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# **BRITISH POLICY AND THE OCCUPATION OF AUSTRIA, 1945 – 1955**

Warren Welde Williams

Submitted to the University of Wales in fulfilment of the requirements for the  
Degree of Doctor of Philosophy of History

University of Wales Swansea

2004

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## Summary

Austria was the scene of some of the more ferocious posturing between East and West during the Cold War. This thesis summarises British interests regarding Austria and recovers the chronology of important events, beginning with the 1943 Moscow Declaration. This identified Austria as a victim of Nazi Germany and provided for her to be treated as liberated rather than conquered. The narrative pauses to examine significant events and issues as they arose. While not concentrating exclusively on negotiations toward an Austrian State Treaty, the narrative keeps track of this important diplomatic exercise. The behaviour of the Western Allies and the USSR in Austria is examined against the background of a dynamic situation and severely differing opinions on disposition of German assets and the rearming of Austria. Finally, the thesis examines the abrupt change in Soviet policy in May 1955, which resulted in bilateral Austro-Soviet talks during which Moscow indicated a willingness to end the occupation. The thesis leans heavily on archival documents and on information from individuals who were involved in policy formulation in the 1940s and 1950s. The thesis highlights the importance of the Anglo-American relationship, and concludes that Britain's leaders were not always sensitive to the forces behind their principal ally's policies toward Austria, a shortcoming that caused at least Ernest Bevin to misjudge the situation in Washington, and to launch an ill-timed lobbying campaign designed to persuade the Americans to pay whatever bribe Moscow demanded in return for a Russian signature on an Austrian State Treaty.



## **Declaration and Statements**

### **Declaration**

This work has not previously been accepted in substance for any degree and is not concurrently submitted in candidature for any degree.

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Date:

### **Statement 1**

This thesis is the result of my own investigations, except where otherwise stated.

Other sources are acknowledged by footnotes giving explicit references. A bibliography is appended.

Signed:

Date:

### **Statement 2**

I hereby give consent for my thesis, if accepted, to be available for photocopying and for inter-library loan, and for the title and summary to be made available to outside organisations.

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Date:

## Acknowledgements

This thesis is dedicated to an American patriot and Cold War hero, the late Fritz Giesecke, who first suggested that I pursue a PhD upon semi-retirement, and who recommended the subject of my research. May he rest in peace.

It would be impossible to thank everybody who helped me, but special thanks must be extended to my Supervisor, Gareth Pritchard. Every now and then one meets a truly memorable teacher, and Gareth is certainly that. Through his professionalism, patience and, yes, tolerance, he guided me throughout the compilation of a doctoral thesis, a task which proved much more difficult than I anticipated. Harvard's Mark Kramer deserves special thanks for his rapid responses to my many requests, his practical and editorial suggestions, and his reassuring presence throughout my research. I am also indebted to Mark for his invitations to contribute articles to Harvard's *Journal of Cold War Studies*.

Thanks also to my good friend and teacher, Siegfried Beer, for providing me with so many works not available locally, and for his ever-present help and encouragement. Siegfried understands better than most my affection for Austria and the Viennese people, as does Pete Bagley whose enthusiasm, encouragement and assistance have been invaluable. Arthur Radley remained a good friend who was helpful in connecting me with British people who served on the Allied Commission in Austria. I will forever be grateful to Bill Stearman, John Morzenti, Oleg Gordievsky, Hal Ekern, John Mapother, Bill Hood, Joe Evans, Tom Polgar, Bronson Tweedy, Boris Volodarsky, Curtis Glenn and Viktor Gobarev. Particularly helpful along the way were, Günter Bischof, Reinhold Wagnleitner, Jim Carafano, Rob Rush, David Glantz, Tom Gleason, Sergei Khrushchev, William Taubman, Marc Trachtenberg, Brigadier General John Brown, Vladimir Gromov and Vlad Zubok. Chris Ostermann at CWIHP deserves special mention for his rapid, effective and always courteous help.

