberg to Grenville, 31 October, 13 November 1794.

2. P.R.O., FO 7/37, Grenville to Starhemberg, 14 November; FO 7/39, Grenville to Eden, No. 1, 26 November 1794.

Linked to this was the uncertainty over Holland.

The Dutch wished to make peace, and until the outcome of their negotiations was known, no definite plans could be formed. Moreover, if they did make peace Austrian exertions might be reduced and their financial demands more limited, in which case a loan might be more possible. Proposals to Austria were therefore delayed pending news from Holland.¹

A third factor was the crisis in the newly-formed coalition government over Ireland in October, and delicate negotiations with the king to recall the Duke of York in November served to distract ministerial attention from continental affairs.²

Moreover, there was a misunderstanding between London and Vienna as to where the next negotiations should take place. Thugut had been given to expect that a new Minister would be sent immediately to Vienna to continue where Spencer and Thomas Grenville left off, while Grenville wished

1. Ibid.; Camb.Hist.British Foreign Policy, I, 252-3.

2. Rose, Pitt and Napoleon, 21-28; Pitt and the Great War, 215.

the talks to be continued in London.¹ Also each was reluctant to make any proposals until it knew the extent of the other's future contribution;² and lastly, there was considerable delay in finding a suitable minister to send to Vienna. At least two other candidates were thought of and declined to go before Sir Morton Eden, who had had second thoughts about going to Madrid, finally agreed to return to Vienna.³ The fact that Eden was a fall-back choice is illustrative of Grenville's lack of real confidence in his abilities. It was not till the second week of November that Eden was approached and accepted the appointment, and even then, though it was planned to send him immediately, he

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1. P.R.O., FO 7/37, Straton to Grenville, Nos. 33, 41, 11 October, 4 November; Quellen, V, 10, Thugut to Starhemberg, October, Starhemberg to Thugut, 24 October 1794.
 2. P.R.O., FO 7/37, Straton to Grenville, Nos. 41, 50, 5 November, 10 December; FO 7/39, Note by Thugut, 18 December, Grenville to Eden, No. 1, 26 November 1794.
 3. Thomas Grenville and Lord Hertford were the first and second choices (Court and Cabinets, II, 303, Grenville to Buckingham, 17 September; H.M.C. Dropmore, II, 643, Hertford to Grenville, 2 November 1794).

did not in fact set out until after 26 November when his instructions were drawn up.¹

Eden's instructions show that, because of the Prussian defection and despite past disappointments, Ministers wished to support Austria as far as they could. In the event of a Dutch peace, all that was asked of Vienna was that it should defend the Rhine and relieve the besieged fortress of Luxemburg. This would enable it to make more active exertions in Italy. Britain would leave its 25,000 German troops with the Austrians and send its own national troops to the French coast. Regarding financial assistance Thugut was asked to reduce his demands to the lowest possible and the expedient of a British-backed loan in Holland or Italy was mooted. In the meantime Ministers would continue advances at £100,000 a month for so long as Austria helped defend Holland, and they would contract a general defensive alliance provided only that Austria adopted 'that line of conduct under the present circumstances which every motive

1. H.M.C. Dropmore, II, 644, George III to Grenville, 12 November 1794.

of policy and self-preservation appears to dictate.¹

Even before Eden could obtain a reply to these proposals, however, Ministerial projects grew more ambitious. After a thorough examination of the money-market in early December Pitt decided that both British and Austrian loans were feasible. Walter Boyd, agent for the Austrian loan of May 1794, offered to raise up to £30 million if necessary, and furthermore produced a scheme of linking the proposed Austrian loan at a higher rate of interest, to the British loan, so as to make the latter more attractive to investors.² This offer, combined with George III's promptings that they must finance Austria to keep the French fully occupied on their eastern frontier, and with Thugut's appeal to know what to expect from Britain since affairs were approaching a crisis, finally clinched

1. P.R.O., FO 7/39, Grenville to Eden, No. 1, 26 November, Eden to Grenville, No. 1, 18 December 1794. The first £100,000 was paid on 18 December (FO 7/42, Grenville to Eden, No. 59, 25 August 1795).
2. Helleiner, 26-8. The two loans were linked by only allowing investors who had contributed to the British loan to invest in the Austrian. Walter Boyd (1754?-1837) had just broken into the London money-market. A vigorous, ambitious financier, formerly based in Paris, he played a major part in British government loans from 1795-8 before his firm of Boyd, Benfield & Co. went bankrupt in 1799 (D N B., VI, 100).

matters, and on 18 December a new proposal was despatched to Vienna.¹

Grenville now offered a parliamentary guarantee for the whole £6 million loan provided it was raised on the same terms as that of the previous May and provided Austria fielded 200,000 men between Basle and the North Sea and (a stipulation added on 12 January 1795) 40,000 in Italy. Of these 80,000 should join the British-subsidized Germans to defend Holland or undertake offensive operations if the Dutch made peace. The employment of the rest was to be left to the Emperor's discretion, but it was hoped that those in Germany might act offensively in concert with British operations on the French coast which would begin in March or April, and that those in Italy would defend Piedmont vigorously in co-operation with the British Mediterranean fleet. Nothing more was expected from Prussia, and if all could be satisfactorily arranged a treaty of alliance

1. H.M.C. Dropmore, II, 648-9, George III to Grenville, 1 December; P.R.O., FO 7/37, Straton to Grenville, No. 41, 5 November, received 6 December 1794.

might immediately be concluded.¹

Two weeks later Grenville received Eden's reports of his first meetings with Thugut at which the Austrian had declared that 40 million florins (rather more than £4 million) to support 200,000 men was the lowest to which he could go. In consequence Grenville modified his offer to the choice of two alternatives: either £6 million for 240,000 men and to repay the advances already given, or £4½ million for 200,000 and the advances.² Ministers then sat back to await a reply, but, because of the severity of the winter of 1794-5, they heard nothing until 20 February 1795, when to their horror they learned that Thugut had totally rejected their offer.³

1. P.R.O., FO 7/39, Grenville to Eden, No. 5, 18 December 1794; FO 7/40, Grenville to Eden, No. 6, 13 January 1795. In contrast to the 26 November proposal, the offer of alliance was once more turned into a bargaining-counter conditional on acceptance of the rest of the proposal.
2. P.R.O., FO 7/39, Eden to Grenville, No. 1, 18 December 1794; FO 7/40, Grenville to Eden, No. 6, 13 January 1795.
3. Ibid., Eden to Grenville, No. 20, 21 January; Grenville to Eden, No. 16, 24 February 1795.

II. The dispute over the Austrian loan of 1795

Thugut grounded his rejection of the 18 December proposals on four main points. Firstly, he had not commissioned Boyd to negotiate the new loan. This was a minor quibble likely to be dispensed with if the terms were right, and in any case, as Grenville pointed out, the terms had been arranged not merely with Boyd but with the concert and consent of the Austrian officials in London, Starhemberg and Desandrouin.¹ Secondly, because of the threatening situation in Poland and Turkey, Austria could only field 200,000 men of whom 30,000 would be required in Italy. In fact, as has been seen, Grenville had already made allowances for this. Thirdly, though Thugut was prepared to pay up to $\frac{1}{2}\%$ interest above that on the British loan,² he was not prepared to pay $2\frac{3}{4}\%$ more ($7\frac{1}{2}\%$ total interest) which he understood would be the case. And fourthly, he considered that the linking of the Austrian loan, at a higher rate of interest, to the British, combined with the fact that Ministers would offer a

1. Ibid., Grenville to Eden, No. 16, 24 February 1795.

2. P.R.O., FO 7/39, Eden to Grenville, No. 1, 18 December 1794.

higher rate for their own loan if the Austrian failed, meant that Austria was in effect subsidizing the British loan.¹

These last two objections were the focus of a dispute which dragged out over the first four months of 1795 and upset all military projects in the process. Undoubtedly there was an element of truth in both Austrian complaints. Even Grenville admitted that the Austrians would be paying 6% (the interest on the British loan was finally settled at approximately $4\frac{1}{2}\%$). Nevertheless he denied that they would

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1. Provision was made in the British Loan that, for every £100 contributed, investors would receive an extra 6d annuity for every £750,000 the proposed Austrian loan fell short of £6 million, up to a total additional annuity of 4s 6d should it fail altogether. For the terms of the two loans see J.J. Grellier, The terms of all the loans which have been raised for the public services (London, 1799), 36, and Helleiner, 28-9.

be paying $7\frac{1}{2}\%$.¹ Moreover, since the Irish government was paying 6 %, Vienna could hardly expect better terms than Britain's own dominions. And in any case, through the Sinking Fund attached to the loan Austria would have to pay proportionately less cash in interest each year as it redeemed its 3% ~~stock~~.²

These were telling points and they induced Thugut to settle for 6% if it could be shown that this was indeed the actual rate they would pay,³ and the dispute finally revolved

1. In every £100 contributed to the Austrian loan, the investor paid £50 for £83 6s 8d-worth of 3% ~~stock~~, which yielded £2 10s each year, and £50 for an annuity of £5 for 25 years. It was an easy mistake made by British newspapers and public as well as by the Austrian government, to equate the total annual payment to the investor of £7 10s on every £100 with $7\frac{1}{2}\%$ interest. However, the annuity, terminating in 25 years, included a part capital repayment of the initial investment each year (in the same way as in a modern mortgage). Interest was calculated to combine with capital repayment so as to produce £5 each year and to liquidate the annuity in 25 years. This was achieved by a compound interest rate of 8.8%. It was therefore impossible to state a constant rate of normal interest, since the annuity was worked in terms of compound interest and accordingly also the interest content as a cash sum in the annuity diminished each year in proportion as the capital was repaid - from £4 8s in the first year (i.e. 8.8% of £50) to 8s 5d in the 25th (i.e. 8.8% of the approximate £4 15s remaining). Total annual interest on the loan therefore diminished from £6 18s % in the first year, to £2 18s 5d % in the 25th.
2. P.R.O., FO 7/40, Grenville to Eden, No. 16, 24 February 1795.
3. Ibid., Eden to Grenville, No. 35, 23 March 1795.

around this point. In Vienna the source of all objections was the Hofkammer,¹ to whose province the loan belonged. Thugut later told Eden that 'much unnecessary delay had originated with that Board during the negotiation for the loan.'² Faced with the task of having to find means for what its President, Count Kollowrat, described as the most expensive war in Austrian history, the Hofkammer was among the loudest of those calling for peace.³ As early as January 1795 it tried to suspend interest payments on loans raised in Holland, and Thugut complained bitterly of those who would destroy Austrian credit, who would make it impossible to raise money in Britain, and who

veulent absolument forcer l'empereur à la paix
par la manque absolu de numéraire, par la famine et
par le débandement de ses armées.⁴

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1. The Austrian Board of Finance.
 2. P.R.O., FO 7/42, Eden to Grenville, No. 102, 17 September 1795.
 3. J.K. Mayr, Wien im Zeitalter Napoleons (Vienna, 1940), 23, 78; P.R.O., FO 7/42, Eden to Grenville, Private, 2 August, No. 109, 10 October 1795.
 4. Vertrauliche Briefe, I, 176-7, Thugut to Colloredo, 23 January 1795.

It was the Hofkammer who maintained that the loan was at $7\frac{1}{2}\%$, and when Grenville maintained it was 6% it resorted to the quibble that money for the Sinking Fund would have to be borrowed and interest on this should be added to the total interest paid on the loan. There was indeed much uncertainty owing to the fact that neither Grenville nor Starhemberg and Desandrouin¹ supplied full details of either the May 1794 or the present loan to Vienna,² and to resolve this a Hofkammer official, Count Pergen, was eventually sent to London to examine and settle the whole business. Even here, however, the obstructionist attitude of the Hofkammer intruded itself. Thugut decided that an official ought to be sent in mid-February, but the Hofkammer took over a month to draw up his instructions and Pergen did not leave before 23 March. When he finally arrived in London on 9 April, Thugut was astonished to find that he had been instructed to find out why and at whose orders

1. The official sent to London to arrange the May 1794 loan.

2. P.R.O., FO 7/40, Eden to Grenville, Nos. 27, 35, 25 February, 23 March; FO 7/41, No. 49, 4 May 1795.

the Austrian representatives in London had asked for a loan of £6 million and not £3 million - an increase for which Thugut had long ago accepted responsibility - instead of examining and fixing the terms of the loan as Thugut had wished.¹ Pergen's final report was characteristic of a Hofkammer official: the loan would be exceedingly costly and in every respect harmful; its ruinous terms would deprive Austria of all credit in Germany and Italy and leave it at the mercy of the money-changers and speculators. He concluded that whether the loan was agreed to or not Austria would be ruined and therefore the Emperor should bring the war to a speedy end.²

To Thugut the business was infuriating and incredible: the Hofkammer told him the 1794 loan, on which the present was based, was at $7\frac{1}{2}\%$, the British said it had

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1. Vertrauliche Briefe, I, 192, 195-6, 206-7, Thugut to Colloredo, 21 February, 14 March, 29 April 1795; Helleiner, 43; P.R.O., FO 7/40, Eden to Grenville, No. 35, 23 March 1795.
 2. Helleiner, 44-5, quoting Pergen's Memorandum of 14 April 1795.

been at 6%. It seemed that it had been negotiated and ratified by Austrian officials who had never understood its terms.¹ Nevertheless against such obstacles he had to contend warily, for there was truth in his assertions to Eden that the cry for peace was general and that he was almost alone among the Emperor's Ministers in urging the continuance of the war.² Even the Emperor was now turning against it. On 6 March he sent a Mémoire to Thugut representing his opinions: the war was 'destructive to the country' and only benefitted Britain and Prussia; Britain had obviously done its best to 'involve all the powers of Europe in a war to weaken them and then, by its supremacy on the seas and in commerce, make itself arbiter in all international transactions'; because of this Britain would never do anything to further Austrian interests.³ Thugut therefore had to prove the necessity and advantage of

1. Vertrauliche Briefe, I, 196, Thugut to Colloredo, 13 March 1795.

2. P.R.O., FO 7/40, Eden to Grenville, No. 20, 21 January 1795.

3. Quellen, V, 125, Emperor to Thugut, 6 March 1795; Frieden von Campo-Formio, lv-lvi and ftnt.

close union with Britain in the war against France. Hence he had to achieve the best possible loan terms or prove other compensatory advantages from union with Britain.

III: Prussian versus Triple Alliance

Although there was good reason behind Thugut's hesitancy and haggling over the loan, the dispute and the delays could only be harmful to Anglo-Austrian relations. While Ministers in London were awaiting news from Vienna, Holland was overrun by the French in the last weeks of January and Hanover was exposed to invasion. But instead of vigour and decision at Vienna, there was merely quibbling and accusations of usury over the loan. Because of this British faith in Austria was severely shaken. The January and February instalments of the monthly advances were paid by 22 February and thereafter stopped.¹ In the meantime promising reports were received from Malmesbury that Prussia was about to renew

1. P.R.O., FO 7/42, Grenville to Eden, No. 59, 25 August 1795. Since Holland had fallen the original reason for the advance was at an end.

the war, and Prussia was far better situated than Austria to defend Hanover and recover Holland. Accordingly at the beginning of March the Cabinet, at Pitt's prompting, reconsidered the possibility of a new approach to Berlin.¹

However, such projects, which must have led to a new orientation for Britain's continental connections and strategy, were cut short on 8 March by news from Berlin that the king had just ordered peace to be made with France at Basle on the basis of the cession of the left bank of the Rhine.² A Cabinet meeting that was due to conclude the Prussian project thereupon had to produce an alternative, and this gave Grenville the chance to push through his scheme for a triple alliance between Britain, Russia and Austria.³

1. P.R.O., FO 64/36, Malmesbury to Grenville, Private, 3 February 1795, received 20 February; H.M.C. Dropmore, III, 25-31; Aspinall, II, 309-12.

2. P.R.O., FO 64/37, Lord Henry Spencer to Grenville, 21 February 1795.

3. The Windham Diary, ed. Mrs H. Baring (London, 1866), 335, entry for 10 March 1795.

Grenville was bitterly opposed to the Prussian scheme and had determined to resign if it was carried out.¹ Now on 10 March he was able to inform Starhemberg and Vorontsov that immediate approaches were being made to their Courts for the formation of a close alliance.²

Grenville wrote to St. Petersburg on 9 March urging Russia to keep Prussia in check so that the Austrians might concentrate on the French war. Now the Prussian project was set aside he offered £1 million subsidy for 55,000 Russians to serve with either the Austrians or the British. He then informed Whitworth of the triple alliance project and immediately demonstrated the use he intended to make of it by asking that Russian influence be used to keep Austria firm in its declared intention of acting offensively

1. Camb. Univ. Lib., Add. Mss. 6958/9, Grenville to Pitt, 1, 2 March 1795.

2. Quellen, V, 126-7, Starhemberg to Thugut, 10 March 1795.

against France.¹

Next day Grenville wrote to Vienna suggesting that the two Powers should jointly propose a triple alliance to the Russian government, and informing Thugut of the efforts he was making to get Russian support for Austria against Prussia and France. The sole condition he attached to his proposals was that Austria should act offensively in the war against France.²

It was this despatch, received in Vienna on 29 March, which opened the way to agreement on the loan. A triple alliance of Austria, Russia and Britain had always been Thugut's ultimate diplomatic objective,³ and because of

1. P.R.O., FO 65/29, Grenville to Whitworth, No. 4, 9 March 1795. The Russians had been holding out prospects of an alliance to Whitworth for two years, probably to forestall any British reaction to their conduct in Poland, and now as the Polish situation was about to plunge into another crisis they finally made a defensive alliance with Britain on 18 February 1795.
2. P.R.O., FO 7/40, Grenville to Eden, No. 19, Secret, 10 March 1795.
3. See above, p. 35.

the new Polish situation it was never more necessary than at that moment.

Since the summer of 1794 the position in Poland created by the Russo-Prussian treaty of 23 January 1793 had been completely reversed. In September of that year the Prussian attempt to subdue the Polish revolt had been checked when Frederick William II was forced to abandon the siege of Warsaw. This blow to Prussian prestige gave Thugut the chance to press Austrian claims for a share in the inevitable final partition when the Russians finally crushed the revolt in early November. As a result, through his envoy, Count Ludwig Cobenzl, at St. Petersburg, he achieved a notable coup by obtaining Russian approval that Austria should receive the Palatinate of Cracow and Sandomir which were at that moment occupied by the Prussians. The plan of partition was agreed in a secret treaty between Russia and Austria on 3 January 1795, the Empress Catherine further

declaring that she would support Austria with all her forces in the event of an attack by Prussia because of the treaty.¹

However, the Prussians were conscious of the changing situation and began peace negotiations with France at the end of October 1794 in order to have their hands free for Poland. On the other hand Austria was unable to do likewise because the underlying condition for Russian support of its claims was that it should continue the war against France.² Since Prussia would have all its forces available in Poland, since, moreover, it was in actual possession of Austria's intended share of the partition, and since Catherine was notoriously unreliable, Thugut needed all the insurance he could get to protect himself against any possible Prussian

1. The Empress further guaranteed Austria's right to the Bavarian Exchange and to an additional indemnity either from France, or, if unobtainable in that quarter, from Venice.
2. Frieden von Campo-Formio, lviii-lix. By having Austria tied down in the west, Catherine retained a free hand in Poland and Turkey.

retaliation and all the help he could get to continue the French war from which he still hoped to secure an indemnity.¹

It was therefore an elated Thugut who wrote to Cobenzl in St. Petersburg that 'It is superfluous to tell Your Excellency that the proposition of the British ministry has been welcomed here with the utmost satisfaction.'¹ The conclusion of a triple alliance could only promise the most happy effects: it would entirely quieten the Turks and so deprive Russia of any excuse for intervention there;² it would in consequence release Russian troops from the Turkish frontier to concentrate on the Prussian and so keep Berlin quiet; and it would completely isolate Prussia which would hardly risk union with an unstable France.³

It was undoubtedly because of this that Eden was able to write to Whitworth on 2 April that Thugut had at

1. For the Polish situation see Lefebvre, French Revolution, II, 10-11; Frieden von Campo-Formio, lvii-lix.
2. P.R.O., FO 7/40, Eden to Grenville, No. 26, 18 February 1795, reported Thugut's fears of Russian activity against the Turks while Austria was tied down against France.
3. Quellen, V, 153-5, Thugut to Cobenzl, 2 April 1795.

last agreed to the financial terms of the loan. It was not that he finally conceded the British case - in an undated despatch of April Thugut still complained to Starhemberg of the loan terms. But the projected alliance was enough to overrule all the objections of the Hofkammer. To Starhemberg Thugut declared that they now resigned themselves to the sacrifices which circumstances demanded, in the firm hope that Britain, recognizing the extent of these sacrifices, would help to procure some compensation or indemnity suitable for the manifest prejudice caused to Austrian finances.¹

Just at the moment when the way became clear for understanding at Vienna, however, the Cabinet nearly closed it again in London by reviving the Prussian overture. British policy swung about desperately as Ministers strove to keep pace with the ever-fluctuating situation on the continent.

1. P.R.O., FO 7/40, Eden to Whitworth, Secret, 2 April, copy enclosed in Eden to Grenville, No. 38, 2 April 1795; Quellen, V, 193-5, Thugut to Starhemberg, April 1795. Helleiner, 48, fails to explain why Thugut suddenly gave way on the loan terms.

Two weeks after shelving the Prussian project and appealing to Austria and Russia, it became apparent that news of the Prussian peace was premature. Negotiations at Basle were held up by the death of the Prussian envoy, Count Goltz. Already Ministers had learnt on 12 March that Austria could not help defend Hanover,¹ and on 28th came pessimistic despatches from Eden that Thugut still resisted the loan terms and intended to send an agent to London to investigate the matter. This seemed to put an end to any hope of active Austrian exertions, while on the other hand Lord Henry Spencer at Berlin and Malmesbury, on his way home in Brunswick, indicated that there was still a chance of Prussian help.² Following Malmesbury's arrival in London early in April, the Cabinet decided on one last attempt: they offered a subsidy to Prussia to defend North Germany and recover Holland, to be paid in instalments as each object was fulfilled.

1. P.R.O., FO 7/40, Eden to Grenville, No. 25, 11 February 1795.

2. Ibid., Eden to Grenville, No. 27, 25 February, Private, 12 March; Aspinall, II, 323-4, George III to Pitt, 29 March 1795.

Only Grenville opposed the measure. The king and four other Cabinet members who had previously been doubtful, now came round to it because of the Austrian withdrawal over the Rhine. Since Grenville refused to take any part in it, Dundas forwarded the offer to Berlin on 10th.¹

In his instructions to Spencer, Dundas specifically excluded all reference to Poland from his negotiations and also declared that there were no engagements in contemplation with Russia or Austria inconsistent with the Anglo-Prussian alliance of 1788.² Here once more was an attempt by British Ministers to concentrate on the French war to the wholesale exclusion of continental politics, and this at a

1. Aspinall, II, 330-1, Cabinet Minute, 8 April; H.M.C. Dropmore, II, 50, Grenville to George III and reply, 8, 9 April. The other Ministers who had earlier opposed the plan were Mansfield, Chatham, Spencer and Hawkesbury (Camb. Univ. Lib., Add. Mss. 6958/9, Proposed Cabinet Minute of 1 March 1795). For the overture see P.R.O., WO 1/408, Instructions to Lord Henry Spencer, 10 April 1795.
2. Ibid., f. 31, Most Secret, Lord Henry Spencer, 10 April 1795.

time when Prussia was preparing for a confrontation with Austria over the pending third partition of Poland. Despite the trouble brewing in the east, Ministers blandly expected co-operation between the two German Powers in the west - for a Prussian attempt to recover Holland presupposed that the Austrians would fully occupy the French on the Rhine.

Only Grenville was realistic enough to see that further Austro-Prussian co-operation was out of the question. In a Minute stating his objections to the overture, he not only warned that Prussia could not be trusted, but also emphasized

The danger that by negotiating at all with Prussia under the present circumstances we alienate the Austrian and Russian Governments, with whom it should be our policy to endeavour to form the closest union; which can never happen while they are persuaded that we are ready at any moment to resume our former connections and intimacy with Berlin.

The hope of uniting those three Courts in one common system is one which neither our past experience nor any view of their present situation and disposition towards each other seem to justify. If this cannot be done, the option must be made, and being made, must be adhered to.

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1. H.M.C. Dropmore, III, 29, Minute of Lord Grenville on the Project of a New Convention, between Great Britain and Prussia.

It is highly likely that had Britain made a new treaty with Prussia, Thugut would have found excuse enough to abandon the French war, but fortunately Ministers were saved from embarrassment by the good sense of Lord Henry Spencer, who withheld the overture when it became clear that Prussia had already made peace on 5 April. Instead he applied to London for further instructions and the Cabinet dropped the whole project after the Prussian peace was confirmed on 17th.

IV: The signature of the Loan Convention

While the rest of the Cabinet looked to Prussia, Grenville was endeavouring to keep his temper over Austrian obstinacy and reach an understanding with Vienna. On 8 April, unaware that Thugut had finally given way, he insisted that there could be no change in the loan terms and besought the Austrians to end 'all these trivial and useless delays'. He repeated earlier warnings that unless Vienna came to terms

soon there would be no time to obtain a guarantee of the loan from Parliament before it was prorogued for the summer, in which event the whole business would have to be considered as having failed.¹

What was the most frustrating to the Cabinet was that it had no striking force available at a time when it was receiving increasing reports of the internal collapse of France. The Dutch had been knocked out of the war; Prussia and Tuscany had defected; it would take time for a reply to their subsidy offer to Russia and longer still to organize an expeditionary force if the offer was accepted; Britain's own projected expeditions to the French coast had had to be postponed owing to the need to secure the Dutch colonies now Holland had fallen to the French;² since the beginning of the year the British minister in Switzerland, William Wickham,

1. P.R.O., FO 7/40, Grenville to Eden, No. 25, 8 April 1795.

2. Hist. of British Army, IV, 392 f.

had been pouring money into France in support of the royalists,¹ but they could achieve little on their own.

There remained Clerfayt's great army on the middle and upper Rhine as the only major striking force available, and it was the immediate offensive operation of this army which Ministers had been trying to secure since the previous December. Not only was it not yet secured but, because of the obstinacy of the Austrian government, the army was in danger of disintegrating before their eyes. The Austrians had lost their magazines in the Netherlands and there was a dearth of supplies in the severe winter of 1794-5, so that Clerfayt's army was in desperate need of a refit. There was little money for this at Vienna, and the British advances stopped in February. Although Thugut appealed for £500,000 advances immediately to enable Clerfayt to relieve Luxemburg, his last outpost west of the Rhine, Grenville felt obliged to refuse lest this enabled Vienna to procrastinate for ever on

1. H. Mitchell, The Underground War against Revolutionary France (Oxford, 1965), Chapter 4, passim.

the loan. All he could do was to make provision for the immediate payment of the required sum in Germany as soon as the loan was settled.¹

Everything therefore depended on the prompt action of the Austrian government in accepting the loan and putting their troops in motion, and Grenville entreated Eden to

... use every possible effort to give life and vigour to the Austrian Government at this critical moment. Strongly as I have spoken in my dispatch of the present state of France, I have said much less than my information, drawn from various quarters, and applying to almost every part of France, would fairly warrant. The whole of what is at stake in this contest depends on the means of profiting from this favourable moment. We can never hope that the circumstances as far as they regard the state of France can be more favourable than they now are ... For God's sake enforce these points with all the earnestness which I am sure you will feel upon them. The people with whom you have to deal require a little spurring; and the effects of delay or indecision in such moments as these are as bad as those of the grossest treachery or the most deliberate ill will ... What must be obvious to every man in such circumstances as the present, is the infinite advantage of acting soon, and (at all hazards) acting offensively.²

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1. P.R.O., FO 7/40, Eden to Grenville, No. 35, 23 March, Grenville to Eden, Nos. 25, 28, 8, 14 April 1795.
 2. P.R.O., FO 7/41, Grenville to Eden, Private, 17 April 1795.

Unfortunately, although Thugut finally gave way on the terms of the loan at the beginning of April, the Convention by which he agreed to the loan was not signed for another month. Eden could not sign until he received his full powers to do so which were being brought by a servant of Straton, reported overdue on 25 February, and who did not arrive until 15 April.¹ Then Thugut hesitated to sign until he heard whether Grenville accepted certain alterations in the wording of the political part of the Convention. Grenville's approval was received on 25 April,² but then the Hofkammer made one last attempt to obstruct the measure, and it was not till 4 May that Thugut was finally able to overcome their opposition and the Convention was signed.³

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1. P.R.O., FO 7/40, Eden to Grenville, Nos. 27, 43, 25 February, 15 April 1795.
 2. Ibid., Eden to Grenville, No. 43, 15 April, Grenville to Eden, No. 23, 31 March; FO 7/41, Eden to Grenville, No. 49, 4 May 1795.
 3. Ibid., Eden to Grenville, No. 49, 4 May 1795.

The Convention stipulated that the British Parliament would guarantee the interest payments of a loan of £4,600,000 to be raised on behalf of the Emperor. In return the Emperor engaged to employ 200,000 men against the French. As security for the servicing of the loan the Emperor would make available the revenues of his hereditary states and debentures on the Bank of Vienna,¹ and as security that the number of troops was maintained inspectors were to be sent to the Austrian armies to check their muster rolls. £550,000 which had already been advanced to Austria was to be repaid in November and December. Finally, by a secret article, the Emperor promised to employ 170,000 troops in Germany, exclusive of those of the Empire, to be used as much in offensive as defensive operations, and to employ 35 - 40,000 men in Italy.

1. Since the Bank of Vienna was not in fact an independent bank but a branch of the Austrian government, this was a piece of **misunderstanding** which the British government did not discover until too late, see Helleiner, 10-11.

The financial terms of the loan were contained in two Imperial Octrois of 18 May 1794 and 4 May 1795 and appended to the Convention.¹

Thus was concluded the first stage of the dispute over the Austrian loan; the second was to follow after May 1797 when Austria defaulted on its interest payments.² In the event therefore the loan, the first ever raised under British guarantee by a foreign government in London, was to prove an unhappy experiment for the British government, and equally so for the Austrians who were only ever able to apply £2½ million of the £4.6 million to their practical use.³ It would seem that the Hofkammer's objections to the loan were entirely justified. However, the question was basically a political and not a financial one. Austria was politically bound

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1. For the full text of the Convention see Pribram, II, 256-66; for the English text, presented to Parliament without the Secret Article, see Parl.Hist., XXXI, cols. 1553 f.
 2. See below, Chapter Six, p. 310.
 3. See Table A at the end of this Chapter, p. 177. The most recent Austrian authority, Mayr, estimates (p. 78) that the loan was only worth £2.7 million to Austria.

to continue the war if it was to retain the support of Russia and Britain and continue to act as a great Power.¹ Since its own finances could not support the war it was obliged to accept the British terms however ruinous they might be.

This was a trap from which Thugut could not escape and the price he had to pay to avoid the humiliating restrictions which Britain would attach to a subsidy. He therefore accepted the loan and banked everything on winning the war.

V. The re-establishment of the Old System

With the loan at last concluded the way was finally clear for making the long-delayed alliance. Grenville's projected treaty, strictly conditional on the signature of the loan Convention, was transmitted to Vienna as soon as it became clear that Thugut had given way. In it Grenville was careful to avoid contentious subjects and specifically omitted all reference to the Netherlands and Poland. On the latter he recognized the confrontation between the three Eastern

1. Vertrauliche Briefe, I, 237, Thugut to Colloredo, 5 July 1795.

European Powers but declined to become involved: he urged that the best way to prevent any hostile designs by Prussia was by vigorous action against France, Berlin's only possible support. He felt it unreasonable to contract engagements on the Netherlands while it was in French hands, but he hastened to add to Eden that

... His Majesty continues to regard the possession of those Provinces by Austria as constituting the principal link of connection between the two Crowns: and if, on any occasion, the slightest hint is thrown out to you of the possibility of any arrangement by which the Netherlands shall ultimately have a different destination, you are to use every method to discourage all such ideas as incompatible with the safety of Europe, and inconsistent with that¹ system which His Majesty is desirous of renewing.

This despatch reached Vienna on 5 May, the day after the signature of the Loan Convention, so that negotiations began immediately. Several of Grenville's articles required hard bargaining. In particular Thugut objected to Grenville's proposal that the territorial guarantee should be unlimited: this was unprecedented in past Anglo-Austrian treaties;

1. P.R.O., FO 7/41, Grenville to Eden, No. 32, 24 April 1795.

although it would enable Austria for the first time to claim British help in the event of attack by the Turks, this was an incommensurate advantage when set beside the obligation to send troops to protect Britain's overseas colonies; and it would enable his opponents to raise a clamour against him and the alliance. Equally objectionable was the proposal that the country requisitioned, besides the requisitioner, might have the power to commute to money the succour it was required to send in the event of an attack on the other. And lastly, he wanted the territorial guarantee to come into effect immediately instead of at the peace. However, such was his eagerness to sign to protect himself against Prussia, that ultimately he gave way on every point except the last and the treaty of alliance was signed accordingly on 20 May 1795.¹

In its final shape it was a defensive alliance which obliged each to support the other if their present or future

1. P.R.O., FO 7/41, Eden to Grenville, No. 57, 20 May 1795; Quellen, V, 321-2, Thugut to Cobenzl, 8 August 1795.

possessions were attacked.¹ The succour they should provide was fixed at 20,000 infantry and 6,000 cavalry to be placed at the other's complete disposal. These succours might be commuted to money by the requiring party or specifically by Britain if requisitioned and unable to provide troops, but if necessary each would come to the support of the other with its whole force.² Neither would admit into its ports ships containing merchandise captured from the other, nor harbour enemy or corsair vessels, and they would release the captured property or subjects of the other contained in such ships.³ Finally, they engaged to concert together on an invitation to Russia to join them in a triple alliance.⁴

Thus the alliance was signed, some two years after it had first been proposed, and Austria received its financial help, some ten months after it had first asked for it.

1. Articles 3, 4.

2. Article 5 and first Separate Article.

3. Articles 6, 7.

4. Second Separate Article. For the full text of the Treaty see Pribram, II, 275-80, and Parl. Hist., XXXII, cols. 212 f.

In the meantime, since Spencer and Thomas Grenville's mission, the barrier fortresses had been lost, the Netherlands overrun, the Coalition armies driven over the Rhine, Holland had fallen and Prussia had made peace. The initiative in the war was irrevocably lost. While it cannot be pretended that an earlier financial agreement and alliance would have prevented all this, perhaps something might have been salvaged from the wreck. A foothold might have been retained on the left bank of the Rhine, and Clerfayt's army would certainly have been on a far better footing to take advantage of the temporary exhaustion of the French in the spring and summer of 1795. Instead, despite the British advances, Clerfayt was as ill-provided as the French. Because of this an Austrian-sponsored expedition into the Franche Comte by the Prince of Condé's émigré corps was held up, and the fortress of Luxemburg was abandoned to its fate.¹ This was hardly an auspicious rebirth for the Old System.

1. P.R.O., FO 7/40, Eden to Grenville, Nos. 39, 43, 44, 2, 15 April; FO 7/42, No. 51, 4 May 1795.

TABLE AThe cash value of the loan of 1795 (see p. 171)

		<u>Sum remaining for Austria's use</u>
Size of loan as settled by the Convention of 4 May 1795		£4,600,000
Deducted to repay advances already made, £550,000 ¹		£4,050,000
To be excluded, the sum already paid into the loan of May 1794, ² £350,000 ³		£3,700,000
Cost of servicing the loan and transferring it to Germany		
Retained to pay interest on the loan ..	£6-700,000 ⁴	
Commission for sending specie and bullion ..	£3,600 ⁵	
Insurance and shipping costs of specie and bullion ..	£22,360 ⁶	
Loss on the sum sent in bills of exchange if these discounted at 5% ..	£125,000	
	<u>£850,000</u>	
		£2,850,000
Since most of the loan appears to have been sent between October 1795 and February 1796, ⁸ the Hofkammer would have had to anticipate it, by bills on account of the loan, in order to pay for the campaign of 1795. Allowing for the heavy loss in discount and interest on Austrian government bills, ⁹ the net value of the loan in 1795 would probably be reduced to a final		£2,500,000

Footnotes to Table A

1. See p. 170 above.
2. The Octroi of 4 May 1795 declared that £1.6 million was to be added to the £3 million of the 1794 loan in order to make up the requisite £4.6 million total. The fact that part of the 1794 loan had already been paid seems to have been overlooked (see Parl.Hist., XXXI, col. 1564).
3. Helleiner, 15, 20.
4. Journals of the House of Lords, XLI (1796-8), 223, Walter Boyd's answer to the Lords' Committee of Secrecy, March 1797.
5. The commission for sending cash between London and Hamburg was $\frac{1}{3}\%$ (ibid., 217-8, Daniel Eliason's answer to the Lords' Committee of Secrecy).
6. Ibid., 242, Account No. 20, 'Note of Dollars, Louis d'Ors and Foreign Bullion, shipped for Account of the Imperial Government'. Altogether £1,150,000 in specie and bullion was shipped in 1795-6.
7. This was the common rate for the time (see S.R. Cope, The Goldsmids and the Development of the London Money Market during the Napoleonic Wars, Economica, IX, 1942, p. 186). In this case, however, this figure might be optimistic: Mayr, 78, states that the bills of exchange for £500,000 paid immediately on signature of the Convention in May 1795, were cashed for only 4.2 million florins - a discount considerably in excess of 6%.
8. This was when most of the specie and bullion was sent (Lords' Journals, XLI, 242, Account No. 20).
9. Thugut told Colloredo that some Austrian bills were losing 10 or 20% (Vertrauliche Briefe, I, 227, 20 June 1795).

CHAPTER FOUR

1795 - THE YEAR OF FRUSTRATIONI. Uncertain prospects for the allies

May 1795 saw the fruition on paper of Grenville's scheme of 9-10 March. The loan convention and alliance treaty were signed in Vienna, and, on 11 May, the Anglo-Russian defensive alliance, drafted in February, was ratified in St. Petersburg. The triple alliance had effectively come into existence.¹

However, it was one thing to form an alliance and another to make it work. Some indication of this was quickly revealed when the Russians declined the British subsidy offer because of the Polish situation. Catherine II was eager to see her two allies involved in indefinite war with France by recognizing the émigré Comte de Provence as King Louis XVIII, but she was determined to limit her own

1. P.R.O., FO 65/30, Whitworth to Grenville, No. 26, 12 May 1795. Because of protocol difficulties the three Powers did not officially subscribe to a triple alliance until 28 September 1795 (FO 65/31, Whitworth to Grenville, No. 55, 29 September 1795).

commitment so as to retain a free hand in the east. Thus she sent a naval squadron to Britain but only money instead of men to Austria. The burden of the war therefore remained on Britain and Austria.¹

Anglo-Austrian relations were scarcely more satisfactory than Anglo-Russian. The alliance was founded on the deliberate omission of all reference to such divisive subjects as the Netherlands, Poland and Hanover. In its efforts to create unity the British government had offered to Vienna the prospect of aggrandisement in the Netherlands, but this now seemed remote. Thenceforth its main expedients were its money and Russian pressure, but money was not unlimited and Russia was unreliable. Ultimately all depended on mutual trust. Should trust collapse, should the problems between the two Powers not be solved, the alliance would shatter as each hurried to make a peace safeguarding its own interests.

1. P.R.O., FO 65/29, Whitworth to Grenville, No. 23, 24 April; Martens, II, 250, Ostermann to Razumovski, 4 May 1795; Frieden von Campo-Formio, lxxii.

Consequently much depended on the military situation. While the war went well, political problems would seem less important. If it went badly, they would press harder. It was thus unfortunate that in May 1795 there was no military concert between Britain and Austria. The fall of Holland; the Prussian peace; the difficulties of liaison at more than 500 miles distance; and Britain's gradual abandonment of continental operations all contributed to the military problems, and resulted in Austria being left increasingly to fend for itself on the continent.

The loan convention and the alliance therefore contributed no immediate improvement to Anglo-Austrian relations. Military problems soon appeared in the British government's last effort in Europe, the expedition to western France in June 1795. This was improvised by means of 3,500 émigrés and 'converted' French prisoners-of-war in the absence of British troops. Unfortunately no attempt was made to synchronize it with Austrian operations on the Rhine until

too late. No information was sent to Clerfayt until 8 June or to the Austrian government until 12 June, only five days before the expedition sailed.¹

Although the loan convention had supposedly solved Austria's financial problems and though Ministers helped further by taking Condé's émigré corps into British pay,² there was still room for considerable apprehension in London. On the one hand reports were still coming in of distractions prevailing in France and of its total want of magazines, and the expedition landed successfully in Brittany, capturing the fort of Quiberon on 3 July.³ But on the other hand, despite assurances from Vienna that he was ordered to advance, Clerfayt made no move on the Rhine. Moreover the Imperial Diet was discussing the

1. P.R.O., FO 29/5, Grenville to Clerfayt, 8 June; FO 7/41, Grenville to Eden, No. 38, 12 June 1795; Hist. of British Army, IV, 413 f.
2. P.R.O., FO 7/41, Grenville to Eden, No. 34, 15 May 1795.
3. Ibid., Grenville to Eden, No. 38, 12 June 1795; Hist. of British Army, IV, 414.

desirability of peace, apparently with Austrian connivance, and on 3 July voted in favour of immediate negotiations with France. In Parliament, during the debates on the guarantee of the Austrian loan, the Opposition asserted that Clerfayt had secret orders to remain on the defensive until the Empire made peace.¹

Grenville endured Austrian inactivity patiently for two months, but on 24 July he heard that the French were withdrawing troops from the Rhine, and at the same time he saw a letter from Clerfayt to Starhemberg complaining that he had no money or supplies and that the political situation prevented any advance. On that day therefore he sent a series of blistering despatches to Vienna. If Clerfayt disobeyed orders to advance he ought to be replaced. Alternatively 50,000 men might be taken from him and given to the Prince of Condé for an advance into the Franche Comté. He complained of being

1. P.R.O., FO 7/41, Eden to Grenville, Nos. 62, 65, 66, 25 May, 15, 23 June; Quellen, V, 260, Starhemberg to Thugut, 23 June; Parl.Hist., XXXII, cols. 32 ff, Debates of 28 May, 3, 10 June 1795.

abandoned by the Austrians and urged that the Emperor should follow the wise example of his grandmother.¹ By firm resistance to his enemies and good faith to his friends he might hope for success, but any other conduct would 'plunge him deeper into those embarrassments now so strongly felt at Vienna'.²

II. The view from Vienna

On the day after Grenville reproached the Austrian government he received despatches from Vienna containing similar reproaches of the British government by Thugut. As so often with Anglo-Austrian relations in the eighteenth century, the view from Vienna differed markedly from that from London.

Thugut blamed the British government for the fall of Luxemburg - its obstinate refusal to advance £6-700,000 had delayed the replenishment of Clerfayt's magazines and

1. I.e., Maria Theresa.

2. P.R.O., FO 7/42, Grenville to Eden, Nos. 47, 49, 24 July 1795.

prevented him from advancing.¹ Now Clerfayt could not advance because of uncertainty over the attitude of the Empire and for this also it was partially responsible. The Hanoverian delegate at the Imperial Diet was among the foremost in demanding peace and had proposed that, in the event of Austrian procrastination, members should seek a separate peace through Prussian mediation. Failing to distinguish between the British and Hanoverian governments, most people in Germany believed the former to be behind the conduct of the latter and were influenced accordingly.²

Thugut therefore demanded that George III, in his capacity as Elector of Hanover, should disavow his delegate's actions and thereafter support the Emperor in his efforts to hold up an Imperial peace. Finally, Thugut demanded that Britain

1. Grenville retorted with some justice that had the Austrians not been so obstinate over the loan terms they could have had the money in the winter instead of in May (Les Razoumowski, II, pt. 4, 246, Vorontsov to Razumovski, 19 September 1795).
2. See P.R.O., FO 7/41, Eden to Grenville, No. 67, 27 June 1795.

should play a greater part in keeping Prussia in check. In particular Ministers had already rejected a Russian request for a subsidy for this purpose,¹ but now Thugut asked them to reconsider their decision.²

In fact although Thugut was inclined to blame Britain, the real failings lay nearer home. He had achieved the diplomatic objectives which he believed would renew Austrian dominance in central Europe only to find his triumph being snatched away from him through Austria's internal weaknesses. Reports from Berlin confirmed the fact that by his alliances Thugut had gained the initiative from Prussia, and he realized that vigorous action on the Rhine would make this advantage decisive: it would strengthen the support of his allies; it would overawe Prussia by the defeat of France,

1. P.R.O., FO 65/30, Grenville to Whitworth, No. 12, 23 June 1795.
2. Quellen, V, 270-2, 290-2, Thugut to Starhemberg, 11 July; P.R.O., FO 7/41, Eden to Grenville, No. 74, 11 July. Thugut also tried to bring pressure via the Russians, and Razumovski wrote in similar vein to Vorontsov (FO 65/30, 11 July 1795).

