Elsa, the Princess von and zu Liechtenstein
A Symbol of Old and New European Elites
Merging in the 20th Century

Václav Horčička

The Liechtensteins are an old European aristocratic family that has been present throughout our lands as of the mid-13th century. The family supported the throne and Catholicism starting with the conversion of brothers Karl, Maxmilian and Gundakar from the Evangelic to the Catholic faith at the turn of the 17th century; and continued to support them up until the end of the Hapsburg monarchy. Interestingly however, it was this family that took a major step towards accepting the “second society”, which had been rejected up that point in history, into the highest aristocratic circles. The marriage between Franz I and Elisabeth, also known by the name Elsa von Gutmann, was a symbol of this shift.

Elsa von Gutmann was born in 1875 and came from one of the most influential Jewish entrepreneurial families of the old monarchy. The oldest mention of the family comes from Kolín nad Labem, but Elsa’s great-grandfather Isaak moved his business to Lipník nad Bečvou (Leipnik), where he married well and took the family name Gutmann. The family traded several commodities including lambswool and grains. Elsa’s father Wilhelm Isaak Wolf, Knight of Gutmann established a coal business instead, which was closely connected to the activities of Emperor Ferdinand’s Northern Railway. Elsa was Wilhelm’s child from his second marriage to Ida (maiden name Wodianer). He was almost 50 years old when Elsa was born. The Gutmanns (Wilhelm asked his brother David to join him in his business and together they founded the Gebrüder Gutmann company in 1856) were initially in competition in coal mining and coke production (Gutmann controlled almost one half) with the Rothchilds but the two families started to work together in mid-1860s. Thanks to his entrepreneurial success and generous charity work, Wilhelm received hereditary knighthood in 1877.2

Elsa gave up the faith of her ancestors and converted to Catholicism in 1899, so that she could marry Austrian Baron Géza Erös de Bethlenfalva. It is interesting to

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1 This article was written as part of the Czech Science Foundation project: Jewish Noble Elites in Central Europe in Comparative Perspective No. GA 14/04/113S.

note, that she did this in spite of the fact that her father was president of the Jewish Religious Community in Vienna from 1892 to 1893 and the family had even originally planned for him to become a Rabi. Elsa became a widow in 1908 and shortly before the First World War broke out, she began a relationship with hereditary Prince Franz of Liechtenstein. The prince was more than 20 years her senior but the former Austro-Hungarian Ambassador to Russia found his life partner in Elsa.3

The newspapers reported that Franz of Liechtenstein met Elsa at a gala in Vienna. Their relationship is officially documented as of 1914, when they were introduced by Annie Dumba, the wife of the Austro-Hungarian Ambassador to the United States. Ambassador Dumba was already appointed in 1913 but his wife did not immediately travel with him to the United States. The Dumba family came from Macedonia and amassed a large fortune in the cotton and sugar trade during the 19th century. The family belonged to the Viennese entrepreneurial elite prior to the First World War. 4

Elsa quickly became the love of the prince’s life and accompanied him on long trips to the mountains. She also stood by his side at public events. The future princess had a good sense of humor and a happy outgoing personality, which enabled her to withstand the gossip and malicious comments concerning her background.5 Their shared interest in charity work only solidified their relationship. It may even be possible that it was precisely these activities that brought Franz into the Gutmann family. Some unverified sources claim that he met Elsa in 1914 during their work in Hilfsfond für Soldaten.6

In spite of their close relationship, a morganatic marriage was out of the question while Prince Johann II was alive. Franz’s older brother refused to give his approval until his death in February of 1929. The hereditary prince was determined to marry Elsa nevertheless. He was not willing to risk banishment from the family because of it, but he married Elsa in secret in 1919, and the Pope received the couple in the Vatican that same year. Franz also refused to join in on the action of certain members of the dynasty after the First World War, which was aimed to reduce the potential inheritance tax burden on the family’s assets in the future. He did agree in 1923 that after the death of his brother, he would give up the family properties in Czechoslovakia, but he insisted on retaining his title to the throne and he also kept the management of the family properties in Austria and Liechtenstein. Since two other heirs renounced their succession rights late in life (Franz de Paula 1869–1929 and his brother Alois 1869–1955), Franz Joseph II, the heir presumptive, took over the properties in Czechoslovakia following the death of Johann II (1906–1989).7 He was obligated, however, to grant access to certain properties, especially the Valtice