The staff of the PRO could not have been more accommodating, nor could Milt Gustafson, Tom Branigar and Amy Schmidt at the US National Archives in Maryland. I thank Simon Robbins at the Imperial War Museum, as well as Rudi Jerabek and Dieter Lautner at the Austrian National Archives, and of course the staff of the Foreign and Commonwealth Office, where I was able to acquire valuable documentary information. Patricia Alkhoven at the National Library of the Netherlands was swift to send me useful information on the Marshall Plan, and the British Library staff was always available on-call. The hard-working crew of the university library in Swansea deserve a standing ovation, and here I must mention the valuable assistance I received from Ian Glen, Nina Whitcomb and Kim Llewellyn.

Finally, I must thank my wife, Isobel, and daughter, Kate, who demonstrated phenomenal patience and endurance, and who put up with me during those many moments when resolve began slipping. I am looking forward to reading Isobel's doctoral dissertation on aspects of the occupation of Italy.

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## **Abbreviations**

ACA	Allied Commission for Austria
AdR	Austrian National Archives
AFHQ	Allied Force Headquarters (Mediterranean)
ATC	Austrian Treaty Commission
BAK	Office of the Austrian Federal Chancellor
BTA	British Troops Austria
CCS	Combined Chiefs of Staff (British and American)
CFM	Council of Foreign ministers
CGF	Central Group Forces (Soviet)
CIA	Central Intelligence Agency (US)
CIC	Counter Intelligence Corps (US)
CINCSOUTH	Commander in Chief South
COL	Colonel
COMECON	Council for Mutual Economic Cooperation
COMINT	Communications Intelligence
COSSAC	Chief of Staff to the Supreme Allied Commander
CPSU	Communist Party of the Soviet Union
CWIHP	Cold War International History Project, Woodrow Wilson International Center for Scholars, Washington, DC.
EAC	European Advisory Commission
ELINT	Electronics intelligence
EPU	European Payments Union
ERP	European Recovery Plan (Marshall Plan)
EU	European Union
FPÖ	Austrian Freedom Party
GCHQ	Government Communications Headquarters (UK)
GRU	Soviet military intelligence agency
GSFG	Group Soviet Forces Germany
HMS	Her Majesty's Ship
ICBM	Intercontinental Ballistic Missile
JCS	Joint Chiefs of Staff (US)
KCMG	
KGB	Committee of State Security (Soviet)
KPÖ	Communist Party of Austria
MI6	British Secret Intelligence – used interchangeably with SIS.
NARA II	US National Archives, College Park, Maryland
NATO	North Atlantic Treaty Organization
NIE	National Intelligence Estimate (US)
NMR	National Military Representative
NSC	National Security Council (US)
OEEC	Organisation for European Economic Cooperation
OTP	One-time Pad (code)
PRO	Public Records Office – British national archives
RGANI	Russian State Archive of Contemporary History
SAC	Supreme Allied Commander
SACEUR	Supreme Allied Commander Europe

SACMED	Supreme Allied Commander Mediterranean
SHAEF	Supreme Headquarters, Allied Expeditionary Force (North-West Europe)
SHAPE	Supreme Headquarters, Allied Powers Europe
SIGINT	Signals intelligence
SIS	Secret Intelligence Service (UK) – used interchangeably with MI6.
SMV	Soviet mineral Oil Administration
SOE	Special Operations Executive (UK)
SPÖ	Austrian Socialist Party
TO&E	Table of Organisation and Equipment
UN	United Nations
UNRAA	United Nations Relief and Rehabilitation Administration
USAID	United States Agency for International Development
USFA	United States Forces Austria
USIA	Administration for Soviet Property in Eastern Austria
VdU	Austrian Independent Party
VIAC	Vienna Inter-Allied Area Command
VPÖ	Austrian People's Party



## INTRODUCTION

Austria's drive for independence following World War II is often overlooked by students of the Cold War, whose attention perhaps understandably drifts toward more important issues in more important places. Yet this small alpine land was a bellwether battlefield – a testing ground for Four Power strategies designed to affect events elsewhere, primarily in Germany. Austria was host to some of the most dangerous East-West confrontations for almost a full decade after the war, during which the Austrian people were subjected to the humiliation of military occupation and the plundering of the country's natural and industrial resources by the Soviet Union. A question mark is still attached to the Kremlin's motives behind the sudden and unexpected decision in May of 1955 to sign the Austrian State treaty, after a decade of cantankerous opposition. To many at the time, this was the first step backwards taken by the Soviet Union during the entire Cold War.<sup>1</sup>