Berlin's only possible ally; and it would rally the Empire to Vienna.¹ Unfortunately, because of Thugut's inherent uncommunicativeness,² few others in Vienna understood the close connection between the French war and the Polish crisis. Clerfayt, who partially understood it, saw only the darker side: he was reluctant to advance against the French while the Prussian army was in his rear.³ The Hofkriegsrath⁴ and the Hofkammer did not understand it at all. One wished to withdraw troops from Clerfayt's army while preparing for attack from the hereditary enemy Prussia,⁵ the other wished to end the French war

1. Vertrauliche Briefe, I, 218, 224, 260-1, Thugut to Colloredo, 24 May, 11 June, 23 September 1795.
2. Frieden von Campo-Formio, xxx-xxxii.
3. A. von Vivenot, Thugut, Clerfayt und Wurmser (Vienna, 1869), 107, 109-12, 112-15, Clerfayt to the Emperor, 15, 20, 24 April 1795.
4. The Austrian War Council.
5. Vertrauliche Briefe, I, 225, Thugut to Colloredo, 17 June 1795.

completely since Austria could not stand the expense of war on two fronts.¹ In consequence the Rhine army was starved of supplies and money and thus rendered unable to advance² - the Hofkammer even allowed an instalment of the loan from Britain to remain for six weeks uncollected at Hamburg, because, Thugut alleged, of 'false ideas of economy in the Chamber of Finance as to the mode of remittance, connected perhaps with a wish to thwart the operations of war, against which they are decidedly bent'.³

This was a situation calling for authority in Vienna to concert the activities of each department into a coherent whole. But it was exactly this which was lacking. The Emperor Francis II

1. For the state of Austrian finances in 1795 see Appendix A, pp. 504-9.
2. Vertrauliche Briefe, I, 243-4, 257, Thugut to Colloredo, 19 July, 29 August; Thugut, Clerfayt und Wurmser, 115-22, 171-2, Dietrichstein to Thugut, 30 April, 26 July 1795.
3. P.R.O., FO 7/43, Eden to Grenville, No. 109, 10 October 1795. For Thugut's complaints about the Hofkammer see Vertrauliche Briefe, I, 227, Thugut to Colloredo, 20 June 1795.

was weak and indecisive;¹ Thugut was disliked and politically isolated; and the intrigues and rivalries within the bureaucracy were allowed to reign unchecked. Each department, having only a partial view of affairs, acted as it thought best, and in the process Thugut's grand design was wrecked.²

Thus repeated orders to Clerfayt to advance in April and May³ produced no effect: Clerfayt protested the danger from the Prussians and his lack of supplies.⁴ As a result the Prussians were enabled to recover their nerve. By June they became firmer in their resistance to the intended partition of Poland, and in the Empire they won increasing influence by their demand for peace through Prussian mediation. In consequence Thugut was forced to soften his hard line. He deferred the crisis with Prussia over Poland until troops

1. P.R.O., FO 7/32, Straton to Grenville, No. 3, 8 January 1793; FO 7/39, Eden to Grenville, Private, 18 December 1793.
2. Vertrauliche Briefe, I, 225, Thugut to Colloredo, 17 June 1795.
3. Thugut, Clerfayt und Wurmser, 96-9, 103, 112-29, 134, Emperor to Clerfayt, 10, 17 April, 3, 21 May 1795.
4. Ibid., 107, 109-12, 112-15, 130, 164-5, Clerfayt to the Emperor, 15, 20, 24 April, 10 May, 15 July 1795.

could be concentrated and fortresses provisioned in Bohemia and Moravia to guard against Prussian attack, and at the Imperial Diet he had to appear to go along with the demand for peace in order to retain leadership for the Emperor.¹

The need to give priority to Bohemia and Moravia, and uncertainty as to the Empire, naturally led to a more limited plan of operations for the Rhine, and at the end of July Clerfayt's army was split up and part given to Wurmser for offensive operations on the Upper Rhine.² However, even the aggressive Wurmser could not act without supplies,³ and so the long-awaited advance which would restore Austrian prestige was yet again delayed.

It is not surprising therefore that Thugut was sour

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1. Quellen, V, 225, Thugut to Cobenzl, 27 May, 232-5, the Emperor to the Hofkriegsrath, 2 June 1795; Frieden von Campo-Formio, lxxvi.
 2. P.R.O., FO 7/41, Eden to Grenville, Nos. 67, 68, 27 June, 1 July; Thugut, Clerfayt und Wurmser, 173-7, the Emperor to Clerfayt, 30 July 1795.
 3. Ibid., 191, Wurmser to Thugut, 26 August 1795.

both with his colleagues and generals,¹ and also with his allies, whom he accused of failing to give him sufficient support against either France or Prussia.²

III. Anxiety in London

In London, where it was believed that Clerfayt had only to attack in order to conquer,³ continued Austrian inaction occasioned growing concern. Ministers tried to meet Thugut's complaints as far as they felt able, but George III, while agreeing to send new instructions to the Hanoverian delegate at the Imperial Diet, voiced a common feeling when he added that

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1. Vertrauliche Briefe, I, letters of Thugut to Colloredo in the spring and summer of 1795, passim.
 2. Quellen, V, 290-2, Thugut to Starhemberg, 11 July, 349-52, Thugut to Cobenzl, 6 September 1795.
 3. Ibid., 313-4, Starhemberg to Thugut, 4 August 1795. Ministers maintained that magazines and supplies could be obtained from the beaten enemy.

... to go any lengths that will remove the inactivity of the Court of Vienna I entirely despair, for though I shall do what I think right, that can never extend to the content of that Court whose apathy seems only equalled by her excessive pride and harshness of language, which must offend whoever is desirous of being well with her.¹

As regards military help, Grenville repeated Ministers' willingness to subsidize Russia against France, but they were determined to give no money against Prussia. They also took steps to scrape together reinforcements for the expedition in western France, but before they could do so, the expedition collapsed on 19 July when, owing to treachery among the émigré troops, the French recaptured Quiberon. This was followed on 22 July by the Spanish peace with France at Basle, and Grenville at once began to fear the effect of these misfortunes at Vienna. Eden was ordered to prevent Thugut from initiating any negotiation without previously informing the British government, and, besides encouraging Vienna by trying to hasten the official conclusion of the triple alliance,

1. H.M.C. Dropmore, II, 92, George III to Grenville, 27 July 1795. When compared with the king's advocacy of Austria in the previous winter (ibid., II, 648-9), the discontent with Austria is readily apparent.

Grenville requested Russian pressure to keep the Austrians steady in the war.¹

However, news of the Spanish peace and fear of Austrian intentions affected British attitudes too. They induced Ministers to a policy change that marks a decisive turning point both in the Austrian alliance and in the war generally.

On 3 August Pitt wrote to his brother that the Spanish peace made it hazardous to risk any British troops on the continent and that 'I incline to think that our plan must now be changed, and that the only great push must be in the West Indies where I trust enough may yet be gained to counterbalance the French successes in Europe.' Dundas looked back to the War of the Austrian Succession: 'In the years 1744, 5, 6, 7, and 8 the war was unprosperous on the Continent. The fortune of Marshal Saxe prevail'd over our Generals of those days.

But the victories at sea in May and October 1747 forced Lewis

1. P.R.O., FO 7/42, Grenville to Eden, Nos. 52, 53, 5 August; FO 65/30, Grenville to Whitworth, Nos. 15, 16, 5 August 1795.

the 15th to surrender all his conquests at the peace of
Aix la Chapelle.¹

For the first time Ministers faced the possibility that the allies might not be able to defeat France in Europe, and immediately they began to worry about negotiating a territorial settlement with an undefeated France. Thus they gave up the aggressive course which they had planned on the capture of Quiberon - that of committing 32,000 men in western France² - and instead took the course of ultimate safety by concentrating on the West Indies. In this way they could secure their European objects at the peace by bartering their colonial gains against France's continental conquests. Ministers were prepared to let Austria shift for itself in the European war while they safeguarded their own interests.³

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1. P.R.O., PRO30/8/101, Pitt to Chatham, 3 August; N.L.S., Ms. 1075 (Melville Papers), f. 14, Dundas to Sir Grey Cooper, 22 July 1795.
 2. Hist. of British Army, IV, 416.
 3. As part of this move the last British units were withdrawn from Hanover. Altogether 18,400 troops were to be sent to take the French Leeward Islands and the Dutch colonies off South America, and 15,600 more were to capture San Domingo (Aspinall, II, 380-1, 400-1, Cabinet Minutes of 14 August, 7 September 1795).

The main effect on Anglo-Austrian relations of the British decision to abandon the continent was the lack of confidence it caused in each capital. In particular for ever after British Ministers feared that Austria would make a separate peace before they had time to implement their West Indian counter-measures. In September 1795 this fear was engendered by a number of factors, one of them being apprehensions of the effect in Vienna of another consequence of their decision: the withdrawal of the last British troops from Hanover led the Electorate to declare itself neutral under Prussian protection.¹

There were indeed ample grounds for British fears. In Germany Clerfayt and Wurmser stood still and complained to the British commissioner, Colonel Craufurd,² that they had not been given the means to advance.³ In Italy

1. P.R.O., FO 7/42, Grenville to Eden, No. 63, 19 September 1795.

2. Craufurd was sent, according to the Convention of 4 May 1795, to reside with the Austrian army in Germany in order to check that it was kept up to the strength promised by the Emperor. Colonel Graham was similarly sent to the Austrian army in Italy.

3. P.R.O., FO 29/5, Craufurd to Grenville, Nos. 7, 8, 4, 12 August, to Eden, 6 August; FO 7/42, Grenville to Eden, No. 64, 23 September 1795.

the Austrian commander, de Vins, had advanced into the French Riviera at June, but then he halted at Vado and endeavoured to starve the French out of their positions in co-operation with the British Fleet. For the rest of the summer the Austrians were as inactive in Italy as on the Rhine.

Austrian inactivity increasingly led Ministers to suspect that Vienna was playing some sort of double game. From St. Petersburg, Whitworth reported the rumour that Austria was 'not disposed to risk the Army assembled on the Rhine, its sole and last resource, by actions offensively this campaign', and from Switzerland Wickham, Grenville's chief source of intelligence on the continent, voiced the same suspicions. Wickham's reports indicated that more was to follow: he was tapping the private correspondence of the French ambassador in Switzerland and noticed a change in the Frenchman's tone regarding Austria which seemed to indicate that some secret offer of negotiations was about to be made.¹

1. P.R.O., FO 65/30, Whitworth to Grenville, No. 39, 30 June; FO 74/11, Wickham to Grenville, No. 65, 12 August, enclosing Wickham to Eden, 8 August 1795.

Confirmation of these suspicions seemed to come from Vienna's apparent disregard for money at a time when the Austrian generals were crying out for it. Ministers discovered that the £500,000 second instalment of the loan had been left uncollected at Hamburg since the beginning of August. Moreover the fact that Austria had made no financial demands on Britain for the next campaign was also taken to indicate that it was about to leave the war.¹

At first Ministers were inclined to put the blame on 'the timidity and uncertainty of the Austrian Government',² but then in September the Rhine front crumbled under French attack. On 6th the French general Jourdan crossed the Rhine at Dusseldorf virtually unopposed. It was reported in London that the Empire was in a panic and that Clerfayt considered it impossible to stop the French. Coming on top of all the other information Ministers did not know what to believe. The only

1. Quellen, V, 373 f., 385 f, Starhemberg to Thugut, 14, 19 September 1795.

2. P.R.O., FO 74/11, Grenville to Wickham, No. 20, 8 September 1795.

credible explanation was that there was treason in Vienna by the heads of the Hofkammer and Hofkriegsrath.¹

Whatever the reason for Austrian conduct, it seemed to be leading to the collapse of the war on the continent and the Cabinet took alarm; such Ministers as were in reach hastily conferred in Downing Street on 19-20 September. The situation before them was bleak, not only on the continent but also in Britain itself. Several years of bad harvests had produced great distress and widespread agitation, with the unsuccessful war as the main scapegoat. The need to import foreign corn, combined with the Austrian loan and other continental expenses, had led to an alarming drain of specie and bullion from the country and jeopardized the national finances. Already Grenville had been forced to request an earlier repayment of the advances made to Austria in the previous winter.²

1. Quellen, V, 385-7, Starhemberg to Thugut, 19 September; Les Razoumowsky, II, pt. 4, 246-7, Vorontsov to Razumovski, 19 September 1795.

2. P.R.O., FO 7/42, Grenville to Eden, No. 59, 25 August 1795.

It was obvious that the key to war or peace was Austria, 'whose exertions can alone produce any effect on the Continent.'¹ By vigorous exertions, the Emperor might yet encourage the Empire to continue the war, and ensure the constancy of Naples and Piedmont-Sardinia. Even if the Empire made peace Austria could still make considerable efforts in Italy and at least provide a powerful diversion.² On the other hand if Austria made peace the war in Europe would collapse and any future British success in the West Indies would be immaterial - 'our relative situation may thus upon the whole become less favourable instead of more so.'³ Consequently the former shadowy plan of peace after the West Indies had been conquered was cast aside. Instead, 'with a view to prevent the Emperor being alarmed into a separate peace, or at least being deserted by most of the princes of the Empire, as well as in order to satisfy the public mind here

1. P.R.O., FO 74/11, Grenville to Wickham, No. 20, 8 September 1795.

2. P.R.O., PRO30/8/197, Pitt's memorandum, 19 September 1795.

3. Pitt and Napoleon, 254, Pitt to Portland, 20 September 1795.

at the meeting of Parliament¹, the Cabinet decided to approach the Austrian government for an explanation of its peace terms so as to make a tentative approach to France at the earliest favourable opportunity. Such an explanation with Vienna might also enable them to establish a full concert for the prosecution of the war in the next year if necessary. At present, however, they could use no stronger language to Parliament than that 'we shall be prepared to treat whenever we see a prospect of obtaining secure, honourable and advantageous terms.'¹

It was in this vein that Grenville addressed himself to Vienna on 23 September. Ministers had wished to send Thomas Pelham there as special envoy, 'as being much more likely than Sir Morton Eden to bring the business to a good issue.'¹ Pelham, however, declined,² and Grenville had to rely on orthodox channels though without much hope of

1. Ibid., see also Nott.Univ., Portland Mss., PwF 4, 407, Grenville to Portland, 20 September 1795.

2. Ibid., B.M.Add.Ms. 33, 129 (Pelham Papers), f. 330, 332, Pelham to Lord Pelham, ?22, 23 September 1795.

success; he concluded a last appeal for Austrian energy by adding that 'after the repeated experience which we have had it is impossible to rely with any confidence on the success of your representations in this respect.'

Nevertheless Grenville considered the prospects for another campaign. It was too early to form precise plans yet, but he expected Austria to be able to furnish a 'great and formidable army' again. Britain would assist Austria financially provided that it first showed some activity in order to convince Parliament it was worth helping and that the assistance given was more limited. The principal difficulty was expected to come from the Empire, and here Grenville was unequivocal in his condemnation of Austrian inactivity. In particular he cited the Austrian decision to leave Hanover defenceless, and Austrian weakness since, as the reason for Hanover's accession to the Prussian neutrality.

Grenville considered it probable that the French would endeavour to tempt Austria into a separate peace and he

instructed Eden to press the advantages of a joint negotiation. Britain would raise no unnecessary obstacles to negotiation such as insisting on the restoration of monarchy in France. Instead it would talk with any French government which had the support of the nation and sought peace and security. Therefore he asked for Austrian ideas of a peace settlement and in particular he urged on Vienna the need to recover and retain the Netherlands. Should it be willing to do so he hinted at the possibility of Britain exchanging conquests with France for this purpose.

Ministers were still reluctant to commit themselves definitely to such an exchange or to specify what peace terms they themselves would demand from France. They felt that a firm offer of exchange would only encourage Austria to relax its efforts and were determined to provide no such excuse. '... In all your conversations', Grenville concluded, 'you will never lose sight of the most important of all points, that of urging the necessity of present exertion and active

preparation for future efforts, as without these no hope can be entertained of a successful result, either from measures of peace or war.¹

Present exertion and active preparation were, however, lacking. From Italy the British Minister to Genoa, Francis Drake, asserted that de Vins had definite orders not to advance.² From Vienna Eden confessed his belief that the Austrians would not act on the Rhine until Poland was settled.³ From the Rhine Craufurd reported Clerfayt's despondency and noted that the Austrians seemed to be concentrating their army towards their hereditary dominions and Bavaria, possibly on some 'secret system of politics'.⁴

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1. P.R.O., FO 7/43, Grenville to Eden, No. 64, Most Secret, 23 September 1795.
 2. H.M.C. Dropmore, III, 124-8, Drake to Grenville, Secret and Confidential, 28 August 1795.
 3. P.R.O., FO 7/42, Eden to Grenville, No. 101, 9 September 1795.
 4. P.R.O., FO 29/6, Craufurd to Grenville, No. 16, 22 September 1795.

By the beginning of October Ministers were thoroughly alarmed. Without waiting for a reply to their 23 September despatch, they sent a special envoy, Francis Jackson, to Vienna specifically to extract from Thugut a clear declaration of Austrian peace terms.¹ At the same time Grenville once more appealed to St. Petersburg to prevent an Austrian separate peace by firm and decided language at Vienna.² Finally, on 29 October, Ministers publicly prepared the way for negotiation by declaring in the king's speech to Parliament their readiness to negotiate in conjunction with their allies, as soon as a stable, moderate government, disposed to make peace on just and suitable terms, appeared in France.³

1. P.R.O., FO 7/43, Grenville to Eden, No. 66, 9 October; H.M.C. Dropmore, III, 137, Grenville to Eden, Private, 10 October 1795.

2. P.R.O., FO 65/32, Grenville to Whitworth, [10] October 1795.

3. Parl.Hist., XXXII, col. 143.

IV. Divergences within the alliance

It was unfortunate for future confidence between the allies that the British government began to panic at the very time when Thugut was beginning to see his way through the difficulties which had plagued him all summer. At the beginning of August the fortresses had been provisioned and 80,000 troops assembled on the Silesian border, and on 9th Berlin was finally informed of the Austro-Russian arrangements for Poland. On 15th the Prussians agreed to renew discussions on the basis of these terms and the crisis was thus set on the way to being settled.¹

Nevertheless until Prussia finally accepted the terms by treaty, Thugut would make no firm policy decisions in the west no matter how dangerous the French advance. For this reason he evaded both a French peace offer, for Austria to take Bavaria in exchange for the cession of the left bank of the Rhine to France, and also the British overture. The French

1. Quellen, V, 316, Thugut to Cobenzl, 8 August 1795; Martens, II, 263.

agent, the Marquis de Poterat, who appeared in Vienna on 30 September, was sent back for further instructions,¹ and Eden was put off with the statement that Austria could do nothing without previous concert with Russia. When Eden pressed for a definite statement on the Netherlands, Thugut at first hinted that his views were rather turned towards Alsace and Lorraine, but seeing Eden's alarm he finally declared that he would take back the Netherlands provided they were strengthened by a fortress barrier from France or by Liège or Dutch territory.²

1. Frieden von Campo-Formio, lxxix-lxxxii. A Sorel, Les Frontières Constitutionnelles, Revue Historique, XIX, 1882, p. 48 f. Poterat backed his overture with an attempt to blackmail Thugut into making peace. The French government had discovered that when he was Austrian minister at Constantinople, Thugut had supplied information to Louis XV in return for a pension, and it threatened to make these facts public (Sorel, L'Autriche et la Comité du Salut Public, Rev. Hist., XVII, 1881, p. 38 f.).

2. P.R.O., FO 7/43, Eden to Grenville, No. 109, 10 October 1795.

Eden found Thugut's language 'evasive and unsatisfactory'. It showed 'marks of that disposition to evasion and procrastination of which he has already given so many proofs ... it seems to be the great principle of his politics to wait on events and to expect from chance what he might secure from vigour.'¹ In this case, however, Thugut's waiting game payed off. By the time Jackson arrived in Vienna on 27 October, Clerfayt and Wurmser had checked the French advance and driven them back over the Rhine (10-18 October), and news arrived that the triple alliance had finally been established on 28 September in St. Petersburg. Then on 29 October Clerfayt crossed the Rhine and overwhelmed the French in front of Mainz. In consequence of the Austrian victories the Empire once more looked to Vienna. Wurtemberg and Baden broke off separate negotiations with France, and a flood of congratulations poured into the Imperial Chancery. Finally, on 4 November

1. Ibid.

came despatches from St. Petersburg that agreement had been reached on Poland and that the treaty of partition was about to be signed: Prussia submitted to most of the arrangements concerning Austria and agreed to leave the rest to Russian arbitration. The treaty, signed on 24 October, reached Vienna on 13 November.¹

Thus it was with a victorious and jubilant Thugut that the British government had now to deal, and consequently the outcome of Jackson's mission was very different from that which Ministers expected.

Thugut asserted that there could be no question now of ending the war. The exhausted state of France afforded every prospect that the allies could dictate the peace. Austria would again be able to field 200,000 men in the next campaign, but, to enable it to act offensively, he demanded from Britain firstly that it should induce Russia to come forward, by means of a subsidy if necessary, both

1. P.R.O., FO 7/43, Eden to Grenville, Nos. 119, 120, 10 November; Vertrauliche Briefe, I, 269-70, Thugut to Colloredo, 3, 13 November 1795.

to provide troops for operations on the Lower Rhine, and also to keep Prussia quiet. Secondly, Britain should induce the Empire to act heartily in the war, again by means of a subsidy to enable the formation of an Army of the Empire for the defence of the Lower Rhine. And thirdly, it should guarantee to Austria a new loan of £3 million to be raised on exactly the same terms as the British government's own loan for 1796. Failing these he threatened to fall back on a passive campaign, securing a peace or an armistice for the Empire and concentrating his forces in Italy, where he would await the effects of exhaustion on France.

Thugut excused himself from making an explicit statement of his peace terms to Jackson by again alleging the need to refer to Russia. Much would in any case depend on the military situation at the time of negotiation. To Jackson's one specific question - 'was the House of Austria prepared, at a peace, to cede to the enemy her Low Country possessions?' - all he would say was that he would not cede them to France, but

he evaded making a definite statement on their future. The most Jackson could extract from him was that the Emperor could not reassume their sovereignty without an additional barrier on every side.¹

Jackson returned to London convinced that Thugut meant to exchange the Netherlands for Bavaria.² This was indeed the key to the Austrian's concern for the attitude of Russia: he planned to use the Russian government as the means of persuading the British to drop their opposition to the Bavarian exchange, and this was the main object of the despatches which he sent to St. Petersburg on 23 November 1795.³

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1. P.R.O., FO 7/43, Jackson to Grenville, 1, 10 November, Most Secret, Abstract of Austrian answer, 2 December; Auckland, III, 320-3, Eden to Auckland, 8 November 1795.
 2. P.R.O., FO 7/43, Jackson to Grenville, Private, 2 December 1795.
 3. Vertrauliche Briefe, I, 269, Thugut to Colloredo, 8 November; Vienna, Haus-, Hof-, und Staatsarchiv, Staatskanzlei, Russland II/179, Thugut to Cobenzl, 23 November 1795.

In these despatches Thugut revealed that his ideas of a peace settlement centred on two main points: first, the implementation of the Bavarian Exchange, and second, the acquisition of Alsace and Lorraine.

On the first point Thugut recalled the Russian promise to support the Bavarian Exchange. An opportunity to carry it through had now presented itself through the misconduct of the Elector Palatine in ordering Mannheim to be surrendered to the French in the recent campaign. The one obstacle was the British attitude and here he stressed the need for Russia to take the lead by intervening in Austria's favour in London. If the British could forget their old prejudices they would soon see that Austrian possession of the Netherlands had been disadvantageous to their alliance. The expense of defending the Netherlands had often forced Vienna to an understanding with France. Since the main object of the alliance for the British was to have Austria's services against the French, the Bavarian Exchange would strengthen it by

enabling Austria to fight France more energetically on the Rhine without distant defensive commitments. At the same time a Prince living in the Netherlands would have a more pressing interest in their defence. Faced with the combined representations of Russia and Austria, the British would be forced to give way.

However, Thugut did not consider the Bavarian Exchange as adequate compensation, and he proposed that, if the Bourbons were restored, Austria should receive Alsace and Lorraine or at least Alsace.¹ He did not anticipate British opposition to any Austrian conquests from France.²

It is revealing to compare Thugut's peace plan, formed at the time of his triumph, with that of the British

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1. It was against Alsace that Thugut intended Austrian operations to be directed in the next campaign (P.R.O. FO 7/44, Eden to Grenville, No. 6, 22 January 1796), and for this reason he abandoned the British-paid but Austrian-supplied and supported émigré expedition on the Upper Rhine since the émigrés were opposed to cessions from France (FO 7/43, Abstract of Austrian answer, 2 December 1795).
 2. H.H.St.A., Staatskanzlei, Russland II/179, f. 214v-218, Thugut to Cobenzl, 23 November 1795.

government, formed a few weeks later. The news of the Austrian victories had been received with surprise and delight in London,¹ and in consequence, whereas before Pitt had stressed to Portland the advantages of an early peace, and had told Addington that he expected 'peace before Easter',² now Ministers resolved to await the results of the West Indies expedition before making any approach to France. By that time - which would probably be April 1796 - exhaustion in France and allied victories in Europe and overseas would enable them to dictate the terms of peace.³

On 22 December Grenville outlined to Vienna

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1. See H.M.C. Dropmore, III, 143, 145, George III to Grenville, 27 October, Grenville to Starhemberg, 11 November; Courts and Cabinets, II, 337-8, Grenville to Buckingham, 12 November 1795.
 2. Pitt and Napoleon, 254-5, Pitt to Portland, 20 September; C. Pellew, Life and Correspondence of the first Viscount Sidmouth (London, 1847), I, 156-7, Pitt to Addington, 4 October 1795.
 3. P.R.O., FO 7/43, Grenville to Eden, Most Secret, No. 72, 22 December 1795. The King's Message to Parliament, 8 December, was purely for the benefit of domestic politics, see Aspinall, II, 435, Pitt to George III, 5 December 1795.

what these terms should be. Firstly, they would not insist on the restoration of monarchy in France,¹ but they would require a general amnesty for royalists with the right to sell their possessions and emigrate if they so wished. Secondly, Britain would receive indemnification for its expenses from French territory outside Europe. Thirdly,

With regard to the establishment of this desirable event [peace] on a permanent Basis in Europe, His Majesty is of opinion that, as the Netherlands constitute the great link of connection between this Country and Austria, the interests of the system of Triple Alliance essentially requires that those Provinces should be restored to their lawful sovereign . . . The restoration therefore of the Netherlands to Austria and the possession of them by that power will, it is hoped, be considered as the first object in any plan of pacification with France in Europe, to be concerted by the three Allied Powers.

Projects such as the Bavarian Exchange, sovereignty by a younger branch of the House of Austria, or the formation of a new independent state, would not provide an adequate barrier

1. Thugut evaded Russian demands on this issue by taking shelter behind Britain - he would recognize Louis XVIII if Britain did so as well. He knew it would not. See H.H.St.A., Staatskanzlei, Russland, II/179, f. 218v, Thugut to Cobenzl, 23 November 1795.

against France. However, Ministers were willing to agree to any practicable plan of annexing Liège or Dutch territory to the Netherlands and even some barrier from France if the war was further successful. As regards other aspects of the European settlements Ministers hoped to restore the former Dutch government; Savoy should be restored to Piedmont-Sardinia; demands for the German Empire would be left to Austrian judgement; and Portugal and Naples, having suffered no loss, would merely be included in the general pacification.¹

Here was a complete divergence of opinion between London and Vienna as to the importance of Austrian possession of the Netherlands, and the harmony of the alliance was further jarred when Grenville considered the means which Britain could offer to support Austria in the next campaign. There was no possibility of a loan from Britain at that moment because of the alarming drain of specie from the country. It remained to be seen what could be done if the situation improve

1. P.R.O., FO 7/43, Grenville to Eden, Most Secret, No. 72, 22 December, printed in J.H. Rose, *France and the First Coalition before the campaign of 1796*, E.H.R., XVIII, 1903, pp. 295-8.

in six weeks or two months time, but an alternative might be to float a loan on the continent under British guarantee.¹ Ministers would entertain no idea of subsidizing an Army of the Empire, not only because of their own financial difficulties but because of the unreliability of such a force. They were willing to make another attempt to secure Russian support, and offered a subsidy of £1 million for an army of 55,000 men, but payment was to be contingent on its actual appearance in the field: there could be no immediate subsidy to enable mobilization. The only point which gave Ministers no difficulty was in ordering Whitworth to press the Russians to contain Prussia. In the meantime Britain's own efforts would be concentrated on conquering the French West Indies and in distressing France by naval blockade.²

This cold comfort reached Vienna several weeks after the disastrous news from Italy that the Austro-Sardinian

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1. Ibid., and Grenville to Eden, No. 73, 22 December 1795.
 2. P.R.O., FO 65/32, Grenville to Whitworth, Most Secret, 22 December; FO 7/43, Grenville to Eden, No. 72, 22 December 1795.

army had been beaten on 23-4 November at Loano and forced to evacuate the Genoese Riviera. It was a rather chastened Thugut who warned Eden that if this led to the defection of Piedmont he would have to go on the defensive in Germany in order to reinforce and save the Milanese.¹

Nor had the tide of success on the Rhine continued. Clerfayt had won control of the left bank between Mainz and Mannheim, but his army was too exhausted to do more, and on 30 December he signed an armistice with the French without awaiting orders from Vienna.²

Finally, to complete Thugut's deflation, there was news from St. Petersburg. The Russians would only act on the Rhine in co-operation with Prussian troops, in which

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1. P.R.O., FO 7/43, Eden to Grenville, No. 129, 5 December Auckland, III, 324-5, Eden to Auckland, 7 December 1795. The Austrians, with some justice, blamed slack British naval co-operation for their misfortunes (see ibid.; A. T. Mahan, The Influence of Sea-Power on the French Revolution (London, 1892), I, 195-201).
 2. P.R.O., FO 29/6, Craufurd to Grenville, No. 58, 30 December 1795; FO 7/44, Eden to Grenville, No. 2, 4 January 1796.

case Thugut preferred that they did not act at all. He was alarmed at reports that they were again concentrating troops on the Turkish frontier, and dismayed that they would only act half-heartedly on the Bavarian Exchange. They considered that he was premature in his demands which were not yet justified by Austrian successes, and they suggested that the only practical way to obtain Bavaria was to present the British with a fait accompli. This Thugut was hesitant to do because of his previous engagements to Britain. Finally, Catherine II demanded immediate recognition of Louis XVIII and reproached Austria for abetting Britain in the desertion of the French monarchy.¹

So it was that, after all the heady triumphs of October, the year ended, in both London and Vienna, in the same atmosphere of frustration that had characterized its course.

1. Frieden von Campo-Formio, xc; P.R.O., FO 7/44, Eden to Grenville, No. 6, 22 January 1796.

CHAPTER FIVE

THE COLLAPSE OF THE FIRST COALITIONI. The cancer within

By the time the campaigning season began in 1796, the Powers fighting France were in a far poorer situation in almost every respect than they had been a year earlier. The remnants of the First Coalition and the triple alliance were alike lacking in trust, money, military concert and new blood.

The events of 1795 left an irremovable scar on Anglo-Austrian relations which profoundly affected the attitude of both Powers. In Vienna Thugut was determined to continue the war, and he rejected Poterat's peace overtures when the Frenchman returned early in January 1796.¹ On the other hand he was critical of the British war effort and distrustful of British constancy.

1. A. Sorel, 'La Mission de Poterat à Vienne', Rev.Hist., xxix (1885), pp. 280 ff.

L'Angleterre employant, il est vrai, des moyens immenses, mais dont l'effet est continuellement paralysé par le manque absolu d'une direction bien ordonnée, consommant d'avance les ressources les plus précieuses dans le gaspillage d'une prodigalité sans but réel, levant par-tout à des frais énormes, soldant par-tout des troupes, sans avoir des combattants effectifs ...¹

He was afraid that if the war went badly British public opinion would force Ministers to make peace,² and that if it went well Ministers would try to clinch their success by making peace as soon as they could.³ The British government had already given enough indications that it might be ready to

1. Quellen, V, 250, Thugut to Cobenzl, 6 September 1795. Thugut was particularly critical of the money Britain was lavishing on the almost worthless émigré army of Condé (Vertrauliche Briefe, I, 234, Thugut to Colloredo, 1 July 1795).
2. Quellen, V, 250; Vertrauliche Briefe, I, 279, Thugut to Colloredo, 23 December 1795.
3. Les Razoumowsky, II, pt. 1, 230-1, Razamovski to Ostermann, 9/20 January 1796.

rush into a premature peace as at Utrecht and Aix-la-Chapelle.¹ It seemed to give still more when it resolved at the end of January 1796 to make an immediate enquiry as to whether France was disposed to negotiate a general peace on 'just and suitable terms'.² This fear haunted Thugut for the rest of the war.

In London Ministers were equally mistrustful after 1795 of Austria's endurance, and they also had internal troubles in the unhappy state of public opinion and the national finances. It was to mollify public opinion, after the West Indian expedition had been three times driven back by bad weather, that an approach was now made to France. It was expected, correctly, that the French would refuse to negotiate and that this would rally the British public behind

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1. H.H.St.A., Staatskanzlei, Russland, II/179, f. 206v, Thugut to Cobenzl, 23 November 1795.
 2. P.R.O., FO 7/44, Grenville to Eden, No. 5, 31 January; FO 74/15, Grenville to Wickham, No. 3, 9 February; H.M.C. Dropmore, III, 208, Eden to Grenville, 13 June 1796.

the Ministers.¹

In March the French government returned an unfavourable answer to the British enquiry² and the problem of public opinion was temporarily settled, but there remained the problem of finance, and this had disastrous effects. The unfavourable state of Foreign Exchange, and the opposition of the Bank of England to the drain of specie abroad, prevented Ministers both from increasing their subsidy to Piedmont-Sardinia, which was on the verge of bankruptcy,³ and also from providing the immediate guarantee for a £2½

1. H.M.C. Dropmore, III, 169-70, Grenville to George III, 30 January; Earl Stanhope, Life of the Right Honourable William Pitt (London, 1861-2), II, Appendix XXX, Pitt to George III, 30 January; P.R.O., FO 7/44, Grenville to Eden, No. 5, 31 January 1796. If on the other hand the French proved willing to accept Grenville's terms of 22 December 1795, so much the better.
2. P.R.O., FO 74/16, Wickham to Grenville, No. 38, 28 March 1796.
3. P.R.O., FO 7/44, Grenville to Eden, No. 9, 9 February 1796; FO 67/18, Jackson to Grenville, No. 1, 29 September 1795.

million loan which Thugut considered indispensable for Austria's needs.¹ In consequence Vienna was only able to meet about one quarter of the hard-currency needs of its Rhine army; the commissariat was reduced to issuing promissory notes which soon lost 18% of their value and destroyed all confidence among contractors; and the army lived from day to day without being able to prepare for the coming campaign. Similarly in Italy, where the Napoleonic storm was about to burst, the Austrian army was unprovided with many of even the most necessary articles. When Eden complained, Thugut could only lament that the exhausted state of Austrian finances prevented preparations being accelerated as much as he would wish.²

The financial situation was far worse than in early 1795, and consequently so also was the military situation

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1. P.R.O., FO 7/44, Eden to Grenville, No. 23, 19 February as long as there was an immediate guarantee which could be shown to obtain credit, Thugut thought that payment itself might be deferred until July at the latest. Ibid., Grenville to Eden, 22 January (No. 3), 9 February (No. 8), 8 March (No. 14) 1796.
 2. P.R.O., FO 29/9, Craufurd to Eden, 15 February, 10 March, 1 April; FO 74/45, Eden to Grenville, No. 44, 20 April 1796.

Moreover, again there was no military concert between Vienna and London; the two governments acted in totally different spheres. Nor was there any hope of finding new troops elsewhere. The one army immediately available was that which Prussia had begun to concentrate to defend the neutrality of north Germany, and Grenville was attracted by this into forgetting his past prejudices and considering, in February, ways of bringing Prussia forward. But doubts as to Prussian intentions, and an unfavourable report from Whitworth, led to the shelving of these plans.¹ There remained only Russia, which, Dundas urged, should be brought into the war at any price - even by giving to it San Domingo or overthrowing the Turkish Empire. But at the end of April the Russians finally refused to send troops, alleging continued unrest in Poland.²

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1. P.R.O., FO 7/44, Grenville to Eden, No. 7, 9 February; FO 65/33, Whitworth to Grenville, No. 14, 9 March 1796.
 2. B.M.Add.Ms. 38,734 (Huskisson Papers), f. 178, Dundas to Huskisson, 14 June; Martens, IX, 410-11, Ostermann to Vorontsov, 19/30 April 1796.

To add to these difficulties Piedmont-Sardinia, guardian of the gateway to Italy, was on the point of collapse. In the previous September Thomas Jackson, Secretary of Legation at Turin, had warned of Piedmontese dissatisfaction with Austrian arrogance and British parsimony. They had no money, and the Ministers no longer trusted their troops to stand in battle.¹ After the defeat of Loano they tried to make peace, but found the French terms too high. However, this induced the Austrians to separate their troops from the Piedmontese as a precaution against desertion by the latter. When therefore the French, under Bonaparte, attacked in the middle of April, they were able to take full advantage of this disunity. Finding themselves between the two separated armies, they defeated each in turn. On 28 April the Piedmontese, thoroughly demoralized, readily agreed to an armistice.²

1. P.R.O., FO 67/18, Jackson to Grenville, No. 1, 29 September 1796.

2. R. Guyot, Le Directoire et la paix de l'Europe (Paris, 1911), 138-41; G. Ferrero, The Gamble, Bonaparte in Italy (London, 1961), Chapters 1, 2, passim.

The collapse of Piedmont-Sardinia opened the way to Italy for the French. Within two weeks the Milanese - among Austria's richest possessions - were overrun; panic spread through Italy; and in Vienna the clamour for peace rose to a crescendo. Even Thugut admitted that at no time in the war had the situation been more critical.¹ In his opinion the Italian theatre of war was the most important of all, and so, on 29 May, orders were sent to Wurmser on the Upper Rhine to march to Italy with 25,000 men to redeem the situation.² This decision effectively ended offensive operations in Germany. The gains of the previous autumn on the left bank of the Rhine, and the plans for operations in Alsace, had to be given up. On 9-10 June the new commander in Germany,³

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1. Frieden von Campo-Formio, xcix; Auckland, III, 332-6, 345, Eden to Auckland, 15 May, 13 June 1796.
 2. Vertrauliche Briefe, I, 301, Thugut to Colloredo, 26 May; Thugut, Clerfayt und Wurmser, 447 ff., the Emperor to Wurmser, 29 May 1796.
 3. Clerfayt had been recalled for signing the armistice in December 1795 without authorisation (P.R.O., FO 7/44, Eden to Grenville, No. 17, 10 February 1796).

the Archduke Charles, recrossed the Rhine at Mainz and took up defensive positions on the right bank. Until Wurmser arrived in Italy at the end of July the initiative lay with the French on every front.

The Italian disasters left Britain and Austria completely alone in the war, for their only other active ally, Naples, hastened to follow the Piedmontese example and made an armistice at the end of May. Even more ominous, these defeats revealed the real cancer in the alliance - lack of trust - far more clearly. Panic in Vienna was reflected by panic in London.

News of the first Austrian defeats reached London on 28 April and at last brought home to Ministers the urgency of Austrian needs. A loan was still impossible, but, next day, Craufurd was ordered to advance £100,000 to the Archduke Charles. In order to avoid public outcry the utmost secrecy was observed; the bills were to be drawn on the Treasury for as distant a date as possible and the

advance was to be repaid within the year.¹ On 20 May Craufurd was ordered to advance a further £150,000 but only if this was necessary to enable the Rhine army to commence or continue operations.²

A few days later came the news of the loss of the Milanese and the panic began. Grenville was 'seriously alarmed' that Thugut might make a separate peace which ceded the Netherlands to France in order to recover the Milanese, and on 24 May he instructed Eden to urge the infinite advantages of joint negotiations.³ In the course of the next two weeks financial crisis and plunging exchanges ended the last hopes of an early loan for Austria.⁴

1. P.R.O., FO 29/9, Grenville to Craufurd, No. 5, 29 April 1796.
2. P.R.O., FO 29/10, Grenville to Craufurd, No. 9, 20 May 1796. Because of this condition Craufurd delayed making the advance till 24 July (*ibid.*, Craufurd to Grenville, Nos. 93, 120, 2 June, 24 July 1796).
3. H.M.C. Dropmore, III, 207, Grenville to Eden, 24 May 1796.
4. P.R.O., FO 7/45, Grenville to Eden, No. 27, 10 June 1796.

Starhemberg had never seen Ministers so dejected, and Huskisson begged his departmental chief, Dundas, to return from Scotland immediately. 'We are in a crisis,' he warned, 'every gloomy impression is greedily received, immediately rebounded with increased force by the nation, by this rapid system of action and reaction all public spirit and all public exertion may soon be irretrievably destroyed.' He feared that Ministers might be rushed into steps which they might subsequently regret and Dundas might disapprove.¹

However, assurances were received from Vienna on 6 June that Austria would continue to fight. Eden reported that the army in Italy would be reinforced to 60,000 men and the Hofkriegsrath reconstituted to produce greater energy at the centre. Ministers could not therefore turn their backs when Starhemberg again appealed for money on 12th. Accordingly after much consultation Grenville

1. Helleiner, 72; B.M. Add. Ms. 38, 734 (Huskisson Papers), f. 174, Huskisson to Dundas, 9 June 1796 (draft).

announced on 17 June that Britain would advance £300,000 for July and August as soon as possible, and thereafter hoped to continue at £150,000 a month, the whole to be repaid by loan on demand after the end of the year. Once again the greatest secrecy was enforced. This would make a total British assistance of £1,150,000 throughout the year, far short of the £2½ million by July which Thugut required.¹ On 20 June Huskisson voiced his fears that it would not be enough.²

Amid such fears, the rumours of an Austrian peace which reached Britain on 23 June could not be easily discounted. Pitt wrote to Grenville that if the rumours were true their task would be very much simplified, though more arduous. If not they must push on at once with the first £300,000 advances, but should go no further without knowledge of Austrian defensive plans and particularly their

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1. P.R.O., FO 7/45, Grenville to Eden, No. 28, 17 June, enclosing Grenville to Starhemberg, 14 June; FO 7/44, Eden to Grenville, No. 23, 19 February 1796.
 2. B.M.Add.Ms. 38,734 (Huskisson Papers), Huskisson to Dundas, 20 June 1796.

peace plans. As for the future, Pitt added,

I am also clear that (unless there happens some unexpected turn in the state of things) any idea of our enabling Austria to act with any effect beyond the present year is out of the question. In this situation it would be inexcusable not to try any chance that can be tried, honorably and safely, to set on foot some decent plan of pacification ...¹

When the rumours proved to be false, Grenville prepared the way for this plan. He wrote to Vienna proposing a joint declaration of their willingness to negotiate peace whenever France was ready. Ministers would take note of any Austrian proposals, even if they did not include the restitution of the Netherlands to Austria. This was the most desirable settlement, but they would only stipulate that at all events the Netherlands should not remain a constituent part of France.² The British government was clearly looking for an opportunity to make peace and was

1. H.M.C. Dropmore, III, 214, Pitt to Grenville, 23 June 1796.

2. P.R.O., FO 7/45, Grenville to Eden, No. 30, 8 July 1796.

anxious not to be anticipated by Austria,¹ though Pitt was pessimistic of their chances. 'On the whole' he wrote on 23 June,

my notion is that most likely, either now or a few months hence, we shall be left to sustain alone the conflict with France and Holland, probably joined by Spain, and perhaps favoured more or less openly by the northern powers.²

II. The overture to Prussia, July-August 1796

By the end of June 1796 most of the factors which were to have an influence on the Coalition's last year of life had taken shape. Austria had put its army on the defensive in Germany and was concentrating on recovering Italy. Its efforts were hindered by grave financial difficulties which Britain, suffering financial troubles of its own, was only

1. See Althorp Mss., George 2nd Earl Spencer, Admiralty, Box 11, Grenville to Spencer, 23 June 1796: '... the great object of policy to us in such a situation seems to be the holding out such encouragement to their views, as may induce them rather to look to terminating the business in concert with us, than to think of separate arrangements.'

2. H.M.C. Dropmore, III, 214.

partially able to alleviate. The British government was despondent of Austrian reliability and doubtful of its own capacity to maintain the continental war for another year. As a result Ministers returned to their idea of the previous autumn and resolved that 'some decent plan of pacification' must soon be set on foot.

Before approaching France, however, Grenville made onelast attempt to get Prussia back into the war. He had been considering such an attempt since February. In June he formed a definite plan after receiving a report from an agent on the Dutch frontier, that the Dutch were ready to revolt and certain of success if Prussia would help.¹ But for the time being he made no move to contact either Berlin or Vienna - probably because the rumours of an Austrian peace proved false, and even Grenville must have hesitated to put to Vienna the plan he had in mind.

1. H.M.C. Dropmore, III, 208-9, 214, Bentinck to Grenville, 14 June, Pitt to Grenville, 23 June 1796.

His plan was to lure Prussia into re-entering the war by the offer of the Netherlands, while Austria received Bavaria in exchange. The reasoning behind this startling proposal was that Thugut had by now announced he would only resume the Netherlands if increased in size, otherwise he would exchange them for Bavaria or Wurtemberg.¹ Ministers were now becoming resigned to the idea of Austria ceding the Netherlands, but they did not regard either of Thugut's alternatives as strong enough to defend the Netherlands against France. In these circumstances their possession by Prussia was the most desirable alternative - 'by which means Britain would still have the advantage of opposing to the progress of France in that quarter the intervention of a great Continental Power.'²

The scheme was shelved until the last week of July when the Austrian position became so desperate that

1. P.R.O., FO 7/44, Eden to Grenville, No. 28, 5 March 1796.

2. Aspinall, II, 496-7, Cabinet Minute, 28 July 1796.

Ministers panicked and rushed it forward in great haste. News reached London of Austrian defeats on the Rhine where the French had taken the offensive. At a Cabinet meeting on the evening of 28 July Ministers decided to make their approach to Berlin. The king of Prussia should propose 'reasonable terms of peace' to France - incorporating Grenville's new scheme of territorial re-arrangement - and should engage to act jointly with the allies if France rejected these terms. One of the Under-Secretaries of State at the Foreign Office, George Hammond, was to be sent at once to Berlin and Vienna to expedite the proposal.¹

At this stage Ministers ran into unexpected opposition from George III who had been growing increasingly disturbed by the direction of their policies. In January 1796 he had circulated them against their proposed note to France.²

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1. Ibid., Auckland, III, 351-2, Rose to Auckland, 29 July 1796. Hammond handled correspondence relating to northern Europe.
 2. Pitt and Napoleon, 288-9, George III to Pitt, 27 January 1796 (also to Loughborough, Portland and Dundas).