5 WAKOUNIG, M., op. cit., p. 52
castle to his distant great-uncle Franz. Franz Joseph II was the great-grandson of Prince Johann I Joseph, a well-known imperial marshal. The marshal's second-born son Franz de Paula founded the secondary family line. His grandson Prince Alois married Hapsburg Archduchess Elisabeth Amelia, step-sister of heir to the throne Franz Ferdinand d’Este. The future Prince Franz Joseph II was their son.

Shortly after his succession to the throne, the new Prince Franz I officially married the widowed Elsa. It caused quite a sensation at the time. A marriage between a leading aristocrat and a Jew was something out of the ordinary and was met with antisemitism. One Austrian paper reported that it was a “stain on honor.”\(^8\) The couple left to visit Liechtenstein shortly after they married. The prince and princess continued to make visits to this country regularly up until the year 1935 when Franz’s health would no longer allow it.\(^9\) The visits were quite dignified as Franz and Elsa were very popular in Liechtenstein. The princess apparently advised Franz to make personal contact with the people.\(^10\) The new prince already showed interest in his Alpine country when he was heir and helped his brother with the reconstruction of the Vaduz castle. In 1916, he outright rejected the secret Erzberger plan, which was supposed to restore Pope Benedikt XV as sovereign ruler by Liechtenstein’s demission. Following the war, Franz also participated in Liechtenstein’s reorientation toward Switzerland.\(^11\)

During their visits to Liechtenstein, the royal couple would visit schools, preschools and tried to help sick children and mothers in need. When polio spread throughout Liechtenstein in the 1930s, Elsa immediately procured the medication that was needed in the United States. Together with his wife, the prince created the Franz-Else Stiftung foundation in 1929, which was to help impoverished Liechtenstein youth receive an education. In order to prevent Nazi propaganda penetrating the country, Franz supported local scouts and several other activities that were to reinforce the sovereignty of the country.\(^12\)

Politically and economically speaking, the years that Prince Franz and Princess Elsa ruled did not constitute a happy period for Liechtenstein. Following the so-called credit scandal, the Christian-Social People’s Party government had to resign in 1928 and the Progressive Citizen’s Party was in power almost up until the end of Franz’ rule. The Christian-Social People’s Party felt that the prince became too involved with the Progressive Citizen’s Party as a result of alleged pressure from his wife. The opposition thus began making comments on the Jewish background of the princess. In spite of the government and the prince’s efforts to counter this,

\(^8\) Der Abend, 23. 7. 1929.
\(^10\) WAKOUNING, M., op. cit., p. 59.
\(^12\) HORČÍČKA, Václav — SUCHÁNEK, Drahomír — Županič, Jan, History of Liechtenstein, Prague 2011, p. 125 et seq.
these sentiments supported the Greater Germany and pro-Nazi sentiments in the country. At a demonstration in Vaduz in December 1934, the so-called Liechtensteiner Heimatsdienst (Liechtenstein Homeland Service that merged with the Christian-Social People's Party in 1935 and created the Patriotic Union) called for Franz Joseph II, the heir presumptive, to be called to lead the government. At the same time, the heir apparently had good relations with the Austrian National Socialists according to the German Imperial Ministry of the Interior.\(^\text{13}\)

Even though the prince immediately rejected this request, the relations between the prince, the princess and the heir presumptive were not good. His relationship with the opposition led the government to make a request that he abstain from his visits to the principality. The heir also believed that Elsa had too much of an influence on her husband. He even unleashed a domestic scandal in 1935 because the princess apparently signed official documents on behalf of her husband, who temporarily lost the ability to write following a stroke sometime between 1934 and 1935.\(^\text{14}\) The exact details of this controversy are not known and there appear several interpretations of it throughout historical literature.