## STATEMENT OF PURPOSE AND METHODOLOGY

The first objective of this thesis is to bring into the public domain a chronological and focused narrative describing British interests and policy toward Austria during the period of Four Power occupation, 1945-1955. The second objective is to pose and answer certain key questions, which arise logically from that narrative. The thesis describes British interests in Austria, the process by which Britain formulated its foreign policies regarding Austria,

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<sup>1</sup> The Austrian State Treaty was signed on 15 May 1955. The 18 May 1955 *New York Times* quoted American Secretary of State, John Foster Dulles, as saying: 'approximately 16,000 square miles and 1.7 million people have been freed from Soviet control and economic exploitation. ... It marks the first time that the Red Armies will have turned their face in the other direction and gone back since 1945'. See William L Stearman, *The Soviet Union and the Occupation of Austria* (Bonn, Vienna, Aurich: Siegler & Co, 1962), p. 169.

and British Government policies as these evolved, usually in reaction to what the United States and the Soviet Union were doing, as well as what was happening in the rest of the world. The presentation of information and analyses is a combination of the chronological and thematic. The chronological narrative begins with the initial phases of occupation planning and evolution of British foreign policy, and it proceeds in a linear fashion through the occupation period to Austria's independence in May of 1955, pausing, thematically, at particularly important stations along the way to examine specific issues in appropriate depth.

The narrative in each chapter will, by necessity, be comparative because the scenario in Austria developed as a result of the interaction between parties participating in the occupation, and in negotiations leading to the country's independence. It is seldom possible to limit descriptions, observations or evaluations exclusively to any one of the participating parties without referring to the others. Britain was incapable of unilateral action in the immediate post-war era, and had to depend on its ability to enlist support from others, primarily the United States of America, over whom the British Foreign Office had no control and only marginal influence. The overall environment within which Britain was required to carry out her diplomacy was also not under British control, and was significantly influenced by the actions of the Soviet Union and her East Bloc allies – forces that were not always friendly toward Britain and her interests. In many respects, Britain was forced to scramble, reacting to unexpected events with inadequate resources

and attempting to play the role of a major world power when, in fact, she was not.

The relationship between Western foreign policy during the occupation period and Austrian independence deserves and indeed receives special attention here. Was it a mistake for Britain to conclude that an earlier end to the Allied occupation of Austria would necessarily have resulted in the country's earlier independence? Scholars who have written about the occupation period sometimes point to specific time frames during which they believe the USSR was prepared to sign an Austrian State Treaty, had the West been willing to pay a hefty bribe and withdraw their military forces, leaving Soviets in place or at least with continuing control of the country's natural and industrial resources. Britain's Foreign Secretary, Ernest Bevin, and his Foreign Office were in the front ranks of those who were frustrated by certain US attitudes regarding an Austrian Treaty, and Bevin lobbied his American counterpart energetically to make whatever concessions the Soviets demanded in order to bring about an end to the occupation. Was Britain's assessment of the situation in Austria correct? Was Bevin's understanding of the atmosphere in Washington sound when he lobbied the US Secretary of State to surrender to Moscow's economic demands on Austria? Or were Bevin's lobbying efforts misguided and mistimed? Would Austrians have enjoyed freedom earlier if, as Bevin wanted, the West had paid Moscow money and withdrawn Western occupation forces?

Because of the critical importance of Anglo-American relations and the cohesiveness of the North Atlantic Pact during the occupation of Austria, the relationship between Britain and her American friends is examined. How did the two countries divided by a common language get along, as they joined together to confront what was perceived first by the British and eventually also by the Americans as a sinister Communist threat? How did Britain's diplomats and other statesmen rate their US counterparts on policy matters having to do with Austria? How and why did the Anglo-American relationship work in programmes designed to solve the post-war Austria problem, despite different interests and culturally different ways of going about the resolution of complex issues? Did Britain's *process orientation* and America's *results orientation* serve the interests of both nations and of the Austrian people, or did these different perspectives cause unnecessary problems?