When Ministers seemed ready in February to accept a straight Netherlands-Bavaria Exchange, the king only gave his grudging consent with the acid comment that 'Italian politics are too complicated for my understanding.'¹ Now he objected to Grenville's scheme because it ignored the rights of the Elector of Bavaria and his heir and dangerously increased Austrian power within the Empire. He was also afraid that, unless Ministers made a definite statement of the conquests they were prepared to give back to secure their ends, they would end up, as in the peace negotiations of 1762-3 and 1782-3, by yielding far more than was originally intended.²

Pitt and Grenville, however, were determined to go ahead. On 29 July they heard from Craufurd that it was

1. H.M.C. Dropmore, III, 174, George III to Grenville, 9 February 1796.

2. Ibid., 227, 230, George III to Grenville, 30, 31 July 1796.

high time to make peace because Austria could not hold out much longer.¹ Pitt explained to the king that their plan furnished almost the only chance of securing a peace which did not strengthen France, and Grenville maintained that the territorial scheme was the only way likely to reconcile the two German Powers.² The king finally gave way after a conference at Windsor on 31 July, and Hammond's instructions were finally drawn up on 2 August, the only modification being that he was to sound out Prussian opinions before making the specific proposal at Berlin.³

1. P.R.O., FO 29/10, Craufurd to Grenville, 11 July 1796; Auckland, III, 351-2, Rose to Auckland, 29 July 1796.
2. Aspinall, II, 498, Pitt to George III, 30 July; H.M.C. Dropmore, III, 228-9, Grenville to George III, 31 [30] July 1796 (Grenville refers to the king's letter of 30th as being of 'this date').
3. Since no account remains of the Windsor conference, that of Guyot (Le Directoire et la paix de l'Europe, 265) must be put down to artistic licence. His statement that Hammond received no written instructions seems to have come from a careless reading of P.R.O., FO 64/41 - Hammond's instructions, dated only 'August', but accompanied by a series of letters of introduction dated 2 August, have been placed after his despatches of 22 August 1796.

Nothing could be more illustrative of the desperation of the British government in the summer of 1796. Ministers were in fact sending an envoy to Berlin to offer to Prussia the territory of their own ally. Not only did they make little allowance for Austro-Prussian hostility, but they even despatched Hammond to Berlin without the prior knowledge or consent of Austria. Grenville explained to Eden on 2 August that the urgency of the situation had prevented prior concert, but that Thugut would be kept fully informed and all offers to Prussia were absolutely dependent on Austrian consent. He then left to his minister at Vienna the unenviable task of persuading Thugut to accept the British plan.¹

The biggest flaw in the plan was its dependence on Austrian consent. Hammond was first to secure Prussian approval of the general plan. He was then to ascertain whether it wished to be indemnified in the Netherlands or

1. P.R.O., FO 7/46, Grenville to Eden, Nos. 32, 33, 2 August 1796.

Germany, the former being the British preference, and then take an outline agreement to Vienna for Austrian approval.¹ The object was undoubtedly to make it so nearly a fait accompli that Thugut, in view of Austria's desperate situation, would have to agree. This made very little allowance for Thugut's known fanatical hatred of Prussia, and an Austrian veto at that late stage would make the whole enterprise ridiculous. What made the Ministers' hasty conduct even more nonsensical was that they themselves had little hope of success.² Ministers were thus prepared to risk losing one ally without much hope of gaining a new one. It can only be concluded that they panicked at reports of Austrian disasters and, like drowning men, made a last despairing grasp at their only remaining hope of full salvation. Prussian intervention

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1. P.R.O., FO 64/41, Hammond's Instructions, 'August', Separate and most secret, August, 1796.
 2. See H.M.C. Dropmore, III, 214, Pitt to Grenville, 23 June; Court and Cabinets, II, 348, Grenville to Buckingham, 14 August 1796.

was the last chance of imposing a British-dictated peace to France, and Ministers were willing to risk everything on the chance, however small, of obtaining its support.

In the event, however, ministerial pessimism about the overture proved well-founded. Hammond reached Berlin on 15 August and next day saw Baron Haugwitz. He was too late. On 5th Haugwitz had signed a treaty of neutrality with the French, in return for which Prussia was to receive the Bishopric of Munster at the general peace. Consequently Haugwitz evaded Hammond's approaches. He was ready to mediate for peace between the allies and France, but he avoided anything which might commit Prussia to war. Hammond, therefore, never made his proposition. On 22 August he reported to Grenville that his mission had failed, and on 31st he determined to return home.¹

1. Cambridge History of British Foreign Policy, I, 267; P.R.O., FO 64/41, Hammond to Grenville, Nos. 4, 6 and 7, 17, 22, 31 August 1796.

Thugut first heard of the British overture on 13 August. Eden reported that he was uneasy at the measure proposed, surprised at the lack of consultation, and certain no good could come of it.¹ Indeed the news was a severe blow to Thugut. It came just after he learnt of the failure of Wurmser's attempt to recover Italy;² at a time when the Archduke Charles was still retreating in Germany; when, as Eden reported, 'the consternation here is become general and the cabals of those who are desirous to embarrass every measure of this government ... have resumed their former activity; and the cry for peace is increased.'³ Some of his fellow Ministers even seem to

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1. P.R.O., FO 7/46, Eden to Grenville, Nos. 92, 93, 13, 15 August 1796. At this stage Eden withheld the plan of giving the Netherlands to Prussia, pending the result of Hammond's mission to Berlin. Consequently Thugut did not learn of the plan until November, when he was furious. See below, p. 262.
 2. Attacking at the end of July, Wurmser relieved Mantua (1 August) but was defeated by Bonaparte at Castiglione (5 August) and forced to retreat into the Alps again.
 3. P.R.O., FO 7/46, Eden to Grenville, No. 95, 20 August 1796.

have made indirect approaches to the French.¹ It is not surprising therefore that Thugut complained bitterly to Starhemberg of British conduct. He had further grounds for complaint in that the £300,000 promised in June had still not been advanced.² But for the moment his policy was to do nothing - to wait on events. On 24 August he told Colloredo that

Je suis toujours très fâché de la mission de Hammond à Berlin et du rapprochement entre l'Angleterre et la Prusse qui pourrait en être la suite, et qui même pourrait aller fort loin. Il est plus que jamais nécessaire d'éviter toute fausse démarche, au moyen de quoi je me flatte que pour le moment l'on pourra encore prévenir le mal qui pourrait résulter de cette équipée de la mission de Hammond.³

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1. Frieden von Campo-Formio, cvi-cxiv; P.R.O., FO 64/40, Elgin to Grenville, No. 50, 16 June; Vertrauliche Briefe, I, 342-3, Thugut to Colloredo, 10 October 1796.
 2. Frieden von Campo-Formio, cxv; P.R.O., FO 7/46, Eden to Grenville, No. 98, 27 August 1796. The delay was due to the fact that Boyd, Benfield & Co., entrusted with handling the advances for the British government, were in financial difficulties (Helleiner, 76).
 3. Vertrauliche Briefe, I, 332, Thugut to Colloredo, 24 August 1796.

On this occasion Thugut was fully justified in waiting. On 24 August the Archduke Charles defeated the French at Amberg and drove them back down the Main valley, defeating them again at Wurzburg on 3 September. At the same time the failure of Hammond's mission ended fears of meddling from Berlin. Now Thugut brought forward his own solution to their problems: a fresh appeal to Russia. On 3 September both he and the Emperor Francis wrote to St. Petersburg, and Thugut also asked for the co-operation of Grenville and Whitworth in order to obtain Russian aid.¹

However, Ministers in London were even less hopeful of Russia than they had been of Prussia, and once more they turned to unilateral action. As soon as they heard of Hammond's failure, they decided to make a direct approach to France.

1. P.R.O., FO 7/46, Eden to Grenville, No. 100, 31 August; Frieden von Campo-Formio, cxviii; A. Beer, Leopold II, Franz II und Catharina, Ihre Correspondenz (Leipzig, 1874), 204-5, Francis II to Catherine, September 1796.

III. The peace negotiations at Paris, Autumn 1796

News of Hammond's failure reached London on 1 September and the few Ministers in town met next morning to consider the situation. From the first their thought was of negotiation. Pitt, the most despondent, told Dundas, when riding to the meeting, that 'We must keep Ceylon or the Cape.'¹ Dundas felt they should keep both, but did not dispute that an approach to France should be made,¹ and neither did Grenville, who was shortly to emerge as the most belligerent member of the Cabinet. Accordingly, once the approval of the king and the Ministers with him at Weymouth² had been obtained, a note was sent

1. The Diaries of Sylvester Douglas, Lord Glenberrie, ed. F. Bickley (London, 1928), I, 111.

2. Viz. Portland and Loughborough. George III wrote that had communicated Grenville's Minute to these two Ministers 'both of who approving of it, it has now been looked upon equivalent to a Minute of Cabinet.' (H.M.C. Dropmore, 242). A. Aspinall and E. Anthony Smith (English Historical Documents, XI, London, 1959, 136) have taken this to indicate the 'unequal influence of individual Ministers, and indication of an inner Cabinet' (section heading). A better interpretation would be that there was not a majority of Ministers present when the matter was discussed at the Cabinet in London on 2 September and that the approval of Portland and Loughborough made up the requisite number for Grenville's paper to be considered a Cabinet Minute on such an important subject.

via the Danish envoys in London and Paris on 6 September.

It asked for passports so that an envoy might be sent to negotiate peace.¹

'The fear of the English Ministers exceeds all conception' protested Starhemberg. 'This panic, bound up with their financial embarrassments and the personal fear of losing their offices, can lead them to the most extraordinary and unexpected measures.'² The Austrian envoy underestimated the extent of ministerial difficulties, however.

Pitt wrote to his brother on 4 September that

... Hammond's mission has produced nothing effectual at Berlin. We therefore see nothing left (in order to bring the question of peace or war to a point) but to send directly to Paris. ... An immediate Spanish War tho' not yet formally announced, seems certain, but this does not come unexpectedly; and (if we satisfy the Country that we have done enough towards general peace) it will not I trust produce much embarrassment. Our great

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1. H.M.C. Dropmore, III, 239-42, 'Minute of Lord Grenville', 2 September, and king's reply, 4 September; Parl.Hist., XXXII, col. 1409 f., Grenville's note, 6 September 1796.
 2. Frieden von Campo-Formio, cxix, Starhemberg to Thugut, 6 September 1796.

apparent difficulty is finance, which can only be removed by bringing people to a temper for very unusual exertions.¹

Spain was about to join France and Holland against Britain at a time when British naval resources were stretched to the limit. Ministers had already sent orders on 31 August for their fleet to withdraw from the Mediterranean.² The financial position was more critical than ever - as even Starhemberg was forced to admit: the projected new loan of £20 million would hardly cover existing debts and the cost of preparations for the Spanish War. There seemed no prospect of continuing advances to Austria beyond the present year, and even the present advances were in jeopardy - yet Starhemberg was asking for a new loan of £4-5 million.³

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1. P.R.O., PRO30/8/101, Pitt to Chatham, 4 September 1796.
 2. Hist. of British Army, IV, 511.
 3. Helleiner, 77-9; P.R.O., FO 7/46, Grenville to Eden, No. 35, 7 September 1796.

Hammond's failure, the impending Spanish War, the financial crisis, and the continued defeats of the Austrian armies were more than enough reason, in the British view, to apply to France. Although Ministers were far from being totally despondent, and though some actually expected the overture to be rejected,¹ there can be no doubt that their overture was genuine. Grenville explained to Whitworth that they had no intention of making dishonourable or dangerous concessions - they still had spirit and resources enough to fight on alone if necessary - but if the Directory was ready to make peace on just and honourable terms it would meet with no obstacle from Britain.²

The 'just and honourable terms' envisaged were that France should return all its conquests from Austria. To this end Britain would restore its own conquests from France and even allow the French to retain their other

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1. See ibid.; H.M.C. Dropmore, III, 242, George III to Grenville, 4 September 1796.
 2. P.R.O., FO 65/34, Grenville to Whitworth, No. 15, 6 September 1796.

conquests of Spanish San Domingo, non-Austrian territory west of the Rhine, and Savoy and Nice. Britain itself would retain its conquests from Holland - at the very minimum Ceylon, Cochin and the Cape of Good Hope.¹

This was the first specification of Britain's minimum colonial objects² and also the first concession that France should retain the greater part of its conquests. It stands in stark contrast both to Grenville's terms of December 1795 and to the Prussian project of July 1796 - barely a month previously.³ Indeed the terms offered were so generous and involved such serious implications for the British position in the West Indies, that they show signs of not having been considered properly. Nevertheless their generosity reveals their genuineness. The main faults were that, once again, Ministers had failed to consult Vienna

1. H.M.C. Dropmore, III, 241, 'Minute of Lord Grenville', 2 September 1796.

2. Quite possibly the Ministers' former silence was owing to their reluctance to state explicitly the fact that they intended to despoil their former ally Holland.

3. See above, pp. 214-5, 234-5.

before initiating the overture¹ and that few concessions had been made to Austria's attitude. Of the three warring Powers - Britain, France, and Austria - only the last would gain nothing from the war under these terms.

News of the British government's latest unilateral action reached Vienna about 19 September. It came as a bombshell to Thugut, whose hopes had just been raised to a high pitch by the continued success of the Archduke Charles and by the receipt of a Russian offer at last to support Austria with 60,000 men in the next campaign. Quite apart from the lack of prior warning to Austria, he protested that the step would hearten the French after their defeats in Germany. Combined with the British evacuation of the Mediterranean it would send the smaller Italian states into the French camp and result in the total ruin of Italy. Lastly, it would probably provoke Russia into withdrawing its long-awaited offer. Consequently he refused to have any part in it. He would give

1. Grenville explained to Eden that the lateness of the season and the need to make some statement to Parliament about the time it met (on 27 September) had made their haste necessary (P.R.O., FO 7/46, Grenville to Eden, No. 35, 7 September 1796).

Eden no explanation of his peace terms, and he demanded that Britain should scrupulously fulfil its treaty obligations.¹

Thugut's main hope was that the news of the Russian offer might induce the British government to change its mind.² In fact the financial demands attached to this offer made it certain that Ministers would follow up their approach to France to the full: between them, Russia and Austria were demanding nearly £8 million.³ Consequently, when the French demanded that, instead of sending via Denmark for passports, Britain should apply to the French government directly,⁴ Ministers felt that they had to comply. On 24 September Grenville made a formal application for

1. P.R.O., FO 7/46, Eden to Grenville, No. 106, 23 September 1796.
2. Ibid., Thugut to Starhemberg, 23 September 1796.
3. Martens, IX, 412, Ostermann to Vorontsov, 8/19 August 1796; Helleiner, 81, Russia asked for £300,000 for equippage, £120,000 a month plus bread and forage during the war, and £300,000 for demobilisation. Austria wanted a loan of £4-5 million.
4. Probably since this would involve open British recognition of the Directory as the French government.

passports to Charles Delacroix, the French Foreign Minister.

The belligerent tone of the French reply made the prospects of peace appear slim, but it was only by showing that it was the French and not they who were blocking the way to peace, that Ministers could secure from Parliament the money needed to continue the war.¹

Moreover, Starhemberg believed that, despite their assertions that nothing would come of the overture and that it was intended to unite the nation behind the war, Ministers were deluding themselves. Even if they really were opposed to peace, the pacific inclination of the nation would force them to give way.² Confirmation of this soon came when passports arrived from France on 5 October, for the government again changed its approach and decided to send to Paris no 'mere official agent' as it had intended,

1. Parl. Hist., XXXII, cols. 1411-2, Grenville to Delacroix, 24 September; Aspinall, II, 506-7, Pitt to George III, 23 September; Court and Cabinets, II, 350, Grenville to Buckingham, 24 September 1796.

2. Frieden von Campo-Formio, cxx.

but instead its ablest diplomat, Lord Malmesbury.¹ Three main factors seem to have been behind this last decision. First, public opinion in Britain. Second, the financial crisis. On 7 October Grenville sent a much-reduced counter-proposal to Russia and Austria in the event of war continuing. To St. Petersburg he offered £300,000 equippage and £100,000 a month, with a further £500,000 after the war. To Vienna he offered a continuation of the monthly advances in 1797 reduced from £150,000 to £120,000 a month. The total that could be offered to both was £3 million - a sum far below what had been demanded, but vast in proportion

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1. Stanhope, Pitt, xxxii, George III to Pitt, 5 October 1796. The fluctuating policy of the British government in late summer 1796 can be summed up as (a) August: approach to Prussia in a last attempt to dictate peace to France, (b) early September: indirect approach to France for compromise peace, (c) 23-4 September: direct approach to France in the hope of rallying public opinion by putting the onus of rejection on the Directory, (d) 5 October: decision once more to seek a compromise peace.

to British financial difficulties.¹ The third factor was a belief that the Directory might be forced to make peace by the French nation. Grenville summed up the Cabinet's reasoning to Whitworth on 18 October. In view of the unprecedented demands which he might have to make from the country, the king

owed it to his people not to adopt measures of such a description without again taking the most effectual and unexceptional means to ascertain whether the necessity of these efforts might not be avoided by measures of a pacific tendency; and whether the increased distresses and difficulties of the enemy might not now lead, even against the wishes of the Directory, to the re-establishment of general peace, on a just and honourable footing.²

When Malmesbury left Dover on 18 October, therefore, Ministers were firmly committed to a peace policy. However, Malmesbury was instructed to inform the French that Britain would not separate its interests from

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1. P.R.O., FO 65/34, Grenville to Whitworth, No. 18, 7 October; FO 7/46, Grenville to Eden, No. 43, 7 October 1796.
 2. P.R.O., FO 65/35, Grenville to Whitworth, No. 24, 18 October 1796.

Austria; there was to be no question of any separate peace.¹

It was consequently with much embarrassment that Ministers received on 15 October news of Thugut's hostility to their overture. Grenville transmitted the information to Malmesbury with classic understatement:

... I write to say that we have received dispatches from Vienna, the tenor of which, though not unsatisfactory as to the spirit of union and concert with his Majesty which prevails there, still leaves us in much uncertainty with respect to the objects which that Court may preferably urge in case of detailed negotiations for peace.²

In fact Thugut specifically refused to make such a statement and the British government, by failing to consult Austria first, had trapped itself. Malmesbury was on the point of sailing for France, and Ministers were consequently too far committed in the public eye to recall their negotiator without themselves incurring the odium of preventing peace - an odium which they had from the first wished to throw on France.

1. P.R.O., FO 27/46, instructions to Lord Malmesbury, 1796.

2. H.M.C. Dropmore, III, 260, Grenville to Malmesbury, 16 October 1796.

The problem thus presented itself of how to persuade Austria to participate in the British overture when it refused to do so. Ministers had to delay the negotiations at Paris without breaking them off and at the same time induce Thugut to declare his peace terms. The two themes were to preoccupy British policy for the rest of the year.

Grenville's immediate reaction was to warn Malmesbury to be extra careful not to commit Britain prematurely on the Austrian part of the territorial settlement. He reminded him also of Britain's treaty commitment not to make peace without securing the restoration of all Austrian losses.¹ Ministers were also

1. H.M.C. Dropmore, III, 260, Grenville to Malmesbury, 16 October 1796. Both J.H. Rose (Camb.Hist. of British Foreign Policy, 269) and E.D. Adams (The Influence of Grenville on Pitt's Foreign Policy, 1787-98, Washington, 1904, 49-51) assert that Grenville was here sabotaging Pitt's pacific intentions by making Malmesbury's demands much stiffer in last-minute alterations. In fact all he did was to restate Britain's exact relationship with Austria - in the circumstances of Thugut's attitude he could not do otherwise. He did not alter or stiffen Malmesbury's instructions because no specific peace plan had yet been given to Malmesbury pending details from Vienna of Austria's views (see P.R.O., FO 27/46, instructions to Malmesbury, 1796).

prepared to conciliate other Austrian fears by reversing their decision to abandon the Mediterranean and by offering Corsica as a further inducement for Russian support.¹

At this stage Ministers seem to have expected that Austria would soon give way. The communication of Malmesbury's instructions, the news of Malmesbury's departure, and a hint by Grenville that in the event of delay Britain might have to use its own judgement on Austrian views and interests,² were expected to bring Thugut round.³ The king, however, was less optimistic and critical of the conduct of his Ministers,⁴ and Malmesbury was equally

1. H.M.C. Dropmore, III, 261, Grenville to George III and Cabinet Minute, 19 October; P.R.O., FO 65/35, Grenville to Whitworth, No. 25, 21 October 1796. Whitworth was also authorized to use bribery to obtain his ends (ibid., No. 26).
2. P.R.O., FO 7/46, Grenville to Eden, No. 46, 14 October 1796.
3. Hence Grenville brought no additional pressure on Thugut in his despatches of 19 and 28 October to Eden (P.R.O., FO 7/47, Nos. 47, 57).
4. See his conversation with the younger George Rose (The Diaries and Correspondence of the Hon. George Rose, London, 1860, I, 189-90).

despondent - 'Pray, pray take care', he appealed to George Canning, 'that the puzzle and embarrassments which I foresee with so much certainty must arise from the manner in which we have conducted at Vienna, be not made over to me in its puzzled state to unravel.'¹ In the absence of authorization from Vienna his negotiations at Paris soon reached an impasse when the French demanded to see his Full Powers to negotiate for Britain's allies. On 27 October he sent his secretary, George Ellis, back to London to ask for further instructions.

In this dilemma the Cabinet finally decided to corner Vienna into declaring its peace terms. In despatches dated 7 November 1796² it demanded that Austria should immediately send a negotiator to Paris or empower

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1. Malmesbury, III, 292, Malmesbury to Canning, 27 October 1796. Canning was the Under-Secretary at the Foreign Office handling correspondence with southern Europe.
 2. These despatches were drawn up by Pitt in the absence of Grenville whose sister had just died (Windham Diary, 345).

Malmesbury to act for it. If not, Britain would take it on itself to negotiate conforming to its own views of Austrian interests. If Austria continued its refusal to participate, 'it might eventually become necessary for His Majesty to go one step further, and conclude peace with France, securing only to his Ally the offer at the same time of such terms as the faith of treaties and the King's regard to the general interests of Europe would in such case induce him to require from France.' This threat was accompanied by a reminder that should Austria refuse to co-operate it could expect no more financial help from Britain.¹ A second despatch asked for detailed Austrian terms. Ministers denied any intention of insisting that Austria should retain the Netherlands in case this was holding Thugut back, but they undid the beneficial effects of this declaration by demanding that, if Austria renounced the Netherlands, they should be given to Prussia as the only other Power capable of protecting them against France.²

1. P.R.O., FO 7/47, No. 52 to Eden, 7 November 1796.

2. Ibid., No. 53 to Eden, 7 November 1796.

These two despatches represent the strongest language hitherto used by the British government towards its ally, and this was undoubtedly the result of exasperation at Austria's long silence. But the position taken was not clearly thought out. Pitt made strong declarations of the value which Ministers attached to the Austrian alliance, yet, as Grenville admitted, to make peace for Austria 'would leave their future efforts of every kind without a principle of union and without a common object of pursuit.'¹ This would be even more probable if the Netherlands were given to Prussia. The government's policy thus involved all sorts of contradictions which were soon exposed by the Austrian reaction.

Thugut had been confidently expecting that the British negotiation would collapse completely at the first interviews in Paris. In any case he had no confidence in Malmesbury, and so he ignored the appeals from London.²

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1. P.R.O., FO 65/35, Grenville to Whitworth, No. 28, November 1796.
 2. P.R.O., FO 7/47, Eden to Grenville, No. 128, 16 November; Auckland, III, 360-3, Eden to Auckland, 16 November 1796.

Consequently, when on 6 November a messenger arrived from Malmesbury announcing that the French were willing to negotiate and asking for an Austrian negotiator, he received the news, wrote Eden, 'with greater agitation than I ever saw him under during the nearly four eventful years of our intimate connection'. He told Eden that fear of Russian reactions prevented him from taking any part in the negotiation, but if France offered to return all its conquests from Austria then he would be obliged to accept since Britain would have fulfilled its treaty obligations.

Nevertheless Thugut was now forced to say something of his views. He told Eden that the Netherlands as they stood were of no advantage to Austria, and he would take the first opportunity to exchange them for Bavaria. In this case, however, he would still guarantee the Netherlands against France. He wished the Empire to be restored to its old limits, and as regards Italy he felt the need for a barrier against France, but the precise shape of this would depend on

the result of the new offensive which he was preparing there.¹

Thugut in fact had no wish to make peace while there was still the chance of further acquisitions for Austria. The success of the Archduke Charles in Germany, the Russian offer of help in 1797, and the imminent Austrian offensive in Italy, all afforded hope that he could still end the war by placing Austria in a far more powerful position than when it had begun. In Germany his plans still turned towards the conquest of Alsace.² In Italy his instructions to the new commander, Alvintzy, indicate that his thoughts were turning towards the acquisition of the Papal Legations.³ Nor

1. Ibid.

2. See Gen. Michailovski-Danilevski and Col. Miliutin, Geschichte des Krieges Russlands mit Frankreich unter der Regierung Kaiser Paul's I im Jahre 1799 (Munich, 1856-8), I, 304-5, Razumovski to Ostermann, 27 September/8 October 1796. Thugut planned that an Austrian army, 110,000 strong, should concentrate on Alsace, while a combined Russo-Imperial army, 100,000 strong, invaded France via Lorraine.

3. Thugut, Clerfayt und Wurmser, 511-8, Mémoire for Alvintzy, 12 November 1796. Thugut planned to have 100,000 Austrians in Italy in the next year (P.R.O., FO 7/47, Eden to Whitworth, 23 October 1796).

had he given up his designs on Venice, though he hesitated to mention these to London.¹ All these plans, however, were jeopardized by Britain's policy of forcing through its peace without any consideration for its ally. In his despatches he continually complained of the instability, the boundless egoism and untrustworthiness of the British government.²

The new threats in the despatches of 7 November were thus not unexpected. The suggestion to give the Netherlands to Prussia while Austria took Bavaria on the other hand had not been anticipated. Eden reported that Thugut 'expressed the utmost astonishment at this plan, and after a pause asked me what we would do with the Elector Palatine - would we strangle him, or send him to Botany Bay?' In vain Eden suggested alternative indemnities for the Elector. Thugut refused to sanction any Prussian aggrandizement and asserted that, as long as Britain and

1. Frieden von Campo-Formio, cxxii. As usual Thugut expected Russia to open the ground on this subject.

2. Ibid., cxxi; H.H.St.A., Staatskanzlei, Russland II/180, f. 189 f., Thugut to Cobenzl, 30 November 1796.

France agreed to the Bavarian Exchange, Austria would meet any Prussian opposition by force.¹

Thugut was undoubtedly furious at this latest example of British imperiousness, but he recognized his absolute dependence on Britain for money. 'L'ineptie de nos financiers' he lamented to Colloredo, 'nous rend entièrement dépendante de Londres; et comment risquer quelque démarche propre à nous compromettre avec elle, lorsque la suspension de ses avances laissera nos armées sans prêt le mois prochain.'² There was no alternative but to sanction British negotiations at Paris. But goodwill towards Britain was at its lowest ebb in Vienna. Thugut was inclined to be distinctly unco-operative: Eden complained that 'when I talk of concert, he shuts my mouth by citing the many instances of our acting without any previous application hither.'³

1. Auckland, III, 367-9, Eden to Auckland, 9 December; P.R.O. FO 7/47, Eden to Grenville, No. 135, 26 November 1796.
2. Vertrauliche Briefe, I, 360, Thugut to Colloredo, 26 November 1796.
3. Auckland, III, 367-9, Eden to Auckland, 9 December 1796.

There was little that could be done to alter this hostility short of recalling Malmesbury from Paris.¹ The British government's conciliatory gestures had no effect. The decision to retain the fleet in the Mediterranean was received 'with transports of joy' by Thugut, but on the other hand, Eden pointed out, 'foreigners accuse us of want of steadiness in our counsels', and in late November the fleet finally withdrew.² The offer of reduced monthly advances for 1797 was not at all well received. Whereas Eden could offer at the most an increase from £120 to £125,000 a month, Thugut demanded £600,000 at the start of the year and £200 - £250,000 a month thereafter.³

November thus ended on a dark note for the Austrian Foreign Minister. First came the news of the continuation of

1. Ibid.

2. Ibid., 360-3, Eden to Auckland, 16 November 1796; Mahan, Influence of Sea Power, I, 216.

3. P.R.O., FO 7/47, Eden to Grenville, No. 123, 29 October; H.M.C. Dropmore, III, 271, Starhemberg to Grenville, 16 November 1796.

Malmesbury's negotiations, then, and worse, of the failure of the Italian offensive. After initial success at Caldiero (12 November), Alvintzy was defeated in a three-day battle at Arcole (15-17 November) and by 27 November was back where he started. It was, remarked Thugut, 'un des événements les plus funestes qui nous soient arrivés depuis le commencement de la guerre.'¹ This finally put Austria at the mercy of its allies and in particular of the results of the negotiations at Paris.

In Paris events were fast approaching a crisis.

On 28 November Malmesbury reported that he could delay no longer: he must have a specific plan to put forward soon or the Directory would be able to misrepresent the sincerity of British intentions. He warned that the greatest difficulty would be over the Netherlands; neither the Directory nor the French nation would abandon the Netherlands for the sake of recovering

1. Vertrauliche Briefe, I, 346, Thugut to Colloredo, 24 October [November] 1796.

their colonies. However, if Ministers did not insist on this point they would find the French more accommodating than expected on other matters.¹

Fortunately Ministers now had the information they wanted on Austrian views from Eden's despatch of 16 November, and so, after a long debate, the British proposals were at last sent to Paris on 10 December 1796.

The basis of the proposals was that France should restore its conquests from Austria and make a peace on 'just and suitable terms' with Austria for the Empire. In return Britain would restore its conquests from France, reserving discussion on San Domingo and former treaty rights. Russia and Portugal, which had lost nothing, should merely be included in the general peace. As regards the details of the settlement, Malmesbury was given latitude to negotiate on five main points.

1. H.M.C. Dropmore, II, 278-80, Malmesbury to Pitt and to Grenville, 28 November 1796.

First, Britain wished to see the Netherlands restored to Austria but would consider any alternative provided Austria received an adequate equivalent and the Netherlands were made independent of France. This might be achieved by joining them to Maestricht and Dutch Flanders, ceded by Holland to France in 1795, and Liège so as to form a barrier which would counterbalance French acquisitions in Germany.

Second, the Empire should be returned to its former limits if possible, and at least the settlement should be such that the Netherlands were not cut off from Germany.

Third, the settlement in Italy depended on the result of Alvintzy's offensive (this was not yet known in London although there were rumours of its failure). If the Austrians were successful, they might strengthen the Milanese by retrocessions from Piedmont. Otherwise all that could be expected was the restoration of the Milanese and the French evacuation of Lombardy.

Fourth was the problem of the Spanish part of San Domingo. Its retention by France would upset the balance in the Caribbean and so a series of compensatory alternatives were put forward for discussion.

Finally there was the Dutch settlement. The Prince of Orange was not to be restored but should be compensated for his losses. Britain would retain Ceylon, Cochin, the Cape of Good Hope and possibly some establishments in the Eastern Seas. It would return all its other Dutch conquests provided none were ceded to France and that France received no privileges in them not also granted to Britain.¹

These terms were stiffer than those projected in Grenville's Minute of 2 September,² but this does not mean that the terms were not offered in good faith.³ Since

1. P.R.O., FO 27/46, Grenville to Malmesbury, Nos. 11, 12, 11 December 1796.

2. See above, pp. 247-8.

3. See below, Appendix B, pp. 510-2.

September the British bargaining position had grown much stronger. Internally, the formation of 'patriotic societies' allayed fears of rebellion in Ireland, Parliament had given almost unanimous support to the government's measures for home defence, and on 1 December Pitt had successfully raised an £18 million 'Loyalty Loan' by open subscription. Abroad a Dutch attempt to recover the Cape had been crushed, the Archduke Charles was completely victorious in Germany, Alvintzy was making his attempt to recover Italy, and Russia had made a firm offer of help in the next campaign so that there was every prospect of invading France.

There is no reason to suppose therefore that Ministers did not consider their demands fully consistent with their bargaining position. This is particularly true of the Netherlands. Grenville told Malmesbury that

any proposal which should leave those countries annexed to France would be productive of much greater advantage to that power, and loss to the allies, than any just view of the present relative situation of the belligerent powers₁ could entitle the French government to expect.

1. P.R.O., FO 27/46, Grenville to Malmesbury, No. 11, 11 December 1796.

The terms also met Thugut's views expressed in Eden's despatch of 16 November¹ - particularly regarding the barrier in Italy depending on Alvintzy's campaign, and the demand for a safe communication between the Netherlands and the Empire was another of Thugut's ideas. Ministers did not, however, demand the entire restoration of the Empire and it might be inferred that they did not feel bound to support Austrian wishes beyond the point of conciliation with France.

Malmesbury delivered the British proposals to the French on 17 December, but in the meantime the situation had been totally changed. News arrived first of the defeat of Alvintzy, and then of the death of the Empress Catherine II - she had been one of the bitterest enemies of the Revolution, and her successor, Paul I, was expected to reverse her policy. Further, on 17 December, an expedition successfully escaped from Brest to invade Ireland. In these circumstances the British demands were impossibly high. On 19 December

1. See above, pp. 260-1. P.R.O., FO 7/47, Eden to Grenville, No. 128, 16 November 1796.

the Directory rejected them brusquely and ordered Malmesbury to leave Paris within 48 hours.

IV. The Collapse of Austria and the Preliminaries of Leoben

News of the death of Catherine II reached Vienna on 10 December. It was universally regarded as the greatest misfortune which could have befallen Austria and it made Thugut ill. He lamented to Colloredo

les suites incalculables que peut entraîner ce funeste événement, et dans quel embarras nous pouvons nous trouver au milieu de grands changements qui peuvent survenir, sans armée, sans finances et avec les désordres intérieurs de notre administration écrivante.¹

Paul I was known to be opposed to the acquisitive projects of his mother and this was a bitter blow to Thugut's hopes of acquiring Venice. Within a few weeks it became definite that there would be no Russian military support in the war.

Thugut, however, was nothing if not obstinate.

He would not end the war while any hope of success remained.

1. Vertrauliche Briefe, I, 371, Thugut to Colloredo, 10 December 1796; Frieden von Campo-Formio, cxxiii.

Alvintzy was ordered to make another attempt to recover Italy. Thugut himself made yet another attempt to secure his financial demands from Britain. His attitude had changed, however. Though on the news of Malmesbury's failure he assured Eden that Austria would scrupulously fulfil its engagements to Britain,¹ the only binding tie in the alliance now was British money - British conduct in 1796 and the death of Catherine II had removed any other. The events of the next few months were to show that when British money dried up and the French made a suitable offer, Austria would make a separate peace. The crux of the Anglo-Austrian alliance thus became what it had always threatened to become, one of money and not of mutual interest.

In view of this development the ill-feeling over financial aid created at the end of 1796 was extremely unfortunate. Grenville wrote to Vienna on 26 November 1796

1. P.R.O., FO 7/48, Eden to Grenville, No. 1, 4 January 1797. For Thugut's malicious glee at the failure of Malmesbury's negotiation, see Vertrauliche Briefe, II, 1, Thugut to Colloredo, 2 January 1797.

that Thugut must realize his demands, which totalled £3 million, were impossible. The most that could be done was to see if part of future monthly advances could not be brought forward to the beginning of the year. Ministers were doing their utmost to help, and he complained bitterly of Austrian haggling and ingratitude.¹ Neither Power fully appreciated the financial difficulties of the other. What made matters far worse was the British payments to Austria were seriously in arrears.²

1. P.R.O., FO 7/47, Grenville to Eden, No. 57, 26 November 1796.

2. Ibid., Eden to Grenville, No. 149, 24 December 1796. The story of British advances to Austria in 1796 was not a happy one. £100,000 was given to the Archduke Charles on 23 May, but a further £150,000, promised on 20 May, was not given until 24 July (see pp. 227-8 above). Further payments were then entrusted to Boyd, Benfield & Co. who were in financial trouble. Consequently, although Boyd received Treasury authorization on 2 July (P.R.O., PRO30/8/339, Long to Boyd, 2 July 1796), his first payment was not made until 12 August (PRO30/8/115, State of remittances and payments by Boyd, Benfield & Co. for account of the Imperial Government). By the end of December Boyd was three months in arrears besides withholding £200,000 to pay interest on the 1795 Austrian loan (Helleiner, 76). Thus Pitt's claim to Parliament on 13 December 1796, supported by J.H. Rose (Pitt and the Great War, 304), that these advances led to the Austrian victories in Germany (Parl. Hist., XXXII, cols. 1317, 18, 22) is of doubtful validity.

In these circumstances the death of Catherine II, by altering British expectations of Russia, actually improved Austrian chances in the short run. By the end of December Ministers were prepared to offer £1.8 million to Austria if Russia came forward, and £2.4 million if it did not. By 10 January 1797 it was known that Russia would stand aloof and so the second offer was sent to Vienna. Payment would be subject to termination at two months' notice, and all advances would be repaid by a loan in London when possible.¹

The British offer was received in Vienna in early February, but much had happened in the meantime. Alvintzy's new offensive in Italy was crushed at Rivoli (14-15 January) and an entire corps of his army (8,000 men) was forced to surrender near Legnano (16 January). The Austrian army in Italy had virtually ceased to exist, and Mantua, the sole barrier to further French progress, was doomed. Consequently Thugut

1. P.R.O., FO 7/47, Grenville to Eden, No. 60, 27 December 1796; Grenville to Eden, 3 January (No. 1), 10 January (No. 4) 1797.

stuck to his demand for £3 million: a loan of at least this amount was necessary to enable Austria to replenish its losses and continue the struggle. Despite the defeats he intended to fight on by stripping his army in Germany to an absolute minimum and sending 100,000 men into Italy in yet another attempt to redeem the war.¹

The first news of the Italian disasters reached London at the beginning of February. Ministers, though making reassuring noises to Austria,² could only watch with growing helplessness as events on the continent unfolded their fatal course. On 10 February Starhemberg reported that they were initiating secret overtures to bring Naples, the Pope, and Venice into the war,³ but, even before the scheme could get under way, the fall of Mantua on 2 February and the French invasion of the Papal States forced the Pope to submit at

1. P.R.O., FO 7/48, Eden to Grenville, 23 January (No. 10), 8 February (No. 13), 1 March (No. 21) 1797.

2. Ibid., Grenville to Eden, No. 8, 7 February 1797; Frieden von Campo-Formio, cxxxvi.

3. Ibid.

Tolentino (19 February) and destroyed all hopes of raising Italian states against France. Worst of all the abortive invasion of Ireland in January, and the news from Italy, started a panic in London and a run on the banks. On 26 February Pitt had to order the Bank of England to stop cash payments. The result of the new financial crisis was that British advances to Austria again fell hopelessly in arrears. Starhemberg reported that payment was not completed until 15 March for the sum due on 1 January.¹ Moreover, as Grenville explained, this unfortunate development postponed the chances of the £3 million loan which Thugut wanted, and it might even put an end to further advances.² However willing, therefore, Ministers could do nothing to help. Starhemberg wrote on 28 February that 'I see daily, with gloom, how the unfruitfulness of the Cabinet's good intentions is just as bad as the most reprehensible desertion', and

1. Ibid., cxl.

2. P.R.O., FO 7/48, Grenville to Eden, No. 12, 28 February; H.M.C. Dropmore, III, 299, Grenville to Eden, 3 March 1797.

Thugut echoed the sentiment - 'beaucoup de belles paroles, mais point jusqu'ici d'effet décisif'.¹

Austria was thus left to its own devices to face the inevitable French offensive in Italy and Germany. It was totally lacking in means to continue the war; Eden reported on 1 April that only one-sixth of the financial requirements for the month were available.² The army in Italy was utterly demoralized, and even the replacement of Alvintzy by the Archduke Charles failed to restore its spirits. When Bonaparte began to advance on Vienna in the middle of March, there was no way to stop him. By 29 March his advance-guard was at Klagenfurt, only 14 post-stages from the capital.

In Vienna the clamour for peace was 'louder and more importunate than at any other period of the war'. All except Thugut advised the Emperor to make peace. Count Trautmansdorf, supported by Prince Starhemberg, Prince

1. Frieden von Campo-Formio, cxi; Vertrauliche Briefe, II, 25, Thugut to Colloredo, 30 March 1797.

2. P.R.O., FO 7/48, Eden to Grenville, No. 34, 1 April 1797.

Colloredo and others of the great nobility, presented a memorandum in which they protested that engagements to Britain were no longer an argument to continue the war. Austria's present critical situation absolved it from such engagements. Continuation of the war would totally ruin Austria and benefit only Britain and Prussia. They urged that France was Austria's natural ally just as Prussia was Britain's. Therefore the Emperor should make an immediate separate peace. Any scruples should be removed by the memory of Malmesbury's mission.¹ Even Thugut confided to Eden that, if Britain could not provide the necessary money, Austria could not continue the struggle. On 1 April he warned that it was doubtful if the demands for peace could be resisted for much longer.²

The task before the British government was thus rapidly transformed from that of encouraging Austria to continue the war into that of making sure Britain was included

1. P.R.O., FO 7/48, Eden to Grenville, No. 34, 1 April 1797.

2. Ibid., Eden to Grenville, Nos. 30, 34, 25 March, 1 April 1797.

in the peace. On 4 April Grenville wrote to Eden proposing that the two Powers should issue a joint declaration of their willingness to negotiate a general peace. He left it to Austria to propose the locality for the negotiations, and he repeated Britain's willingness to sacrifice its conquests on Austria's behalf. He further suggested that they should take advantage of the reported disposition of Paul I of Russia to mediate.¹

Events were changing rapidly, however. On 6 April Ministers learnt that the French were over the Tarvis Pass, Vienna was in turmoil, and Thugut admitted that Austria might be forced to make peace.² On 10th they heard that the French advance was continuing, that Trautmansdorf had proposed a separate peace, and that Thugut was uncertain of resisting the pressure.³

Accordingly on 8 April Pitt presented a memorandum to

1. Ibid., Grenville to Eden, No. 21, 4 April 1797.

2. From Eden's despatches of 25 March.

3. From Eden's despatches of 1 April, also P.R.O., FO 43/2, Graham to Grenville, No. 42, 27 March 1797.

the king in which, while he still hoped for time to secure Russian and perhaps even Prussian mediation, he felt that they should at once give Eden full instructions on British peace terms so that Britain could join Austria if the latter was forced to make an immediate peace. An Austrian separate peace 'would be the greatest aggravation of the difficulties now experienced which could possibly arise'. It would produce a pressure on the country which ought to be avoided by all possible means - 'even the object of Netherlands, important as it is on every point of view, does not seem to be one which can be set against so many important and urgent considerations.'¹

Next day, 9 April, the Cabinet resolved to send Hammond to Vienna either to make a joint appeal for Russo-Prussian mediation or, if there was no time for this, to join with Eden in any Austrian peace negotiations.

British peace terms were now vastly altered.

1. Aspinall, II, 559-60, Pitt to George III, 8 April 1797.

Hammond was to allow the French to retain the Netherlands and consequently to control Holland also. In return, however, Ministers required a compensatory increase in strength for Austria and Britain. Austria should receive indemnification either in Germany (with compensation for the sufferers) or in Italy, where France should transfer to Austria all its Italian conquests. Britain would restore most of its own conquests to further this end, but it would keep Martinique (as compensation for the French retention of the Netherlands and Spanish San Domingo), the Cape of Good Hope and Ceylon. Finally, as a last resort to prevent an Austrian separate peace, Ministers were prepared to give up even Martinique.¹

Hammond set off for Vienna with the British peace terms on 11 April. He carried with him also

1. H.M.C. Dropmore, III, 310-11, Cabinet Minute, 9 April; P.R.O., FO 7/48, Grenville to Eden, No. 23, 11 April; FO 7/49, Grenville to Eden, No. 24, 11 April 1797 (carried by Hammond). The king was only persuaded to sanction the plan with extreme reluctance (Stanhope, Life of Pitt, III, ii-iv, vi, George III to Pitt, 9, 10 April 1797.

assurances that the Austrian government's loan was now in negotiation as part of the general arrangement for Britain's service in 1797, and would amount to £3½ million. The terms would be as favourable as circumstances allowed and not materially different from those of the loan for the British government.¹

Unfortunately events in Austria had moved fast in the ten days since the last despatches received from Eden. On 31 March Bonaparte had proposed peace to the Archduke Charles. On 3 April he moved forward to Neumarkt, and on 7th reach Leoben, only 30 miles from Vienna.

In Vienna, despite a patriotic stirring among the lower classes, panic prevailed. Many of the nobility fled and there was a run on the banks. On 3 April the government was obliged to shut them, and when they reopened next day they were only allowed to issue a fifth or tenth of the sums

1. P.R.O., FO 7/49, Grenville to Eden, No. 25, 11 April 1797.

demanded in coin.¹ Bonaparte's proposal to the Archduke reached Vienna on 3rd and could hardly be ignored by Thugut. He ordered Generals Meerveldt and Bellegarde to arrange an armistice with Bonaparte and hear what he had to offer. Thugut intended to gain time for an appeal to Russia and he was still hesitant to give up the triple alliance. But by now even the Emperor was turning away from his policy and listening more to his wife and others who urged peace. On 5 April Francis told Count Zinzendorf that the alliance with Britain was finished. He would hold on to it only so long as it was necessary to continue the war, and this was furthest from his wishes.²

The Austrian envoys met Bonaparte on 7 April. He readily granted an armistice, but only for six days, and he demanded that before it expired a plenipotentiary should be sent to discuss peace terms. He hinted that France

1. Frieden von Campo-Formio, cxliii, 487, Entry in Zinzendorf's diary for 4 April 1797.

2. Ibid., cxlv-vi, 488, Zinzendorf's diary, 5 April 1797.

should retain the Rhine boundary and that Austria might be compensated in Italy.¹

Thugut had no option but to agree. He told Eden that such were the insubordinate state of the army, the exhaustion of the treasury, and the demands of the nobility that he would have to send a plenipotentiary, if only to gain time. He assured Eden, however, that his principles were unchanged; he continued to represent to the Emperor the humiliation of a disgraceful peace and the dishonour of abandoning his ally.² In this he still appears to have been sincere - he despatched his appeal to Russia between 7-9 April.³

However, when the Austrian plenipotentiary Meerveldt saw Bonaparte on 13 April the whole situation changed. Bonaparte proposed that Austria should cede the

1. Ibid., cxlvii.

2. P.R.O., FO 7/48, Eden to Grenville, No. 37, 10 April 1797.

3. Vertrauliche Briefe, II, 28, Francis II to Paul I, 7 April; A.O.G., XLIII (1870), 116 ff., Thugut to Cobenzl, 9 April 1797.

