

Conscious of its size, and with the Liechtenstein family still residing in Vienna and their Bohemian estates, Liechtenstein quickly established a Customs and Monetary union with the Austro-Hungarian Empire. This Union lasted until Austria-Hungary's defeat in the First World War, in which Liechtenstein remained neutral. This neutrality in the First World War is critical in examining non-military means of defence. Having declared war on Austria-Hungary the British government sent a request through American intermediaries to determine if Liechtenstein was a belligerent or neutral. Prince Johann II, despite his close links with Austria, decided that in the absence of his own military forces, Liechtenstein would remain neutral. This decision was in spite of the customs union Liechtenstein had with Austria-Hungary. Throughout the war the allies applied considerable pressure on Liechtenstein not to export goods to Austria in breach of its neutral status, with which it complied at considerable cost to its own economy. These two issues, neutrality on the basis that it possessed no military and interactions with the allies on the basis that Liechtenstein possessed a sovereignty separate from Austria and Switzerland are key to Liechtenstein's survival as a sovereign state and to its future recognition in the community of nations⁴⁰.

Liechtenstein's lack of a military, even when issues of the close relationship between Austria and Liechtenstein came into play, was a critical determinant for ensuring its recognition as neutral. Had Liechtenstein possessed a military it would have been harder for Prince Johann II to assert neutrality and reject the plight of his Austrian friends and neighbours. It would have also been difficult to not employ the military in support of Austria given the large amount of pro-Austrian feeling amongst the Liechtenstein population⁴¹. Had Liechtenstein become a co-belligerent with Austria then it is reasonable to conclude that the fate that befell the Habsburgs and every other German monarchy in the wake of the Central Powers defeat would have also befallen Liechtenstein. States within the German Empire of similar size and status to Liechtenstein, such as Oldenburg, Baden or Hesse, all had their monarchies deposed and were incorporated into new larger sub entities of the Weimar Republic, any semblance of sovereign status lost⁴². However by 1920 Liechtenstein was the last remaining polity of the Holy Roman Empire still intact. Its security and continued existence had been defended in significant part by the fact that it did not have a military. In the global order at that time its unarmed, sovereign and neutral status was its best defence.

In the economic and political chaos that followed the First World War Liechtenstein moved

⁴⁰ Ibid, 38-40.

⁴¹ Ibid, 39.

⁴² S. Miles Bouten, **And the Kaiser Abdicates**, (New Haven: Yale University Press, 1920), 178.