The Cold War was fought in part through covert intelligence operations, and there was no one place in the world more heavily involved than Vienna in hosting these activities. Vienna really was the city of Graham Greene's *Third Man*, reeking of intrigue, deception, double-cross and triple-think. Vienna provided a welcome, secure and almost risk-free environment in which intelligence agents of many nationalities plied their trade. It is arguable whether Berlin ran a close second in the Cold War spy game, but there is no question that Vienna was a major battleground in the world of international espionage. Vienna was also the scene of one of Britain's Secret Intelligence Service's (SIS or MI6) most successful Cold War operations. For this reason, the following narrative will pause briefly on the subject of intelligence

operations during the occupation of Austria, providing unique information and insight from professional intelligence operations officers who were there. Were these operations for operations' sake, or did the product from covert intelligence benefit Britain's policy makers?

The European Recovery Programme (ERP), it is frequently said, rescued Austria's economy and provided an opportunity for Austria to lift itself from the rubble of war and develop prosperity and security. The Marshall Plan was an American programme and Britain's main involvement was to benefit from it. Given the subject of this thesis, it is not necessary to describe the ERP in depth. Still, controversies often accompany academic comment on the Marshall Plan, so this narrative will pause and consider certain of these issues. How, for example, did the Marshall Plan affect Austria? Was this effect beneficial? Did, as it has been sometimes suggested, the Marshall Plan represent an unwarranted and unwelcome intrusion on Austrian society?

One sensitive issue in the Cold War was the rearming of Austria. It remained a cause of severe friction between the Soviet Union and the West. A major American foreign policy objective vis-à-vis Austria throughout the entire period of occupation was to make certain that Austria possessed the wherewithal to provide for her own internal security before Western occupation forces were withdrawn. This necessitated the creation of armed Austrian forces – an action the Soviet Union opposed. Britain eventually agreed to participate in a rearmament programme, and to assume

responsibility for creating an Austrian air force. The narrative pauses to consider the ramifications of Anglo-American activities designed to strengthen Austria's internal security capabilities. It does so by addressing the question of how America and Britain approached this delicate task and were they successful.

The thesis is the result of over six years of research and intellectual endeavour, during which secondary and primary sources in Britain, the United States and Austria were explored, as well as a wide variety of international writings on the Cold War, Britain and Austria. The works of Austrian academics and other authors were studied extensively, with the recognition that Austrians did not have access to the British policy formulation process. During the occupation, the only thing Austrians knew about British policy is what they were told by British representatives or could discern from the behaviour of British representatives. British policies were formulated in Great Britain, by elected and appointed British officials, frequently but not always in consultation with the United States.

#### HISTORIOGRAPHY

Conclusions herein rely heavily on unpublished material, personal interviews with people who were directly involved with policy matters during the occupation, and with primary source material that may have been cited in previous works but which has never been thoroughly exploited.

The material offered here contributes new information and insights to the historiography of occupied Austria, to the understanding of Cold War developments concerning Austria, and to British foreign policy regarding Austria. Some information is new because it has not been reported in previous works. The analyses and conclusions are new and based, in part, on unique experience and perspective. No American who participated directly in the Cold War and who enjoyed such close association with Austrian issues has concentrated exclusively on British policies regarding Austria in similar detail or depth.

I have sought to avoid the trap that apparently awaits historians who, when trying to learn about foreign policy and foreign policy formulation processes, place excessive faith in archival documents and fail to distinguish between policy recommendations, statements of official policy and strategies designed to accomplish policy objectives. Wherever possible, I have confirmed the nature and relevance of source material against the memories of eye witnesses - people who actually participated in administration of the occupation or in other activities covered by this thesis. The resulting letters, e-mails and other communications from individuals who served on the Allied Council and as intelligence operations officers in Vienna also contribute new and unique information to Cold War historiography.

The books, articles, papers, archives and other material used for this thesis can be placed into four broad categories: reporting on the Cold War in general, on Austria in general, on British and other Four Power policies

regarding Austria, and on this author's personal experience and intimate contact with the issues of the day.

### THE COLD WAR IN GENERAL

First, there is the huge volume of Cold War historiography, consisting of a wealth of secondary material and declassified archival documents. The bibliography here identifies the primary and secondary source material that contributed most to this thesis and had most influence on its conclusions. The bibliography on the Cold War is by no means exhaustive. There is a mountain of books, articles, papers and other forms of reporting on the Cold War and the many debates that continue to rage regarding that period of contemporary history.