Milanese and the Netherlands and receive in return Venice up to the Adige or even the Oglio. Quite unwittingly he had struck on Thugut's cherished project of acquiring Venice, and the Austrian Foreign Minister delayed no longer. On 15 April Thugut accepted the plan provided the Venetian Republic and the Duke of Modena were compensated and Austria received additional indemnification for the loss of the Milanese. Bonaparte agreed to discuss these points in the course of negotiation, and accordingly the Preliminaries of Peace were signed at Leoben on 18 April 1797.¹ This was nine days before Eden received even Grenville's initial proposal of joint negotiations of 4 April, and twelve days before the arrival of Hammond.

Once Thugut had made his decision, the British offers made no impression on him. He had never revealed to London his designs on Venice for fear of a hostile reception. Now he refused to divulge the terms of

1. Frieden von Campo-Formio, cxlviii-ix, cli-ii; Ferrero, The Gamble, 190 ff.

Leoben lest Britain brought in Russia and Prussia to overthrow the settlement before it could be ratified and put into effect.¹ Thus despite frantic pressure for information from Eden and Hammond, all he would tell them was that the Preliminaries contained nothing hostile to the Anglo-Austrian alliance. The most he would do was to offer Austrian support for British objects at the Congress which would settle the general peace, but he made it plain that he would do nothing to jeopardize Austria's own separate arrangements.² Realizing that he could achieve nothing in Vienna, Hammond left the Austrian capital on 9 May to seek Prussian and Russian mediation for a British peace

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1. Frieden von Campo-Formio, 195-6, 197, Thugut to Cobenzl, 7 May, to Gallo and Meerveldt, 14 May 1797.
 2. P.R.O., FO 7/49, Eden to Grenville, No. 43, 3 May 1797. Thugut excused himself by asserting that he was pledged to secrecy by the terms of the Preliminaries.

alone. As Razumovski wrote shortly afterwards to Paul I,
 'La Cour de Vienne se sent complètement déliée par-là de
 l'Angleterre.'¹

Grenville lamented an Austrian separate peace as
 a striking addition to the instances already much too
 frequent in this war in which our enemies have been
 allowed to triumph not only over the rights and
 interests, but over the honour, good faith, and probity
 of the old and established governments with which they
 have had to contend.²

However, Thugut was not at a loss for justification
 of his conduct or for complaints of his ally. Writing to Cobenzl
 on 30 April he accused the British government of being the
 principal cause of all the recent disasters and of the unhappy
 extremity to which Austria had been reduced. He blamed
 'ces principes d'égoïsme exclusif qui ont toujours caractérisé
 le cabinet de St. James; ... cette tendance continuelle à

1. Les Razoumowski, II, pt. 1, 273, Razumovski to Paul I,
8 June 1797.
2. P.R.O., FO 7/49, Grenville to Eden, No. 32, 2 May
1797.

tout subordonner aux seuls intérêts de l'Angleterre sans aucun égard pour la convenance de son allié ...¹ The British had made sudden, unilateral overtures to Prussia and France. They had paid advances to Austria month by month in order to keep Vienna in a greater dependence on their pleasure. By evacuating the Mediterranean without warning, they had violated the 1793 Convention which stated that there should be prior concert on all military operations of mutual interest (Article I). Moreover the British government had advised Naples to make peace at the same time.¹ From this epoch dated the total ruin of Austrian affairs in Italy. Finally, despite all Austrian appeals and British assurances, the latter had not given the slightest

1. This was indeed true - see P.R.O., FO 70/9, Grenville to Sir William Hamilton, No. 10, 9 September 1796. Ministers, feeling that neither they nor Austria were able to defend or finance Naples, believed that they were acting honourably by that Court in releasing it from its obligations. Vienna viewed the matter rather differently.

attention to Austria's financial needs. They had promised prompt payments, but advances - inadequate in any case - were three months in arrears so that Austria was unable to meet even the daily cost of the war.¹ It was amid a storm of such mutual recriminations that the alliance broke down.

1. A.O.G., XLIII (1870), 128-9, Thugut to Cobenzl, 30 April 1797. By the end of April 1797 British advances were £530,000 in arrears (P.R.O., FO 7/49, Enclosure in Grenville to Eden, No. 32, 2 May 1797).

CHAPTER SIX

THE NADIR OF ANGLO-AUSTRIAN RELATIONSI. The repercussions of Leoben

The first reports that Austria had made peace were received in London from the French newspapers on 3 May 1797. Ministers had been hoping that their close relations with Austria might be preserved even if Vienna did make a separate peace. They were willing to continue the alliance for future security against France if Austria was similarly inclined.¹ Thugut's secretiveness was therefore disquietening, but even so it was another three weeks before the extent of the split between the two Powers was realized. By the middle of June 1797 the alliance was moribund in every respect and Britain had isolated itself from the continent. Thereafter Anglo-Austrian relations deteriorated steadily until, in January 1798, the Cabinet

1. P.R.O., FO 7/49, Grenville to Hammond, No. 5, 18 April 1797.

gave serious consideration to breaking off regular diplomatic contacts with Vienna.

At first Grenville clung to the hope that Thugut would soon give a full explanation of the terms of the Preliminaries of Leoben, and so he hid Austrian reticence from the public.¹ He complained strongly to Vienna and directed Eden to deliver a ministerial note representing Britain's right as an ally to full communication. However, the note was to be couched in 'friendly but explicit terms' and Grenville expressed a perfect readiness to participate in a general peace-congress if established on proper grounds.² He was prepared to give Austria every chance to vindicate itself and still hoped to salvage something from Hammond's mission.

Unfortunately each new report from Vienna dampened hopes of salvation through co-operation with

1. H.M.C. Dropmore, III, 320, Grenville to Vorontsov, 5 May 1797.

2. P.R.O., FO 7/49, Grenville to Eden (and Hammond), No. 33, 5 May 1797.

Austria. Accordingly Grenville's attitude grew stiffer. He ordered Eden to apply directly to the Emperor demanding an explanation in the king's name.¹ At the same time he wound up financial aid to Austria. On 14 May he told Starhemberg that there could be no more advances and demanded that he should honour the condition under which they were originally given - that Austria would repay the advances from a loan to be raised in London whenever the British government asked.² Starhemberg felt bound to comply and on 16th a convention for a loan of £1.62 million was signed and sent to Vienna for ratification.³

In Vienna Thugut was thoroughly satisfied with the settlement he had obtained from Bonaparte, particularly the opportunities presented through its ambiguities for further aggrandisement in Italy. Consequently he ordered his plenipotentiaries to hasten the exchange of ratifications

1. Ibid., Grenville to Eden, No. 34, 12 May 1797.

2. See above, p. 230.

3. Helleiner, 97-8.

of the preliminary agreement before Britain and other European Powers could interfere.¹ Nevertheless he wanted insurance in case the peace failed. Thus, besides assuring Eden and Hammond that the Preliminaries contained nothing incompatible with the continuation of the alliance, he asked that if Austria had to renew the war British advances might be continued and the arrears paid up. He told Starhemberg that Austria still desired to maintain union and good understanding with Britain.²

It took a little time for the British government to realize that it was being duped. Then it learnt that Thugut had allowed Hammond to leave Vienna without any communication for London. At last it dawned on Ministers that Thugut was merely keeping them on a string, and on 26 May Grenville

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1. Frieden von Campo-Formio, 197, Instructions for Gallo and Meerveldt, 14 May 1797. N.B. only a preliminary agreement on peace terms had been made at Leoben. This was to be turned into a definitive peace in further negotiations at Udine in Italy. Only after this was a Congress to arrange peace for the German Empire.
 2. Ibid., 193-5, Thugut to Starhemberg, 3 May; P.R.O., FO 7/49, Eden to Grenville, No. 43, 3 May 1797.

wrote angrily to Eden that they would not be played off against France in Austria's interests. He warned that unless Austria changed its attitude Britain would regulate its own measures accordingly.¹

Ministers were becoming disillusioned with their April plan of peace through the mediation and support of the continental Powers. Although a Russian offer of mediation was received on 28 May, Hammond was summoned home, and on 1 June the government applied directly to France for a separate peace.² Grenville informed Eden that this step was the natural consequence of the peace preliminaries between Austria and France and Vienna's subsequent silence.³

Whatever hopes remained to act in concert with Austria for the general security of Europe⁴ were finally

1. P.R.O, FO 7/49, Grenville to Eden, No. 37, 28 May 1797.
2. Ibid., Grenville to Hammond, No. 8, 26 May; Parl.Hist., XXX, cols. 909-10, Grenville to Delacroix, 1 June 1797.
3. P.R.O., FO 7/49, Grenville to Eden, No. 40, 2 June; see also FO 65/37, Grenville to Whitworth, No. 18, 2 June 1797.
4. Expressed in P.R.O., FO 7/49, Grenville to Eden, No. 40, 2 June 1797.

destroyed by the major financial controversy which now superimposed itself on the diplomatic quarrel between London and Vienna. On 27 May the courier bearing the Loan Convention reached Vienna, but when Eden took it to Thugut he met with a totally unexpected reception. The Austrian Foreign Minister complained bitterly of the terms of the loan and of Starhemberg's conduct in signing without specific orders. For the next three weeks he procrastinated, but finally, on 19 June, he wrote to Starhemberg that it was hardly possible for the Emperor to ratify the Convention.¹

If Austrian reticence over the Preliminaries of Leoben broke the back of the alliance, Austrian failure to ratify the Loan Convention killed it. This issue was to prove one of the major factors in international relations in the next three years.

1. Ibid., Eden to Grenville, No. 52, 1 June; H.M.C. Dropmore, III, 331-2, Starhemberg to Grenville, 2 July 1797; Helleiner, 101.

II. The dispute over the 1797 Loan Convention

When Grenville transmitted the Loan Convention to Vienna he had little idea of the furore it would cause. Thugut had long before agreed to repay the advances, on demand, by a loan in London.¹ What now were the Austrian objections?

Thugut was prejudiced against the Convention from the start because of the irregularity with which the advances had been paid in 1796 and early 1797. By the end of April 1797 they were £530,000 in arrears; Thugut considered this the prime cause of Austria's financial collapse.² To his sourness was added his resentment at the hasty way in which the Convention was hurried through and its harsh terms; he considered this a typical piece of British sharp practice.

1. P.R.O., FO 7/46, Starhemberg to Grenville, 3 September 1796.

2. A.O.G., XLIII (1870), 128-9. Thugut to Cobenzl, 30 April 1797; A. von Vivenot, Zur Geschichte des Rastatter Congresses (Vienna, 1871), lxii, ftnt. 1, Thugut to Cobenzl, 2 August 1798.

The British government had originally planned to guarantee a loan of £3½ million, a sum sufficient both to repay the advances already made and also to provide for Austria's future needs in 1797. Since Starhemberg was only authorized to sign for the repayment of the advances, this larger loan would have required approval from Vienna, and Grenville was on the point of sending a draft Convention to Eden when he heard of Leoben.¹ The Austrian peace put an end to ideas of future aid so that there remained only the matter of the repayment of the advances - £1,620,000² - and Grenville called upon Starhemberg to sign the Convention establishing a loan to repay this sum immediately. Accordingly the Convention was signed and sent to Vienna on 16 May. Without waiting for Austrian ratification, Ministers committed themselves by rushing a bill guaranteeing the loan terms through Parliament in a week - it was enacted even

1. P.R.O., FO 7/49, Grenville to Eden, No. 32, 2 May 1797.

2. See Appendix C, pp. 513-6.

before the Convention reached Vienna.¹ Although they were well within their rights in calling on Starhemberg to sign and felt able to proceed in Parliament in the certainty of Austrian ratification, ministerial haste to conclude the business was indelicate and deeply resented by Thugut.²

It was this haste, in Thugut's opinion, which made the terms of the new loan so harsh. These terms, as agreed between Grenville, Starhemberg and the bankers Boyd, Benfield and Co. and laid before Parliament by Henry Dundas on 17 May, were that a loan of £1,620,000 was to be raised by issuing £3,493,261 9s. 3% stock at 46 $\frac{3}{4}$.³ By the time the bill of guarantee passed Parliament

1. Commons Journals, LII (1797): presented 17 May, second reading 18th, committee stage 19th, 22nd, third reading 24th. Lords Journals, XLI (1797): passed 24 May without amendment.
2. Rastadter Congresses, lxiv, ftnt. 1, Thugut to Cobenzl, 26 November 1798.
3. I.e., £100 stock could be purchased for £46 7s. 6d. in cash. These were far harsher terms than in 1795 when the issue price was 60 (c.f. Sherwig, Guineas and Gunpowder, British Foreign Aid in the Wars with France, 1793-1815 (Cambridge, Mass., 1969), 92, who states that the terms were the same).

a week later the issue price had been reduced to 44 $\frac{3}{4}$ %, and the nominal stock issue raised to £3,669,300.¹ To Thugut this was 'unprecedented usury and so conceived that we cannot accept such conditions without completely destroying our credit and without announcing to Europe our speedy and inevitable bankruptcy. Even a young spendthrift in the clutches of his creditors would not put his signature to the English terms.'² He felt that if the British government had waited until the final peace before floating the loan it could have obtained far better terms for Austria.³

In the face of Austrian complaints the British view was that Ministers had done their best for Austria,

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1. 37 George 3, Cap. 59. The terms appear to have been changed in committee on 19 May at the contractor Boyd's request - see Commons Journals, LII (1797), 593; P.R.O., FO 7/49, Eden to Grenville, No. 57, 10 June 1797. Helleiner, 95, fnnt. 81, overlooks this.
 2. Pribram, Austria-Hungary and Great Britain, 27.
 3. P.R.O., FO 7/49, Eden to Grenville, No. 52, 1 June 1797.

particularly in trying to obtain the proposed £3½ million loan. In contrast to 1795 when the loan to Austria 'subsidized' that for the British government,¹ in 1797 the British loan supported that for Austria.² In contrast to 1795 the interest on the Austrian loan in 1797 was at only a slightly higher rate than that on the British and the terms were more favourable than those obtained by the government of Ireland in 1797.³ As for better terms later, Grenville considered delay would have saved barely £20,000 a year.⁴

1. See above, p. 143.

2. See Grellier, The terms of all the loans, 40. Subscribers would receive an annuity of 6s. 6d. for 62¾ years provided they contributed to an Austria loan of £3½ million. This annuity would be reduced by 6d. for every £1 million that the Austrian loan fell short of £3½ million.

3. Austria would pay ½% more than Britain (Helleiner, 96). For comparison with the Irish Loan see P.R.O., FO 65/41, Grenville to Whitworth, No. 34, 23 October 1798.

4. P.R.O., FO 7/54, Grenville to Eden, No. 2, 22 March 1799.

Ministers consequently had little sympathy for the Austrian position, particularly as this position varied in accordance with the diplomatic situation. When Austria felt strong it refused to ratify the loan and sought to obtain a new one on better terms; when it felt weak it expressed a willingness to sign the Convention, but only if it was kept secret because the publication of the terms would ruin Austrian credit in Europe. To this latter argument Grenville replied that the terms were already public, having been the subject of Parliamentary debate in May 1797.¹ With Austria's attitude alternating between the frivolous and the pretentious, with the British attitude totally uncompromising, and with the endemic stubbornness of Thugut and Grenville, there was a complete absence of any conciliatory tendency which might produce a happy solution. In this manner the controversy dragged on for

1. P.R.O., FO 7/53, Grenville to Eden, No. 26, 25 October 1798.

three years and was rendered even more acrimonious and insoluble by the expedients employed by each side to induce the other to back down.

III. The widening of the breach between London and Vienna

The news that Austria was trying to evade ratifying the Loan Convention was received in London with disbelief. Ministers could not conceive how Austria could possibly violate its promises, and for several months they did little to force an issue on the dispute. In part this was owing to their preoccupation with their own separate peace negotiations at Lille.¹ It was also because they felt that Austria must inevitably see reason and ratify the Convention. The Emperor's honour and all future Austrian credit were at stake. Moreover, French belligerence would

1. These negotiations, concerned solely with a maritime settlement, cannot be considered within the scope of this thesis except to say that Grenville wished to take a firm line but was overruled by Pitt who attempted a more yielding policy.

ultimately bring Austria and Britain together again; on 23 July and 7 August 1797 Grenville hinted at the desirability of such a union.¹

Consequently it was not until 26 September 1797 that Ministers forced the issue. By then the negotiations at Lille had broken down, and Grenville had to know just what to expect from Austria now that the continuation of war between Britain and France was inevitable. Moreover, Parliament was about to assemble and some explanation of the Loan Convention would be necessary. Grenville therefore demanded a positive decision on the Convention, and he warned that without it there could be no future financial aid to Austria.²

At the same time, however, Grenville instructed Eden to explore the possibility of concert with Austria should

1. P.R.O., FO 7/50, Grenville to Eden, Nos. 43, 44, 45, 7, 23 July, 7 August; H.M.C. Dropmore, III, 332, 369-70, Grenville to Starhemberg, 4 July, to Eden, 8 September 1797.
2. P.R.O., FO 7/50, Grenville to Eden, No. 48, 26 September 1797.

France break with Vienna also.¹ This put Eden in the unenviable position of having to use strong language on the loan and conciliatory language about concert. It was probably to resolve this inconsistency that Grenville on 10 October evolved the formula for future policy regarding Austria: ratification of the Loan Convention of May 1797 would be the 'express and preliminary condition' to all future concert and alliance.²

Grenville's soundings for concert met initially with a lukewarm response from Thugut. They were too imprecise for Austria to place any reliance in them. Thugut outlined Austria's position to Eden in the blackest terms. It had no money; it was isolated from the other Powers since Russia stood aloof, Prussia was perpetually intriguing, and Britain appeared to be waiting the chance of

1. Ibid., Grenville to Eden, No. 49, 26 September 1797.

2. Ibid., Grenville to Eden, No. 51, 10 October 1797.

further negotiation;¹ meanwhile France was threatening that, if Austria did not make peace, it would give the Venetian Provinces to its newly-formed satellite, the Cisalpine Republic. Eden could see that a definite peace between Austria and France was not far distant.²

Thugut in fact had fallen into a trap of his own making. The great benefits he expected from the Preliminaries of Leoben had never materialized. Austria was weak, while France appeared strong and, moreover, occupied all the territories in dispute. Thus the Austrian negotiators were forced to give up point after point until the Preliminaries became unrecognizable in the definitive peace which Austria was forced to accept at Campo-Formio on 17 October 1797.

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1. After the breakdown of negotiations at Lille, Pitt tried to bribe the Directory with £2 million into making a peace which would leave Britain with the Cape of Good Hope and Ceylon (Stanhope, Life of Pitt, III, vii-ix, Pitt to George III, 22 September 1797).
 2. P.R.O., FO 7/50, Eden to Grenville, No. 97, 14 October: in addition Austrian morale had collapsed completely (see ibid., Eden to Grenville, No. 98, 22 October 1797); Frieden von Campo-Formio, 457-8, Thugut to Cobenzl, 14 October 1797.

Yet this very defeat was the springboard for new hope. The difference between the preliminaries and the final peace meant that the Treaty of Campo-Formio could never be more than a temporary truce forced on Austria by weakness. Austria's new Italian possessions were reduced from the Oglio to the Adige; the Papal Legations to which Thugut aspired went instead to the Cisalpine Republic, now twice the size envisaged at Leoben; and all the Venetian islands went to France. In Germany not only Austrian possessions but the whole left bank of the Rhine now went to France, and Austria had to withdraw all its troops from the Empire into the Hereditary States in order to secure French evacuation of Austrian possessions in Italy. The only crumbs of comfort were that Prussia would receive no new acquisitions, and Austria would obtain the Archbishopric of Salzburg and Bavaria east of the Inn.¹

1. Frieden von Campo-Formio, 176 ff. and Appendix.

Thugut's dislike of the Treaty is shown by his approach to Eden on 28 October - two weeks after their previous pessimistic meeting - with an offer of concert. The imprecision of the Treaty would make it as difficult to execute as the Preliminaries, and it was not improbable that Austria would have to fight again, provided it could be assured of the necessary means. He therefore proposed a contingent Convention between Britain and Austria. In the event of war Britain should send an adequate naval force to the Mediterranean and Adriatic, and furnish a specific loan to Austria, who would in return maintain its forces at least at their present level. Neither would make peace within a certain period without common consent or until specific objects were obtained. Writing to Starhemberg, Thugut explained that Austria had been compelled to make peace at Campo-formio by force of circumstances, but since France had broken faith over Leoben, it was unlikely that it could now be trusted. He ordered

Starhemberg to approach the British government with the proposition outlined to Eden, but with one significant alteration. Because of Austria's insolvency he asked for a subsidy rather than a loan.¹

On the other hand Thugut refused to make a full statement of the terms of Campo-Formio in case his overture failed. Nor did he specify his objects in a future war. All he would say was that Austrian views of acquisition were confined to Italy and that the Empire should be fully restored. Most important of all he still refused to ratify the loan. He told Eden that while he had no intention of contesting the Austrian debt to Britain and would discharge it fully, the present circumstances made it necessary that Britain should not insist on the immediate

1. P.R.O., FO 7/50, Eden to Grenville, No. 100, 1 November; Frieden von Campo-Formio, 478-80, Thugut to Starhemberg, 1 November 1797. Thugut proposed to Russia a resumption of the Triple alliance at the same time - see H.M.C. Dropmore, III, 395-7, Razumovski to Vorontsov, 1 November 1797.

opening of the loan in London.¹ This was a step down from his position in June but still far from meeting British wishes.

Grenville considered the Austrian overture too vague in three respects: on the basis for the Convention; on the circumstances in which it would have effect; and on Austria's present position and future aims. In such a state of absolute reserve on one side and total want of information on the other it was impossible for there to be any practical result. All he could do was state to Eden the government's views on the European situation. The French were expanding steadily. They had already revolutionized Holland, the Netherlands and Italy, and were looking next to Switzerland, which only Austria could save. If French principles then spread to the Empire they would overrun

1. Ibid.; P.R.O., FO 7/50, Eden to Grenville, No. 100, 1 November, Thugut to Eden, 31 October 1797 (enclosed in Eden's No. 101, 1 November).

all Europe, for their plans in Poland, the Mediterranean and the Adriatic were already well known. In these circumstances concession only weakened the means of resistance. Austria's only security was in firmness and energy, frankness and good faith towards its allies, and conciliatory conduct towards other interested Powers. Ministers still desired union with Austria, 'which unquestionably afforded to this country great additional resistance', and Grenville urged in particular the advantage of a general union of all the Powers to maintain the integrity of the Empire as the only effective means of resistance. If Austria renewed the war, Britain would give every possible assistance, but it could not do so without the fulfilment of past engagements and absolute frankness in Vienna. Thugut's excuses on the Loan question were 'as futile and groundless in themselves, as they are inadmissible in their object and tendency'. Eden was to state distinctly

that the full, complete and unqualified performance of this engagement is an absolute and indispensable condition of any idea of friendship, union or concert between this Court and that of Vienna:- that this point never will be departed from and that even if it could be abandoned by His Majesty's Government, nothing could induce the Parliament or the public here to listen for a moment to proposals of new connections with a Power capable of thus openly violating a clear and undisputed pecuniary engagement.

Moreover, Austria had compounded its crimes by defaulting on the interest payment of the 1795 loan which had become due in October 1797.¹ In consequence the British government had to implement its guarantee and pay the interest itself. Not only was this a fatal blow to Austrian credit but it was an onerous burden on Britain at a time when it was fighting alone for its very existence. Grenville demanded that Austria make prompt payment to correct this omission.²

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1. Of previous interest payment, those of May, October 1795 and May 1796 were made from the proceeds of the loan of 1795 itself (Lords Journals, XLI (1796-8), 223), that of October 1796 was made from British advances in that year (P.R.O., PRO30/8/115, State of remittances by Boyd for the Imperial Government), and that of May 1797 was paid by special parliamentary grant (Parl.Hist., XXX, col. 438). No money was ever sent from Vienna.
 2. P.R.O., FO 7/50, Grenville to Eden, Nos. 51, 52, 24 November 1797.

Ministerial reluctance to consider Austria's approach more favourably was not entirely due to concern for financial rectitude, though this played a very important part. They had also decided on another attempt to rouse the Northern Powers. From information reaching London in October-November 1797, the north of Europe seemed much more alive than Austria to the danger from France. Emperor Paul I expressed great concern at the threat to Poland and the Empire and instructed his minister at Berlin, Count Panin, to work to keep the Empire intact.¹ Within the Empire the Duke of Brunswick was full of suggestions for the co-operation of the Powers against the French menace, and, when news arrived of the approaching death of the King of Prussia, the British government urged Brunswick to use his known influence on the heir to the Prussian throne. The Duke should advocate the union of Britain, Russia and Prussia to defend the Empire and their own possessions. This

1. H.M.C. Dropmore, IV, 9, Grenville to de Luc, 10 November 1797.

system would then be presented to Austria which would be forced to join in its own interests. It certainly could not oppose the union without falling into the arms of Jacobin France and so destroying itself.¹ In this way, therefore, Ministers returned from their policy of alliance with Austria to the ideal of a grand alliance - an alliance in which Austrian obstinacy towards Britain would be circumvented. They developed this scheme despite a lukewarm response from Berlin, where Brunswick failed to make any impression against Haugwitz. On 14 January Grenville outlined the ultimate object as the establishment of a quadruple alliance. This would oblige France to make peace both with the Empire, on terms as favourable as Austrian conduct would allow, and also with Britain, on maritime terms acceptable to the British government. The allies should then guarantee the possessions of all

1. Aspinall, II, 630, de Luc to George III, 19 October; H.M.C. Dropmore, IV, 8-10, Grenville to de Luc, 10 November 1797.

states against further French aggression.¹

While Grenville expounded these plans to Berlin and St. Petersburg, he adopted very different language with Vienna. The only mention of the scheme to Eden were hints on 24 November 1797 and 16 January 1798 about the need for unity among the great Powers, but no details were given.² In fact British relations with Austria were

1. P.R.O., FO 64/47, Grenville to Elgin, Separate, Most Secret and Confidential, 14 January; FO 65/39, Grenville to Whitworth, No. 3, 14 January 1798. For discussion of the authorship of this plan, which became the basis of British foreign policy for the next two decades, see J.H. Rose, Napoleonic Studies, 41-84, 'Pitt's plan for the settlement of Europe', and J.M. Sherwig, 'Lord Grenville's plan for a concert of Europe', Journal of Modern History, XXXIV (1962), 284-93. In contrast to both it seems that the plan originated with the Duke of Brunswick and then developed from a cross-fertilization of ideas between him and Grenville (c.f. Royal Archives, Windsor Castle, 8632-3, Steinberg to de Luc, 3 October; H.M.C. Dropmore, IV, 8-10, 27-9, 36, Grenville to de Luc, 10 November, Brunswick's Mémoire, 5 December, de Luc to Grenville, 21 December; P.R.O., FO 64/47, Grenville to Elgin, 14 January 1798).
2. P.R.O., FO 7/50, Grenville to Eden, No. 51, 24 November 1797; FO 7/51, Grenville to Eden, No. 1, 16 January 1798.

reaching their lowest ebb. Although Thugut blamed the Hofkammer for defaulting on the interest payment and promised to send someone to London to settle the business, he did not say how the payment would be made. He even tried to claim £300,000 from Britain, for articles supplied from Austrian magazines to Condé's émigré corps in the recent war, in the hope of using this to discharge the debt. On the matter of the Loan Convention it was only after great pressure that he threw out the hope that it might be ratified after Austrian troops had taken possession of their new Italian dominions. As regards concert and confidences, Eden reported that the Austrian Foreign Minister avoided speaking of the subject.¹ This news, and that from Germany of Austrian troop withdrawals from the Rhine to Bohemia, greatly upset the Cabinet. Unaware that the troop movements were one of the provisions of Campo-Formio (he would

1. P.R.O., FO 7/50, Eden to Grenville, Nos. 110, 111, 20 December 1797.

probably have been even more annoyed if he had known), Grenville accused Austria of abandoning all western Germany to the French and of threatening Prussia by concentrating its forces in Bohemia, thus preventing Berlin from taking a strong line against France.¹

It was in the light of these factors that Grenville informed Eden on 16 January that he could not allow Straton, Secretary of Legation, to have leave of absence from Vienna, since there might be 'a total change in the nature of the mission (if any) which His Majesty may think it proper to keep in future at Vienna, supposing the final determination of that Court should be to violate all its pecuniary engagements with His Majesty.'² Austria's continued recalcitrance had thus forced Ministers to threaten the ultimate sanction short of war - severance of diplomatic

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1. P.R.O., FO 65/39, Grenville to Whitworth, No. 3, 14 January 1798.
 2. P.R.O., FO 7/51, Grenville to Eden, No. 1, 16 January 1798.

relations - in an effort to induce Thugut to give way.

For the moment Ministers delayed taking this desperate measure in the hope that the Austrian agent being sent to London might clarify matters and that Thugut might ratify the Loan Convention once he had control of his new Italian territories.¹ By the end of January Austrian troops had taken possession of the Venetian provinces and accordingly, on 1 February, Eden sent a note to Thugut demanding ratification of the Convention. On hearing of Eden's action Grenville immediately issued a final warning. The mission of the Austrian agent to London now appeared perfectly insignificant. The government could not delay much longer without loss of dignity and was only waiting for Thugut's reply to Eden's note before acting.²

1. Ibid., Grenville to Eden, No. 2, 2 February 1798.

2. Ibid., Eden to Grenville, 31 January (No. 9), 14 February (No. 11); Grenville to Eden, No. 4, 13 March 1798.

Thugut, however, was as evasive as ever.

Despite repeated representations from Eden and Straton (while Eden was ill), the Austrian Minister would not give a definite answer. He repeated that the Emperor was determined to discharge the debt faithfully but that it was impossible just then. At the same time he sought to weaken British resolve by expressing his concern at the disastrous state of Europe and proposing a resumption of the triple alliance of Austria, Russia and Britain. This news reached London on 16 March. Next day Grenville wrote in despair to Starhemberg that there was not the slightest hope of obtaining justice from Austria. All Eden had received were excuses and 'put-offs', and they were no longer content with these. The matter would now be put to the Cabinet for a final decision. Grenville hoped his personal friendship with the Austrian envoy would survive all the political storms he now foresaw.¹

1. Ibid., Eden to Grenville, No. 13, 21 February; H.M.C. Dropmore, IV, 131, Grenville to Starhemberg, 17 March 1798.

IV. Dead-lock

For all its threats against Austria in the first three months of 1798, the British government never put them into effect. Vienna was saved by the deteriorating European situation. In February 1798 the French marched into Rome, imprisoned the Pope, and appropriated the Papal Treasury; in March they invaded Switzerland and formed the Cantons into the satellite Helvetic Republic. Ministers therefore held back from breaking with Austria. On 29 March Grenville told Starhemberg that the disputes over both the Loan Convention and the interest payment would be referred to Russia. This at least would give more time even if it did not ultimately avoid the evil.¹ Whitworth was accordingly directed, on 3 April, to explain the details of these disputes to the Russian Ministers and to ask that Russia should make representations at Vienna in support of British demands.²

1. Ibid., 142, Grenville to Starhemberg, 29 March 1798.

2. P.R.O., FO 65/39, Grenville to Whitworth, No. 8, 3 April 1798.

In the meantime Thugut again took the initiative.

French aggression in Rome and Switzerland led him to make a new overture to Britain on 17 March. He told Starhemberg that he believed there was no hope of permanent peace with France and that they must take immediate measures to prevent the general overthrow of the legitimate governments of Europe. Austria was willing to resume former links with Britain provided it received assurances on four points. He wished to know the steps to be taken to prevent the defection of either Power. He wanted to know what financial help to expect from Britain - preferably with a sum in advance or at least at the moment of the declaration of war. He asked for a British fleet in the Mediterranean to provide for the security of Naples. Finally, he asked for an explicit declaration of British willingness to continue the war in 1799. Once these matters were settled they might concert an approach to Russia and Prussia. In the meantime Austria was concentrating forces

in Venice and the Tirol so as to be ready to act in Italy and Switzerland.¹

In view of the British reception of his previous overture and its attitude over the Loan Convention - which he had still done nothing to settle - it is difficult to see how Thugut expected the British government to treat this seriously. Indeed, when the overture reached London on 1 April, ministerial action was initially cool. Grenville noted that no precise moment was mentioned for the renewal of hostilities, nor any particular case specified as likely to lead to that event, and Ministers preferred to push their quadruple alliance plan rather than rely on Austria.² Nevertheless within a month they had given the assurances required and were in hourly expectation of

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1. Rastadter Congresses, 154 ff., Thugut to Starhemberg, 17 March 1798.
 2. H.M.C. Dropmore, IV, 153, Minute of conference with Count Starhemberg, 1 April; P.R.O., FO 64/47, Grenville to Elgin, No. 14, 4 April; FO 75/39, Grenville to Whitworth, No. 9, 4 April 1798.

hearing of the resumption of hostilities between Austria and France.

Ministers began to change their minds after receiving Elgin's despatch of 11 April from Berlin. Haugwitz wished to exclude Britain from any concert proposing a territorial settlement to France, and insisted that this settlement be confined to northern Europe.¹ This put a quadruple alliance out of the question for the moment and the government's views of the relative merits of the two German powers therefore changed.² On 20 April Grenville wrote to Eden suggesting a limited treaty in which engagements were confined to a specific period or specific objects. He added that Ministers would accept more distinct engagements if Austria gave proof of a willingness to perform them.

1. P.R.O., FO 64/49, Elgin to Grenville, 11 April 1798.

2. C.f. H.M.C. Dropmore, IV, 150, 152, Grenville to Pitt and reply, with ibid., IV, 175, Grenville to Elgin, 20 April 1798.

As to finance, Thugut's second point, Ministers foresaw difficulties in getting Parliament to pay for a land war after past experiences,¹ but they thought that a subsidy of £1 million could be forthcoming for Austria provided it maintained a stipulated number of men in Italy and Germany, and provided that the object of the war was to recover Holland and Italy and reduce France to its former limits, particularly in the Netherlands. On Thugut's last request, there was never any doubt that the war would be continued into 1799.²

Thugut's third request gave most trouble. The Admiralty objected that the fleet was already stretched by home defence and the blockade of Cadiz, and Ministers therefore decided to postpone sending a fleet into the

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1. To overcome this difficulty Pitt suggested an Austrian declaration on behalf of the Swiss whose loss of liberty had a great effect on public opinion (ibid., IV, 152, Pitt to Grenville, 1 April 1798).
 2. P.R.O., FO 7/51, Grenville to Eden, No. 8, 20 April 1798.

Mediterranean until more men and ships were available in June.¹ But on 28 April they learnt that, after a riot in Vienna on 13th in which the French embassy was sacked, the French ambassador had demanded compensation, Thugut's dismissal, and punishment of police and military chiefs in the capital. This had been refused, and the ambassador had left Vienna on 15th. War between Austria and France seemed inevitable and Ministers therefore decided to send a fleet at once.²

The British government was thus prepared to meet all the Austrian demands. Only one thing was required in return - confirmation of the Loan Convention. On 20 April Eden received firm instructions that he must receive ratification before he could discuss the Austrian

1. Grenville even proposed that Naples and Austria should each provide 3,000 seamen to meet the pressing manpower problem (*ibid.*, Grenville to Eden, No. 9, 20 April; FO 70/11, Grenville to Hamilton, No. 2, 20 April 1798).
2. P.R.O., FO 7/51, Eden to Grenville, No. 26, 14 April, Grenville to Eden, No. 13, 28 April; Aspinall, III, 53, Grenville to George III, 28 April 1798.

overture. This was reiterated on 27 April after what had been thought to be a promise to ratify immediately turned out to be one to ratify immediately the peace Congress for the Empire, at Rastadt, ended either in peace or war.

Grenville repeated that actual delivery of the ratification was the indispensable preliminary to discussion on the overture.¹ However, the imminence of war between Austria and France was expected to make ratification inevitable.

Unfortunately this was to reckon without taking account of the cautious nature of Thugut's foreign policy. The Vienna riot had been a genuine popular outburst which caught the government unawares. Thugut's preparations for war had barely begun. Internally Austrian finances were in great disorder and the army would be unable to advance beyond its own frontiers where the standing of its paper money ended. Nor for the sake of his political

1. P.R.O., FO 7/51, Grenville to Eden, 20 April (No. 9), 27 April (No. 12) 1798.

position could Thugut appear a warmonger; his future was bound up in making France appear the aggressor. Externally Russian help was uncertain. The only firm offer made by Paul I was to mediate between Austria and Prussia, but even here it was not till 27 April that Thugut despatched his terms for rapprochement, and not till the second half of May that the Russian mediator arrived in Berlin.¹ A treaty of defensive alliance with Naples was not signed until 20 May and then the Neapolitans delayed ratification. Finally, although the answer to the overture to London reached Vienna at the beginning of May, Eden was withholding it until the Loan Convention was ratified.

In view of his uncertainty of other Powers, and his fear that British financial aid would be insufficient and the conditions attached impossible, this was a sacrifice which Thugut was not yet prepared to make. The financial

1. Rastadter Congresses, passim.

dispute again wielded its paralysing influence: Britain would make no offers without ratification, Austria would not ratify until it knew the British offers. Dead-lock was reached, and, to the exasperation of the British government, Thugut cooled down the crisis with France. In a ministerial reshuffle he resigned the Ministry of Foreign Affairs to Ludwig Cobenzl, thus appeasing the French, while in practice he retained control behind the scenes. Since the French unexpectedly failed to take a strong line either, Thugut was encouraged in his less warlike course and decided to see if he could gain his ends without war. At a conference at Seltz (30 May - 6 July) Cobenzl endeavoured to obtain France's evacuation of territory 'revolutionized' since Campo-Formio or that they should allow Austria compensation in the Three Legations and the Oglio as frontier to its Venetian provinces. The French rejected these terms and tried to buy off Vienna by hinting at a tripartite agreement with Russia to despoil the Ottoman

Empire. They also insisted on secularizations to assist the territorial resettlement of the Empire which in turn the Austrians rejected. The conference ended without decisive result - 'ce n'est point de guerre, ce n'est point de la paix', reported the French representative - but Cobenzl returned to Vienna convinced that war was ultimately inevitable. Having failed to achieve its objects by diplomatic means, Vienna continued its preparations for war.¹

Thus at the beginning of July 1798 Thugut determined definitely to renew the war. Nevertheless hostilities did not commence until March 1799. The main reason for this was the dispute over the 1797 Anglo-Austrian Loan Convention. Thugut's refusal to comply with the British demand for ratification hampered both his internal and external preparations, and he was determined not to be rushed into war

1. Rastadter Congresses, passim.; Sorel, Europe et la Revolution Française, V, 327.

before these preparations were complete. The full significance of the dispute as an obstacle to his plans soon became apparent when he applied to Russia for military aid. In July Paul offered 16,000 infantry to Austria and a force to be placed on the Polish frontier to check Prussian and French intrigues. Most important of all he offered to furnish a complete additional army of 60,000 men provided he received a British subsidy.¹ In London, however, Ministers refused to subsidize this army in Germany until Austria ratified the Loan Convention, since it would be giving an indirect subsidy to Austria, the main beneficiary from such a force in that area.²

It was thus clear that until Thugut ratified the

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1. P.R.O., FO 65/40, Whitworth to Grenville, No. 31, 24 July 1798.
 2. Ibid., Grenville to Whitworth, Nos. 19, 20, 29 August; H.M.C. Droghda, IV, 297, Note of conference with Vorontsov; FO 7/53, Grenville to Eden, No. 23, 4 September 1798. Grenville proposed alternatively that 50,000 Russians should join in with British forces in an amphibious operation to drive the French from Holland, thus leaving Austria to its own devices.

Convention the way was barred to full British and Russian co-operation. In view of his obvious desire to renew the war, Thugut's continued obstinacy is hard to understand. There was a natural stubbornness in his character which led him to resist dictation from others,¹ but his conduct can only be satisfactorily explained by attributing to him the genuine conviction that the Convention constituted an enormous burden which Austria could not accept without compensatory advantages. He was afraid of ratifying only to find that Britain was offering in return insufficient aid or attaching conditions to its aid that would enable it to dictate the shape of military operations.² This explains why, on 2 August 1798, he changed his request for subsidy to that for another loan. He told Starhemberg that 'A subsidy would always be at the pleasure and convenience of Britain and would bring Austria into a state of

1. H.M.C. Dropmore, IV, 250, Starhemberg to Grenville, 8 July 1798.

2. Ibid.

dependence on Britain to which the Emperor is resolved never to submit.¹ It explains above all his repeated attempts between May 1798 and February 1799 to discover the extent and terms of British financial aid - or even dictate the terms himself - before he would ratify the Convention. This was attempted both directly from Vienna and indirectly through St. Petersburg and it created such animosity in London as to put concert out of the question when war broke out again.

There were several other factors also which provoked animosity in London. One of these was the discovery that, after asking for a naval presence in the Mediterranean, Austria was unwilling to receive the British fleet into its harbours. It was only after repeated representations by Eden that Thugut reluctantly agreed to admit British ships, but only in small numbers so as not

1. Rastadter Congresses, lxix, Thugut to Starhemberg, 2 August 1798.

to infringe the terms of Campo-Formio.¹ Equally
 aggravating was Thugut's uncommunicativeness. Grenville
 complained to Whitworth that

there is ... no security that Austria will ever
 renew the war - if she does we know not for
 what object she will fight or on what terms she
 may conclude a new peace. Much less have we
 lately had any reason to think that British
 interests will form the smallest part of the
 consideration whenever fresh negotiation shall
 be in question.²

Ultimately, however, the hub of British
 animosity was the Loan dispute. As Austrian pressure
 increased in the next few months the government held as
 firm to its decision as Thugut. Ministers were convinced
 that if Austria really intended to renew the war it would
 ratify without hesitation.³ Both they and the nation at large
 were increasingly more confident of their ability to withstand

1. P.R.O., FO 7/52, Eden to Grenville, 19 June (No. 53),
 4 July (No. 56), 14 July (No. 59 and enclosure) 1798.
2. P.R.O., FO 65/40, Grenville to Whitworth, No. 19,
 29 August 1798.
3. P.R.O., FO 7/53, Grenville to Eden, No. 24, 21
 September; Aspinall, III, 143-4, Grenville to George III,
 10 October 1798.

the French on their own. In contrast to previous years Pitt had little difficulty in raising a loan and increasing taxation. War finance was no longer a problem while there was no European expense and there was no demand for peace in the country. Investors profited from government borrowing, industry from war contracts, farmers from high grain prices, and merchants from the growth in commerce through maritime supremacy. In this happy situation the government could prolong the war indefinitely. In fact Ministers were afraid to enter continental commitments again for fear of upsetting the current popular support for the war. Because of this only a reduced subsidy was offered to Russia, and ministerial resolve was strengthened in the dispute with Austria. Without ratification of the Loan Convention Ministers could not hope to persuade Parliament to give further support to Vienna.¹

1. H.M.C. Dropmore, IV, 284, 433-5, Dundas to Grenville, 19 August 1798, enclosing memorandum (wrongly dated [December]); ibid., IV, 298, marginal note on conference with Vorontsov; Helleiner, 111, fnnt. 40.

This was the majority view in the Cabinet. A minority, however, held that by a stubborn insistence on a ratification which was 'much more a point of honour than of immediate interest' they were preventing the launching of 'the greatest combination of force that ever could have been formed against the enemy'.¹ Loughborough was of this view, perhaps Spencer also, and the former impressed his opinions on the king.² Nevertheless the view of Pitt and Grenville prevailed that their demands did not prevent Austria coming forward.

Given the British attitude, Austrian attempts to circumvent the problem of ratification predictably failed. The first such attempt was made at the end of August 1798, when Thugut proposed to Eden to ratify the Convention, putting on it any date Britain might appoint, and to deposit it with the Russian ambassador, to be delivered to Eden on

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1. H.M.C. Dropmore, IV, 335-6, Loughborough to Pitt, 5 October 1798.
 2. Ibid., and 333, Spencer to Grenville, 3 October; Aspinall, III, 136, George III to Grenville, 5 October 1798.

the completion of a new Convention for further assistance. This expedient was supported by the Russians on whom Thugut had obviously been working. Its rejection by Eden received full government support.¹

Thugut then turned to threats. Three weeks later he told Eden that, since the state of Austrian finances made ratification impossible, he must reluctantly decline the proffered Russian support and end his preparations for war.² This made little impression in London, not only because Ministers refused to yield to threats, but also because they could not understand Thugut's insistence that ratification would ruin Austrian finances. They hastened to explain that all they were asking was that Austria should assume the loan of May 1797 and service it, not that it

1. P.R.O., FO 7/53, Eden to Grenville, Nos. 75, 76, 1, 5 September, Grenville to Eden, No. 24, 21 September 1798.

2. Ibid., Eden to Grenville, No. 82, 20 September 1798.

should repay any considerable part of this debt immediately.¹

When, however, Eden put this to Thugut, the latter only returned to the damaging effect it would have on Austrian credit.²

The greatest pressure on Ministers came from Austria's newly-won hold over the Russian government. Cobenzl returned to St. Petersburg in August and was enthusiastically received. In this favourable environment his superior diplomatic skill soon got the better of Whitworth. In consequence three attempts were concerted between Cobenzl and the Russian Ministers to overcome British

1. Ibid., Grenville to Eden, No. 26, 25 October; FO 65/41, Grenville to Whitworth, No. 34, 23 October 1798. Helleiner (110-1) reads too much into the statement of one Minister that 'signer n'est pas payer', and implies that Austria would not be required to pay a penny. He uses a statement of Pitt's in January 1799, taken out of context (which was to deny that Austria would have to raise a new loan to repay the debt), to support this view. But on both occasions Grenville's despatches are quite specific that Austria must pay interest and sinking fund on the 1797 loan (ibid., and FO 7/54, Grenville to Eden, No. 1, 25 January 1799).
2. P.R.O., FO 7/53, Eden to Grenville, No. 99, 7 November 1798.

resistance. These were a great embarrassment in London because of ministerial anxiety to encourage Paul I in his hostility to France.