One version claims that this unfounded accusation was meant to prevent the prince from bequeathing his allodial assets to Elsa. The prince did place money in bank accounts in London and Zurich for Elsa. A graphological analysis apparently proved that the princess did not falsify the signature but it was another unknown person who did. According to Franz Joseph II, the princess was attempting to hide her husband's poor health (with support from the Chief of the Prince's Cabinet Office and the Prime Minister) and thus prevent the heir presumptive from taking over the regent function. Historical documents show that Franz Joseph II entertained the notion that the prince could be placed under judicial interdict for mental incapacity. In accordance with family law from 1842, he along with two princes closest to the throne paid Franz a visit, but his sound mental state made it impossible for them to proclaim him incapable of further rule. The prince also apparently confirmed the authenticity of his signature on the documents that were suspected to have been signed by the princess.\(^\text{15}\)

Prince Franz Joseph was undoubtedly disappointed with the outcome as he was very critical of his great-uncle's politics. For that matter, shortly after the war, he accused his two predecessors of being responsible for short-sighted economic policies, which caused for the majority of the family's assets to be left in Austria and Czechoslovakia.\(^\text{16}\)

At the end of March 1938 the elderly Franz I relinquished his duties and named Franz Joseph II the country's regent after Liechtenstein successfully withstood the
domestic crisis and avoided the fate of the Nazi-occupied Austria. In return for its agreement with entry into the national government, the Patriotic Union requested that the influence of the old prince’s Jewish wife be removed.17 Franz I died shortly thereafter in July 1938. He died in Valtice where the prince and his Jewish wife moved to from Vienna. The princess left Valtice shortly after Franz’s death. The new prince agreed to a substantial allowance for her in the amount of 10 thousand Swiss francs per month.18

Following the death of the prince, the Liechtensteins were in danger of losing Elsa’s assets (according to the will from April 29, 1938, she was Franz’s only heir), as they could be confiscated by the Nazis.19 According to international law, heads of state had extraterritorial rights but the question of whether the decree from April 26, 1938 applied to the prince remained unanswered. The decree stated that domestic as well as foreign Jews (this applied to their Aryan partners as well) who had residency in former Austria, had to file a property report. Liechtenstein lawyers, however, believed that the prince, being a ruler, cannot have residency in Austria; Franz and Elsa therefore did not file a property report.20

Prince Franz bequeathed two types of estates. First, it was the properties that he managed following the death of his brother and predecessor, Johann II. This was basically the Austrian family estates. Apart from palaces and tenement houses in Vienna, they included the Wilfersdorf manor in Lower Austria that lay on the border with Moravia and Slovakia spreading over an area of almost 7300 hectares.21 The prince also left allodial estates that were the subject of the will mentioned above. These included the Kallwang territory and additional manors in Styria, which made up about half of the value of the allodial estates, i.e. 4 million Reichsmarks.22

Preserved historical records indicate that Princess Elsa was most likely at first willing to accept the inheritance. It was stated at a meeting of the top Liechtenstein officials and which the new Prince Franz Joseph II also attended, that it would “pose a serious threat because of the (Nazi — note VH) racial policies”.23 A decision was therefore made, that it would have to be negotiated with the princess that she give up the inheritance and discussions would commence with the central offices in Berlin concerning the inheritance taxes and fees.24

To prevent Elsa from losing the inheritance following the death of Franz, Prince Franz Joseph II made an arrangement with her to purchase the estates on January 20,