The wider events of the Cold War affected virtually everything that happened in Austria during the occupation – indeed more than developments inside the country itself. Germany, for example, was more important to the Four Powers than was Austria, and so available literature on Germany and its role in the Cold War was studied during preparation of this thesis, including recently uncovered Soviet and Warsaw Pact source documents made available through, among other sources, the Woodrow Wilson International Center for Scholars' Cold War International History Project (CWIHP) and Harvard University's Project on Cold War Studies, Davis Center for Russian Studies. The latter's publication, *Journal of Cold War Studies*, was an invaluable source of information and analysis in the preparation of this thesis.



In the West, the Cold War continues to generate active debate in the halls of academia. Western archives are open and, despite complaints of relatively slow declassification of material by some governmental bodies, the publication of official documents continues and the body of evidence expands. Learning what the Western Allies did and reading interpretations of why they did it is an ongoing activity in universities and research institutions. This debate has already been through at least three major schools of historical analyses: the traditionalist, the revisionist and the post-revisionist. Some suggest that current contributions fall more accurately into a post-modernist school, which essentially rejects the methodology and conclusions of previous schools. Yet others caution that such theoretical discourses on schools of thought and their alleged philosophical and methodological leanings distract historians from their real *raison d'être*, namely, as this author believes, the illumination of historical truths and explanation of important events.

The Soviet Union, a major adversary in the Cold War, played an important role in determining Austria's post-war fate. Soviet behaviour in and about Austria has been studied by a variety of researchers interested in the occupation period. Most have been Austrian, although William L. Stearman's 1962 offering, *The Soviet Union and the Occupation of Austria*, remains a remarkably durable account of Soviet policy and behaviour. The motives, deliberations and policy objectives of the Soviet Union during the period of Austria's occupation, however, remain still today matters of speculation.

When the Soviet Union collapsed in 1991, the new government took initial steps to relax access to some Soviet archives, but researchers continue to experience difficulty and frustration. Access to Soviet archives is still difficult, sporadic and unpredictable. Also, there is little doubt that archival documents have been handed out selectively by those in charge, often in return for bribes or, at best, excessively high service charges.<sup>2</sup> In 1997, the editor of the journal, *Diplomatic History*, in introducing a series of articles on the Russian archives, was inspired to observe: '...the new documentation has done little to clarify matters. On the contrary, it has fuelled the flames of controversy and made it more likely that debate and disagreement over the history of the Cold War will continue.'<sup>3</sup>

The most important Soviet archives (the Presidential Archive, the Foreign Intelligence Archive, the State Security Archive and the Central Ministry of Defence Archive) remain closed. Access to others, for example the Foreign Ministry Archive, is extremely difficult and the prices for photocopies are prohibitive. Trailblazers like Harvard's Mark Kramer and James Hershberg have performed miraculously in unearthing valuable Soviet archival documents, many found not in Moscow but elsewhere, some in former satellite states. Here, Mark Kramer's extraordinary linguistic abilities have enabled him to tap the archives of virtually every former Soviet Bloc state.

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<sup>2</sup> MATRIX: Center for the Humane Arts, Letters, and Social Sciences On-line, Michigan State University, H-RUSSIA, H-HABSBURG, H-DIPLOMACY, H-WAR and H-HISTORY, <www.H-NET.org> , [accessed periodically throughout research for this thesis].

<sup>3</sup> *Diplomatic History*, vol. 21, issue 2, Spring 1997.

Zubok and Pechatnov have found and made available valuable Soviet primary source material, as have Vladimir V. Sokolov and Sven Holtsmark.

During research for this thesis, over 1,000 pages of Soviet archival documents were identified and photocopied from microfilm records (Fond 5, Opis 28) purchased by Harvard University from the Russian State Archive of Contemporary History (*Rossiiskii gosudarstvennyi arkhiv noveishei istorii* [RGANI]). These records are now available in the Harvard University library, Cambridge, Massachusetts.