Cobenzl was instructed to impress on Russia that Austria could not ratify without knowing what to expect in return.¹ As a result of his representations Vorontsov was ordered to try to bring the two sides together in London and Cobenzl instructed Starhemberg to take advantage of this by pressing the Austrian case.² But this was a mistake: Vorontsov was under Grenville's influence, and Starhemberg convinced of the wrong-headedness of his government's policy and embittered at its disavowal of his action in signing the Convention. There was thus little chance of success from such an approach. Grenville counter-attacked with a detailed indictment of

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1. Rastadter Congresses, 203 ff., Cobenzl's instructions, 24 July 1798.
 2. H.M.C. Dropmore, IV, 293, Paul I to Vorontsov, 30 August/11 September; Vorontsov Archives, XVIII, 163, Kotchubei to Vorontsov, 30 August/11 September 1798.

the Austrian case. He assured St. Petersburg that Britain was fully ready to concert with Austria once it had ratified and also given a full communication of its views. At Vorontsov's suggestion he proposed that Paul should offer a British-subsidized army of 60,000 men to Vienna in return for ratification and should warn that otherwise he would offer them to Prussia.¹

Already, however, Cobenzl had returned to the attack. Whitworth reported that instead of accepting the British subsidy offer, the Russians were demanding that it should be split up in order to provide for Austria as well. Austria would accept the £100,000 a month offered to Russia, and £50,000 a month (which was to be paid to Russia for extraordinary expenses after the war) should now be paid to Russia during the war for 10 - 15,000 men. The Russian Ministers told Whitworth that the Emperor

1. H.M.C. Dropmore, IV, 336-7, Vorontsov to Grenville, 6 October; Aspinall, III, 143-4, Grenville to George III, 10 October; P.R.O., FO 65/41, Grenville to Whitworth, No. 34, 23 October 1798.

would not ally with Britain until the latter had re-established concert with Austria. To this Grenville replied indignantly that he had no confidence that Vienna would ever come forward and that he was astonished it could be so blind as to counteract an offer so obviously to its advantage. There could be no direct subsidy to Austria - distrust of Vienna was now so great that Pitt declared on 6 October that even if Austria ratified and concerted again with Britain, he saw no justification for the payment of a subsidy to Vienna.² Nor could the £50,000 a month be applied to 10 - 15,000 Russians; the sole reason it was to be paid after the war was that it could not be paid now. Grenville urged the Russians not to hold back at a moment when Prussia, encouraged by Russia's war-like disposition, seemed ready to come forward, and he begged them not to rely on

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1. P.R.O., FO 65/40, Whitworth to Grenville, No. 43, 25 September 1798.
 2. H.M.C. Dropmore, IV, 337-8, Pitt to Grenville, 6 October 1798.

the wavering and feeble counsels of Vienna.¹

Once again growing disgust with Austria was inclining Ministers back towards Prussia, particularly when they heard that Frederick William III was disposed to act eventually to restore the House of Orange in Holland. Accordingly in November 1798 Grenville renewed his efforts to provide a 'European' solution to the Anglo-Austrian deadlock. He suggested that Paul I should propose the immediate conclusion of a quadruple alliance based on a united effort to reduce France to its former limits. He sketched out a peace settlement whereby Austria should be compensated for efforts in Switzerland and Italy by the recovery of the Milanese in addition to its Venetian acquisitions. Switzerland, the Empire, and the rest of Italy should be restored to independence; the Netherlands united to Holland; and Prussia, if it wished, should receive some limited acquisition which would avoid

1. P.R.O., FO 65/41, Grenville to Whitworth, Nos. 34, 35, 23 October, 2 November 1798.

jealousy. In this way Austria might be firmly engaged and also the mutual mistrust of the two German Powers might be overcome.

Grenville sent his brother Thomas to support this plan in Berlin.¹

Again, however, Prussia was not immediately responsive, and as the result of a shipwreck Thomas Grenville did not reach Berlin until February 1799. Moreover, it was not at all certain that inducements to be put to Vienna were sufficient to break the deadlock over the Loan Convention. Both Britain and Austria were still refusing to give way on this subject and were making ever-repeated demands for the other to climb down. In the meantime Paul I, eager to join in a renewed European war, had to mark time, and Naples, impetuously declaring war as a result of Nelson's annihilation of the French fleet at Aboukir Bay, found itself out on a limb and was crushed.² Hopes of a general renewal of the war dissolved in the face of Prussian timidity and the diplomatic battle between London and Vienna.

1. H. M. C. Dropmore, IV, 377-80, Grenville to Whitworth, 16 November; P.R.O., FO 64/52, Grenville to Thomas Grenville, No. 1, December 1798.

2. See below, p. 341.

In this battle Cobenzl achieved his greatest success in December 1798 when, helped by pressure from Paul and his Ministers, he almost persuaded Whitworth to sign a new financial Convention. Only at the last moment did Whitworth realize what was happening and in the end he only agreed to send the suggested draft to London for consideration. Its main points were that Britain should guarantee a loan of £3.6 million to Austria, part of which should pay off the debt of 1796-7. By separate and secret article the British government would acquit Austria of this debt if the allies were successful against France as a result of Austrian efforts. If London accepted the project, ratifications of the 1797 Convention would be exchanged in St Petersburg and back-dated to precede the signature of the new Convention. This plan was sent to London on 13 December with the vigorous backing of the Russian government. Kotchubei, the Foreign Minister, wrote that however objectionable they might find the Austrian government, nevertheless some sacrifices must be made

to provide Austria with the means for acting.¹ Having apparently obtained their object, the Russians now concluded their own arrangements with Britain, and on 29 December signed a subsidy treaty for an army of 45,000 men.²

Whitworth's Anglo-Austrian convention arrived in London on 19 January 1799 like a bombshell. Grenville was first staggered and then furious. His first thought was to recall Whitworth in

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1. Vertrauliche Briefe, II, 135, Cobenzl to Colloredo, 10 December; Vorontsov Archives, XVIII, 181-2, Kotchubei to Vorontsov, 3/14 December; P.R.O., FO 65/41, Whitworth to Grenville, No. 55, 13 December 1798. Other clauses stipulated that the new Austrian loan should be on the same terms as that for Britain for 1799; that Britain should advance £600,000 in consideration of the loan when Austria declared war; that neither Power should make peace without common accord, that they should engage similarly with Russia (separate article); and that Britain should support the Austrian army in Italy with a fleet in the Mediterranean superior to the French (second separate article).
 2. P.R.O., FO 65/42, Whitworth to Grenville, No. 1, 2 January 1799.

disgrace and he went so far as to offer the Russian embassy to Lord Bathurst. But he calmed down when Vorontsov warned that Whitworth's recall would probably involve his own,¹ and eventually he confined himself to reprimanding Whitworth severely and totally rejecting 'the extravagant and inadmissible pretensions of the Austrian Minister'. A loan had already been arranged to repay the 1796-7 advances and Austria was required to service this, not repay the debt by a new loan.² The provision for ratification was inadequate and meaningless if Austria repaid from a new loan. They could not oblige financiers to lend to Austria at the same rate as to Britain. There was still no explanation of Austrian views. In fact the Convention would leave Vienna free to pursue whatever objects it wished without informing Britain, which would be bound to finance

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1. B.M. Loan 57 (Bathurst Papers), Vol. II, f. 134-5, Grenville to Bathurst, 20, 21 January; H.M.C. Dropmore, IV, 449; Vorontsov to Grenville, 22 January 1799.
 2. The demand of Thugut and Cobenzl to repay the debt by a new loan rather than that arranged in May 1797 shows that, contrary to Helleiner's assertions (p. 110), budgetary considerations were a major reason for Austrian hesitation over the Loan Convention. They considered the 1797 terms extortionate.

them. Grenville blamed Whitworth for severely weakening the British bargaining position - though he had left Ministers free to reject the plan, they could never regain the same situation with either Austria or Russia.¹

News of the British rebuttal reached Vienna in mid-February 1799, at the moment when the long-delayed outbreak of war was at last imminent. The Russian auxiliary corps reached Austria in October 1798, and at the beginning of 1799 moved forward towards Italy. The French, having begun to augment their army by a new conscription law, demanded the withdrawal of the Russians. Thugut, though still uncertain of British support, could not afford to offend the Emperor Paul by such a concession and allowed their advance to continue. At the last moment he made a final attempt to obtain British aid by offering to ratify if either the loan terms could be altered to those of the British loan for 1799, or Austria could be allowed to raise a new loan to repay the advances. This, of course, was rejected by Eden and Grenville, though the Foreign Secretary tempered his refusal by explaining that a new

1. P.R.O., FO 65/42, Grenville to Whitworth, No. 1, 25 January 1799.

loan would be little more advantageous than the old one. By then France had declared war on Austria, and since Thugut seemed to be searching for a way out of the dispute by which he could save face, Grenville instructed Eden to soften his rejection as much as possible.¹ A conciliatory tone, however, proved as useless as a harsh one. When Eden informed the Austrian Minister of his government's decision, Thugut retorted that he saw no hope of the dispute ever being settled satisfactorily. Eden wrote despairing to London that

It is with much concern and regret that I add, that I am more that ever confirmed in the opinion which I have already had occasion to state to your Lordship, that the re-establishment of a perfectly secure and confidential concert between the two Courts will meet with obstacles, on the part of the present Government of this country, which I despair of seeing surmounted.

V. The fruits of discord

On 1 March 1799 the French army crossed the Rhine and war broke out once again on the continent. With concert between London and Vienna as far away as ever, prospects were ominous.

1. P.R.O., FO 7/54, Eden to Grenville, No. 16, 26 February, Grenville to Eden, No. 2, 22 March 1799.

2. Ibid., Eden to Grenville, No. 28, 10 April 1799.

The failure of the two Powers to agree had already produced one victim in Naples. The Neapolitans had viewed the successive 'revolutionizing' of Lombardy, Rome and Piedmont with mounting anxiety, and urged on by the victorious Nelson and the British envoy, Sir William Hamilton, they had determined to strike first rather than await the inevitable attack. Thugut, busy wrangling with Britain, had not been ready for war and warned that they could expect no help from Austria. Nevertheless, the Neapolitans had rushed into war on 24 November 1798 with disastrous results. The full fury of French reaction crashed down on their heads; mainland Naples was overrun; and on 23 December 1798 Nelson evacuated the royal family to Sicily. Thus one certain candidate for a new coalition was knocked out even before the European war began. Naples was transformed from a useful minor ally into a major liability. The British fleet was tied to the defence of Sicily and unable to co-operate with the Austrian army in northern Italy. Combined with the loss of the Neapolitan army, this made the task of clearing Italy considerably harder. Thugut accused the British of inciting Naples in order to

drag Austria into war at a time when its lack of resources would render it subservient to British wishes.¹ Grenville accused Thugut of deserting Naples in its hour of need.²

The practical effect of Anglo-Austrian hostility on the war was soon seen. Thugut outlined his policy to Cobenzl: if Britain refused financial help, he would declare frankly to London that Austria regarded itself as undoubtedly allied to Britain by the common interest which two Powers have who are fighting the same enemy. It would lend itself willingly on occasion to concert with Britain on the means of supporting and facilitating their respective operations. On the other hand it would keep its hands free on all the rest and contract no obligation on the duration of the war or

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1. P.R.O., FO 7/53, Eden to Grenville, Nos. 103, 121, 10 November, 22 December; Rastatter Congresses, 262-3, Thugut to Cobenzl, 28 December 1798.
 2. P.R.O., FO 65/42, Grenville to Whitworth, No. 3, 25 January 1798. Although its subordinates were more blameworthy, the British government was not so innocent of inciting the Neapolitans as J.H. Rose suggests (Camb.Hist. of British Foreign Policy, 288-9). On 3 October Grenville declared his willingness to support Naples whatever its decision, and on 23 November, when he knew Austria was against war, Grenville urged that the King of Naples should rescue himself and his kingdom from the French by vigorous exertions (P.R.O., FO 70/11, Grenville to Hamilton, Nos. 6, 11, 3 October, 23 November 1798).

terms of future peace.¹ Thugut therefore reserved to Austria the right to act in accordance with its own interests. Consequently when the Archduke Charles, commanding in Germany, easily drove the French back over the Rhine by victories at Ostrach and Stockach (21-25 March 1799), Thugut halted him on the frontiers of Switzerland. He wrote to Colloredo on 12 April that it was of the utmost importance not to give way to the selfish insinuations of the British and Swiss and do other peoples' business by a major advance into Switzerland. This would be to risk ruining their army, which had already suffered much, by undertaking expeditions of only incidental interest to Austria. The Archduke was ordered to confine himself to a small diversion around Schaffhausen, which might liberate the five smaller northern cantons, and to leave the rest until the arrival of the British-subsidized Russian army.² In the absence of financial support or political concert with Britain, Thugut's object was to preserve intact the Archduke's great army and to leave other

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1. Rastatter Congresses, 275, Thugut to Cobenzl, 10 January 1799.
 2. Vertrauliche Briefe, II, 158, Thugut to Colloredo, 12 April; H. Hüffer, Quellen zur Geschichte der Kriege von 1799 und 1800 (Leipzig, 1900), I, 180, 182, the Emperor to the Archduke Charles, 12, 13 April 1799.

operations not particularly of Austrian concern to be conducted by the Russian, German and Swiss troops in British pay. This was a characteristically narrow and short-sighted policy, although perhaps understandable. It was unfortunate that, in its exasperation with Vienna, the British government should eventually play the same game, with disastrous effects.

The British government heard of the outbreak of war and of the first Austrian victories in Germany and Italy with some suspicion. Grenville confided to his brother that while they were all elated at the news,

... I have so total a want of confidence in everything Austrian that I look upon all this only as a prelude to some patched-up peace that will give to Austria a score of leagues more in Italy or in Germany, and may possibly (but not probably) restore the King of Naples; but¹ will leave everything else exactly where the war found it.

Ministers lived in expectation of a new Austrian peace until at least the end of June.² Nevertheless, continued Austrian success,³ and

1. H. M. C. Dropmore, V, 8-9, Grenville to Thomas Grenville, 12 April 1799.

2. P. R. O., FO 7/55, Grenville to Eden, No. 15, 17 May; FO 7/57, Grenville to Minto, No. 1, [29] June 1799.

3. In Italy the French were defeated at Legnano and Magnano (26 March-3 April), and at Cassano (21 April). On 28 April the Austro-Russian army, under Suvarov, entered Milan.

continued Prussian vacillation,¹ forced them to take Austria seriously and led them into uneasy and unstable co-operation with Vienna.

The decisive factor in this was Thugut's suggestion, on 6 March 1799, that the 45,000 British-subsidized Russians should be used in Switzerland. He offered to support them with the Archduke Charles's army which would besiege Huningen.² This plan was doubly attractive to Ministers in London in that it would clear the French from Switzerland - one of their most cherished objects - and it would open the way to an attack on France in the only area where the French frontier was not protected by a dense barrier of fortresses. Grenville immediately accepted Thugut's proposal and asked for Russian consent to the plan.³

1. The barometer of Prussian inclinations in 1799 went as follows: September 1798-January 1799, for war; 24 February-7 March, against war; 26 March-2 April, against war but wanting a defensive alliance and subsidy from Britain; 25-29 April, for war, draft treaty worked out; 11 May, draft treaty rejected by Frederick William III; end of May, Frederick William inclined to come forward; June, no result of this; 4-10 July, treaty arranged for Prussian intervention if France refused to evacuate Holland on demand; 21-24 July, whole project finally vetoed by Frederick William. See D. C. Elliot, 'The Grenville Mission to Berlin', Huntington Library Quarterly, XVIII (1954-5), 129 ff.
2. P. R. O., FO 7/54, Eden to Grenville, No. 18, 6 March 1799.
3. Ibid., Grenville to Eden, No. 6, 29 March 1799.

In replying to Vienna, Grenville still blamed Austria for the obstacles in the way of their co-operation. He defended the relaxation of British intransigence as yet another proof of their magnanimous disinterest in petty jealousies and an example to the other Courts of Europe. Nevertheless, he warned, on 16 April, that this in no way placed the two Powers back on their footing of cordiality and confidence, nor did it re-establish any concert between them. This could only be achieved by ratification of the 1797 Convention. A few days later he rebuked Eden for suggesting to Thugut a combined declaration of their war aims; that they were fighting to save Europe from the schemes of the Directory, and that they would make peace when the Directory retired within its own frontiers and gave satisfactory assurances that it would not molest the tranquillity of others. Grenville sharply reminded his envoy that there was no security in either Austrian engagements or French promises.¹

1. Ibid., Grenville to Eden, Nos. 6, 8, and 10, 29 March, 16, 26 April 1799. Thugut had no objection to Eden's projected declaration, which was based on Grenville's policy in 1798, but in fact Grenville's aims were now far greater: he looked to a restoration of the Bourbon monarchy (H.M.C. Dropmore, V, 147, 243, Grenville to Thomas Grenville, 16 July, to Mulgrave, 5 August 1799).

As if to confirm this point, by the time Grenville's acceptance of his plan reached Vienna, Thugut had changed his mind. He now preferred the Russians to go to the middle Rhine and punch a hole in the French fortress barrier via Philipsburg and Kaiserslautern, though if this was not acceptable he would comply with British wishes. It was not acceptable. The Russians were ill-equipped for and ignorant of regular siege warfare and would soon become bogged down on the middle Rhine. On the other hand there was the opportunity of concentrating an overwhelming force on the Swiss frontier with France, where there were few fortresses and where the French people were most disaffected. Grenville therefore insisted on the Swiss plan. He realized he had no claim to interfere in the deployment of the Austrian army, but Thugut must see that the Swiss plan provided the greatest possible prospects of success.¹

Thugut's elusiveness made it desirable to have in Vienna someone better able to stand up to the Austrian Minister than Eden,

1. P.R.O., FO 7/54, Eden to Grenville, No. 34, 24 April, Grenville to Eden, No. 14, 7 May 1799.

who was thought to have fallen completely under his influence.

Grenville was particularly annoyed by Eden's despatch of 29 March in which he both expressed admiration of Thugut and 'deplored as hopeless' the attempt to obtain ratification of the 1797 Convention.¹ Eden's conduct showed him as unimpressed with the real differences still existing between London and Vienna. Although there was no obvious replacement, Grenville eventually decided this was not so serious as leaving Eden in Vienna. On 3 June he informed his brother that Eden would be replaced by Lord Minto.²

In Vienna Thugut was as elusive as ever. At first he obligingly accepted Grenville's insistence on the Swiss plan provided that Austrians and Russians acted separately. The Russians would

1. Ibid., Eden to Grenville, No. 25, 29 March; H.M.C. Dropmore, V, 8-9, Grenville to Thomas Grenville, 12 April 1799.
2. Ibid., V, 80, Grenville to Thomas Grenville, 3 June. See also, ibid., V, 39, 70, Grenville to Thomas Grenville, 3, 27 May 1799. Grenville approached two other candidates, one unnamed, the other Pelham, as replacements before Minto accepted. In fairness to Eden it must be said that his task of trying to secure military co-operation while refusing concert or financial aid had become almost impossible, and within a few months Grenville was complaining of his successor that he seemed ten-times more enamoured with Thugut than Eden was (ibid., V, 431, Grenville to Thomas Grenville, 29 September 1799). N.B., Helleiner (118-9) says Eden asked to retire, but this was only public face-saving; there can be no doubt that he was removed.

have the main task of defeating the French in Switzerland and pushing through the Jura mountains; the Archduke would besiege Huningen and Belfort and take advantage of opportunities created by the Russians. A month later, however, he had again changed his mind. He now proposed to combine the Russian auxiliary corps from Italy with the Russians and Swiss levies in Switzerland. These should push into France from Switzerland supported by an Austrian advance into Provence from Italy. The Archduke's assistance was withdrawn completely. Instead he would besiege Mainz, in order to proceed to the Netherlands in the next spring.¹

In the absence of any concert or financial pressure to bear on Austria it was thus impossible to tie Thugut down to a definite plan of campaign. Moreover, despite all the military advantages he promised from the project, Thugut's political intent was obvious. Firstly, he wished to get the Russians out of Italy, where Suvarov, for all his brilliant victories, was becoming a political menace. When he entered Turin on 27 May, the Russian

1. P.R.O., FO 7/55, Eden to Grenville, Nos. 58, 75, 23 May, 26 June 1799.

Marshal had proclaimed the restoration of the King of Sardinia. Thugut had his own plans for Piedmont which did not include the return of the King just yet.¹ In these circumstances the concern expressed by Grenville on 8 June² at the weakness of the Russians in Switzerland provided a golden opportunity to rid himself of this embarrassment. Secondly, Thugut intended to control the ultimate disposal of the Netherlands. He must by now have known that Britain had been negotiating since May for 15-20,000 Russians to help liberate Holland. Once Holland was cleared the Netherlands would be the next step forward, and it is more than likely that Thugut's request for a diversion in Holland to facilitate the Arch-duke's operations in the Netherlands³ was an attempt to sound out British intentions in that quarter. Grenville saw this clearly. He wrote to his brother that

1. Ibid., Eden to Grenville, No. 93, 24 July 1799.

2. Ibid., Grenville to Eden, No. 17, 8 June 1799.

3. Ibid., Eden to Grenville, No. 75, 26 June 1799.

Thugut now thinking the Italian acquisitions secure, and the Milanese reconquered, and the Novarese in his hands, looks back to the Low Countries as the next object of the scramble. For the success of our forward move into France, and for the effects which this is to produce on the internal government of that country, the real root and origin of all its wickedness, he is not in the least degree anxious; and considers it only as a diversion which will put Mainz, the Netherlands, and the left bank of the Rhine into the hands of Austria to cut and carve as she thinks proper.

In despair he lamented of Thugut's conduct that

... if he were paid to thwart all our measures and to¹ favour those of France, he could not do it more effectually.

Grenville was determined to get into the Netherlands before the Austrians. He knew that if they beat him to it they would dispose of the provinces after the war without regard to British interests. He was confident of Britain's ability to be beforehand in the business: there seemed every prospect in July of Prussia coming forward, and even without it he was convinced that the 17,000 Russians he had secured, together with a British army, and aided by the expected general uprising of the population, would give him possession of both Holland and the Netherlands

1. H. M. C. Dropmore, V, 147, Grenville to Thomas Grenville, 16 July 1799.

before the Archduke succeeded in taking Mainz.¹ The problem therefore was not how to get into the Netherlands first, but how to persuade Thugut to accept this and abide by the Swiss plan.

Unfortunately Grenville could give no assurances to Vienna about the ultimate fate of the Netherlands because Ministers had not yet decided on this themselves. Prussia was inclined to unite them to Holland, and this was the British preference, but if Berlin refused to come forward, Ministers would have to adopt their policy to the needs of the international situation and be more conciliatory to Austria.²

The Cabinet's attitude was displayed in Grenville's first despatch to Minto at Vienna on 26 July 1799. He recognized that the Austrian object was to secure the Netherlands and defended the British right to a say in their disposal. It was hoped that operations against Holland might commence so soon as to convince Thugut of the futility of trying to get into the Netherlands first. Grenville told Minto that, if any question respecting the Netherlands was brought

1. Ibid.

2. Ibid.

forward at Vienna, it would be sufficient to express the British wish to enter into a complete understanding with Austria. However, there could be no political concert on the Netherlands or anything else until Austria revealed its views - this and not ratification of the 1797 Loan Convention was now the necessary preliminary.¹ In the same despatch, Grenville complained of Austrian conduct in Switzerland² and Piedmont, in both of which their views apparently clashed.³

This was hardly likely to allay Thugut's suspicions, but what added an element of farce to this situation was that Ministers had now virtually decided to give the Netherlands back to Austria.

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1. The dropping of insistence on ratification reveals Grenville's anxiety. He seems first to have relented in a despatch to Eden (now Lord Henley) on 16 July 1799 (No. 20, P.R.O., FO 7/55).
 2. Grenville had sent Wickham back to Switzerland with instructions to secure the restoration of the former governments of the Cantons (The Correspondence of the Rt. Hon. William Wickham, 2 vols., London, 1870, II, 164-7, Instructions, 6 June 1799). Wickham reported that his efforts to restore the old constitutions if Zurich and Schaffhausen were being opposed by Jean Muller, the historian and a native of Schaffhausen, who appeared to be acting as Thugut's agent (P.R.O., FO 74/24, Wickham to Grenville, No. 4, 6 July 1799).
 3. P.R.O., FO 7/56, Grenville to Minto, No. 3, 26 July 1799.

As early as 19 July Grenville had written to his brother that after many variations of opinion they had been brought to believe that it was best to guarantee the repossession of the Netherlands to Austria on conditions. On 27th he told Dundas that he would given them back in consideration of co-operation afforded (not promised) for the attack on France. He would further stipulate the preservation of the Belgic Constitution and the old Barrier Treaty. Prussia had suggested the extension of Holland on the side of the Netherlands, and this also seemed highly advantageous.¹ The element of doubt was Prussia, but on 1 August news arrived of its final refusal to intervene. Next day Pitt wrote to Grenville that this news removed all question of the language to be held to Vienna. They should offer distinctly to guarantee the Netherlands to Austria at the peace provided that till then the Austrians continued to act in concert with them in pushing into France. Furthermore, he was inclined to offer Austria the subsidy they had been saving for Prussia provided it furnished an additional army at their disposal.² Thus, even Pitt,

1. H. M. C. Dropmore, V, 159, 198-9, Grenville to Thomas Grenville, 19 July, to Dundas, 27 July 1799.

2. Ibid., V, 224, Pitt to Grenville, 2 August 1799.

who had for so long backed Grenville's strong line towards Vienna, was now inclined to make a direct promise on the Netherlands and even offer a subsidy. Grenville, however, only conceded that there should be a full discussion with Austria at an early date. He told Lord Mulgrave on 3 August that

Austria has no right even to enquire, much less to learn what our ultimate designs may be as to her recovering the Netherlands, unless the discussion is included in the extensive consideration of measures and objects for the prosecution and ultimate termination of the war, into which Lord Minto . . . is fully empowered to enter.

In consequence nothing was said to Vienna. From 26 July to 31 August Minto was left without any instructions on the subject. In the meantime, Thugut, his suspicions mounting, pressed on remorselessly with his plan of withdrawing the Archduke Charles from Switzerland to Mainz, thus ruining Grenville's project of a decisive Swiss offensive.

On 6 August 1799 orders were despatched to the Archduke to carry out the new plan of operations. He was to move his troops

1. Ibid., V, 234-5, Grenville to Mulgrave, 3 August 1799.

out of Switzerland¹ as they were relieved by the arrival of the British¹-subsidized Russian army. He would then take 60-65,000 men to the middle Rhine to undertake the siege of Mainz or some other operation which would encourage a general insurrection against the French in the Netherlands. Such a rising would also be helped by the Anglo-Russian expedition to Holland, and the Archduke was directed to concert with this force for mutual assistance. An intermediate force of 25-30,000 Austrians, with contingents from the Empire, would hold the line between the Archduke and the Russians and would support the Swiss offensive by demonstrations on the Rhine.² Meanwhile Thugut had made it clear that the Netherlands were Austrian property and not to be disposed of

1. The Archduke had entered Switzerland at the end of May and drove the French from Zurich (5 June). There he stayed for the next two months. Thugut openly admitted that he had been halted because the loss attending further success would have necessarily been great, and Austria could not at that period of the war expose its army to great loss or considerable hazard (P.R.O., FO 7/56, Minto to Grenville, No. 2, 9 August 1799).
2. Milyutin, Geschichte des Krieges Russlands mit Frankreich 1799, III, 345-8, Thugut to Cobenzl, 6 August 1799.

without Austrian consent.¹

The fateful decision was thus finally taken. The Archduke with the main army would move so far north as to lose contact with Swiss operations, and the intermediate army was an insufficient substitute - it was too small and was under the Archduke's distant command. Although Thugut supplied Cobenzl with a multitude of military arguments in favour of the plan, he began and ended his despatch of 6 August by indicating that the main reason for his change of plan was the newly-decided Anglo-Russian expedition to Holland.

Thugut was firmly resolved and Minto,² who reached Vienna on 1 August, was unable to make headway against him. The British envoy received no help from Razumovski and was hampered by his inability to make any statement on the Netherlands. He reported that Thugut expressed the Emperor's intention of having the Archduke Charles (the former governor of the Netherlands) and

1. See P.R.O., FO 7/55, Eden to Grenville, Nos. 95, 97, 28 July, 3 August 1799.

2. Sir Gilbert Elliot, 1st Earl of Minto (1751-1814). Commissioner designate for Dunkirk, Commissioner for Toulon, 1793; Minister to the Italian States, March-May 1794; Viceroy of Corsica, June 1794-October 1796; created Baron Minto October 1797.

an Austrian army in a position to connect with the Anglo-Russian expedition and to enter the Netherlands when expedient. Minto considered the plan of marching to Mainz as irrevocably decided and all argument hopeless. Instead he concentrated on securing the speedy march of Suvarov to the isolated Russians in Switzerland. Thugut promised to facilitate this, but at the same time he expressed his belief that all the Russians could achieve would be to expel the French from Switzerland. The great offensive into France could not be undertaken until next year.¹

In the course of the next few weeks Minto touched on all the points at issue between London and Vienna and discovered little to the liking of his government. On the vexed question of the 1797 Loan Convention, Thugut returned to his old expedients; he agreed to ratify if it could be kept secret. Moreover, he asked that Britain should pay the interest on both the 1795 and 1797 loans during the war.² Thugut insisted that the Netherlands belonged to Austria and could not be disposed of without prior discussion at Vienna. His own plan,

1. P.R.O., FO 7/56, Minto to Grenville, No. 2, 9 August 1799.

2. Ibid., Minto to Grenville, No. 4, 11 August 1799.

revealed on 31 August, was to use them to indemnify the King of Sardinia, whose Piedmontese possessions he was determined to annex to Austria.¹ Piedmont was the major issue on which Thugut would not give way. He was greatly angered by Russian and British attempts to force him to restore the King of Sardinia there, and Minto reported that he would even make a separate peace with France in order to retain it. Besides Piedmont he intended to retain those parts of Savoy which were militarily valuable, and Minto supposed Genoa and Niceas well once Austrian troops had gained possession of them.² Finally, he was apathetic about France. He seemed disinclined to a Bourbon restoration and Minto thought he saw a desire to divide France and prolong its distractions in order to keep it weak. However, Thugut disclaimed any desire for French territory and Minto felt he would probably accept any Anglo-Russian determination on the matter.³

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1. Ibid., Minto to Grenville, Nos. 14 and 15, 28, 31 August 1799. This drastically modified his astonishing offer of 17 August (Minto to Grenville, No. 8) to allow Britain a say in the disposition of the Netherlands in a way most advantageous to the general interest.
 2. Ibid., Minto to Grenville, Nos. 3 and 8, 10, 17 August 1799.
 3. Ibid., Minto to Grenville, No. 8, 17 August 1799.

Having thus revealed his general views in order to mollify the British, Thugut suggested a full and reciprocal official exchange leading to a concert.¹ Unfortunately the effect of his communication on the British government was the very opposite of what he desired. Far from producing a concert it threw Grenville into a paroxysm of anger against Vienna.

Minto's despatch of 9 August, announcing Thugut's determination to stick to his Mainz plan, was received in London on 26th. It was followed immediately by news of his refusal to restore the King of Sardinia in Piedmont and his continued evasion on the 1797 Convention. In consequence Grenville took the strongest possible line with Vienna. The Austrian plan of operations had been undertaken without prior concert with Britain and Russia; unless the plan was suspended and discussions renewed on the present campaign, Austria could expect absolutely no co-operation in it nor any future military support. Moreover, if this was refused, Minto was to declare that all hopes of future concert were at an end and all negotiations terminated. He was then to withdraw from

1. Ibid.

Vienna, leaving Straton to look after British affairs. Thereafter British plans would be formed without reference to the interests of Austria and might even be opposed to them.¹

The arrival of Thugut's further disclosures completed Grenville's disgust.² Pitt, however, was inclined to be less vehement than his cousin. Provided Thugut would meet British wishes by transferring the Netherlands to Holland, Pitt was willing to try to persuade the Emperor Paul to allow Austria to keep Piedmont and so 'hold the key of Italy'. He met Grenville's qualms at raping Piedmont with the assertion that it was not comparable to that of Poland or Venice. Piedmont had fallen to France through its own weakness and had been recovered without any efforts of its own. They were therefore justified in disposing of it for the general safety of Europe. As to the King of Sardinia, they would find him an equivalent reward, even though he was not strictly entitled to any. The Prime Minister therefore wished to be conciliatory and even secured Grenville's reluctant consent.³

1. Ibid., Grenville to Minto, No. 5, 31 August 1799.

2. See H. M. C. Dropmore, V, 347, Grenville to Windham, 2 September 1799.

3. Ibid., V, 379-80, 396-7, Pitt to Grenville, 10, 13 September; P.R.O., PRO 30/8/144, Grenville to Pitt, 12 September 1799.

However, on 14 September news arrived that the Archduke Charles had begun his withdrawal from Switzerland, and with this even Pitt gave up. He wrote to Grenville that all he had been proposing was put out of the question by the atrocious and perhaps fatal policy which Austria had adopted. He had little hope that Minto might produce any change, but rather expected to see the treacherous system of Austria soon completed by another separate treaty with France. They must consider how the war could be carried on by Britain and Russia alone and even try Prussia again by holding out the lure of the Netherlands which Berlin might like for itself and from which it would certainly wish to exclude Austria.¹

As soon as he heard the news from Switzerland, Grenville wrote to Vorontsov that

C'est avec la rage et le désespoir que je vous mande que l'Archiduc s'est retiré à Donaschingen, laissant l'armée du général Korsakow dans une position insoutenable, et abandonnant la Suisse à la fureur des régicides ...
Ordinairement je ne suis pas prompt à me représenter des maux futurs - cette fois-ci, je vous l'avoue, je crains les suite les plus funestes, et pour l'armée Russe, et pour toute l'Europe.²

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1. H. M. C. Dropmore, V, 404-5, Pitt to Grenville, 15 September 1799
 2. Ibid., V, 400, Grenville to Vorontsov, 14 September 1799.

His fears were soon confirmed. On 25-6 September the French attacked the Russians at Zurich and overwhelmed them. In consequence Suvarov, coming up the passes from Italy with the Russian auxiliary army, found himself surrounded and only fought his way through by sheer will-power, losing half his men and all his guns. The two Russian armies were utterly incapable of further action. The French were once more in complete control of Switzerland. Grenville's plan for a great Swiss offensive had been shattered.

News of the final defeat of their Swiss plans reached Ministers at the same time as that of the failure of their efforts in the Netherlands. When Grenville asserted that their relations with Vienna must be carried on entirely with regard to British interest alone it was to this latter region in particular that he referred. He had abandoned the idea of returning the Netherlands to Austria as soon as he suspected that Thugut did not intend to retain them and instead determined to unite them to Holland. On 28 August he wrote to Pitt that 'if we succeed in Holland then there is not a

moment to lose in setting the partisans of Dutch union to work there [in the Netherlands], for I take it for granted we shall have learnt too much in the Thugut school to wait for Austrian consent before we begin to put our own business in train there.'¹ The news that Thugut definitely would not hold the Netherlands, received on 2 September, determined Grenville to encourage an immediate revolt in those provinces.² An officer, Lt. -Colonel Malcolm, had already been sent at the beginning of August - at the same time as the expedition sailed for Holland - to prepare a revolt. Malcolm, however, ran into all sorts of difficulties as a result of the concern of the Belgians for the attitude of Vienna.³ Ministers therefore decided to send a new officer of greater political acumen, Colonel Maitland, to the Netherlands. Maitland was ordered to raise an

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1. P.R.O., PRO 30/58 (Dacres Adams Papers)/2, Grenville to Pitt, 28 August 1799.
 2. H.M.C. Dropmore, V, 356, Grenville to Dundas, 4 September 1799.
 3. For Malcolm's mission see P.R.O., WO 1/408. His instructions were dated 3 August 1799. On 28 August he reported to Dundas that the leader of the Belgian insurgents would not act without a guarantee of the restoration of their ancient privileges, constitution and religion, nor without the express consent of the Emperor.

immediate insurrection and for this purpose was to take a number of junior officers to train and lead the insurgents. In all his activities he was to keep in view the wish of the government to see Holland and the Netherlands united.¹

Maitland, however, achieved no greater success than Malcolm. He found that Thugut had written to the Netherlands at the beginning of September that 'the Emperor is renewing his claims to the Low Countries and has done so for the advantage of his faithful subjects.' Thereafter all persons connected in any way with the Austrian government spread the news that the Emperor meant immediately to send a force to the Low Countries and that British, Russians and the Dutch Stadholder were trying to subordinate the Belgians to the Dutch government. In consequence the majority of the leaders of the country were alienated from Britain and determined not to act without the consent of the Emperor. Maitland reported that everything depended on Austria; more letters were being received from Vienna, and persons were being sent daily to the Archduke at the expense of Austrian agents.

1. B. M. Add. Ms. 40, 101 (Melville Papers), Grenville to Dundas, 13 September 1799.

Without the successful interference of Minto at Vienna nothing could be done.¹

Without permission from Vienna, therefore, the Belgians would not rise against the French. This fact became doubly important when the Anglo-Russian expedition became bogged down in the Helder Peninsula where it landed on 27 August. Grenville's expectation of a Dutch revolt was not fulfilled; feuds broke out between Russian and British commanders; the weather was appalling; and the terrain in the Helder Peninsula was totally unsuited to offensive operations. Three attempts (19 September, 2, 6 October) were made to force a way to Amsterdam but all failed. There was thus no chance of the expedition liberating Holland, far less the Netherlands, by itself. A general insurrection in the Netherlands, in the rear of the French army, might have been decisive. But it was not forthcoming and, after the failure of the attack on 6 October, the expedition retreated. On 9 October it was back at its beach-head at the tip of the peninsula,

1. P.R.O., WO 1/408, Maitland to Dundas, 1, 13 October; FO 38/4, Maitland to Grenville, 4, 13 October, to Minto, 4 October 1799. Maitland particularly blamed the Dutch Orangist agents for causing controversy by raising the political question of union with Holland before military questions were settled.

and on 18th an armistice was arranged, followed by a Convention whereby the expedition re-embarked unmolested in return for the surrender of 8,000 French prisoners of war. Thus by mid-October 1799 every single British project of the year had failed disastrously: the decisive blow from Switzerland; the restoration of the Stadholder and possession of the Netherlands; the prospect of overthrowing the Revolution and restoring the Bourbons in 1800. All these reverses can be traced back directly or indirectly to the lack of understanding between London and Vienna.

CHAPTER SEVEN

THE FINAL DISSOLUTION OF THE OLD SYSTEMI. The resurrection of Anglo-Austrian concert

The ruin of the British plans for the 1799 campaign plunged Anglo-Austrian relations to a nadir. The disappointed planners placed the blame on Austrian conduct and, as in January 1798, the severance of diplomatic relations became a distinct possibility. Lady Minto, who was about to leave to join her husband in Vienna, was advised by several Ministers to delay her departure; Pitt told her that he 'should not be surprised to hear Lord Minto has ordered his chaise and had left Vienna.'¹ Ministers were indeed indignant at Austrian behaviour. Grenville fulminated against 'the infamous perfidies of Austria'; it would be equally wicked and mad ever again to entrust any material British interest to hopes of Austrian co-operation; the Vienna government was 'the most shabby set of

1. Minto, III, 90, Lady Minto to Lord Minto, 16 October 1799.

people in Europe'.¹ For Pitt 'the treacherous system of Austria' put quite out of the question his scheme for offering Piedmont to Vienna as the price of its co-operation. Both he and Dundas considered that in future they should regard Russia as their 'only true ally', and should base their policy completely on co-operation with St Petersburg.²

Within the next three months, however, a revolution took place in Cabinet thinking. Ministers came to place their confidence for a successful conclusion to the war in the strength of Austria, and they directed all their efforts towards the support of its armies. It was in this spirit that the last continental campaign of the war was fought; the Old System was restored to favour and Ministers had complete trust in its efficacy.

This remarkable volte-face came about for three main reasons. First, Ministers were soon forced to recognize the

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1. H. M. C. Dropmore, V, 423, 487, Grenville to Thomas Grenville, 26 September, to Dundas, 19 October; VI, 1, Grenville to Minto, 1 November 1799.
 2. Ibid., V, 396, 404, Pitt to Grenville, 13, 15 September, Dundas to Grenville, 20 September (415), Dundas to [Pitt], 24 October (498); VI, 12, Dundas to Grenville, 8 November 1799.

inescapable fact that Austrian co-operation in some form was indispensable. Secondly, the reports of their envoy in Germany, William Wickham, revealed both the deplorable state of the Russian forces and the imposing strength of the Austrians; and thirdly, the attitude of the Emperor Paul drove the British and Austrian governments into each other's arms.

A few weeks' reflection sufficed to convince Pitt that some attempt should be made to ensure further Austrian co-operation in the war. Canning, one of those closest to the Prime Ministers, probably reflected his reasoning when he wrote that if they wished to humble France, and if they believed that this could not be done without the aid of one of the German Powers, then they must try Austria, for between Vienna and Berlin there could be little hesitation under existing circumstances.¹ On 18 October Pitt revived his Piedmont scheme at a meeting of the Cabinet. He further proposed to allow Austria free disposal of the Netherlands to facilitate the scheme. The proposition was favourably received

1. Leeds Public Library, George Canning MSS., Bundle 58, Canning to Wellesley, Private, 20 October 1799.

by most of the leading Ministers, but Grenville again showed reluctance.¹ In the course of the next week, however, news was received of the capitulation in Holland; Minto reported that Thugut had made very strong and repeated general assurances of a sincere desire to retrieve the situation in Switzerland; and Wickham's first warnings of the bad state of the Russians arrived.² After this the Foreign Secretary finally dropped his opposition. On 26 October the Piedmont plan was submitted to the king. Six days later it was sent to Vienna.³

In this way the first step was taken towards a reconciliation with Austria. Yet the Austrians still held a subordinate position in British eyes in comparison with Russia. It was the Russian army which was to play the main offensive rôle in the next campaign. Ministers planned that 90,000 Russians, and 10,000 Bavarians and

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1. Windham Diary, 416, Entry for 18 October; H.M.C. Dropmore, V, 487, 495, Grenville to Dundas, 19 October, Dundas to Grenville, 20 October 1799.
 2. P.R.O., FO 7/57, Minto to Grenville, No. 27, 6 October; FO 74/25, Wickham to Grenville, Private, 7 October 1799 (received 21 October).
 3. Aspinall, III, 291, Cabinet Minute, 26 October; P.R.O., FO 7/57, Grenville to Minto, No. 8, Most Secret, 1 November 1799. Minto was not to reveal the scheme until Russian approval had been obtained.

Swiss, under Suvarov, would invade France from Switzerland.

This force, Grenville explained, would be sufficient to act without any dependence on Austria beyond the measures Vienna must take for its own sake to defend Italy and Germany, and for its plan of offensive operations towards Mainz and the Netherlands.¹

At the beginning of November, therefore, the British government was still far from giving its confidence to Vienna. During the course of that month, however, Ministers received a series of despatches from Wickham, which led them to a total reconsideration of their plans and their faith in the Russians. The serious inadequacies in leadership, organization and training of the Russian forces became apparent to Wickham as a result of the disasters suffered by Korsakov (Commander of the British-subsidized Russian army in Switzerland) and Suvarov. On 7 October he warned that drastic reforms were necessary before the Russians could be fit for further operations, and, after further investigation, he reported ten days later that the Russian military

1. P.R.O., Grenville to Mulgrave, No. 8 (FO 74/27), to Whitworth No. 87 (FO 65/45), to Minto, No. 8 (FO 7/57), 1 November 1799

system was so fundamentally defective and vicious that even a crash-programme of reforms could provide no speedy solution. Every hope of acting against France with a Russian army must be abandoned even though this would be throwing everything into the hands of Vienna; the Russians were only fit to act as auxiliaries to the Austrians.¹ Quarrels had broken out between the Russians and Austrians which made it unlikely that they could ever again co-operate on an equal footing, or that Suvarov would be allowed by Vienna to command a combined army. Consequently Wickham suggested that the Bavarian and Swiss troops, which Grenville had commissioned him to hire for the use of the Russians, should be employed instead as part of a Russian contingent for offensive operations with the Austrian army of the Archduke Charles.² Thereafter, as he confided to Minto, Wickham set himself to point out to his government that, if the Russians and Austrians could not be brought to act together, Britain and Austria

1. P.R.O., FO 74/25, Wickham to Grenville, Private, 7 October, No. 38, 17 October 1799.

2. Ibid., Wickham to Grenville, No. 40, 18 October 1799.

might continue the war by themselves and could be in a position to dictate terms of peace at the end of another campaign.¹ Thus on 17 October he recounted Suvarov's admiration of the Austrian army, and on 31 October he gave his own opinion of it: it was very superior to what it had been in 1797; the troops were unquestionably better and animated by a very different spirit; above all, a new set of staff officers had appeared, skilled, energetic, offensive-minded, and 'quite unequalled in Europe', who more than compensated for the deficiencies of the Austrian generals and who had been responsible for all the Austro-Russian successes in the present campaign.²

Wickham was undoubtedly the most energetic and able British envoy on the continent. He had already proved his value in his previous mission to Switzerland, and Ministers had complete confidence in his judgement. Now his reports proved decisive: Grenville confessed that 'your letters have been throughout the whole

1. Wickham Correspondence, II, 338-9, Wickham to Minto, Confidential, 28 November 1799 (draft).
2. P.R.O., FO 74/25, Wickham to Grenville, Nos. 37, 42, 17, 31 October 1799.

my chief guide and direction.¹ Nevertheless, Wickham's proposals were too revolutionary to be fully accepted at once. Even after the receipt of his reports of 17 October, Grenville still felt that they should take their chances with the Russians as a separate army by pushing through a programme of reforms, but adding 25-30,000 Austrian troops, Austrian staff-officers and Austrian magazines to form the nucleus of Suvarov's force. However, it is significant that he was now prepared to surrender the initiative in planning the next campaign to the Austrians. He covered his retreat by stressing the British determination to maintain 'the most intimate union and concert' with Russia, and he threatened that they would both withdraw from continental operations if Austria would not co-operate.² But as Wickham's further reports arrived, Grenville was forced into further retreat and conceded that the Russians could only be employed as

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1. H.M.C. Dropmore, VI, 52, Grenville to Wickham, 30 November; see also, ibid., VI, 12-13, Dundas to Grenville, 8 November 1799.
 2. Ibid., VI, 14, Grenville to Dundas, 9 November; P.R.O., FO 7/57, Grenville to Minto, Nos. 12, 13, 8 November 1799.

auxiliaries. On 22 November he proposed to St Petersburg that 30,000 Russians (10,000 paid by Britain) should be joined to the Austrians while other Russian forces supported British operations against the Mediterranean and western coasts of France.¹ On 29 November, in authorizing Wickham to continue his negotiations for the hire of Bavarian troops, Grenville for the first time raised the possibility of their being employed as a separate auxiliary corps with the Austrian army and not as part of any Russian force, though this eventuality would require a prior distinct engagement with Austria.²

By degrees, therefore, Austria was elevated in British plans into playing the dominant rôle in continental operations. During November 1799 the parts assigned to the two Imperial Powers were completely reversed. However, military plans and hopes had yet to be reconciled with political possibilities, for Britain and Austria were still far from an understanding. The

1. P.R.O., FO 65/45, Grenville to Whitworth, No. 102, 22 November 1799.

2. P.R.O., FO 74/24, Grenville to Wickham, No. 14, 29 November 1799.

1797 Loan Convention still stood as an insuperable obstacle, and mutual suspicions remained to be overcome. The final factor which brought the two Powers together was the behaviour of Paul I.