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18 Martin (Chief of the Prince’s Cabinet) to the main accounting administration, 1. 8. 1938, No. 147, SL-HA, KK, box 135–450 1938.
22 Kurt Galle to the Cabinet Office, 28. 11. 1941, SL-HA, KK, Box 51–135 1941.
23 Aktennotiz, 23. 8. 1938, SL-HA, KK. Box 1–50 1941.
24 Ibid.
1939. Elsa’s family agreed with this arrangement but later complained that the prince took advantage of the princess’s difficult situation. Her brother Rudolf noted that the prince bought the properties valued at 8 million marks for a mere 950,000. One has to add Elsa’s life-long allowance to that sum of course. It was established in 1938 that she would receive 10,000 Swiss francs every month. The prince continued to make these payments to Elsa in the future. In 1939, this allowance constituted about 1/4 of the annual foreign exchange conversion from the Reichsmarks to the Swiss francs that was agreed upon with Germany. Luckily for Elsa and the Liechtensteins, the German officials agreed with this arrangement. It took until the fall of 1941 for the prince to negotiate the tax (gift tax and others) from the allodium with the government. The tax was finally established in the amount of about 2,300,000 marks. In February 1939, the prince and Elsa agreed for the estates in Schottwien and Wartenstein in Lower Austria and Styria to be transferred to the prince, under the condition that if future regulations were to allow it, the prince would return both manors back to the princess dowager at no cost. This was to never happen, however.

Following the death of Prince Franz, Elsa moved to Switzerland, where she died near Zurich in 1947. During the war, she attempted to help some of the Jewish applicants for residency in Liechtenstein. She also actively participated in fund-raising campaigns for the Swiss Red Cross and she made annual contributions to students of local schools in Liechtenstein during Christmas. She sympathized with the Finish who were attacked by the Soviet Union in 1940 and provided small financial aid to them. She exchanged letters with Prince Franz Joseph II until her death. While their communication was not heartfelt, it was correct and polite. The princess dowager never visited the country again, however. Even though she was invited to the wedding of Prince Franz Joseph II to Countess Georgina Wilczek, Elsa only sent her congratulations. She kept in polite contact with the prince until her death.

26 Galle to the Cabinet Office, 28. 11. 1941, SL-HA, KK, Box 51–135 1941.
27 Franz Joseph II., Statement, 19. 2. 1940, SL-HA, KK, Box 1–70 1940. In August it was still expected that the princess would actually take over these estates. Richtlinien für Regelung der Vermögensangelegenheit Ihrer Durchlaucht Elsa Fürstin von Liechtenstein, 2. 8. 1938, SL-HA, KK, Box 1–70 1940.
31 Ibid., col. 2, p. 86.
ABSTRACT
ELSA, THE PRINCESS VON AND ZU LIECHTENSTEIN
A SYMBOL OF OLD AND NEW EUROPEAN ELITES MERGING IN THE 20TH CENTURY
The presented essay discusses the influence and activities of a figure sitting on one of Europe’s thrones that was in many regards quite unusual and extraordinary. Elisabeth, otherwise known as Elsa von Gutmann came from one of the most influential Jewish entrepreneurial families in the old monarchy. The relationship of the heir to the throne and as of 1929 the ruling Prince Franz I. of Liechtenstein with a woman of Jewish descent broke all the conventions of the time. What was most unusual was the willingness of a highly esteemed aristocrat to legalize this relationship. Franz even refused to abdicate his succession right to the throne because of his efforts to push through his marriage to Elsa, which his older brother Prince Johann II. did not wish to allow. As is shown in the essay, Franz I. was adamant about keeping his right of succession mainly because he was aware of the fact that he could only marry Elsa without having consideration for the opinions of his family, if he was the ruling prince.

The goal of the essay is to attempt to clarify the causes of Franz’s decision, which was quite sensational for that time. Concurrently, the impact that the marriage had on his rule over the principality (1929–38) as well as the relationship with Nazi Germany are also analyzed. The role of Elsa as Princess and later the Princess Dowager is also discussed.

KEY WORDS
Elsa von Gutmann, Franz I. of Liechtenstein, Liechtenstein, Monarchies in Europe, aristocracy