Most of the Soviet archival documents that have reached Western researchers are on non-European issues, such as the Korean War, USSR-China relations and the Cuban Missile Crisis. The Europe-related material has tended to focus on Germany and on the NATO-Warsaw Pact face-off. There are very few references to Austria, but some far away developments did affect Allied interaction in Austria. A good example is the Korean War, which we now know was started by North Korea only after receiving Josef Stalin's personal approval and assurances that the Soviet Union would support a North Korean invasion of the South.<sup>4</sup> The suspicion in the West that Moscow was behind the Korean War certainly did affect East-West

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<sup>4</sup> In June 1994, Russian President Boris Yeltsin handed over to South Korean President Kim Young Sam a collection of high-level, declassified Soviet documents on the Korean War. These proved conclusively that Stalin, and later Mao Tse Tung, both granted their personal approval for the North's invasion of the South. Since then, the Presidential Archives in Moscow have declassified and released some 1,200 pages of official documents from the Kremlin's file on the Korean War. Photocopies of this file with all of its released documents are available in the US National Archives, the National Security Archives, the Gelman Library, George Washington University Library and the Columbia University Library. Approximately 100 of the most important and revealing documents from this file are available in translation in *The Cold War in Asia* (Washington: The Cold War International History Project Bulletin, Issues 6-7, Winter 1995/1996).

diplomatic activity in Europe. During the Korean War, Austria was one of the few places on earth where Western and Soviet officials continued to sit with each other around conference tables, discussing important issues, albeit with infrequent occasion to celebrate progress.

Garthoff, Wohlforth, Westad, Tucker, Larres and Mastny are responsible for valuable assistance in understanding the ways various governments formulated foreign policies during the Cold War. Hogan, Taubman, Bowie and Zubok are others. Again, CWIHP remains a rich source of both secondary and primary information on Soviet and Soviet Bloc policies, as well as the way these were developed and sponsored. The personal memoirs of chiefs of state, foreign ministers and other senior government officials have been studied for this thesis, but hopefully with a sense of scepticism appropriate to the works of those who write in part to justify their own actions and decisions.

While much Cold War research has been devoted to the United States, Britain's participation in the Cold War generated a considerable collection of books, articles and papers. Those that influenced this thesis most are identified in the accompanying bibliography.

In the Winter 1999 edition of Harvard University's *Journal of Cold War Studies*, Adam Ulam wrote a short but thought-provoking article entitled, 'A Few Unresolved Mysteries about Stalin and the Cold War in Europe: A Modest Agenda for Research'. In this, Ulam observed that, now the Cold War

is over, 'most people in the West have largely forgotten about the concern that preoccupied us during the first four and a half decades after World War Two: the danger of a fatal clash between East and West. ... Still, for the minority of those who follow international affairs, that recent past has left a number of unanswered questions and problems'.<sup>5</sup> Ulam concluded that, despite an increase in the supply of Soviet archival material becoming available, definitive answers to some of the most basic questions pertaining to the Cold War are still unavailable and will remain so until all Soviet archival documents are made available to the international community. Perhaps Ulam is right, but there remains a question as to whether or not Moscow's closed and protected files will actually prove to contain the information and insight needed to understand why Kremlin leaders did what they did. Leaving a written trail of opinion and actions was a dangerous practice in Moscow and, as we know from the unique Stalin-Molotov correspondence during the immediate post-war months, political figures in the Soviet Union were very careful what they wrote.<sup>6</sup> We do, however, have Khrushchev's personal explanation of why he instructed Molotov to stop obstructing progress towards an Austrian State Treaty and agree to the withdrawal of the Soviet Army from Austria.<sup>7</sup>

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<sup>5</sup> Adam Ulam, *Journal of Cold War Studies*, Winter 1999, Vol. 1, No. 1, p. 110.

<sup>6</sup> Vladimir O. Pechatnov, 'Foreign Policy Correspondence Between Stalin and Molotov and Other Politburo Members, September 1945 - December 1946; The Allies Are Pressing You To Break Your Will', *CWIHP Working Paper* 26, September 1999.

<sup>7</sup> 'Concluding comments by Comrade N. S. Khrushchev before the Central Committee Plenum of the CPSU Ninth Session on 12 July 1955,' Translations by Benjamin Aldrich-Moodie, Leo Gluchowski and Vladislav Zubok *CWIHP Bulletin*, Issue 10, March 1998, pp. 42-43.