In the course of the summer of 1799 Paul had become increasingly suspicious of Thugut's secrecy on Austrian views of aggrandizement and indemnification. In particular he was concerned at Austrian resistance to the restoration of the King of Sardinia in Piedmont. When in early October Thugut finally disclosed his projects in an attempt to win Russia back from Britain, Paul found them totally at variance with his own views. Thugut expressed his wish to exchange the Netherlands for Bavaria, to obtain Piedmont and the Three Legations for two Austrian Archdukes, and to ally with Russia for the purpose of keeping Prussia quiet. In addition he deprecated the possibility of penetrating into France.¹ This was followed by news of the withdrawal of the Archduke Charles from Switzerland, of the defeat of Korsakov, and later of that of Suvarov. Accusing Austria of abandoning his troops to the French,

1. Vorontsov Archives, VIII, 247-8, Rostopekin to Vorontsov, 9 October 1799. Cf. Thugut's previous explanation of his views to Minto, above pp. 364-5.

Paul recalled his forces from Germany.¹ Four days later, on 26 October, he wrote to London that he had been forced to break with Austria and that without its co-operation they could not destroy the French government, but might instead establish Austria as a power equally dangerous to the public good. Consequently he urged that Britain could not fight France for ever and suggested that they should make peace on the basis of the 1792 boundaries in Italy and Germany; reduce France to its former frontiers; give the Netherlands to Holland; compensate Prussia on the Rhine; and Britain to retain its conquests in the two Indies. Moreover, he wanted an alliance between Russia, Prussia, and Britain in order to curb Austrian ambitions, and to this end he wished the British government to take the lead at Berlin.²

Such proposals were naturally hardly to the liking of British Ministers. They had no intention of making peace yet and they felt that Paul's proposal would drive Austria into the arms of France. Grenville replied that nothing could be more prejudicial

1. Martens, II, 371, Paul I to Francis II, 11/22 October 1799.

2. H.M.C. Dropmore, VI, 32-4, Paul I to Vorontsov, 15/26 October 1799.

to British interests than that Austria should make peace first, for such a peace would abandon the Netherlands and Holland to France for the sake of acquisitions in Italy. This would leave Britain and Russia to negotiate under great disadvantage, especially since he thought it impossible to substitute Prussia for Austria.¹ Instead he tried to heal the breach between St Petersburg and Vienna by appeals for moderation to both sides.²

If Paul's action finally brought home to the British Ministers that they had no alternative to Austria as their continental sword, it also, in combination with his need for money, brought Thugut to a more conciliatory policy in his relations with Britain. On 20 October he proposed to Minto a far more moderate plan of indemnification. He was willing to see the Netherlands joined to Holland, provided that the Austrian loans in London were charged on them, and provided they were guaranteed security of religion. He did not wish to take all of Piedmont but only the former parts of

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1. P.R.O., FO 65/45, Grenville to Whitworth, No. 101, 23 November 1799.
 2. Ibid., also Grenville to Whitworth, No. 95, 19 November; FO 7/57, Grenville to Minto, Nos. 15 and 16, 26, 30 November 1799.

the Milanese, and the King of Sardinia could be indemnified in Genoa. Lastly, Austria should keep the Three Legations.¹ Two days later he offered a new expedient to solve the dispute on the Loan Convention; the Emperor would acknowledge the debt privately in a letter to George III and would ratify the Convention publicly on the day after peace was signed.² Repeatedly he assured Minto of the Austrian determination to continue the war, and he urged that 'England and Austria, if sincerely united, would at all times be an overmatch for France, even if Russia should withdraw entirely from the Coalition.'³ At the same time he

1. P.R.O., FO 7/57, Minto to Grenville, No. 37, 20 October 1799.
2. Ibid., Minto to Grenville, No. 38, 22 October 1799.
3. Wickham Correspondence, II, 342, Minto to Wickham, 4 December. See also P.R.O., FO 7/57, Minto to Grenville, Nos. 39, 40, 43, 3, 12 November, 1 December 1799.

hinted at Austria's need for British financial assistance.¹ When Minto made it plain that this could not be given either directly or indirectly while the Convention remained unratified, and when it became apparent that he could expect no further assistance from Russia, Thugut finally gave way on this issue on 10 December 1799 and promised immediate ratification.² Having thus disposed of the main obstacle he then set out his proposition. He offered to put 200,000 Austrian troops into the field in the next campaign with the object of recovering Switzerland and advancing into France from that quarter. In return he wanted Britain to subsidize 30,000 German troops to serve as auxiliaries with the Austrian army, and he wanted a new loan of £1.6 million for Austria.

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1. Austria financed the campaign of 1799 largely by means of paper currency, which increased from 91.8 million florins in 1798 to 141 million in 1799. This expedient could not be continued for long without metallic support; the value of the banknotes depreciated 10% in the course of 1799. (In 1800, when the paper currency increased to 201 million florins, it only depreciated a further 5% thanks to British financial support.) See A. Beer, Die Finanzen Österreichs im 19 Jahrhundert (Prague, 1877), 8, 394-5; Czörnig, Statistisches Handbüchlein für die österreichische Monarchie (Vienna, 1861), 124.
 2. P.R.O., FO 7/57, Minto to Grenville, No. 47, 10 December 1799.

Three days later he raised this demand to £2.4 million (to include the cost of the German troops) and asked for an immediate advance of £200,000 in bullion or silver coin on account of Austrian claims against the British government.¹ Further he asked that Britain should take on itself the charges of the 1797 Loan, not only for the duration of the war as Minto on his own initiative had promised, but permanently. As regards Britain's military contribution, Thugut wished it to undertake diversions against the French coasts.²

Minto despatched these new Austrian demands to London with some trepidation, but whereas before he would very likely have received a blistering retort from Grenville, now Ministers accepted most of Thugut's terms without demur. They had been totally converted to Wickham's view of the efficacy of Anglo-Austrian co-operation alone. Already Grenville had written to Wickham on 30 November that they had resources enough for only

1. Ibid., Minto to Grenville, Nos. 43, 48, 49, 1, 10, 13 December 1799. Austria was claiming £400,000 for supplies issued to the British-paid army of Condé in 1795-7. For earlier use of this claim see above, p.315.

2. Ibid.

one more campaign on the continent, but that 'I am confident that with the Russian auxiliaries, or even without them, the means of Austria are abundantly sufficient to make that campaign decisive. Enough so I should think to force the restoration of monarchy, but certainly enough to drive France back to her old limits.'¹ Pitt wrote to Canning on 3 December that, as long as they could bring any great continental exertion to bear against France with a reasonable prospect of making a decisive impression in one or two campaigns more, all notion of peace without the restoration of monarchy would probably be set aside without difficulty, adding that 'I am not without hopes of such an exertion being to be found from Austria ...'² Hence the British government's curt rejection of Bonaparte's peace proposals of Christmas 1799: quite apart from their distrust of the good faith of the new First Consul and the stability of his régime, Ministers felt that they could obtain their maximum objects in a short space of time by continuing the

1. H. M. C. Dropmore, VI, 52-3, Grenville to Wickham, 30 November 1799.

2. Leeds Pub. Lib., Canning Mss., Bundle 30, Pitt to Canning, 3 December 1799.

war in co-operation with Austria. Their one fear was that Austria might be tempted into a separate peace. Consequently they welcomed Thugut's overture as proof of a determination to prosecute the war. In particular, his decision to ratify the 1797 Convention clinched matters.¹ Ministers were therefore willing to enter immediately into fresh financial engagements in support of Austria, notwithstanding the impression that this was bound to make at St Petersburg. Grenville explained to Whitworth that in the circumstances it was natural and even necessary for Britain to employ its resources to support a Power that continued to act offensively and vigorously against the enemy.² In a straight choice between the Austrian and Russian overtures, the British government chose the former. Austria seemed at last willing to afford a cordial and energetic co-operation and Austria alone could contribute a sufficient strength to win the war.

1. H.M.C. Dropmore, VI, 121, Grenville to Minto, 13 February 1800.

2. P.R.O., FO 65/46, Grenville to Whitworth, No. 3, Most Secret, 8 February 1800.

II. Rapprochement, viewed from London and Vienna

'We are now to begin a new score with our Austrian friends and we must hope the best', wrote Grenville to Minto.¹

The renewal of the Old System was to be marked by a conscientious attempt in London to overcome all the old difficulties and hindrances in Anglo-Austrian relations in the hope of securing a harmonious and successful co-operation. The inspiration behind the effort was Wickham, who put his case succinctly:

there can be no doubt now but that the question is fairly reduced to this: 'are you prepared to throw yourselves into the arms of the House of Austria, or no? If not, renounce at once every idea of a continental war against France; for you can neither carry it on without Austria, nor force her to carry it on in any other than her own way.'

Instead they must 'try to flatter and cajole as much as possible, and assume, if possible, an appearance of confidence.' In this way they might direct where they could not control. Wickham fully expected that they should be tricked and teased and tormented as they had ever been while Thugut remained in his place, but there was no-one to succeed him and he was more powerful than ever as

1. H.M.C. Dropmore, VI, 121, Grenville to Minto, 13 February 1800.

a result of his quarrel with Russia, which had won him the support of his former enemies, the army and the lesser states of the Empire. They must therefore suffer without complaint if they wished to succeed.¹

Ministers followed this advice implicitly.² Because bad weather delayed the receipt of Thugut's early-December demands until 27 January, Grenville did not reply until 8 February, but then his offer was extremely generous. He endorsed Minto's offer that Britain should service the 1797 Loan for a minimum of three years or the duration of the war. Although he saw great difficulty in Thugut's request to undertake the whole of the 1797 debt, he offered to charge it to whatever government was settled on the Netherlands at the peace. Initially he offered to advance £1.6 million to Austria during the war provided it was repaid after

1. Ibid., VI, 73-4, Wickham to Grenville, Private and Confidential, 13 December; P.R.O., FO 74/24, Wickham to Grenville, No. 51, Most Secret and Confidential, 13 December 1799.

2. See ibid., VI, 120, Grenville to Wickham, 8 February 1800.

the peace, but then, realizing that this was too generous,¹ he proposed six days later to advance the sum on the same terms as the British loan for 1800, to be serviced by Austria after the war. Even so, this was more generous than any previous offer. Moreover, £2-300,000 in specie was made available at Hamburg for immediate use on signature of a Convention for the continuation of the war. A further £800,000 would be provided to hire German troops to serve as auxiliaries with the Austrians and £200,000 more could be used to hire Piedmontese for the same purpose. For military operations Grenville still hoped to use Russian troops in operations against western France, but, in any case, it was intended that British troops should be employed for this purpose, and 15-20,000 sent to the Mediterranean to co-operate with the Austrian army in Italy by amphibious operations. In return he asked only three conditions: that neither party should enter into separate negotiations with France; that the Archduke Charles should be allowed a free hand in the conduct of operations;

1. Austria would be able to raise a loan more cheaply after the war to repay the advances than would Britain in 1800 in order to make the advances to Austria. Britain would thus be taking on itself the difference between the two loans (see P.R.O., FO 7/58 Grenville to Minto, No. 4, 14 February 1800).

and that Austria should make no peace which left the Netherlands in French hands without British consent.¹ Grenville specifically renounced all claim to interfere in the operations of the Austrian army and promised satisfactory explanations of any British negotiations with the other courts of Europe. 'You may assure M. Thugut', he told Minto, 'that nothing shall be omitted by which His Majesty's means of acting can be rendered useful to the success of the common cause.' For once Grenville allowed latitude to an envoy other than Wickham by giving Minto full discretion in his negotiations for embodying British offers in a Convention, even to the extent of risking minor inconveniences, in order not to jeopardize the preparations for the approaching campaign by delay.²

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1. Grenville proposed three alternatives for the future of the Netherlands: (1) to be joined to Holland under the Stadholder, (2) to become a principality for the Archduke Charles under their old constitution, and (3) to be exchanged for Tuscany as part of Austrian plans for a new arrangement in Italy. For security he proposed to establish British garrisons permanently in the Netherlands, as had the Dutch in the old barrier treaties. This would also provide Britain with a considerable trained army available at the outbreak of any war and thus remove one of its traditional disadvantages (P.R.O., FO 7/58, Grenville to Minto, No. 4, 14 February; H.M.C. Dropmore, VI, 125, Grenville to Minto, 13 February 1800).
 2. P.R.O., FO 7/58, Grenville to Minto, Nos. 2 and 4, 8, 14 February 1800.

In the meantime Wickham was given a free hand to spend the £1 million appropriated to procure reinforcements for the Austrian army as he thought best. Grenville confided to him that '... if one could feel quite secure that Austria would not bite at a hook baited with Italy, I should really think our success ensured, as far as human calculations can ensure it.'¹

Grenville was thus prepared to do all in his power as Foreign Secretary to provide assistance for Austria. While Minto began negotiations for a Convention in Vienna, Wickham employed himself assiduously in recruiting auxiliaries for the Austrian army. On 16 March he hired 20,000 Bavarians, on 20 April, 7,000 Wurtembergers, and on 30 April, 3,300 Mainz troops. In addition he financed the mobilization of 6½-8,000 Swabian militia, while the émigré corps of Condé and a Swiss corps already in British pay were put at Austria's disposal.² Grenville soon gave further indication of his sincere desire to maintain harmony. On 25 March

1. H.M.C. Dropmore, VI, 123, Grenville to Wickham, 11 February 1800.

2. P.R.O., FO 74/31, Wickham to Grenville, Nos. 102 and 103, 7 August 1800; Sherwig, Guineas and Gunpowder, 131.

he gave Vienna advanced warning that Lord Carysfort would be sent as minister to Berlin in June and he gave assurances that this in no way presaged any new connection with that Power.¹ Then, when in March ill-health and political disagreement produced the sudden removal of the Archduke Charles, Austria's ablest general, from command in Germany, Grenville, though expressing his regret, made no complaint. He told Minto that 'I conclude . . . that the step is now irrevocably taken, and we must make the best of it.'²

Unfortunately for the Foreign Secretary's good intentions, they were neither fully reciprocated in Vienna nor fully supported by his own colleagues. British military efforts, through chance and neglect, did not match up to their diplomatic exertions, and this had a decisive effect on the campaign of 1800.

Thugut asked on 1 December 1799 that Austrian operation in the next campaign should be supported by British and Russian attacks on the French coast. The utmost importance of such diversions was repeated by Wickham on 24 March 1800. He warned

1. H. M. C. Dropmore, VI, 175, Grenville to Minto, 25 March 1800.

2. Ibid., VI, 186, Grenville to Minto, 28 March 1800.

that the opposing armies on the Rhine were so near to parity that the fate of the war might depend on whether or not the French were able to detach 20,000 men more or less from the coast. If this could be prevented he was confident of success.¹

Grenville had been speaking of just such enterprises ever since October 1799. On 29 October he spoke of operations by 60,000 men on the French coasts; on 30 November he promised 'an immense effort' to aid the royalists in western France in the next year, and on 23 December he looked with confidence to employing more than 70,000 men if necessary against the western and Mediterranean coasts of France. On 8 February he renewed his pledge of Anglo-Russian expeditions.² During the winter of 1799-1800, however, the chance of creating a powerful diversion

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1. P.R.O., FO 7/57, Minto to Grenville, No. 43, 1 December 1799; FO 74/29, Wickham to Grenville, No. 26, 24 March 1800.
 2. H.M.C. Dropmore, V, 505, Grenville to Mulgrave, 29 October, VI, 53, 119, Grenville to Wickham, 30 November 1799, to Minto, 8 February 1800; P.R.O., FO 7/57, Grenville to Minto, No. 19, 23 December 1799. Grenville's intelligence reports indicated that the French could field 200-230,000 men in the next campaign against Austrian forces of comparable size but better condition. Since he anticipated supporting the Austrians with 70,000 British troops as well, it is not surprising that he was confident of success.

in western France greatly diminished. Firstly, the Breton royalists rose prematurely at the end of October 1799, despite all British efforts to hold them back at a season when conditions in the channel made it impossible to give them effective military support. Consequently the royalists were easily crushed before the spring.¹ Then, secondly, in April 1800, British hopes of employing Russian forces in the west were shattered by the arrival of orders from Paul I recalling his troops who had wintered in the Channel Islands after the Helder. Paul I had now broken off all diplomatic relations with Austria as a result of further quarrels over the capture of Ancona (November 1799). The Russian Emperor was annoyed at the British government's continuing support of Austria, offended by some indiscreet remarks of Whitworth about his sanity, and disgruntled by various imaginary insults which he believed he had suffered at British hands. In the spring of 1800 he withdrew completely from the war.²

1. Court and Cabinets, II, 448-9, Grenville to Buckingham, 6 November 1799; H.M.C. Dropmore, VI, 119, Grenville to Minto, 8 February 1800.

2. Ibid., VI, xi-ii, xiv; Martens, II, 372, XI, 4-6; P.R.O., FO 65/46, Whitworth to Grenville, No. 20, 25 March 1800.

Even without the aid of the French royalists or the Russians it might still have been possible for Ministers to create an effective diversion with British troops alone had they been more thorough in their preparations.¹ Unfortunately the lethargy of the Commander-in-Chief and the Secretary for War left them in spring 1800 without any effective force to call on. In fact the Cabinet made its plans and its promises without any appreciation of just how few resources were available to it. The Duke of York had allowed the 30,000 British troops brought back from the Helder to deteriorate in strength and efficiency during the winter, and Ministers had neglected recruitment.² Thus, whereas in the previous October Dundas had hoped to have 65,000 British troops ready by the beginning of May, and whereas 87,500 were predicted in December, York reported on 2 April that there were only 8,000 men available for service immediately,³ only 17,000 would be available by June, and only

1. See Court and Cabinets, II, 449, Grenville to Buckingham, 6 November 1799.

2. The Diary of Sir John Moore, Ed. Maurice (London, 1904), I, 364.

3. Excluding 5,000 en route for Minorca.

27,000 for the whole year.¹ In the past York had often been prodded into action by Dundas, but the Secretary for War's health had broken down under the strain of administration; in November 1799 and April 1800 he asked to be allowed to retire.² In the winter he convalesced in Scotland and allowed his responsibilities to slide; it was not until the beginning of March that he began to make a serious examination of preparations for the coming campaign.³ To some extent Dundas's lack of energy must also be accounted for by the fact that he was in fundamental disagreement with his colleagues, particularly Grenville, as to the proper use of their forces. It was his objections which held up and finally caused the abandonment of the scheme of co-operation promised to

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1. Duke University Library, North Carolina: Mss. XVIII F, Dundas's calculation, October 1799; P.R.O., PRO30/8/197(1), f. 108-9v. Expected disposable force, 20 December 1799; H.M.C. Dropmore, VI, 188-9, State of the Military Force, 2 April 1800.
 2. B.M.Add.Ms. 40,102 (Melville Papers), f. 38, Dundas to Pitt, 3 November 1799; Stanhope, Life of Pitt, III, 243, Dundas to Pitt, 14 April 1800.
 3. Private papers of George, 2nd Earl of Spencer, 1st Lord of the Admiralty, 1794-1801, 4 vols. (London, 1913-24), III, 323, Dundas to Spencer, 1 March 1800.

Vienna in February. Of all the Ministers Dundas was the least enthusiastic about devoting British efforts wholly to supporting Austria on the continent. He considered the effect of direct operations against France as 'at least problematical', and thought that some part of their force should be directed towards securing British interests such as the opening up of South American markets. He argued that it was logistically impossible to provide transport and supplies for 15,000 troops to co-operate with the Austrians in the south of France, and he advised that only 5,000 should be sent until they were certain that Vienna would supply the needs of British forces. Instead, if they must act in Europe, his preference was for limited operations against the west coast of France, which would also enable them to switch to South America with a minimum of delay.¹

Grenville's view, on the other hand, particularly after the collapse of the royalist revolt in the west, was that the sending of a large force to the Mediterranean was the most effective way in

1. B. M. Add. Ms. 40,102 (Melville Papers), Dundas to Chatham, 22 March; H. M. C. Dropmore, VI, 193-4, Dundas to Grenville, 9 April; P. R. O., PRO30/8/243, Memorandum for the consideration of H. M. 's Ministers (by Dundas), 31 March; S. R. O., GD51/1/718, Memorandum, April 1800.

which they could bring their means to tell against the French. He was at a disadvantage in the argument, however, in that he was not responsible for the armed forces and had not interfered with their preparation in the winter. In the long gaps between the arrival of despatches, interrupted by the weather, he had occupied himself with projects of Church reform, the Union with Ireland, and criticisms of a title-page for an edition of Homer which the Grenville family were sponsoring for Oxford University.¹ He had not been concerned with the logistical needs of the army, and nor had Pitt, who seems to have assumed responsibility for the War Department in Dundas's absence. Pitt, probably preoccupied with preparing his budget, interviewed several of the royalist leaders, but he left planning to his military experts, Earl St Vincent and Sir Charles Grey, and all along seems to have assumed that the resources were readily available.² In consequence, all the facts of the situation were on Dundas's side. The Mediterranean plan, agreed in Cabinet on 22 February, was reconsidered and debated

1. H. M. C. Dropmore, VI, passim.

2. Ibid., VI, passim., particularly p. 84, Pitt to Grenville, 22 December 1799.

until 15 April, while all other projects were also held up until it was settled. Finally, after a stand-up row between Grenville and Dundas, which had to be referred to Pitt for arbitration,¹ the Ministers decided to send only 5,000 men to the Mediterranean and to retain the rest in Britain to harass and distract the enemy when and where opportunity presented itself.²

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1. Grenville was eventually prepared to give up his Mediterranean projects if only the 37,000 men he assumed to be available were used elsewhere immediately, and he exploded at Dundas's procrastination: 'Do this, or anything else you prefer, but for God's sake, for your own honour, and for the cause in which we are engaged, do not let us after having by immense exertions collected a fine army, leave it unemployed, gaping after messengers from Genoa, Augsburg, and Vienna, till the moment for acting is irrecoverably passed by. For this can lead to nothing but disgrace.' (P.R.O., PRO30/8/144, Grenville to Dundas, 10 April.) Dundas sent the whole of their correspondence to Pitt, commenting bitterly: 'I wish he would exercise his genius for two months in executing as well as planning, and then he would learn that however desirable the end might be, it was necessary there should likewise be the means.' (PRO30/8/157(2), 11 April.) For this dispute see also H.M.C. Dropmore, VI, 193-4, Dundas to Grenville, 9, 10 April; P.R.O., PRO30/8/144, Grenville to Dundas, 10, 11 April, to Pitt, 11 April, Dundas to Grenville, 11 April 1800.
 2. Aspinall, III, 318, George III to Dundas, 22 February; H.M.C. Dropmore, VI, 197, Pitt to Grenville, 15 April 1800. The final decision seems to have been taken by Pitt, Dundas and Grenville and the Cabinet was notified of it on 19 April (Windham Diary, 423).

The outcome was that the British force which reached the Mediterranean in May was too small to be of any help to the Austrians and played no part in the Marengo campaign. Operations against western France were not begun until June, when they were again too late and too small to pose any threat: Bonaparte had long before withdrawn a large part of his Army of the West to form the basis of the Army of Reserve which defeated the Austrians at Marengo. Because of inadequate preparation, and the clash of plans and personalities, the decisive moment for distracting the French was long past before any British diversion came into operation. Though Grenville sincerely tried to make the Austrian alliance work, the traditional failings of the British war system nullified his efforts.

Thus, despite a desire to avoid the mistakes of the past, British efforts at co-operation with Austria proved to be little better than before. Equally, there was certainly little conscientious effort on the Austrian side to produce a more wholehearted co-operation. The old failings were to contribute to its final ruin.

There seems little doubt that Thugut was determined to continue the war, and to do so in conjunction with Britain. Preparations for the next campaign were pushed forward over the winter of 1799-1800 and about 4,500,000 florins¹ advanced to the states of the Empire alone to enable them to maintain their troops.² Although he was scornful of Britain's 'disinterested' policy and resentful of the anti-Austrian attitude of some of the British envoys on the continent, Thugut was nevertheless careful to foster the connection with Britain. When Wickham visited Vienna in February 1800, he tested the Austrian Minister by trying to provoke him into an indiscreet outburst against Britain, but Thugut took great pains to check himself and to avoid saying anything that might give offence. 'On the other hand', reported Wickham, 'whenever I talked of the power of England and Austria united, and of the days of Queen Anne and Maria Theresa, I observed his eyes brighten up in a way that could not have been assumed for the purpose of deceiving me, and he launched out immediately on the ambition of France under what-

1. £450,000.

2. Vertrauliche Briefe, II, 205, Thugut to Colloredo, 10 January; H. M. C. Dropmore, VI, 196, Wickham to Grenville, 15 April 1800.

ever form of government she existed, and the necessity of reducing her within proper bounds.¹ The most convincing proof that he was in earnest was that he swallowed his pride and ratified the 1797 Convention, a step which, as Wickham remarked, 'must have cost him more than all the misfortunes of the most humiliating campaign.'

When it came to forming a concert with Britain, however, Thugut as ever was determined to drive as hard a bargain as possible, and as insurance he kept the way open for negotiation with France for as long as he could. Thus his polite evasion of Bonaparte's peace overture of 25 December was not transmitted until 25 January, and the ratification of the 1797 Loan Convention with Britain, promised on 10 December, was not sent off until 29 January - presumably in the hope of receiving the British answer

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1. Ibid., VI, 164-6, Wickham to Grenville, 17 March; P.R.O., FO 7/58, Minto to Grenville, No. 14, 24 March 1800.
 2. P.R.O., FO 74/30, Wickham to Grenville, No. 79, 27 June 1800.

to his demands first.¹ This, indeed, was the reason which he gave Minto for delaying his reply to the renewed French overture of 28 February until 24 March, and he held back details of this correspondence from Minto for as long as he dared.² Unfortunately, because of bad weather, Grenville's answer was not received for over three months. When it finally reached Vienna on 25 March, it did not at all measure up to Thugut's expectations. Minto reported that it was received with great coldness. Grenville had only offered

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1. P.R.O., FO 7/58, Minto to Grenville, No. 4, 29 January (Thugut told Minto that the delay of the ratification was due to the negligence of his office); Vertrauliche Briefe, II, 441-2, Thugut to Talleyrand, 25 January 1800. Thugut had also to be wary of an Anglo-Russian alliance hostile to Austria.
 2. Ibid., II, 442-3; P.R.O., FO 7/58, Minto to Grenville, Nos. 6, 9 and 14, 22 February, 9, 24 March 1800. Talleyrand offered to negotiate on the basis of Campo-Formio and to leave Austria virtually a free hand in Italy in return for renouncing its claims by that treaty in Germany. Thugut rejected this basis and insisted on a general, not a separate peace, with its basis in the existing position.

£1.6 million to Austria whereas £2 million was essential,¹ and he had made no mention of Austria's claim to the Three Legations. In the interval, moreover, Thugut had departed from his former claims on Piedmont which Grenville had accepted. Since Russia and Prussia would oppose such claims, he would waive them if the fortresses near the Milanese were demolished and Austria received the Three Legations, Lucca, the Valtelline and garrison rights in Genoese fortresses.² Minto's efforts to produce a Convention agreeable to both governments was rendered even more difficult by the opening of the campaign in Italy. On 6 April the Austrian army, under Baron Melas, took the offensive and within two weeks broke the French line and shut up the greater part of the French Army of Italy in Genoa, Lord Keith, with the British Mediterranean fleet, closing the ring by sea. Ambition and success led Thugut to abandon restraint. In these weeks he raised his claims almost daily, and negotiations with Minto spun out as each new claim was brought forward and discussed. At last,

1. Grenville gave no reason for offering the smaller sum, but almost certainly it was because he wished to control the £1 million to be spent on auxiliaries instead of giving it to Thugut to spend as he wished. Possibly also he may initially have limited the help to Austria in order to have funds available for Russian troops should Russia stay in the war.

by 1 May, a draft project of a Convention, to last for one year, was drawn up, and Minto transmitted this to Grenville. By its terms, Austria would receive £2 million advances during the year, paid in three instalments and to be repaid after the war on the terms demanded by Grenville. Territorially, Austria would obtain the eastern parts of Genoa and Piedmont, the Legations, Lucca and the Valtelline, and Britain would use its influence to persuade the Italian princes to accept this settlement. In return Austria would make a commercial treaty with Britain, pursue the war with vigour, and make no separate peace or a peace which left the Netherlands to France without British consent. The two Powers would also restore the King of Sardinia at the peace to the remainder of Piedmont, Genoa, and Savoy.¹ Next day (2 May), Thugut felt sufficiently confident to return an answer to a further French offer of negotiations on the basis of present positions which he hoped would put an end to the correspondence for several months.²

1. Ibid., Minto to Grenville, Nos. 20, 21 and enclosures, 1 May 1800.

2. Vertrauliche Briefe, II, 444-5, Talleyrand to Thugut, 7 April, Thugut to Talleyrand, 2 May; P.R.O., FO 7/58, Minto to Grenville, No. 27, 17 May 1800.

Nevertheless, there were still parts of the project which Thugut disliked. He had little desire to help the King of Sardinia. He was opposed to the article on the Netherlands, especially after their recovery was made even more remote at the beginning of May, when the French crossed the Rhine and drove the Austrians back to Ulm, and he wished to postpone the conclusion of a commercial treaty which the current anglo-phobic Viennese public opinion would not stand. Minto naturally objected to such changes and the negotiations dragged on once more. It was not until 23 June 1800 that the negotiations, initiated in the previous December, were brought to a conclusion. Grenville was pressing for the conclusion of the Convention in order to put it to Parliament before the summer recess.¹ In the second week of June news reached Vienna that Bonaparte had crossed the Alps and reached Milan behind Melas, and that the latter was moving back to meet him. Minto, therefore, believing every hour critical, gave up the articles on the

1. P.R.O., FO 7/59, Grenville to Minto, No. 23, 3 June; H.M.C. Dropmore, VI, 242-3, Grenville to Minto, Private, 3 June 1800.

Netherlands and the commercial treaty, and, without waiting for authorization from Grenville, signed the Convention in its revised form on 23 June 1800. At Thugut's request it was back-dated to 20 June, perhaps the day on which the Emperor had consented to it.¹ On 24 June news arrived in Vienna of an armistice in Italy; on 25th, detailed confirmation in the shape of Melas's report that on 14 June he had been defeated at Marengo and forced to sign an armistice by which he was to evacuate Genoa (captured on 4th), Piedmont and Lombardy

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1. P.R.O., FO 7/60, Minto to Grenville, No. 67, 7 September; PRO30/8/339, Minto to Grenville, No. 36, 24 June; Minto, III, 131-2, Minto to Wickham, 25 July 1800. For the text of the Convention see Pribram, Österreichische Staatsverträge: England, II, 382-90. The Convention was in two parts: (1) Public, containing the general engagements undertaken by the two Powers, (2) Secret, stipulating their views of aggrandizement at the peace.

and retire behind the Mincio.¹ Three weeks later the Austrian commander in Germany also signed an armistice with the French on orders from Vienna. Hardly had the rapprochement been cemented by a Convention that the Austrians were forced to admit that they could not for the present continue the war.

III. The Indian Summer of the Anglo-Austrian alliance

The British government regarded the delay in the conclusion with great suspicion and agitation. For all his commitment to the policy of a whole-hearted co-operation with Vienna, Grenville was still fearful that all would end with

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1. Sherwig, Guineas and Gunpowder, 132, asserts that Thugut signed because he had heard of Marengo on 22 June, and implies that this was why the Convention was backdated. In fact the first hint of disaster in Italy was not received until 24th, and no definite news until 25th (Hüffer, Quellen zur Kriege von 1799 und 1800, II, 347 ff.; A. Fournier, Historische Studien und Skizzen, Leipzig, 1835, I, 185). The terms of the Convention had already been settled and put before the Emperor for his approval on 19th (Vertrauliche Briefe, II, 227, Thugut to Colloredo, 19 June). Moreover, Minto's reports clearly indicate that it was he and not Thugut who made the sacrifices which brought agreement. His subsequent reports suggest that Thugut regretted his signature when he heard of Marengo (P.R.O., PRO 30/8/339, Minto to Grenville, Nos. 39, 47 and 54, 6 July, 2, 7 August 1800).

a separate Austrian peace, and he complained that Thugut's behaviour was a most ungracious return for the efforts made by the British government.¹

Nevertheless, the delay in reaching agreement on the Convention, although symbolic of the lack of real unity between the two Powers, had little effect on the fate of the campaign. The lack of British military help was the product of domestic factors, and a considerable amount of financial help was afforded to Austria despite the delay. Wickham was allowed to complete his recruiting of British-paid auxiliaries for the Austrian army. Grenville accepted Thugut's reiterated demand for £2 million for Austria without complaint, nor did he demur when Minto, on his own initiative, made an initial advance of £200,000 in bills of exchange on 7 May, in anticipation of the conclusion of the Convention.² Moreover,

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1. H.M.C. Dropmore, VI, 186, 208-9, Grenville to Minto, 28 March, 29 April; P.R.O., FO 7/59, Grenville to Minto, No. 23, 3 June 1800.
 2. P.R.O., FO 7/58, Grenville to Minto, Nos. 17 and 18, 13, 17 May; Minto to Grenville, Nos. 22 and 23, 2, 8 May 1800. In fact Thugut never used this £200,000 and returned the bills unused on payment of the first instalment of the advances in August (H.M.C. Dropmore, VI, 250, Minto to Grenville, 19 June; P.R.O., PRO30/8/339, Minto to Grenville, No. 51, 7 August 1800).

when the Austrians lost their magazines as a result of the French advance into Germany early in May, Ministers adopted Wickham's suggestion that George III should make a personal gift to the Emperor to replenish his magazines, and they offered £150,000 for this purpose.¹ British willingness to help finance Austria was thus not affected: Wickham had stated that 'money you must give them; for, without money, they cannot possibly go on, and without them we can do nothing', and the Cabinet followed his advice implicitly.²

Having put so much reliance on Austria, the events of May and June came as a cruel blow to Ministerial hopes. 'Nothing could equal the disappointment which we were

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1. H. M. C. Dropmore, VI, 213, Wickham to Grenville, 8 May; P.R.O., FO 7/58, Grenville to Minto, No. 22, 21 May 1800. Wickham suggested giving £100,000; Grenville raised it to £150,000.
 2. H. M. C. Dropmore, VI, 196, Wickham to Grenville, 15 April. Pitt told Grenville concerning the free gift that '... I am persuaded that, on so strong an authority as we all hold Wickham to be, no one will hesitate to risk another £150,000 for an additional chance of turning to account all the rest which we have given or are to give.' (Ibid., VI, 232, 19 May 1800.)

preparing ourselves by indulging these sanguine expectations',
confessed Canning.¹

The Austrian plan of campaign had been for the army in Germany under Kray (120,000 strong) to remain on the defensive until that of Melas (100,000) completed the conquest of Italy. Then Melas would detach 15,000 to support Kray's advance by co-operating with his left flank, which was to advance through Switzerland and into France via the Belfort Gap. Kray's centre was to cross the Rhine into Alsace, while his right advanced into Lorraine. Unfortunately, while Melas successfully accomplished his part of the plan in April-May, Kray was unable to maintain his position on the Rhine, where the French under Moreau (120,000) took the offensive on 25 April, mauled the Austrians at Stockach and Moeskirch (3-5 May), and forced Kray to abandon his magazines and retire to Ulm. Wickham was still full of hope, for Kray's

1. B. M. Add. Ms. 37,295 (Wellesley Papers), Canning to Wellesley, No. 3, 24 August 1800.

army was still intact and the British envoy was confident it could yet defeat the French,¹ but he was ignorant that Moreau's object had been simply to create enough room for Bonaparte to cross the Alps into Italy behind Melas. Between 14-19 May the Army of Reserve crossed the Great St. Bernard Pass; on 2 June it took Milan; on 14 June Bonaparte defeated Melas in the closely contested Battle of Marengo.²

Because of Wickham's reassurances the British Ministers had not been too concerned at the set-backs in Germany, and Grenville expressed confidence in the outcome of the contest in Italy.³ Marengo, therefore, marked the turning point in British plans and aspirations. When it was learnt of in London on 24 June, Grenville and Pitt were plunged into extreme dejection. By the time the Cabinet was assembled on 26 June, however, they had recovered some of their spirits.⁴

1. H. M. C. Dropmore, VI, 227, Wickham to Grenville, 14 May 1800.

2. See A. B. Rodger, The War of the Second Coalition 1798-1801 (Oxford, 1964), Ch. 15, passim.

3. H. M. C. Dropmore, VI, 243, Grenville to Minto, 3 June 1800.

4. Leeds Pub. Lib., Canning Mss., Bundle 64, Frere to Canning, undated, beginning 'Dear Canning, I saw Pitt this morning ...'

Whereas on 24th it was feared that the Austrians had lost all Italy, three days later Grenville flattered himself that Melas was now able to concentrate his army on the Po, where, backed by Mantua and Peschiera, he could if necessary recommence hostilities from a more favourable position than that from which the Austrians had begun in the previous year.¹

The Cabinet therefore resolved to declare to Vienna that if Austria was prepared to continue the war, Britain would assist to the utmost. Ministers were now ready to begin operations against Belleisle and they had a further 25,000 troops available and were willing to listen to any Austrian suggestions for their employment. If on the other hand, as seemed more probable, Austria was unable to carry on, they were willing to negotiate for peace jointly with Vienna and to continue their aid so that 'the situation of Austria should be respectable and even formidable.' Although George III objected that such a

1. Court and Cabinets, III, 83-4, 36, Grenville to Buckingham, 24, 27 June 1800.

declaration would be more likely to encourage Austria to make peace rather than war, this despatch was nevertheless sent to Vienna on 27 June.¹ As in 1795, 1796 and 1797, Anglo-Austrian relations once more degenerated into an attempt to prevent Austria from making a separate peace.

The receipt of the Convention, signed on 12 July to some extent eased Cabinet fears, and next day Minto's report of the initial Austrian reaction to Marengo arrived. Thugut gave assurances that nothing would be done inconsistent with the Emperor's dignity and his engagements to Britain, and Minto believed that there would be no disgraceful repetition of Campo-Formio. However, he felt that before the natural end to the campaign an armistice would probably be made which might terminate in a peace concerted with Britain.² In his reply on 17 July, therefore, Grenville repeated his offer of full British support whether Austria chose war or peace.

1. Ibid.; P.R.O., FO 7/59, Grenville to Minto, No. 24, 27 June; Aspinall, III, 366, George III to Grenville, 27, 28 June 1800.
2. P.R.O., PRO30/8/339, Minto to Grenville, No. 37, 28 June; H.M.C. Dropmore, VI, 257, Private, 28 June 1800.

The Convention was ratified wholly, including the secret articles on Austrian indemnification, which had now lost their practicability.¹ The first instalment of the advances, totalling £666,666, was despatched to Hamburg, and though he expressed some uncertainty as to the payment of the remainder if Austria made peace, Grenville promised a liberal consideration since further payment would strengthen Austria's bargaining position.²

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1. Grenville instructed Minto not to exchange the ratifications of these articles at that time, but to state that he would do so if the situation in Italy took a favourable turn. However, should this produce unease, he was to exchange the ratifications immediately.
 2. As a further indication of British willingness to satisfy Austrian wishes, this advance was made in specie, as Thugut requested, instead of in bills of exchange as most of the 1795 loan and all of the 1796-7 advances had been. The export of specie and bullion, even as a lesser part of the 1795 loan, had contributed towards the British financial crisis in 1796-7, but Austria equally suffered heavily because of the heavy discount it had to allow on bills of exchange. The first payment of £650,000 in specie in August 1800 cost only 3% in commission and transfer charges, compared with an anticipated loss on bills of exchange of 10% (P.R.O., PRO30/3/339, f. 111. Account of Thornton and Smally, Bankers, sent by the Treasury to the Foreign Office, 23 August 1800).

In particular Grenville stressed the need for close and cordial co-operation between the two Powers for war, for the negotiation of peace, and for the purpose of self-defence and the general security of Europe after the peace.¹

In a separate despatch of the same day, he urged the importance of concluding a new treaty of defensive alliance as stipulated in article 11 of the secret part of the Convention.²

Thus, though their hopes of using the Austrian alliance to overthrow Bonaparte had taken a severe blow, Ministers still saw the Austrian connection as the best means of counterbalancing France in Europe. Wickham was still reporting that the real strength of Austria remained untouched,

1. P.R.O., FO 7/59, Grenville to Minto, No. 27, 17 July 1800.

2. Ibid., Grenville to Minto, No. 28, 17 July. Grenville repeated this call a month later (ibid., to Minto, No. 35, 18 August 1800). Since there was a growing threat in the summer of 1800 of the formation of an Armed Neutrality of the northern Powers, the British government had additional reasons for wishing to strengthen its ties with Austria, and Grenville particularly pressed for a Commercial Treaty between the two Powers in refutation of the principles of an Armed Neutrality.

and that if only the Archduke Charles was in command in Germany the French would be driven over the Rhine within a week.¹ Grenville approved of Wickham's efforts in July to reinforce the auxiliary forces in Germany by hiring 12,000 additional Bavarians and 3,000 Wurtzburg militia.² Although George III believed that 'little good is to be expected from Austria' and was hostile to joint peace negotiations along with Vienna,³ and though Dundas was still advocating a concentration on British interests and the use of their disposable force in expeditions to the Caribbean and South

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1. H. M. C. Dropmore, VI, 258, 271, Wickham to Grenville, 28 June, 15 July 1800.
 2. P. R. O., FO 74/31, Wickham to Grenville, No. 85, 21 July, No. 101, 7 August 1800. On 19 July Wickham signed a Convention with the Prince-Bishop of Wurtzburg and the Subsidy Treaty of Amberg with Bavaria. In all, between March and the end of July 1800, Wickham hired 35,516 regular troops and an undisclosed number of militia for the Austrian service at a total cost of £1,231,260 (FO 74/36, Wickham to Grenville, No. 18, 12 June 1800, Enclosure A, 'Account of all sums expended in sterling to subsidiary troops').
 3. Aspinall, III, 367-8, 376, George III to Grenville, 24, 27, 28 June, 17 July 1800.

America,¹ the majority of the Cabinet still held to Austria. Dundas, indeed, scored a limited success when he persuaded his colleagues to agree to employ the British forces in attacks on Spanish ports during the continental armistice in order to destroy the Spanish fleet,² but he could not persuade them to send British troops outside Europe; while there was still a chance that Austria would continue the struggle it seems that the majority of the Cabinet still wished to have their troops available to be used to support the Austrian armies.³

Moreover, Austrian considerations shortly led the Cabinet to a decision which would have involved the suspension even of these expeditions to Spain, when at the beginning of September it resolved to agree to a naval armistice in order to secure a continuation of the continental truce.

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1. S.R.O., GD 51/1/725/1, Secret Memorandum, 14 August 1800.
 2. Aspinall, III, 382, Cabinet Minute, 24 July 1800. George III was thoroughly out of sorts with the Cabinet and objected to the plan. He only gave way four days later, on 28th (ibid., 387).
 3. H. M. C. Dropmore, VI, 277, 300, Dundas to Grenville, 25 July, Grenville to Minto, 19 August; P.R.O., FO 7/59, Grenville to Minto, No. 35, 18 August 1800.

A naval armistice was an event without precedent in British history, and when he had expressed to Vienna British willingness for joint negotiations with France, Grenville specifically dismissed all idea of it.¹ At a time when Britain was master of the seas a naval armistice would open up the blockaded enemy ports, enable Malta to be succoured at the very moment when it was on the point of surrendering to a British besieging force, and reopen communications between France and its isolated army in Egypt. Thus it would be wholly to the advantage of France and wholly to the disadvantage of Britain. When, therefore, towards the end of August, the French agent in London for the exchange of prisoners communicated a proposal for a naval armistice, Grenville rejected the suggestion. The agent, M. Otto, had hinted that a rejection might result in the reopening of hostilities on the continent, and on 4 September he transmitted the French government's reply to Grenville's rejection:

1. P.R.O., FO 7/59, Grenville to Minto, No. 27, 17 July 1800.

the continental armistice had been denounced on 29 August, and unless Britain agreed to a naval armistice, hostilities with Austria would recommence on 11 September.¹

The French ultimatum forced the Cabinet to reconsider its position. The reports from Vienna showed that Austria, albeit perhaps reluctantly, was still remaining faithful to its engagements to Britain. The Emperor ratified the Convention of 20 June. He disavowed a separate peace signed without authorization by Count St. Julien, who had been sent to Paris with a non-committal reply to Bonaparte's peace appeal of 16 June. Instead he offered to begin negotiations in conjunction with Britain at Lunéville.² At the same time reports from the Austrian army in Germany indicated that it was in no condition to resume hostilities yet. Wickham reported that with a proper choice of generals and commander-

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1. For an account of the negotiations for a naval armistice, see H. M. Bowmann, The Preliminary Stages of the Peace of Amiens (Toronto, 1901), 48-60. The French object in its proposals to Britain appears to have been to save Malta.
 2. P.R.O., PRO30/8/339, Minto to Grenville, Nos. 40, 47, 51 and 55, 9 July, 2, 7, 10 August 1800.

in-chief it would 'beat the French army to pieces', but at that moment it had lost all confidence in its present commanders and needed time to restore its spirit.¹ Fearful of Austria being forced into a separate peace if hostilities were resumed, Ministers therefore resolved 'to ascertain how far the establishment of a naval armistice can be so regulated as to afford the means of giving fair trial of the effect of joint negotiation according to the system adopted between your Majesty and the Court of Vienna.'² The government consequently accepted in principle the idea of a naval armistice, and on 7 September Grenville transmitted to Otto a counter-project to the French armistice proposals. Although he refused to allow France to transfer fleets at will during an armistice and though he would only allow stores to be supplied to Malta and Alexandria sufficient for the daily consumption of their garrisons during its duration, nevertheless he had

1. H. M. C. Dropmore, VI, 276, Wickham to Grenville, 25 July; P. R. O., FO 74/31, Wickham to Grenville, No. 87, 25 July 1800.

2. Aspinall, III, 408, Grenville to George III, 5 September 1800.

submitted to negotiate on the subject.¹ 'That resolution',

Grenville explained to Minto,

is adopted on no other ground than an anxiety to prevent if possible the renewal of hostilities on the Continent at a time when it is feared that the Austrian army is not in a state to oppose an effectual resistance to any vigorous attack from the enemy. The measure of a naval armistice is judged to be, both in its immediate effects, and also in the precedent which it affords, extremely disadvantageous to the interest of Great Britain; and much direct pressure on this country would have been cheerfully borne rather than to have yielded this point; which is regarded as the greatest sacrifice to Austrian connection² that has been made in the course of the present war.

1. Bowmann, 53-4.

2. P.R.O., FO 7/60, Grenville to Minto, No. 41, 8 September 1800. Only six ministers (Pitt, Grenville, Chatham, Portland, Spencer and Camden) were present in London when the decision was taken. Of the others Dundas was particularly vehement against the decision and asked for his dissent to be recorded. Windham was less so, while Loughborough approved of making 'this first sacrifice to the safety of Austria, which, whatever demerit it has incurred, is still the Power we must support.' (B.M.Add.Ms. 40,100, Dundas to George III, 14 September, enclosing Dundas to Grenville, 9 September; P.R.O., PRO30/58/3, No. 66, Loughborough to Pitt, 6 September 1800.) It was hoped at least to give Austria a further 4-6 weeks respite in order that in the meantime it might recover sufficiently to survive the relatively short time from then to the normal end of the campaigning season. This would greatly increase their bargaining position (H.M.C. Dropmore, VI, 332-3, Grenville to Wickham, 26 September 1800).

IV. The collapse of the Old System

The British wish to confirm their connection with Austria was unfortunately made at a time when Austrians were virtually unanimous in their hostility to this connection.

Wickham reported them as complaining of the want of co-operation by Britain that enabled the French Army of Reserve to be almost entirely composed of detachments from the coasts of Brittany and Normandy.¹ But Austrian resentment went much deeper than this. Wickham had already noticed a tendency in the army in Germany to grumble about the price of sugar and coffee and the profits which Britain was making from the war.² Bonaparte, admittedly a biased observer, noted after Marengo that

Les généraux, officiers et soldats de l'armée autrichienne . . . paraissent convaincus que nous ne nous batons que pour vendre plus cher le café et le sucre des Anglais.

1. H. M. C. Dropmore, VI, 247, Wickham to Grenville, 12 June 1800.

2. Ibid., VI, 73, Wickham to Grenville, 13 December 1799.

Un général autrichien de beaucoup de mérite disait au quartier général: 'Nous n'aurons de repos et de bonheur sur le continent que lorsque, d'un concours unanime, nous en interdirons l'accès à cette nation vénale et mercantile, qui calcule sur notre sang pour l'accroissement de son commerce.'¹

This feeling among the Austrian armies was also present at Vienna. Minto reported on 7 September that

It is necessary to remind or apprise your Lordship of the universal jealousy, envy, and indisposition which pervade Europe, I believe, towards the supposed monopoly of trade and specie enjoyed by England. We are represented as making war, and inciting all other nations to join us, merely for its profits. That is the favourite topic of our enemy and it is a matter of real wonder to observe the success with which this injurious absurdity has been propagated. It is current here among all ranks, and has complete possession of the Austrian people.

Thugut, he added, had to 'fight a battle for every measure that relates to war and to England'.²

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1. Correspondence de Napoleon (Paris, 1860), VI, 467-8, Bulletin of the Army of Reserve, 17 June 1800.
 2. P.R.O., FO 7/60, Minto to Grenville, No. 67, 7 September 1800. Minto wrote to Carysfort at Berlin that 'the cri de guerre of the peace faction and indeed of nine-tenths of the population of Austria' was 'the influence of England' (Minto, III, 166, 11 October 1800).

This last comment is extremely significant, for Austrian public opinion had never been greatly enthusiastic about the British alliance. There had always been admiration for individuals - Nelson received a hero's welcome when he passed through Vienna in the summer of 1800¹ - but there was mainly suspicion of the selfishness of British policy. Thugut, though sharing these prejudices, had nevertheless combined with Britain in order to continue the war, but the defeats in Germany and Italy in May and June 1800 represented the failure of his policy, and his influence suffered accordingly. The army, embittered by defeat, was once more hostile to him, his enemies called for his removal, and the Emperor began to waver and pay more attention to other advisers.² He had considerable difficulty in preventing the recall of the Archduke

1. Ibid., III, 146-7, Lady Minto to Lady Malmesbury.

2. Corresp. de Napoleon, VI, 467-8, Bulletin, 17 June; Vertrauliche Briefe, II, 227-32, Count Rottenhan to the Emperor, 27 June, Colloredo to Thugut, 3 July (236), Thugut to Colloredo, 26 July, 8 August 1800 (252, 255).

Charles who was declaring the indispensable need for peace;¹ he had equal difficulty in persuading the Emperor to ratify the Anglo-Austrian Convention;² and he only secured the rejection of the St. Julien peace preliminaries after a full meeting of the Emperor and his Ministers.³ For the first time he threatened to resign if the Emperor withheld from him his entire confidence.⁴

The rejection of the St. Julien peace preliminaries was Thugut's last triumph. Since some of the other Ministers were afraid that this would cause a rupture of the armistice, it was decided to ask the French to name a place

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1. Ibid., II, 285-6, Thugut to Colloredo and reply, 2, 3 July 1800. For the Archduke Charles's views at this time see E. Wertheimer, 'Erzherzog Carl und die Zweite Coalition', A. O. G., LXVII (1886), 240-1.
 2. P.R.O., PRO30/8/339, Minto to Grenville, No. 47, 2 August 1800.
 3. Ibid., Minto to Grenville, No. 55, 10 August; Vertrauliche Briefe, II, 255, Thugut to Colloredo, 8 August 1800. There are indications that St. Julien may have received some encouragement for his action from the Archduke Charles and the Emperor. See L. M. Roberts, 'The negotiations preceding the peace of Lunéville', Transactions of the Royal Historical Society (1901), 68-72.
 4. Vertrauliche Briefe, II, 252, Thugut to Colloredo, 26 July 1800.

for negotiations for a general peace. Bonaparte could hardly refuse this, but thwarted of a separate peace, he stepped up his pressure on both Austria and Britain, as has been seen (above, p. 424), by giving notice of the termination of the continental armistice on 10 September. Although Vienna had been trying to restore order in its armies and Kray had been removed from command in Germany, the Austrian army was still in no condition to fight when, on 5 September, the Emperor himself went to take command of the army in Germany in the hope that his presence might have some effect. He took with him Count Lehrbach, who had been Thugut's agent to the south German states, and who was to be Austrian representative at the peace negotiations. Lehrbach supposedly Thugut's supporter, seized the opportunity to intrigue himself into control of foreign affairs, and he persuaded the Emperor to accept a French proposal for the continuance of the armistice if Austria surrendered the three fortresses of Ulm, Philipsburg and Ingolstadt, which still held

out behind the French lines. Lehrbach kept both Thugut and Wickham, who was with the army, in complete ignorance of his transactions until the arrangement was completed by the Convention of Hohenlinden on 20 September.¹ Thus, only two days before news reached Vienna that the British government had agreed in principle to a naval armistice in order to save the continental truce, Lehrbach surrendered Austria's last advantages in Germany for the same purpose.

Thugut's reaction was to press his resignation on the Emperor. This time, whether or not he had meant it, it was accepted and Lehrbach was appointed Minister for Foreign Affairs. This brought an immediate protest by Minto, who declared that Lehrbach's treatment of Wickham would make his appointment offensive to Britain, and the Emperor, after much resistance at foreign interference in the choice of his Ministers, was induced to remove him. But

1. P.R.O., PRO30/8/339, Minto to Grenville, Nos. 55 and 65, 10, 30 August; FO 7/60, Minto to Grenville, Nos. 65, 66, 78 and 79, 2, 4, 24, 26 September; PRO30/8/340, Wickham to Grenville, Nos. 116 and 117, 20, 23 September; H.M.C. Dropmore, VI, 326, 330, Wickham to Grenville, 20, 24 September 1800.

this was a negative success. Not only did it make Francis resentful of British interference but he also believed that Thugut was behind Minto's demands and expressed his 'displeasure and distrust'. There was no question of Thugut's restoration to favour, Instead, Count Ludwig Cobenzl, who had been ordered from St. Petersburg by Paul, was made Vice-Chancellor and head of foreign affairs.¹ Though Thugut retained the Italian Department with the title of 'Ministre des Conferences', and though he was appointed to receive all communications from foreign envoys when Cobenzl went to negotiate peace at Lunéville, he was never again in the Emperor's confidence and his influence was minimal. With him departed the last hopes of maintaining the Anglo-Austrian connection.

The change in direction of Austrian policy can be seen from the instructions which Ludwig Cobenzl drew up

1. P.R.O., FO 7/60, Minto's reports, 24 September-4 October; Vertrauliche Briefe, II, 286, Colloredo to Thugut, 26 September 1800.

for his own negotiations with the French.¹ Cobenzl realized the danger of detaching prematurely from Britain, which would only weaken Austria's negotiating position. Consequently he advised that Minto should be assured of their determination to remain united to Britain for peace and war. Further he would tell the French that Austria would only treat conjointly with Britain and would refuse to open negotiations before the arrival of the British plenipotentiary. However, in the event of a difference of opinion with Britain as to the admissability of French terms, he might make a separate peace (despite the engagements to Britain of 20 June), and in separate instructions he was authorized, if there was any delay in the arrival of the British envoy, to discover the French terms and conclude a separate peace should the opportunity occur of obtaining a lasting peace favourable to Austria.²

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1. Cobenzl was appointed when Talleyrand sent passports for an Austrian plenipotentiary to go to Lunéville on 26 September 1800.
 2. Vertrauliche Briefe, II, 300-2, Cobenzl to Emperor, 9 October, Emperor to Cobenzl, 14 October (307-8), Cobenzl's Instructions, 14 October 1800 (Appendix, 466-72).

Although Minto accepted Cobenzl's professions of a desire to continue in close and confidential alliance with Britain, he warned his government nevertheless that 'experience of the past and a knowledge of the characters on whom the future must depend, make it impossible to be secure against weakness in moments of disaster and panic.'¹ Within a few weeks additional proof of this weakness presented itself when the Austrians, who had been arming the Tuscan peasants, did nothing when the French suddenly invaded Tuscany in violation of the armistice, seized Florence and Leghorn, destroying all resistance, and thus gaining domination of the Italian peninsula. Minto commented sadly to Lord William Bentinck, who was with the Austrian army in Italy, that its commander was not to blame;

This new misfortune must be attributed to the weak and false policy which prevails at Vienna, or perhaps to the want of any efficient government whatever in the present moment; for at this critical and important period no man knows who is minister. In

1. P.R.O., FO 7/60, Minto to Grenville, No. 86, 10 October 1800.

reality there is none; there is literally no government whatever in this Empire, and the vessel is drawing ¹as it can, before every gust of wind that blows.

In Britain the good will towards Austria and the desire to maintain the Austrian connection, which survived Marengo and which produced the decision to negotiate a naval armistice, was given its death-blow by the Convention of Hohenlinden. Thereafter, as the state of affairs on the continent became known in London, Ministers lost their confidence in any firmness from Vienna and turned to a more introspective policy.

The news of the Convention of Hohenlinden was received in London from the French newspapers on 28 September.² As a result, at a Cabinet meeting called two days later, Ministers decided to abandon the naval armistice

1. P.R.O., FO 7/61, Minto to Grenville, Nos. 96 and 98, 29 October, 4 November; Nott. Univ. Lib., Portland Mss., PwJa 138, Minto to Bentinck, 8 November 1800.

2. Windham Diary, 433.

whether the French accepted their counter-project of 7 September or not.¹ On 3 October they resolved that the British force in the western Mediterranean should be sent to Egypt.²

The alternatives to Egypt, argued in a debate on strategy which had been raging since 17 September, were that this force should be kept at Minorca to co-operate with the Austrians when hostilities were resumed, or that it should be sent to Portugal to ward off a threatened French attack.³ By 26 September it was decided that, owing to the lateness of the season and the positions of the armies in Italy, it was impossible to afford any real assistance to Austria in the

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1. B. M. Add. Ms. 37,924 (Windham Papers), Diary entry for 30 September 1800.
 2. Aspinall, III, 423-4, Minute of 3 October 1800. The force in question numbered 22,000 men, drawn from Minorca and Belleisle. At the time of discussion it was in the process of abortive raids on the Spanish naval bases on Ferrol and Cadiz during the European armistice.
 3. For the Cabinet controversy see B. M. Add. Ms. 37,924, Windham's diary entries, 17, 18, 23, 30 September, 1, 3 October; S. R. O., GD51/1/776-7, Memoranda by Dundas, 19 September, 2, 3 October, Grenville to Dundas, 21 September 1800.

present campaign and that the force should go to Portugal.¹ But the troops were to be kept in Europe and the implication was that they might still be used to support Austria in the next year.² This was the situation when the news of the Convention of Hohenlinden arrived. There now seemed little likelihood of a renewal of the continental war; if Austria did not fight then the French could concentrate overwhelming numbers against Portugal; and the expulsion of the French from Egypt was a pressing British concern. These arguments carried the day. The Egyptian expedition was Dundas's proposal and its adoption marked the final triumph of his policy of devoting British forces to British rather than to Austrian and continental interests.³ On 7 October he wrote to the king that

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1. P.R.O., FO 7/60, Grenville to Minto, No. 44, 26 September 1800.
 2. See Grenville's marginal comments on Dundas's memorandum of 19 September 1800 (S.R.O., GD51/1/776/1).
 3. The expedition sailed from Gibraltar on 20 December, wintered on the Turkish coast, and landed in Egypt on 8 March 1801. It met with complete success and on 2 September 1801 the last French forces capitulated.

Upon the subject of Austria, it is a considerable time since Mr Dundas was strongly impressed with serious doubts how far it was expedient to connect ourselves so closely in the negotiations of that Court. It is a wise policy at all times when we are at war with France to apply a part of the pecuniary resources of this country to create a powerful diversion on the Continent, but it is a consideration of a very different nature how far we ought in the hour of negotiation to incorporate ours with the interests of those continental Powers, especially when they have manifested either a feebleness¹ in their councils, or an inadequacy in their exertions.

George III had commented on the Convention of Hohenlinden that 'I hope everyone's eyes are now opened to the shameful pusillanimity of the Emperor and that we must avoid giving up our successes [in a peace negotiation] to preserve a broken reed. No good can be expected from Vienna.'² Dundas replied that he had 'reason to believe that those sentiments ... are becoming daily more prevalent in the opinion of your Majesty's servants.'³ Hence the Ministers' renunciation of all prospect of affording further military assistance to Austria

1. Aspinall, III, 426, Dundas to George III, 7 October 1800.

2. Ibid., III, 426, George III to Dundas, 5 October 1800.

3. Ibid., III, 426, Dundas to George III, 7 October 1800.

by committing their disposable force to the recovery of Egypt. Henceforth British strategy was directed towards attaining the best possible negotiating position for Britain irrespective of the continental war and in anticipation of being left to treat for peace alone.

The Convention of Hohenlinden and Minto's subsequent discouraging reports effectively mark the end of British belief in the efficacy of the Anglo-Austrian system. George III was far from being alone when he declared that the Austrian alliance could only be compared to 'a stone tyed to a sinking man; the casting it off is the only salvation.'¹ Canning, during a visit to the countryside, warned that 'I am perfectly persuaded that the reigning apprehensions of this Country (I mean even of the well disposed and thinking part of the Country) at the moment are, that the Government is actuated too much by attachment to Austrian Alliance ... the continental war is at this moment unpopular to a degree much beyond what we have

1. Ibid., III, 427, George III to Grenville, 9 October 1800.

ever yet seen. '¹ As Dundas had hinted, the Ministers were now coming to share this popular disillusionment. Even Grenville, who had applied himself most of all to strengthening the Austrian connection, felt that the Convention of Hohenlinden was an irretrievable step and asked what hope there could be 'from an Emperor of Germany who has publicly proclaimed his cowardice in the face of Europe, and delivered himself up, bound hand and foot, to his enemies, qui lora restrictis lacertis sensit iners, timiutque mortem.'²

For all their disillusionment, however, Ministers felt bound to honour their engagements and did not yet follow George III's advice to cast off the Austrian alliance. Grenville wrote to Minto that it remained for the Emperor to decide whether he would stand by his engagements or make a separate peace. He explained that '... we have adhered to our system not in the hope of much further co-operation from

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1. Leeds Pub. Lib., Canning Mss., Bundle 58, Canning to Grenville, 28 October 1800.
 2. H. M. C. Dropmore, VI, 346, Grenville to Minto, 10 October 1800.

such an ally, but because we will not give the example to Europe of abandoning, even under such circumstances, those to whom we are bound by treaty.¹ At the same time there was no mention of renewing the Convention of 20 June, which was due to expire in February 1801. Grenville had mentioned in May that this should be the subject of early negotiation before winter interrupted communications, but now, as Pitt remarked, this was something on which the government must exercise its discretion according to events.² Nor was there any further mention of the completion of the alliance stipulated in the Convention and urged by Grenville on 17 July and 18 August. This then became the Cabinet's policy for the rest of the war: it expected nothing from Austria but the imminent conclusion of a separate peace; however, so long as Austria fulfilled its engagements, Britain would do so also, though it awaited future developments before deciding

1. Ibid.; P.R.O., FO 7/60, Grenville to Minto, No. 45, 10 October 1800.

2. P.R.O., FO 7/58, Grenville to Minto, No. 19, Most Secret, 17 May; H.M.C. Dropmore, VI, 372, Pitt to Grenville, 2 November 1800.

on their renewal. As part of this policy Grenville directed Minto that in the present state of affairs he was to make no further payment of advances to Austria (only the first instalment had so far been paid) without express orders from London. If, however, the armistice was broken off, payment would be made, and if Austria entered a peace negotiation in good faith and concert with Britain, then the making of such payment even during the negotiation might be a matter of consideration and amicable discussion.¹

Neither of these eventualities seemed likely.

The French were withholding passports for a British plenipotentiary to go to Lunéville until it agreed to negotiate separately.² Pitt consequently expected that once Cobenzl reached Lunéville he would either make a separate peace or a further armistice which would lose

1. P.R.O., FO 7/60, Grenville to Minto, No. 45, 10 October; FO 7/61, Grenville to Minto, No. 48, 31 October 1800.

2. Ibid., Grenville to Cobenzl, 17 November 1800.

Austria all prospect of success in the next campaign, and this appeared to be confirmed when Cobenzl, finding no British envoy at Lunéville, went on to Paris at Bonaparte's request. Cobenzl wrote to Grenville on 25 October informing him of what he was doing and promising loyalty to the alliance, but Grenville confided to Minto that he fully expected Cobenzl to try to patch up the best peace he could, and only failing this to make a great parade of his adherence to Britain.¹ In the event Cobenzl, though pressurized by

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1. H.M.C. Dropmore, VI, 368, 369, Pitt to Grenville, 30 October; P.R.O., FO 7/61, Grenville to Minto, No. 47, 31 October 1800. Part of Grenville's pessimism stemmed from the fact that, as in 1795-7, the two Powers were far from agreement on the peace terms which they should demand from France. Though Grenville wrote on 26 September that, so far from being jealous of Austrian views, 'all our fear would be lest she should not strengthen herself against France.' (H.M.C. Dropmore, VI, 333), the British government, as before, was primarily concerned on the continent with freeing the Netherlands and Holland from France (ibid.; Life of Sidmouth, I, 257-60) and was alarmed at Austrian disinterest in this matter. Throughout August and September the British were kept in complete ignorance of Austria's views (FO 7/60, Grenville to Minto, Nos. 41, 44, 8, 26 September). Finally, Minto reported on 19 September that Austrian views were directed towards Italy, that they were unwilling to make any sacrifices there for the sake of Germany and the Netherlands, and looked entirely to Britain to liberate the latter (ibid., No. 73). This was the purport of Cobenzl's instructions of 14 October (Vertrauliche Briefe, II, 466-72). Grenville angrily complained that the interests of Britain and its other allies were being sacrificed to Austrian ambitions in Italy (FO 7/60, No. 45, 10 October 1800).

Bonaparte to make a separate peace, clearly felt that the French offers were not such as Austria had reason to expect. He wrote to Colloredo that he doubted the French both when they threatened war and when they proposed peace, and he was confident enough to hold out for good terms, for he had found the opinion in Germany was that Austria was better prepared than France to continue the war.¹ Accordingly he returned to Lunéville to await the British envoy.

Grenville was pleasantly surprised by this conduct and expressed his satisfaction to the Austrian Vice-Chancellor. But, since at the same time he received Minto's reports of the Emperor's weakness over the French invasion of Tuscany, Cabinet opinion was still inclined to feel that it would all end in a separate peace.² Consequently, even though Minto was soon reporting a gradual strengthening in

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1. Vertrauliche Briefe, II, 332, Cobenzl to Colloredo, 15 November 1800.
 2. P.R.O., FO 7/61, Grenville to Cobenzl, 17 November; B.M. Add.Ms. 37,424 (Windham Papers), Diary entry for 16 November 1800.

Austrian determination,¹ it was not until the beginning of December that the Ministers finally realized that Austria really did intend to make one last trial of arms with the French.² On 2 December Grenville assured Minto that all preparations had been made to remit the second instalment of the advance as soon as the news was received in London of the actual recommencement of hostilities. At the same time, however, he wrote to Carysfort that he very much feared still the impression which any considerable defeat might produce on the feeble character of the Emperor.³

That Grenville's apprehensions were justified was shortly proved. Hostilities began on 28 November. The

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1. P.R.O., FO 7/61, Minto to Grenville, Nos. 101, 102, 10, 12 November 1800 (received on 23 November).
 2. In part this was owing to Ministers having little confidence in Austria, in part to the bad weather of late November which interrupted communications. Minto's despatch No. 103 of 14 November, warning of the likelihood of the renewal of hostilities, was not received until 1 December, and Wickham's of 13 November, that hostilities would recommence on 28th, was not received till 8 December (ibid., No. 103; F.R.O., PRO30/8/340).
 3. F.R.O., FO 7/61, Grenville to Minto, No. 53, 2 December H.M.C. Dropmore, VI, 400, Grenville to Carysfort, 2 December 1800.

Austrians had managed to assemble 123,000 men in Germany and 120,000 in Italy, in each case slightly more than the French, though a considerable part consisted of inexperienced recruits. In Germany the Austrian army, under General Lauer and the young novice Archduke John, took the offensive immediately, but on 3 December it was disastrously defeated by Moreau at Hohenlinden with the loss of 10,000 men and 69 cannon. Although the Archduke Charles was hastily recalled to salvage something from the wreck, the army was too demoralized to make any further resistance. Driven back to within a hundred miles of Vienna, the Archduke was forced to sign an armistice at Steyr on 25 December, by which Tirol was evacuated and Austria agreed to make a separate peace.¹ Already on 22 December the Emperor had resolved to authorize Cobenzl to sign preliminaries of peace, or even peace itself, in order

1. P.R.O., PRO30/8/140, Wickham's despatches, Nos. 141-56, 28 November-25 December; FO 7/61, Minto to Grenville, Nos. 116, 118, 122, 11, 16, 27 December 1800; Rodger, War of the Second Coalition, 246-8.

to obtain a cession of hostilities, and, on 27th, he wrote a personal letter to George III that, having done everything in his power, he was no longer able to fulfil his engagements.¹ On 31 December 1800 Cobenzl announced at Lunéville that he was now ready to treat for peace separately from Britain, and peace between Austria and France was finally signed on 9 February 1801.²

So sudden were the events on the continent and so erratic the communications at that time of year, that the news of Hohenlinden was received in London from French newspapers on 12 December, barely a week after Ministers learnt of the renewal of the war.³ Moreover, because of the difficulty of meeting the Austrian demand of payment of the advances in specie to their agent in London, the news of the armistice and the Austrian decision to treat for peace separately were received before payment had been made.

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1. P.R.O., FO, 7/61, Minto to Grenville, Nos. 120, 122, 22, 27 December 1800.
 2. Roberts, 'The negotiations preceding the peace of Lunéville', T.R.H.S., 1901, 102-19.
 3. B.M.Add.Ms. 37,424 (Windham Papers), Diary entry for 12 December 1800.

In consequence the advances were withheld.¹

Nevertheless, the Austrian misfortunes produced an inclination to be gracious on the part of the British government. Grenville acknowledged that Vienna had behaved fairly and that they had no cause to complain of it. The necessity under which the Emperor was forced to act was unquestionably within the description of those circumstances which released a power from its engagements, however direct or positive. He gave renewed assurances of friendship and instructed Minto to omit 'no opportunity of impressing on the minds of all persons of influence at Vienna the conviction that the present disastrous situation of Austrian affairs affords an inducement to strengthen rather than to interrupt or weaken its connexion with the British Empire - a connexion which the King is sincerely desirous of cultivating on his part by all means in his

1. P.R.O., FO 7/61, Minto to Grenville, No. 110, 1 December, Grenville to Minto, No. 58, 16 December; Leeds Pub.Lib., Canning Mss., Bundle 76, Hammond to Canning, 10 January 1801; FO 7/62, Grenville to Minto, No. 3, 30 January 1801.

power.'¹ The way was thus left clear for a future renewal of the alliance whenever the two Powers were ready again.

A renewal of the Anglo-Austrian alliance was not to occur in the present war. A week before the Austrians made peace at Lunéville, the Pitt administration resigned over the king's refusal to agree to Catholic Emancipation. The Addington Ministry which succeeded it lacked the same commitment to the war. In April 1801 it made an impartial review of the prospects of a third coalition: Russia was an exhausted country with internal preoccupations; Prussia's duplicity and timidity allowed no great reliance to be placed on it; and 'the reduced state of the power of Austria, and the indiscipline of her Armies, must make peace, at the present moment, particularly desirable to Her.' There was

1. P.R.O., FO 7/62, Grenville to Minto, No. 1, 13 January 1801. It was in any case diplomatic for the British government to be generous to Austria. It was now alone in the war with France and at crisis-point with the Armed Neutrality of the North, consequently it needed to keep its friends.

thus not a single Power in Europe on whose active co-operation they could depend and there would be considerable difficulty in raising the necessary supplies for an ally even if they had one.¹ These were the considerations which led to the peace overture to France of 21 March 1801, to the preliminaries of peace signed in London on 1 October, and to the Peace of Amiens on 25 March 1802.

1. P.R.O., FO 7/63, Hawkesbury to Minto, No. 3, 24 April 1801 (Lord Hawkesbury was the new Foreign Secretary).

CHAPTER EIGHT

THE ANGLO-AUSTRIAN ALLIANCE, 1793-1801I. The Anglo-Austrian connection

'No consideration should ever induce us to forfeit the advantages we derive from our connexion with the Emperor.' So declared a pamphleteer in the autumn of 1800.¹ What exactly were the advantages to Britain from an Anglo-Austrian alliance?

Undoubtedly the main advantage to Britain from any alliance with a European Power was to have a 'continental sword' with which to fight France. As Pitt told the Commons, '... this country had never so successfully combated [France] as when its maritime strength had been aided by the judicious application of a land force on the continent, in order to weaken and divide the exertions of our opponents.' Britain possessed sufficient sailors, ships and money, but,

1. Brief reflexions on the correspondence between Lord Grenville and M. Otto in August and September 1800 (London, 1800), 42.

'... If there was any deficiency, it was in the number of our land forces. It was necessary, therefore, that for these we should look to some great power on the continent.'¹

In the 1790s an Austrian alliance in particular held both sentimental and important practical attractions. It was a practical attraction which initiated the revival of the Old System in 1793. Since most of the Powers of Europe were fighting France, there was no lack of a 'continental sword', but what drew Britain towards Austria more than any other Power was the advantage of having Austria as the powerful guardian of the Netherlands, with all the benefits to British trade and security which this entailed.² In their eagerness to encourage the reluctant Austrians to retain the Netherlands, British Ministers committed their only considerable striking force to co-operation with the Austrian

1. Parl.Hist., XXXI, Cols. 1294-5, Pitt's speech to the Commons on a Loan to Austria, 5 February 1795.

2. See above, pp. 4-6.

army in Flanders. As the war against Revolutionary France developed, however, as the lethargy and weakness of other Powers and the relative affinity of British and Austrian views on the war were seen, the advantage of having Austria as Britain's particular 'continental sword' was recognized.

When forced to choose between Austria and Prussia in 1793-4,¹ and Austria and Russia in 1799-1800,² the British government chose Austria.³

Ministers chose Austria because they believed that it was the best able, and most willing of all the continental Powers to act as a check on France. The Old System had proved effective in the past, and, while alliance with Prussia had also worked well, most British statesmen

1. See above, pp. 62, 86.

2. See above, pp. 375-90.

3. In the argument over the Prussian subsidy in February-April 1795, only Grenville among the Ministers realized that they were effectively making a choice between Prussia and Austria, and he wished to choose the latter. See above, pp. 154-6, 161-5.

of the eighteenth century considered Prussia as only second best.¹ It was argued that Prussia was only a transient Power, analogous to Sweden and Holland, lacking population, territory and natural resources, and that Austria was the more dependable long-term prospect.² Austria was the only Power whose interests were sufficiently wide as to lead it to combat France on every front and whose troops were sufficiently numerous to make such a confrontation practicable. Pitt argued that

... to whom could we look but to the Emperor? Both from the extensive means which he possessed, from his local situation, from the military character of his subjects, and from his interest in the prosecution of the present contest. ... If we looked for a power

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1. See particularly M. Schlenke, England und das Friderizianische Preussen, 1740-63 (Munich, 1963), 190, 227; D. B. Horn, Sir Charles Hanbury Williams and European Diplomacy (London, 1930), 211 ff.; Malmesbury, II, 211-2, Lord Carmarthen to Sir James Harris, 24 July 1786. In 1756 the Prussian alliance had been intended to supplement the Old System, and in 1787-8 it was only renewed after Austria had been solicited and declined.
 2. See Letters on the subject of the Concert of Princes (London, 1793), 126-7; C. D. Yonge, Life of the Earl of Liverpool (London, 1868), I, 23. Jenkinson to Hawkesbury, 26 July 1792.

who was interested in the preservation of the Italian States, and to defend those provinces from the incroachments of the French, whose interest it was to defend Savoy and preserve Piedmont, the emperor was that power - if we wanted a power who would defend Spain, or be a barrier to the French in the Low Countries, the Emperor was that power.

Probably the deciding factor was the readily apparent fact that in the 1790s Austria possessed the largest and best-trained army outside France in Europe. Throughout the war Austria put into the field more troops than any other Coalition Power, and its reserves of manpower were believed to be almost unlimited. In the words of one pamphleteer:

The Emperor, the principal of our continental allies, though still embarrassed by the expenses of the Turkish war, possesses the means of exerting a prodigious force. The Austrian troops are equally numerous and hardy and are accustomed to serve on a very trifling pay. An inexhaustable fund of recruits may be drawn² from Hungary, and the Sclavonian regions; ...

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1. Parl.Hist., XXXI, Col. 1295, Pitt's speech to the Commons, 5 February 1795.
 2. Reflections on the propriety of an immediate conclusion of peace (London, 1793), 127. See also Yonge, Life of Liverpool, I, 23; A Letter to the Rt. Hon. William Pitt by the Rev. Christopher Wyvill (London, 1793), 30.

The only Coalition Power with comparable reserves of manpower was Russia, but its armies were found in 1799 to be hopelessly deficient in leadership and training. The Austrian army made a tremendous impression in Britain in 1793-4¹ and was the main formative influence on British military dress, tactics and organization in the 1790s.²

In every way, therefore, the Austrian army became the dominant continental attraction for British Ministers. Even if it did nothing more than march up and down the east bank of the Rhine between Basle and Dusseldorf, it would still

1. See above, p. 38. See also The life of General Sir Robert Wilson, ed. H. Randolph (London, 1862), 72; R.H. Thoumine, Scientific Soldier, A Life of General Le Marchant (London, 1968), 17.
2. For Austrian influence in the adoption of the greatcoat and improvements in infantry transports, see A sketch of the campaign of 1794 (London, 1795), 15, footnote; for Austrian influence on the formation of a Royal Corps of Waggoners and on Light Infantry tactics, see R. Glover, Peninsula Preparation (Cambridge, 1963), 128, 273-4; for Austrian influence on General le Marchant, who reorganized British cavalry drill, see Thoumine, Scientific Soldier, 17, 30, 41; for a suggestion that the British system of courts-martial should be remodelled on Austrian lines, see Thoughts on the defence of these kingdoms (London, 1796), 37.

perform the vital service of employing and exhausting French resources in watching it.¹ It was Britain's first security against invasion.² It was the main bulwark against further French expansion - if the Austrian Empire was destroyed France might overrun Europe at its pleasure.³ Most optimistic of all, it was believed in 1795 and 1799-1800 that the Austrian army by itself was capable of achieving total victory over the French.⁴

It was on these grounds, and also because of Austria's lack of interest in the provinces, that Austrian possession of the Netherlands, the initial impetus towards Anglo-Austrian connection, gradually assumed less importance in British eyes. By the middle of 1796 Ministers were willing to see Austria part with the Netherlands as long as they could

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1. Wickham Correspondence, I, 333, Wickham to Grenville, 8 April 1796.
 2. See Spencer Papers, I, 335, Grenville to Dundas, 15 November 1796; Reasons against national despondency (London, 1797), 174-5; J. Gifford, A Letter to the Hon. Thomas Erskine (London, 1797), 119.
 3. Reasons against national despondency, 173.
 4. See above, pp. 166-8, 191, 379-80, 389-90, 395, 416.

keep the Austrian alliance.¹ In June 1796 Grenville considered entrusting the guardianship of the Netherlands to Prussia while retaining the Austrian alliance as the foundation of British foreign policy. In 1798 he considered union with Holland - the solution adopted in 1814-15 - and in 1800 he even considered whether Britain should not undertake the guardianship of the Netherlands itself. In the course of the 1790s, therefore, one of the fundamental tenets of eighteenth-century British diplomacy was given up. The Netherlands ceased to be 'the real bond and interest, the casus foederis of every treaty that ever was, or can be made, between this country and the House of Austria.'² Instead Ministers stressed the wider viewpoint, which should have resulted in a far more solid connection. Pitt and Grenville declared that

1. See above, pp. 231, 234, 236.

2. Considerations upon the state of public affairs at the beginning of the year 1798, II, 27.

The interest which the two Courts mutually have of jointly keeping in check the ambition of France; the powerful means of military exertion which the Emperor possesses for this purpose on the Continent, and those which His Majesty is enabled to apply to the same object from his naval force, and from the credit and commerce of this country, sufficiently point out the permanent advantages of the concert and union now happily subsisting between them, independent of all local considerations; and it is impossible that Austria can obtain any real accession of strength and influence which His Majesty will not on these grounds consider as an advantage to Great Britain.

In Vienna Thugut expressed the Austrian view of the advantages of the connection in almost identical language:

Il est de l'intérêt général également et de l'évident devoir des Puissances Coalisés de s'entre-aider, l'une l'autre; en raison de ce que la nature leur a départé de moyens de différents genres: l'Autriche apportant dans la masse des efforts communs un nombre si considérable d'excellentes troupes. Elle est en droit de s'attendre, que le Grande Bretagne de son côté ne balancera pas de venir au secours de ses embarras pécuniaires en y faisant servir particulièrement l'² immense credit, qui est la suite de ses richesses.

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1. P.R.O., FO 7/47, Despatch to Eden, No. 52, 7 November 1796. This despatch was drawn up by Pitt in Grenville's absence (see p. 257, ftnt. 2), though the draft in FO 7/47 is in Grenville's writing. Possibly Grenville revised Pitt's draft before it was sent. For similar expression of this concept of the Austrian alliance, see J. Williams, An essay on invasions and defence of the coasts (London, 1797), 26.
 2. P.R.O., FO 7/39, Thugut's memorandum, 18 December 1794 (enclosed in Eden's despatch No. 1 of that date).

II. The alliance in operation

Since the leaders of both governments possessed such similar views of the advantages of their connection, why was the Anglo-Austrian alliance of the 1790s not a success? There were of course great physical¹ and personal² difficulties in communication between London and Vienna, but the real faults lay in both means and ends.

With regard to means, the particular commodities - men and money - which each Power contributed to the common pool were inadequate for the task. Despite its numbers and its many good qualities,³ the Austrian army was hindered by

1. In the best conditions it took 10-14 days for a courier to complete a one-way journey; in winter, with ports wind- or ice-bound, roads blocked by snow, and France controlling most of the western European seaboard, it could take up to 1½ months. For a reply to be received took proportionately longer. The reply to Grenville's loan overture of 18 December 1794 was not received in London till 20 February 1795. The reply to Thugut's overture of 10 December 1799 was not received in Vienna till 25 March 1800.
2. Neither government trusted its own envoy at the other's court. See above, p. 77, ftnt. 2, 124, 200, 354; H. M. C. Dropmore, III, 180, V, 232-3, VI, 54, 378; P.R.O., FO 7/44, Eden to Grenville, Private, 9 February 1796; B.M. Add. Ms. 37, 846, Grenville to Windham, 28 September 1799, Add. Ms. 39, 842, Grenville to Starhemberg, 6 August 1799, 8, 13 September 1800.
3. The most detailed reports on the state of the Austrian army are by Colonel Graham, British Commissioner with the Austrian army in Italy in 1796-7. He considered the Austrian troops to be 'constitutionally hardy, patient, and brave' (P.R.O., FO 43/2, Graham to Grenville, 16 January 1797).

the inferior quality of its officer-corps. There was a pronounced lack of ability and vigour in the higher command. The Archduke Charles's ability was undoubted, but he was sickly and distrusted in Vienna because of his interference in politics.¹ Clerfayt too was extremely able, but he was also extremely cautious. Melas was capable but old and lacking in physical stamina. Coburg, Wurmser and Kray each had good qualities, but lacked the capacity to command large armies. Of the rest, Colonel Graham wrote that

there are Generals without number and other field officers totally incapable of doing their duty on active service from the want of talents, moral qualities, and physical strength, who are laughed at by the Army and complained of on all occasions but who are employed because they are of a certain rank and are protected by the intrigues of Court.²

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1. See G.A. Craig, 'Command and staff problems in the Austrian Army, 1740-1866', War, Politics and Diplomacy (London, 1966), 7 ff.
 2. P.R.O., FO 43/2, Graham to Grenville, No. 30, 16 January 1797. See also H.M.C. Dropmore, VI, 276, Wickham to Grenville, 25 July 1800. The reason for the bad high-command according to Dietrichstein, was the ruinous system of advancement by seniority, which left no active generals and only a few colonels. Lascy, Loudon and Clerfayt all condemned this system for stifling talent and discouraging merit (Thugut, Clerfayt and Wurmser, 120, Dietrichstein to Thugut, 30 April 1795).

Wickham's assertion, that this defect would be overcome by the large number of excellent staff officers who were emerging, was not justified by events. The most prominent staff officer, Mack, was too ambitious in his plans and prone to making political blunders. The role of the staff in the command structure was as yet insufficiently clear;¹ and those officers who Wickham so eulogized in October 1799 ruined the campaign in Germany in the next year by intriguing against each other.²

The spirit of intrigue among the officers was possibly their worst fault. Craufurd complained that 'the officers in general seem principally taken up in endeavouring to supplant each other at Vienna', and the same complaint was constantly heard in reports from British agents to London.³

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1. Rodger, War of the Second Coalition, 144.
 2. P.R.O., FO 74/31, Wickham to Grenville, No. 87, 25 July 1800.
 3. P.R.O., FO 29/6, Craufurd to Grenville, 7 October 1795. See also, ibid., No. 12, 12 September 1795; H.M.C. Dropmore, II, 614, Thomas Grenville to Grenville, 12 August 1794; FO 43/2, Graham to Grenville, Nos. 5 and 26, 2 June, 27 August 1796; P.R.O. 30/8/340, Wickham to Grenville, No. 110, 13 September 1800.

Feuds between the school of Marshal Lascy and that of Marshal Loudon, between the adherents of the Archduke Charles and Thugut, between rival officers struggling for promotion, had an extremely deleterious impact on the operational efficiency of the army.

Yet another serious defect of the officer-corps was the shortage of junior officers.¹ This was particularly unfortunate because, as Graham observed, the French troops acted

with much judgement and address - these qualities in the individual soldier ... in a cover'd broken country make the French superior almost to any others - our soldiers are brave, but have no Esprit and can do nothing without orders, nor individually ...

The junior officers needed to give the tactical flexibility to counter the French were lacking.²

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1. This was partly owing to the stultifying system of promotion, partly to the meagre allotment of 4 officers per company of 240 men - in wartime, illness, wounds and absentees reduced the number to only one or two per company (P.R.O., FO 43/2, Graham to Grenville, No. 38, 14 March 1797; Vertrauliche Briefe, I, 365, Thugut to Colloredo, 3 December 1796).
 2. P.R.O., FO 43/2, Graham to Grenville, Nos. 24 and 30, 18 August 1796, 16 January 1797. For other notice of the shortage of officers see FO 74/31, Wickham to Grenville, No. 37, 25 July 1800.

Graham considered the Austrian officers to be primarily responsible for the disasters in Italy in 1796-7.

His reports constitute a damning indictment:

It is not only an able and efficient head of the army that is wanted but a stricter discipline - the Generals don't think it necessary to stay by their columns - of course in many regiments the officers are inattentive, and on every march, pursuit or retreat the men are scattered about in a most unsoldierlike manner.

Superior French march discipline, combined with their use of biscuit (of which a soldier could carry 9 days' supply) as against the Austrian bread (of which they could only carry 3 days' supply), meant that the French were always more mobile and could usually concentrate more men at the critical point than the Austrians.² Graham concluded that

When the wonderful activity, energy, and attention that prevail in the French service from the Commander-in-Chief downwards are compared to the indecision, indifference and indolence universal here, the success of their rash but skilful manoeuvres is not surprising - In action I saw officers sent on urgent messages, going at a foot's pace - they say their horses are half starved and that they can't afford to kill them.

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1. P.R.O., FO 43/2, Graham to Grenville, 6 August 1796.
 2. Rodger, War of the Second Coalition, 145.
 3. P.R.O., FO 43/2, Graham to Grenville, No. 24, 18 August 1796.

Besides the deficiencies of the Austrian officer-corps, the other complaint most frequently made of the Austrian army was that, because of the need for economy of expenditure, it maintained a deplorably bad intelligence service.¹

To the fallibilities of this machine in the field were compounded the fallibilities of the central organization in Vienna. The 'constitutional slowness of the Austrian government' was complained of by all British envoys to Vienna.² Thugut was the only man of business at the Austrian Court, and his natural inclination was to procrastinate and to wait on events.³ There seems much truth in the assessment

1. See ibid., Graham to Grenville, No. 2, 26 May 1796; Quellen, III, 112, Mercy to Thugut, 15 June 1793; Harcourt Papers, IV, pt. 2, 385, Mrs Harcourt, 21 October 1793; N. L. S. Ms. 3596 (Lynedoch Papers), Eden to Graham, 20 August 1796; FO 74/31, Wickham to Grenville, No. 87, 25 July 1800.
2. P. R. O., FO 7/60, Minto to Grenville, No. 65, 2 September 1800. See also H. M. C. Dropmore, II, 617, Thomas Grenville to Grenville; 23 March 1793 (FO 7/33), 4 January 1794 (FO 7/36), 17 September 1795 (FO 7/42)— Eden to Grenville; 10 November 1795 (FO 7/43)— Jackson to Grenville.
3. See above, pp. 207, 242; also Frieden von Campo-Formio, xxxdi-xxxiii.

of Lord Mulgrave, who met him in 1799, that

Baron Thugut appears to me to be wholly deficient in the leading and essential qualities of a great War Minister; incapable of contemplating or at least afraid of entertaining, any decisive, bold, or comprehensive plan; minutely attentive to detail; earnestly and equally apprehensive for the most inconsiderable, as for the most extensive and important object; more anxious for safety than success; watching and dreading every impression which may be made by the enemy; and at the same time apprehensive of the loss and hazard which may attend any attempt to make impression upon them; his talents seem rather calculated to protract and parcel out defeat; and to limit the probability of hopes; than to brave the dangers of effectual contest, and decisive warfare.