Among those who have contributed to and stimulated the ongoing debate on how the Four Powers made policy decisions are Gaddis, Waltz, Zubok, Richter, Simmons, Parish, Naimark, Weathersby, Pechatnov and Kramer. Of these, Kramer's many contributions, Gaddis' 1997 *We Now Know*, and the 1996 Zubok/Pleshakov expose on Kremlin politics are probably the most invigorating and closer to what we will eventually learn is the truth.<sup>8</sup>

### AUSTRIA IN GENERAL

Second, there is a smaller but equally important body of material on post-war Austria in general. Much of it is of marginal value for the purposes of this thesis. The literature is particularly rich on Jewish issues, the fate of Austria's National Socialists during and after the war and the ways the Allied Powers did or did not pursue so-called denazification programmes. Some Austrian academics, apparently with a penchant for self-flagellation, have asserted that their country and countrymen did not deserve the favoured treatment afforded Austria and Austrians by the victorious Allies under terms of the 1943 Moscow Declaration.<sup>9</sup> Others have interested themselves in religious and Austrian identity issues, Austrian labour union issues, the post-World War Two (WWII) fate of the First Republic's 'Red Vienna', the Socialist (SPÖ) and (less consequential) Communist (KPÖ) parties of Austria and their interaction with other political movements, and with the unique Austrian

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<sup>8</sup> John Lewis Gaddis, *We Now Know* (Oxford: Clarendon Press, 1997). For an example of Kramer's contributions, see 'The Early Post-Stalin Succession Struggle and Upheavals in East-Central Europe: Internal-External Linkages in Soviet Policy Making', Part 1, *Journal of Cold War Studies*, vol. 1, no. 1, Winter 1999, pp. 3-55; Part 2, *Journal of Cold War Studies*, Vol. 1, No. 2, pp. 3-38. See also Vladislav Zubok and Constantine Pleshakov, *Inside the Kremlin's Cold War: from Stalin to Khrushchev* (Cambridge, Massachusetts: Harvard University Press, 1996).

<sup>9</sup> See, for example, Günter Bischof, *Austria in the First Cold War, 1945-1955: The Leverage of the Weak* (Houndmills, Basingstoke, Hampshire: Macmillan Press, 1999).

capacity to form successful coalition governments bringing together political opponents.

Austria has attracted the attention of researchers because it remains as one of post-war Europe's real success stories. The so-called Waldheim Affair has lured some scholars. More recently, others have been attracted by the election gains of Austria's Freedom Party (FPÖ) and the ensuing tantrum thrown by disapproving European Union (EU) member states. Indeed, Austria's decision to join the EU has been the subject of considerable comment, given the terms of the Austrian State Treaty of 1955 and the first independent Austrian Government's decision to adopt a policy of perpetual neutrality. With the disappearance of the Soviet Union and every one of its European satellite governments, the continuing validity and relevance of the State Treaty itself is now sometimes called into question.<sup>10</sup>

Some academics who, for whatever reason, still resent the presence in Austria of a sizeable American community during the occupation, have also voiced concern over what they term 'cultural imperialism' by the United States. America, it is sometimes suggested, exploited its influential presence as an occupying power in Austria to force crude Yankee values down the throats of protesting but usually jeans-wearing Austrians who were too weak to resist such unwelcome intrusions as jazz music, Hollywood movies and ice

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<sup>10</sup> D. J. Morrow, *Neutrality and foreign policy in Austria since 1955*, 1987).

cream sodas. Reinhold Wagnleitner's *Coca-Colonization and the Cold War* is a demonstration of this particular protest.<sup>11</sup>

In a 1996, 25-page chapter entitled 'Narratives in Post-war Austrian Historiography', British historian Robert Knight suggests that post-war presentations on Austria, in general, can be placed into four broad classifications, or 'narratives': 'three of them broadly benign, one of them highly critical.'<sup>12</sup> The benign, 'educative' contributions are the educational narratives describing in different ways and from different ideological perspectives what happened as Austria crawled out of the rubble of war, eventually to become a sovereign, independent nation whose government adopted as one of its very first acts a policy of perpetual neutrality. Knight describes the one critical category of works as also a narrative, but one that 'is of a journey which in failing to confront National Socialism took a wrong turning.'<sup>13</sup> Knight's chapter is a broad-brush history of post-war Austria – a commendably competent reference to the complex interplay of societal forces that drove Austria during its first successful encounter with democracy. It is sprinkled with occasional reference to writers who typify one or more of the 'narratives'.