Thugut was a firm believer in the complete subordination of the operations of the army to his policies, and he kept a tight rein on it in the field. But, although in practice he could halt the army when he so wished,² he could not always bring it into action when he desired.³ Departmental rivalries

1. P.R.O., FO 74/27, Mulgrave to Grenville, 15 October 1799.

2. E.g. in spring 1799, see above, p. 349.

3. E.g. in spring and summer 1795, see above, pp. 187-90.

and the slowness of the bureaucratic system hamstrung military operations. Thugut himself protested that

Il serait aisé à démontrer géométriquement, que dans tous les désastres que nous avons éprouvés aucun ne peut être imputé aux caprices de la fortune: tous ont été une suite nécessaire de l'incohérence dans les mesures, de cette opposition entre les départements; de ces combats entre les individus, toujours occupés les uns à détruire ce que les autres édifient, enfin de ces conflits éternels, pendant lesquels la monarchie ne peut que périr.¹

It was not solely a matter of conflicting personalities. In the spring of 1796 Thugut secured the ousting of Counts Kollowrat and Rottenhan from the Hofkammer and Marshal Wallis from the Hofkriegsrath, and replaced them with his own nominees, M. Lazansky and Marshal Nostitz. However, within four months both men were siding with their departments against him.² The system was at fault and

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1. Vertrauliche Briefe, I, 190-1, Thugut to Colloredo, 18 February 1795.
 2. P.R.O., FO 7/45, Eden to Grenville, Nos. 49, 51 and 56, 30 April, 4, 16 May; FO 7/46, Nos. 100, 101, 31 August, 3 September 1796.

only the authority and energy of the Emperor could make it operate effectively. Unfortunately Francis II lacked both these qualities.¹

Weakened by internal failings and hindered from Vienna, it was the final blow to British hopes that the Austrian army was probably the most Anglophobe section of the Habsburg Empire. This hostility was apparent throughout the whole spectrum of parties within the army.² The feeling was most pronounced in moments of defeat and contributed greatly to the collapse of morale in the Austrian

1. See above, pp. 115, 188-9.

2. E. g. in the army in Germany in 1796 the Archduke Charles was 'averse to the present state of the alliance between Austria and England, which he now considers as profitable only to England.' (P.R.O., FO 29/10, Craufurd to Grenville, 17 May 1796.) So also Count Bellegarde, appointed by Thugut to superintend the Archduke's operations, who 'has been known to say several times, that it was disgraceful for Austria to be subsidized by us, or to act under our influence.' (FO 29/9, Craufurd to Grenville, 10 March 1796.)

army in the summers of 1794 and 1800.¹ It was certainly not conducive to the successful working of the Anglo-Austrian alliance.

Since all this was fully reported in London, the British government might be criticized for seeking and persisting with the alliance. But if Britain hoped to dictate peace to France it had to come from victory in Europe, and if Britain was to be secure from invasion it needed a continental diversion. It needed continental allies. Prussia and Russia were both reluctant and when tried were found wanting. There was thus not alternative to Austria which, further, had the best army of the three. Moreover, despite all its faults, the Austrian war machine came close to matching the French.² The spring campaign of 1793 in the Netherlands, the autumn campaign of 1795 in Germany, the campaign of 1796 in Germany, and the campaigns in Germany

1. See above, pp. 96-7, 427-8; W. Playfair, History of Jacobinism (London, 1798), II, 638.

2. See Glover, Peninsula Preparation, 2.

and Italy in 1799 were all brilliantly successful. Bonaparte was only victorious in Italy in 1796-7 after five consecutive armies had been organized and brought against him, and his victory at Marengo in 1800 was one of the most closely-fought battles in the history of warfare. Thus it was only in Italy in 1796-7 and in Germany and Italy in the second half of 1800 that the French showed a clear and decisive superiority over the Austrian army.

In these circumstances it is a more appropriate criticism that the British government failed to provide the support which might have tipped the precarious continental balance in Austria's favour. Britain's main contribution to the common pool was intended to take the form of financial aid for its continental ally, but there was perpetual controversy over both the form and amount of this aid. Much acrimony arose over the raising of loans in London for the service of Vienna, and historians have been mystified as to why Pitt was willing to subsidize other Powers but would only

give loans to Austria which the latter had to service and repay.¹ In fact on at least three occasions Pitt declared his willingness to subsidize Vienna,² but, because of its disastrous experience with the 1794 Prussian subsidy, the British government thereafter wished to impose strict controls on the operations of the armies which it subsidized.³ These were controls which Thugut refused to accept, and it was he who refused subsidies and asked for loans (which

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1. D. B. Horn, Great Britain and Europe in the Eighteenth Century (Oxford, 1967), 141; Sherwig, Guineas and Gunpowder, 348.
 2. In 1794, 1798 and 1799, see above, pp. 120-1, 323, 360. Moreover, in 1800 the British government gave a virtual subsidy of £1,430,000 to Austria in addition to its advances - £150,000 to replenish the Austrian magazines lost in May, and £1,280,000 which it spent in hiring German and Swiss auxiliaries who were placed completely at Austria's disposal.
 3. For the controls it wished to impose on the projected Austrian subsidy in 1794 see above, p. 121; for the controls which it wished to place on the projected Prussian subsidy in 1795 see Aspinall, II, 330-1, Cabinet Minute, 8 April 1795; P.R.O., WO 1/408, Instructions to Lord Henry Spencer, 10 April 1795, and enclosed project.

would give him greater independence) rather than Pitt who declined to subsidize Austria and insisted that it raised loans.¹ The troubles which arose over this method of financing the Austrian war effort were as much of Thugut's making as they were of the British government's.

The main fault in the matter of financial aid was not that Britain gave loans instead of subsidies, but that at crucial moments, notably in 1796-7, Ministers were unable to provide the full extent of aid which Austria needed to maintain the struggle. This again was largely beyond Ministerial control. The drain of bullion from the country as a result of British army expenses in Europe 1793-5, the Prussian subsidy in 1794, and the Austrian loan, and heavy corn imports in 1795, produced adverse exchange rates with the continent and a shortage of specie in Britain.² It was therefore impossible to provide a new

1. See above, pp. 126-7, 330-1.

2. See N. J. Silberling, 'British financial policy in the Napoleonic Wars', Quarterly Journal of Economics, XXXVIII (1924), 214-233.

loan for Austria in 1796 or to provide any substantial sum by way of advances. Moreover, the amount of money which the British government could raise for foreign aid was further limited by the extent of its revenue from taxation. It was not until late 1798 that Pitt introduced the Incomes' Tax and not until 1803 that Addington reformed the collection of this tax to produce a really efficient instrument of taxation.

Only then could the British government offer the vast subsidies necessary for increasingly expensive continental wars.¹ Continental Powers believed in the 1790s that Britain's financial resources were almost unlimited, but this was far from being the case. In April 1797 Britain was £530,000 in arrears in its payments to Austria; it was unable to fulfil its part of the combination of men and money.

In view of this deficiency, and in view of the closeness of the struggle on the continent, it was the more

1. See Sherwig, Guineas and Gunpowder, 148. Only £8.8 million in subsidies and £6.2 million in loans were furnished in foreign aid between 1793-1801, compared with £65.8 million during the whole of the wars 1793-1815 (-16).

important that the British government should come to Austria's assistance by supplementing its financial aid with military support. In 1793-4, indeed, its main contribution to the Austrian connection was military support in the Netherlands, but in 1795-6 the British army was withdrawn to concentrate on colonial conquests. Naval support was given, but this was mismanaged in the Mediterranean in 1795 and withdrawn entirely in 1796. In the last year of the War of the First Coalition, Austria was left to fend for itself on the continent. In 1799 both Powers pursued their own objects with little attempt at military co-operation, but in 1800, when support was intended, it never arrived.¹ On two occasions, in the spring of 1794 and winter-spring 1799-1800, specific support was requested by the Austrians and promised from London, but on each occasion, at moments when such support would have been invaluable, the promises

1. Except for Lord Keith's fleet in the Mediterranean and a belated and half-hearted expedition to Belleisle.

remained unfulfilled.¹ This was partly the result of rash offers made without knowledge of the actual resources available, partly the result of disputes in strategy between those such as Grenville who advocated close-co-operation with Austria on the continent, and those such as Dundas who advocated concentrating on Britain's maritime and colonial interests,² and partly the result of bureaucratic caution, slowness, and ineptitude. More particularly, it was the responsibility of Pitt who failed to use his authority to resolve the disputes, who failed to provide the necessary co-ordination between the various departments, and who failed to give any urgency to departmental preparations.

Why was Pitt so slack in directing the British end of the alliance? It has been suggested that he was lukewarm towards Austria and would have preferred an alliance

1. See above, pp. 81-2, 89, 99, 396-404.

2. There was also a third group led with far less effect by Windham, who advocated operations in western France in support of the French royalists.

with Prussia and Russia instead,¹ but though he would have welcomed the participation of those Powers in the war, the evidence suggests that he wanted them to supplement the Austrian connection rather than to replace it.² In fact, on a number of occasions he was prepared to go much further than his Foreign Secretary for the sake of the Austrian connection.³ In any case, Pitt's influence on foreign policy was erratic, and this is the key to his failure: his personality rather than his policies was at fault. On occasions when he found his views opposed to those of his cousin Grenville, he

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1. Sherwig, Guineas and Gunpowder, 347-8.
 2. Excepting occasional periods of disillusion with Austrian conduct in 1798-9.
 3. Notably over the Dutch indemnity in 1793 (see above, p. 56, fnnt. 1), and over a subsidy, the Netherlands, and Piedmont in 1799 (see above, pp. 360, 367). How far Pitt was a devoted Prussophile can be judged from his review of the European situation in October 1797 in which he declared that he would make overtures to every Power except Prussia (Leeds Pub. Lib., Canning Papers, Bundle 30, Pitt to Canning, 'Walmer Castle, Wednesday, 25 October [1797]).

preferred to try to gain his ends by intrigue rather than by authority,¹ and in 1797 he had to be cajoled into taking a strong line with his Foreign Secretary over negotiations with France.² As the war progressed and the Prime Minister's health and confidence declined, Ministers could put little trust in his consistency: Grenville was reduced to complaining in 1800 'that Pitt had authorized him to give assurances to Vienna and other courts of military co-operation, which he

1. This was surely why he sought the king's approval of a projected Cabinet minute on the overture to Prussia in 1795 in advance of the Cabinet meeting (Aspinall, II, 312, George III to Pitt, 8 March 1795). During the 1797 Lisle negotiations he was suspected of leaking information outside the Cabinet in order to gain public support and strengthen himself against Grenville (Malmesbury, III, 416, Canning to Malmesbury, 20 July 1797). He seems to have canvassed other Ministers in advance of a Cabinet meeting on the Piedmont plan in 1799 (Windham Diary, 416, Entry for 18 October 1799). In the Cabinet controversy on the Egyptian expedition in 1800, he seems to have adopted several underhand expedients (see Glenbervie Diaries, I, 159-60, Notes of a conversation with Lord Liverpool, 9 February 1801).
2. Leeds Pub. Lib., Canning Papers, Bundle 29d, Canning's Diary, 1797, Entries for 7, 11, 14 June.

afterwards suffered to be overruled in the Cabinet.¹ 1800 was the year in which Grenville and Dundas were most at odds over strategy, but Pitt failed to act decisively to resolve the disputes and secure immediate and co-ordinated action.² As a result Austria did not get the military support it expected; British troops were first held back and then diverted to maritime and extra-European objects. Such nationally egocentric policies were greatly resented by the Austrians and were the main reason for Anglophobia both in the army and in Vienna.

Thus the Anglo-Austrian alliance fell down through insufficient means. But to a considerable extent this was a symptom rather than the root cause of the failure. In 1795 and 1799 in Vienna, and in 1795-6 and 1800 in London, the

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1. Glenbervie Diaries, I, 159-60. See also Leeds Pub. Lib., Canning Papers, Bundle 76, Hammond to Canning, 29 July 1800; Pellew, Life of Sidmouth, I, 338-9.
 2. On one occasion (27 March 1800) he 'hurried away' in the middle of a meeting with Dundas, Grenville, and Sir Charles Stuart, about sending troops to the Mediterranean, to 'attend to other matters' (E. Stuart Wortley, A Prime Minister and his Son, London, 1925, 329-30). See also H.M.C. Dropmore, VI, 242, Pitt to Grenville, 1, 2 June 1800.

means were deliberately withheld and applied to other purposes. The underlying failure in the alliance was the lack of unanimity of aim, with the resultant lack of trust which this created.

The diversity of aim was both political and strategic. The Anglo-Austrian alliance in the 1790s lacked solid bonds: it was little more than a marriage of convenience. Britain had money but no large army; Austria had a large army but little money. In these circumstances alliance was convenient. But alliance to what ends? In the heyday of the Old System, in the wars between 1688 and 1713, both Powers had a natural and mutual political interest in diminishing the power of France and a common strategic belief that France must be defeated in Europe. However, the development of the colonial struggle between Britain and France as the eighteenth century progressed meant that Britain could never again devote the same military attention to Europe. Similarly, the rise of Prussia and

Russia in eastern Europe in the course of the eighteenth century had meant that Austria could never again devote the same political or military attention to France as before. In particular, Frederick II's seizure of Silesia in December 1740 made Prussia the main enemy of Austria. In this way the unanimity went out of the Old System. It eventually broke down in 1756 when the British government endeavoured to get Austria and Prussia to act together against France. The Austrians wished to fight Prussia and, finding Britain totally opposed to this, turned to an alliance with France.¹

The revival of the alliance in the war against Revolutionary France was convenient for Britain because it needed a continental ally. Austria, isolated by the Russo-Prussian partition of Poland in 1793, was in even greater need of an ally. A connection was formed, which developed into alliance, founded on the only links which London and

1. Schlenke, England und das Friderizianische Preussen, 227, fnnt. 270; D.B. Horne, 'The Duke of Newcastle and the Origins of the Diplomatic Revolution', The Diversity of History, Essays in honour of Sir Hobart Butterfield, ed. J.H. Elliot and H.G. Koenigsburger (London, 1970), 259.

Vienna had in common - the war which had been declared against both by France, and the future of the Austrian Netherlands. This was an insufficient foundation for a solid connection, for the same essential disparity of aims still existed. Thugut was far more hostile to Prussia than to France, and the Hungarian General Otto was far from being the only Austrian soldier who would have died happy if he could once more have heard the trumpet sound the charge against the Prussians.¹ British Ministers recognized the distractions of the struggle between Vienna and Berlin for hegemony in central Europe but could only deprecate them. They would give Austria no help against Prussia in Poland in either 1793 or 1795, and they created much resentment and suspicion in Vienna by the 1794 Prussian subsidy, by allowing Hanover to be drawn into the Prussian orbit in the North-German Neutrality of 1795-1806, by their unconcerted approach to Berlin in 1796, and by Thomas Grenville's mission to Berlin in 1799.

1. Life of Wilson, I, 71.

Moreover, if Austria's enmity with Prussia prevented political unanimity in the French war, the strategic controversy in London prevented military unanimity. No general declaration of concert, such as that of Pitt in November 1796, could hide the fact that the alliance depended on a weak link which became increasingly more strained with every new defeat. Thugut was at first willing to renounce the Bavarian exchange in order to strengthen the connection by retaining the common interest in the Netherlands, but once the Netherlands were lost he did not intend to resume them¹ and looked instead for equivalents elsewhere. Thereafter he expected Britain to make the running in holding the alliance together. For their part, British Ministers sought a makeshift unanimity by offering to Vienna the prospect of enlarging the Netherlands; by using Russia, their common ally, to act as umpire,

1. Vertrauliche Briefe, I, 165, 198, Thugut to Colloredo, 22 December 1794, 24 March 1795.

arbitrating and smoothing out differences; and by giving financial help to the Austrian war effort. When, however, aggrandizement in the Netherlands became remote, when Russian support failed to materialize in any practicable form, when British finances began to falter, Ministers panicked. In 1795 they sent their troops to the West Indies in a frantic scramble for colonial conquests; in October 1795, August 1796, and April 1797 they rushed special envoys to the continent in order to prevent Austria deserting the alliance by a separate peace; and in 1796 in particular they sought to secure their interests without prior consultation with Vienna by overtures first to Berlin and then to Paris.

There was much justification in George III's complaint at

the mode, but too often adopted of late years, of acting immediately on the impulse of the minute, consequently not giving that cool examination which, perhaps, in more instances than one, might have been beneficial to the service.

1. Stanhope, Life of Pitt, III, iii, George III to Pitt, 9 April 1797.

Unfortunately, by then the damage was done. Malmesbury's negotiations in Paris, in contradiction to Austrian wishes, followed the precedents of Utrecht (1713), Aix-la-Chapelle (1748), and Paris (1763). In contrast to these former occasions, however, it failed because the British terms were too high; for once France had no interest in returning its European conquest in order to redeem its colonial losses. The British government was consequently forced to continue the war, but from that moment its hold on the alliance disappeared. Of its two main diplomatic bargaining counters, one - colonial conquests - had been played and had failed, and the other - 'Pitt's gold' - was drying up. The diplomatic initiative within the alliance therefore passed to Vienna and the path lay open towards Leoben.

This does not exonerate Thugut from his share in the responsibility for the collapse of the alliance, however. Through his inherent secretiveness and his equivocal statements on the Netherlands, he had much to do with the British

panic in the autumns of 1795 and 1796. Because he feared British opposition he did not confide his wider views of Austrian aggrandizement to London, and on two occasions - in November 1795 and November 1796 - he expressed to London wishes for a peace settlement which would meet with British approval, when all the time his real objects were either more extensive or totally different.¹

There was thus a mutual lack of trust and a lack of effective co-operation which stemmed from the disparity between the aims of the two Powers. The alliance eventually broke down in 1797 over the Austrian acquisition of Venetia. This was an aim which Thugut had never disclosed to London and of which the British government was completely unaware. With British financial help £530,000 in arrears and the Austrian armies everywhere in retreat, Thugut eagerly accepted Bonaparte's offer of Venetia. So convinced was he that British Ministers would oppose this

1. See above, pp. 206-12, 260-2.

step, that he refused to communicate it to London even after Leoben - at a time when Britain would probably have approved of any acquisition in order to retain the alliance and counter-balance French gains.¹

The alliance collapsed in the spring of 1797 and was not fully restored again until the spring of 1800. Lack of a common aim,² distrust engendered in the years 1793-7, and the acrimonious dispute over the ratification of the 1797 Loan Convention barred the way. In the meantime the best chance to crush France before the Revolution got out of hand had been lost. In the absence of any political understanding each Power pursued its own ends when war was resumed on the continent in 1799. The campaign broke down amidst non-communication, suspicion, and a scramble to safeguard selfish interests.

1. See above, pp. 280, 285-6.

2. After the failure of the Lisle negotiations and the creeping French expansion of early 1798, the British government came to believe in the absolute necessity of a Bourbon restoration in France. Thugut had no interest in this and looked instead to strengthening Austria's position in Italy. This in itself involved a further clash of aims over the future of Piedmont. See above, pp. 352, 365.

The disasters of 1799 might well have been avoided had the two Powers concerted together frankly at an early stage. However, the personal stubbornness of Thugut and Grenville made the failure to communicate inevitable. Grenville, in fact, showed that he was fully alive to the implications of his intransigent line when he admitted that he had no control over the operations of the Austrian army.¹ But his conduct was not merely the result of his stubbornness but of two political miscalculations. Firstly, he hoped to use Russia to control the Austrians. Unfortunately, Thugut's control of Razumovski at Vienna, and Cobenzl's skill at St. Petersburg, checked all his efforts in this direction. When finally the Russians threw off Austrian influence, it was only because Paul I reverted to the other extreme of hostility to Vienna, which was equally unsatisfactory to the British government. Secondly, Grenville backed the wrong horse when he tried to get Prussia into the war in early 1799. With

1. See above, p. 353.

the Prussian army combining with the Russian, he might have been independent of Austria, but the Prussians vacillated until July and then refused to act. Grenville was thus forced back into dependence on Vienna: the campaign was being fought by 22,000 British, 80,000 Russians, and 230,000 Austrians.

Even then, however, Grenville declined to conciliate. He tried to bargain his way to his objects in the belief that firmness was the only way to handle the Austrians. The weak Eden was replaced by Lord Minto who, it was hoped, would stand up to Thugut. Similarly, Grenville would make no assurances to Vienna on the Netherlands and determined to occupy them first, and he demanded that Thugut should retract his military schemes by threatening to break off diplomatic relations. This was totally to underrate Thugut's stubbornness, his persuasiveness in personal relations, and the real weakness of Britain's bargaining position. Thugut had the largest army available. He was

financing the campaign by paper money and was in no immediate need of financial aid, and the unexpectedly easy successes in early 1799 had put him out of all danger from France and in possession of almost all his objects. He held all the trump cards and had little incentive to give way to British demands.

In the 1799 campaign, therefore, there was no unanimity of aim between London and Vienna either politically or militarily. Grenville's attempts to circumvent this by looking for another weapon and by putting diplomatic pressure on Vienna both failed: he totally misplayed his diplomacy towards Austria in that year. Several of his Cabinet colleagues urged that the only way to secure Austrian support was by some form of conciliation,¹ but the Foreign Secretary refused to admit it. Grenville paid the penalty immediately in the collapse of his military schemes. Thugut's policy was scarcely less defensible and he paid the penalty in

1. For Pitt's attempts see above, pp. 360-1, 367; for Windham's see H. M. C. Dropmore, V, 271-2, Windham to Grenville, 10 August 1799.

1800, when the army he had so preciously preserved was shattered at Marengo and Hohenlinden, and the Italian provinces he had sought so single-mindedly were lost.

It was the failure of the 1799 campaign and the consequent wild outbursts of Paul I which drove the two Powers together again. Not until this late stage was the unanimity of aim of the two Powers, lacking except perhaps in 1793 and early 1794, re-established. This was the product almost solely of Grenville's conversion, under Wickham's influence, to conciliation. Thugut was given a free hand to pursue his cherished political objects in Italy. No attempt was made to dictate the operations of the Austrian army from London. Austria was given all the money for which it asked and more besides, and it was given in the form which Thugut requested. Grenville was willing to support Vienna in every way, even to the extent of a naval armistice. There was no disparity of aim between Grenville and Thugut; the only lack of unanimity was within the British government.

Consequently, the only thing which Thugut was not given was the military support he required, and this proved decisive. Even without it the alliance came within a hair's breadth of success at Marengo.¹

However, once the extent of Austria's collapse was made apparent by the Convention of Hohenlinden, the former disparity of aims between the two Powers reappeared. The British government returned to its search for colonial security by diverting its troops to Egypt; Cobenzl was authorized to make a separate peace with France if circumstances were favourable. When Austria decided to make a last effort, therefore, it was unsupported and doomed to failure.

1. Marengo was only won in the later afternoon by a final desperate cavalry charge by Kellerman when the Austrians were on the point of victory (D. G. Chandler, The Campaigns of Napoleon, London, 1967, 290-6). Had Napoleon lost, said Canning, 'who was there that doubted that there would have been an end of him and his power? . . . to the enemy it would have been utter destruction; and it would in that case have brought about the conclusion of the war, in the way which would most effectually have secured the restriction of the power of France, and the independence and tranquillity of the rest of the world.' (Parl. Hist., XXXV, Cols. 443-4, Speech in the Commons, 18 July 1800.)

III. Restrospect and prospect

The news that Austria had collapsed and was sueing for peace was received in London on 6 January 1801. It made little impression on Ministers or public, who had long since given up hope of Vienna. Grenville wrote to the king that 'it is very doubtful whether, considering the last accounts received of the state of the Austrian army, this event is on the whole unfavourable to the interests of Your Majesty's dominions.'¹ Pitt was almost alone in expressing his regret.² On the other hand, there was no resentment: Ministers and public recognized that, in contrast to other European Powers, Austria had done all it could.³ Ministers

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1. Aspinall, III, 469, Grenville to George III, 6 January 1801. The king replied next day that it would save money and enable Britain to concentrate on defending itself (ibid.). See also Leeds Pub. Lib., Canning Papers, Bundle 76, Hammond to Canning, 10 January 1801.
 2. Ibid., Bundle 30, Pitt to Canning, 10 January 1801.
 3. See above, p. 449; John Bowles, Reflections at the Conclusion of the war (London, 1801), 39.

were advised that Austria needed time to recover and accepted that they would have to be patient, even to the point of postponing their demand that Austria should service its debts in London.¹

There were, nevertheless, a number of post-mortems as to why Austria had failed to act as the traditional balance against France. The pamphleteer, John Bowles, attributed lack of success to the failure to concentrate on the destruction of the Revolution and on restoring the French Monarchy.² John Bigland was more analytical: Austria and France were equal in numbers, but whereas France was united, Austria was geographically disjointed, politically ill-connected, and financially distressed. This rather than military weakness was the cause of its defeat.³ Minto, the

1. N. L. S., Ms. 6524 (Melville Papers), Hope to Dundas, 20 January 180[1]; H. M. C. Dropmore, VI, 439, Wickham to Grenville, 9 February 1801; Helleiner, 133-8.
2. Reflections at the conclusion of the war, passim.
3. John Bigland, Letters on the modern history and political aspect of Europe (London, 1804), 168.

informed observer on the spot, thought differently. He reported that the root cause of defeat was the faction in the army, which had spread throughout the country.¹ All that the post-mortems did reveal was that there was a total lack of agreement on the reasons for Austria's collapse.

In the absence, therefore, of any universally accepted cause for Austrian defeat, many looked forward to an imminent revival. Wickham wrote that 'If in the course of a very few years, you do not see Austria spring up again with a degree of elasticity that will astonish the world, never put faith in me more', and in the spring of 1802 William Belsham was already announcing that 'the miracle of the House of Austria' had been renewed.² It was to the reputation of Austrian power, rather than to any reality, that the Addington Ministry clung in 1801-2. Starhemberg reported that 'Je n'ai jamais vu aucun ministre d'Angleterre aussi

1. P.R.O., FO 7/62, Minto to Grenville, No. 22, 18 February 1801.

2. H.M.C. Dropmore, VI, 440, Wickham to Grenville, 9 February 1801; W. Belsham, Remarks on the late definitive treaty of Peace, signed at Amiens, 25 March 1802 (London, 1802), 38-9.

véritablement attaché au système de l'intimité avec l'Autriche que l'est le successeur de Pitt.' Addington told him that '... l'alliance de l'Autriche était aussi indispensable à l'Angleterre pendant la paix que pendant la guerre.'¹ When Napoleon showed signs of overthrowing the European peace settlement, it was to Austria that the Foreign Secretary, Lord Hawkesbury, still automatically looked:

If the Court of Vienna should be disposed however to make common cause, and to adopt vigorous measures for the purpose of saving Switzerland, the object is so important in itself that it might not be wise to decline the contest - If the Court of Vienna is determined to acquiesce in the views of France, or at least is not in a state to oppose them no separate efforts of this country can have any effect upon the state of the Continent.

London thus still looked to Vienna as the essential continental constituent in the balance against France. Unfortunately, although Austria did 'spring up again', it was never the same Power as that which in the

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1. Starhemberg to Colloredo, 22 December 1801, quoted in Helleiner, 135-6.
 2. B.M.Add. Ms. 38, 357 (Liverpool Papers), Memorandum, Secret and Confidential, 6 November 1802.

eighteenth century could 'ever prove most formidable to France'.¹ The lessons of the 1790s were learnt in Vienna before they were learnt in London. The Anglo-Austrian alliance was inadequate by itself; in future Austria would need continental allies. Vice-Chancellor Ludwig Cobenzl considered 'that it had become hopeless and impossible for Austria, single-handed, to resist France,'² and British diplomats in Vienna eventually came to the same viewpoint.³ Moreover, the experience of the 1790s had disillusioned many in Vienna of the attractions of the Old System. In November 1801 the rising Austrian diplomat, Count Metternich, wrote of the connection, significantly in the past tense, that

The often-renewed alliances with England had a natural ground in the political and geographical relations of the two countries; between a merely commercial and an exclusively continental power there was no natural ground for rivalry. Our

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1. Malmesbury, II, 212, Carmarthen to Harris, 24 July 1786.
 2. Paget Papers, II, 92, Paget to Hawkesbury, 23 June 1803.
 3. Sir R. Adair, Historical Memoir of a Mission to the Court of Vienna in 1806 (London, 1844), 150, 273.

Netherlands, besides, afforded the nearest and most convenient points of contact with the Continent, and in our political strength there lay a powerful counter-balance to the jealousy of the French. The advantages of the alliance were, however, and especially latterly, on the side of England, for during the alliance with France we had no need of the English, and since the war with France the support given to our finances was not at all in proportion to the extraordinary efforts and sacrifices from¹ which Great Britain derived the greatest advantage.

In 1807 Robert Adair reported the ascendancy of

... a party, who, since the cession of the Netherlands to France, saw no inducement to continue the old connection with England; and who ... accuse us of all imaginable wrongs.²

It did not take long for Viennese disillusionment with the Old System to be reflected in Britain. Lord Cornwallis wrote despairingly in 1804 that '... I entertain no sanguine hopes from the spirit, or, even if she were willing,

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1. Instructions drawn up by Metternich for his embassy to Dresden, 2 November 1801, Memoirs of Prince Metternich, 1773-1815, ed. R. Metternich, English translation Mrs A. Napier and G. W. Smith (London, 1880-2), vol. II, 7.
 2. Adair, Historical Memoir of a Mission to the Court of Vienna 105, 212, Adair to Howick, 4 April 1807. For the effect of this feeling in 1809, see C. S. B. Buckland, Metternich and the British Government from 1809 to 1813 (London, 1932), 6.

from the power of Austria.¹ Pitt, newly returned to office, put all his efforts into bringing Russia forward in 1804-5. His Foreign Secretaries placed little hope in firmness or energy at Vienna, even so late as June 1805, a month before the War of the Third Coalition began.²

Although the events of 1809 would seem to mark a re-emergence of the Old System, the appearance was belied by the reality. Austria went to war again in April 1809 almost out of despair - because it believed that a new war was inevitable³ - rather than from any conviction of the certainty of success, and it can hardly be said to have acted in concert and co-operation with Britain. Apart from an appeal for money in October 1808, the

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1. Cornwallis Correspondence, III, 512, Cornwallis to Ross, 7 July 1804.
 2. See Selected Despatches relating to the formation of the Third Coalition, ed. J.H. Rose, Camden Society, Third Series, vol. VII (London, 1904), 36, 49-50, 174, and passim; also Paget Papers, II, 148, Harrowby to Paget, 11 September 1804.
 3. P.R.O., FO 7/89, Substance of a communication, Vienna, 11 October 1808.

Austrian government made little attempt to concert plans in advance with London - the first Austrian envoy arrived in Britain barely a month before war was declared. In London the Foreign Secretary, Canning, had little confidence in Austrian energy.¹ He delayed nearly a month before replying to Austria's financial demands; he delayed over three months in sending an envoy to Vienna, and then sent only a chargé d'affaires without cyphers for correspondence; and diplomatic connections never got beyond a mere agreement in April 1809 to negotiate a full alliance at some future date.² Nor was there any military co-operation. The Austrians asked in March for a diversion in North Germany, but not till 21 June did the Cabinet decide to send an expedition and then it was to Walcheren at the mouth of the Scheldt instead. Nor was it till 28 July that the expedition sailed - three weeks after Austria had been decisively

1. P.R.O., FO 78/63, Canning to Adair, 16 February 1809.

2. See P.R.O., FO 7/88, 89, 90, passim.

defeated at Wagram (5-6 July 1809) and forced to conclude an armistice (12 July) which culminated in peace on 14 October 1809.¹ Even allowing for the fact that the British government was suffering from acute financial problems and internal divisions, it seems clear that it had no belief that a new Anglo-Austrian alliance was likely to succeed by itself.

In the years between 1809 and 1813 Austria was too weak even to consider acting on its own. Metternich's policy was succinctly explained by the Emperor to an envoy in 1812: Austria and England were natural allies but his first task was the maintenance of the Austrian monarchy which was seriously endangered by its present situation.² Austria therefore followed a policy of appeasement towards France. Well-informed by its numerous agents in Austria, the British government placed no reliance on activity in Vienna. Although one agent,

1. P.R.O., FO 7/90, Note by Lt. Wagner, 12 March 1809; Hist. of British Army, VII, 51, 56.

2. Buckland, Metternich and the British Government, 362.

J.H. King, was ordered to stress 'the necessity of being prepared to avail themselves of any favourable opportunity of recovering their independence and freedom', he was also ordered not to excite 'premature or partial acts of hostility'.¹ Although on several occasions British Ministers expressed their fond wish to see Austria come forward, it was not until June 1813 that they made their first official overture to Vienna.² In fact, when Austria did finally take up arms again, it was the last of the major Powers to join the Grand Coalition which overthrew Napoleon.

Consequently, although British statesmen often expressed a sentimental friendship for Austria for many years to come,³ the wars between 1793 and 1801 mark a turning point in Britain's international relations. Firstly, the British government abandoned the eighteenth-century

1. Ibid., 268.

2. Ibid., 337, 389, 522-3.

3. Pribram, Austria-Hungary and Great Britain, 41-2.

maxim that Austria must hold the Netherlands as a barrier against France, and secondly, it lost all faith in the efficacy of the Old System. The year 1800 was the last occasion when Ministers in each country sincerely believed that Britain and Austria alone were 'an overmatch for France'.¹ Thereafter British governments sought the co-operation of a combination of Powers rather than of any single Power. This was the formula which finally defeated Napoleon in 1814-5.² The Austrian alliance had seen its swansong in British war policy.

1. See above, 386.

2. The disastrous experience of Anglo-Austrian financial relations in the 1790s also had its impact on how the British government assisted its allies throughout the remainder of the Napoleonic Wars. Lord Liverpool stated in 1816 that 'He believed it became a maxim with every administration, after the experience of the Austrian Loan, not to engage in any transaction of that kind.' (Hansard, The Parliamentary Debates, First Series, vol. XXXII, 1816, col. 1031.) With three minor exceptions all future financial aid took the form of subsidies (see Sir J. Clapham, 'Loans and subsidies in time of war, 1793-1914', The Economic Journal, vol. XXVII, 1917, 495 ff).

APPENDIX A

**THE STATE OF BRITISH AND AUSTRIAN
PUBLIC FINANCES
1790-1803¹**

I BRITISH FINANCES: In £ millions

504

	INCOME			EXPENDITURE				DEFICIT FINANCE		
YEAR ²	TOTAL	Direct Taxation	Indirect Taxation	TOTAL	Military	Civil	Debt Charges	Deficit	Total Debt ³	Paper Money
1790	17.01	2.99	13.85	16.80	5.22	1.70	9.37		244.0	10.74
1791	18.51	2.91	14.47	18.00	6.18	1.89	9.43		243.2	11.56
1792	18.61	3.02	14.68	16.95	5.58	1.56	9.31		241.6	11.16
1793	18.13	2.92	13.98	19.62	8.14	1.83	9.15	1.49	242.9	11.38
1794	18.73	3.03	14.67	28.71	16.84	1.57	9.80	9.98	249.6	10.51
1795	19.05	2.95	15.23	39.0	26.27	1.75	10.47	19.95	267.4	12.44
1796	19.39	3.02	15.01	42.37	28.25	2.01	11.60	22.98	310.4	9.99
1797	21.38	3.36	16.78	37.65	41.03	2.53	13.59	16.27	359.2	10.39
1798	26.95	4.59	19.26	47.42	28.71	2.18	16.03	20.47	391.2	12.64
1799	31.78	6.45	22.07	47.42	27.88	2.18	16.86	15.64	426.6	13.17
^{last qtr} 1799	9.67	1.60	6.40	12.38	8.46	.54	3.39	2.91	433.9	
1800	31.58	5.09	20.0	50.99	31.67	2.07	16.75	19.41	456.1	15.95
1801	39.10	10.40	26.90	65.50	37.40	5.60	19.90	26.40	498.6	15.38
1802	41.20	8.60	27.80	54.80	25.30	6.70	20.40	13.60	516.4	16.14
1803	42.40	6.20	23.90	53.0	23.60	5.10	20.70	10.60	523.8	15.65

II AUSTRIAN FINANCES: In million florins⁴

55

INCOME				EXPENDITURE				DEFICIT FINANCE		
YEAR	TOTAL ⁵	Direct Taxation	Indirect Taxation	TOTAL	Military	Civil	Debt Charge	Deficit	Total Debt	Paper Money
1790	85.6	22.8	31.2	113.1	69.7	23.9	19.5	27.5	371.7	28.0
1791	89.3	23.4	30.9	112.3	51.3	24.9	36.1	23.0	388.8	27.9
1792	86.7	22.7	37.3	90.8	44.3	25.4	21.1	4.1	399.9	26.7
1793	85.6	21.9	33.9	115.6	69.5	27.5	18.7	30.1	425.3	27.3
1794	92.7	22.4	35.8	151.3	85.4	46.4	19.6	58.6	452.2	32.1
1795	67.6	21.6	32.3	135.9	94.6	22.5	18.8	68.2	495.8	35.4
1796	65.6	19.7	29.5	158.2	110.0	26.9	21.3	92.6	564.5	46.8
1797	71.0	20.7	30.9	131.6	92.7	20.9	18.0	60.6	594.9	74.2
1798	73.2	21.2	33.0	133.2	81.9	22.4	28.9	60.1	628.8	91.8
1799	80.3	21.5	33.1	154.3	96.8	24.3	33.1	74.0	633.3	141.0
1800	85.9	25.7	33.4	166.8	111.1	23.2	32.5	80.9	658.1	200.9
1801	95.5	25.7	34.1	150.4	94.4	27.0	29.0	54.9	679.4	262.0
1802	86.2	30.0	37.8	118.0	55.6	26.2	36.4	31.7	680.2	337.1
1803	101.4	30.6	36.2	115.2	47.0	26.8	41.4	13.8	682.3	339.1

Comparative summary of tables I and II

Clearly British finances were always on a far larger scale than those of Austria. In peacetime British income was twice as large as Austrian and this was raised to four times as large in wartime.

The total amount raised by direct taxation was only slightly greater in Britain until 1798, whereafter, with the tripling of the assessed taxes and the introduction of the incomes tax, British revenue from this source rose to two or three times that of Austria.

British income from indirect taxation (mainly customs and excise) was four times as large as Austria's in peacetime, and seven or eight times as much in wartime. Austria had little or no external trade which could be tapped.

The Austrian government was very little able to increase its revenue from either source in wartime, whereas Britain was able to double or treble its income.

British expenditure was always more lavish than Austria's, amounting to two or three times as much in wartime. Military expenditure, including subsidies, was treble that of Austria and the Austrians considered this rather profligate.⁶ However, British civil expenditure was a third less than Austria's.

The size of the British public debt and debt charges - seven times greater in Britain than in Austria, even though British income was only two to four times as large - reveals the British government's greater public credit and the reason why the Austrians sought to use it. The sudden increase in Austrian paper money, from a quarter of that of Britain to twice as much, reveals the resource to which Austria was reduced from 1798 onwards, after British financial help ended.

Footnotes to Appendix A

1. The dates 1790-1803 were chosen so as to show the financial situation before and after the war against Revolutionary France as well as during the war itself. Sources: B.R. Mitchell and P. Deane, Abstract of British Historical Statistics (Cambridge, 1962), 388, 391-2, 402, 442; C.J. von Czörnig, Statistisches Handbüchlein für die österreichischen Monarchie (Vienna, 1861), 114-5, 124.
2. The time period for the British figures altered during this era. Until 1799 government accounts were reckoned from 11 October of the previous year to 10 October of the year indicated in the table. There followed a single quarter-year from 11 October 1799 to 5 January 1800, and thereafter the financial year was reckoned from 6 January to 5 January of the next year. For the sake of simplicity the year indicated in the table thereafter is that in which the financial year began (i. e. from 6 January to 31 December) and not that in which it ended. From 1801 Ireland was also included in British accounts.
3. Includes both funded and unfunded debt (i. e. Navy and Exchequer Bills).
4. The exchange rate for the florin against the pound varied in the course of the war from 9 to 11 florins to the pound. A rough average of 10 florins to the pound enables an instant comparison between the two tables by moving the decimal point.

5. Besides direct and indirect taxation, Austrian total income included a far larger proportion of miscellaneous revenue (from crown lands and probably revenues from the Netherlands and from lands conquered in the course of the war) than did the British. This miscellaneous revenue was as follows: 1790, 31.6 million florins; 1791, 35.0; 1792, 26.5; 1793, 29.8; 1794, 34.6; 1795, 13.8; 1796, 16.5; 1797, 19.4; 1798, 19.0; 1799, 25.7; 1800, 26.7; 1801, 35.7; 1802, 18.4; 1803, 34.6.
6. See Vertrauliche Briefe, I, 234, Thugut to Colloredo, 1 July 1795; Quellen, V, 350, Thugut to Cobenzl, 6 September 1795.

APPENDIX B

THE QUESTION OF THE SINCERITY OF THE BRITISH PEACE
PROPOSALS OF DECEMBER

1796

Both Adams (The Influence of Grenville, 49-50) and Rose (Camb.Hist. of British Foreign Policy, I, 272) assert that the proposals of 10 December were the result of the bellicose influence of Grenville and were drafted with the deliberate intention of provoking a rupture in the negotiations. This is unlikely. It ignores the changed circumstances between the time the proposals were drafted and the time they were delivered. It disregards the statements of Windham and Vorontsov that Pitt was the dominant influence over Grenville in the Cabinet at this stage.¹ Adams's view is largely based on a reported remark of Malmesbury that 'je me plaindrai au chancelier Pitt de la mauvaise tournure que le Lord Grenville a donnée

1. Windham Diary, 29 November, 347; Les Razoumowski, II, pt. 4, 254, Vorontsov to Razumovski, 9 December 1796.

à la négociation; il a fait retomber sur l'Angleterre tout l'opprobre de la continuation de la guerre' (p. 50), but this is ambiguous: it might be a criticism of Grenville's competence rather than his deceit, and in any case Malmesbury was not in London to judge the positions within the Cabinet. Further, if the proposals were designed to break off the negotiation, Windham, who was opposed to peace, would not have deliberately stayed away from the Cabinet on 10 December: he did so because he believed his colleagues were in earnest in their peace proposals.¹ Finally, the theory that the Cabinet's object was to provoke France into rejecting the proposals in order to put that country in the wrong, neglects the fact that Ministers had to be able to prove to their own war-weary country that their proposals had been reasonable and that the French had been wrong to reject them.

1. Windham Diary, 10 December 1796, 348; H.M.C. Dropmore, V, 306, Windham to Grenville, 20 August 1799.

Rather, Ministers sent to France proposals which they genuinely considered honourable and reasonable in the light of their knowledge of circumstances at that time. These were terms which they hoped might be accepted and also which might be considered fair by the public if rejected. Ministers were thus playing absolutely safe. As Grenville explained to Eden on 13 December,¹ they could expect a satisfactory result whatever the outcome: either a reasonable peace or a reinvigoration of flagging popular support for the war.

1. P.R.O., FO 7/47, Grenville to Eden, No. 59, 13 December 1796.

APPENDIX C

THE AMOUNT OF THE ADVANCES MADE TO AUSTRIA IN
1796-7

J. M. Sherwig asserts (Guineas and Gunpowder, 91) that 'Probably the total amount advanced to Austria was £1,870,000.'

This is unlikely. It is based primarily on a misreading of the 'Statement of the remittances and payments by Boyd, Benfield & Co. for account of the Imperial Government', in the Chatham Papers.¹ Sherwig asserts that this statement shows that Boyd advanced £920,000 in 1796, independently of the £250,000 advanced through Craufurd in the spring,² making a total of £1,120,000 advanced in

1. P.R.O., PRO30/8/115.

2. It is indeed true that this statement does not include the £250,000 advanced by Craufurd in the spring of 1796, but this is because the dates of Craufurd's advances do not correspond with any in the statement and not, as Sherwig suggests, because it is indicated in the footnote to the statement; this footnote refers to 'drafts, credits and the bills falling due and others immediately to follow for £250,000' - i.e. to advances still being made by Boyd in 1797.

1796. To this he adds the £700,000 which Grenville stated was advanced in 1797¹ to make a grand total of £1,870,000.

In fact the 'Statement of the remittances' does not bear the date '1796' ascribed by Sherwig. It includes payments made as late as 31 January 1797. A figure for 1796 can only be arrived at by subtracting from the total (£942,851-8-9) those payments made in January 1797 (£219,000). This leaves a sum of £723,851-8-9. If to this is then added the £250,000 advanced by Craufurd, a total of £973,851-8-9 advances in 1796 is reached. This is near to the £920,000 total which Grenville stated was advanced in that year.²

To support his assertions, Sherwig cites Pitt's announcement in the Commons in December 1796 that £1,200,000 had been advanced to Austria. However, he rejects Pitt's final announcement in 1797 that a total of

1. P.R.O., FO 7/49, Enclosure in Grenville to Eden, No. 32, 2 May 1797.

2. Ibid.

£1,620,000 was advanced, just as he rejects Grenville's statement that £920,000 was advanced in 1796 while accepting his statement, made at the same time, that £700,000 was advanced in 1797. This is being excessively selective in his evidence.

Grenville was quite emphatic in his statement of the total advances made, and was supported by Pitt. There is no reason to differ too much from their declarations. As for Pitt's declaration in December 1796 that £1,200,000 had been advanced to the Emperor in that year, this was surely a statement of the approximate total that should have been advanced by then under the arrangement of June 1796.¹ In such a statement, which was made to secure Parliamentary approval for the expenditure of this sum, Pitt was unlikely to take notice of the fact that payment was three months in arrears at the time he was speaking.

1. See above, p. 230.

2. See above, p. 272, ftnt. 2.

Finally, in view of British financial difficulties, of the possibility of creating a dangerous precedent, and of the whole history of Britain's financial relations with Austria in this war, it would be both extremely unlikely and also totally out of character that the British government did not insist on the total repayment of every single penny of the advances made to Austria in 1796-7. It would also be remarkable that no reference at all to letting Austria off paying £250,000 of the advances was made in the acrimonious dispute over the 1797 Loan Convention. £1,620,000 was surely the precise amount advanced.

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V. University and College Archives

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VI. County Record Offices

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VII. Public and Private Libraries

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Leeds Central Library, George Canning Papers
Sheffield Central Library, Wentworth Woodhouse Muniments

VIII. Private Collections

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A. Beer	<u>Leopold II, Franz II, und Catharine, Ihre Correspondenz</u> (Leipzig, 1874)
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