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<sup>11</sup> Reinhold Wagnleitner, *Coca-Colonization and the Cold War; The Cultural Mission of the United States in Austria After the Second World War* (Chapel Hill, North Carolina: University of North Carolina Press, 1994).

<sup>12</sup> Robert Knight, 'Narratives in Post-war Austrian Historiography', in *Austria 1945-1955, Studies in Political and Cultural Re-emergence*, ed. Anthony Bushell (Cardiff: University of Wales Press, 1996), pp. 11-36.

<sup>13</sup> Ibid., p. 11.



Knight highlights one of Austria's most embarrassing problems, namely the absence of any tradition of national identity, and suggests that the first 'Austrian national identity appears to have solidified in the twenty years after the State Treaty'.<sup>14</sup> This is a particularly interesting observation, given that post-war Austrian historians may have felt compelled to exaggerate the influence of individual Austrian political figures in winning the country's independence precisely because there was no tradition of national identity and no foundation of democracy to be found elsewhere in Austria's background. Knight's abstract of the first post-war decade is noteworthy and a valuable contribution to post-war Austrian historiography.

Knight also figures in the most recent contributions to Austrian post-war historiography with his March 2001 article for *Contemporary European History*, which critiques Gerald Stourzh, the doyen of modern Austrian historians, Günter Bischof, the country's most prolific historian writing in the English language, Lothar Höbelt, whose 1999 focus was on the *Verband der Unabhängigen*, forerunner to the Austrian Freedom Party (FPÖ), and political scientist Anton Pelinka, whose name is often among the small group of Austrian researchers who interest themselves in the occupation period.<sup>15</sup>

#### FOUR POWER POLICIES IN AUSTRIA

There exists a third, even smaller collection of scholars who have addressed the narrower matter of Four Power policy and policy formulation

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<sup>14</sup> Ibid., p. 15.

<sup>15</sup> Robert G. Knight, 'The Austrian Treaty and Beyond', *Contemporary European History*, 10 (2001), 123-142

concentrating specifically on occupied Austria. Such material, especially that pertaining to British policy, is of course critically important to this thesis and its conclusions. It has been explored in detail. Virtually all of the available secondary sources on this subject have been read and studied, but the thesis relies heavily on unpublished archival documents as well as source material that may have been cited briefly in other works with regard to British policy, but which have, heretofore, not been adequately assessed. Foreign Office correspondence during the lifetime of the Austrian State Treaty Commission is an example. Other examples include the Confidential Print collection of selected documents declassified for the first time in January 2003.<sup>16</sup>

The works of Whitnah and Erickson (1985), Stearman (1962) and Cronin (1986) have held up admirably as rational explanations of American and other Allied planning, organisation, behaviour and policies. Bischof, Rathkolb and Leidenfrost have offered respectable efforts to assign different slants to Western motivation and policy, and all three have used recently declassified archival material – selectively, in some important cases – to update or justify positions they have taken in the past. It must be said of the Austrians that one cannot ignore the presence of some element of near-masochism, in that it appears obligatory for Austrians to flail themselves in public because of perceived sins of their ancestors. There are repeated, one could say obsessive, arguments to the effect that Austria's post-war success was not deserved because Austrians misbehaved during World War Two and because they did not do enough to purge National Socialists after the war. A

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<sup>16</sup> FO 465/6, PRO.

spring 2000 review of Günter Bischof's book for Harvard University's *Journal on Cold War Studies* observed:

Admirers of Austria will find their illusions shattered by Bischof's first paragraphs. He reports that the Founding Fathers of Austria's Second Republic were intent on covering up the country's pro-active role as part of Nazi Germany, and 'invented a version of history that would liberate them from the burdens of the past' (p. x). It became official policy that the Austrian State had lain dormant during World War II and, because Austria had never declared war on anyone, it could not reasonably be held responsible for what the Germans had done. Thus was born the so-called 'occupation doctrine' and the 'Austrian Rip Van Winkle legend' – a 'country sleeping blissfully through seven years of War while the Germans committed horrific War crimes.<sup>17</sup>

In 1999, Gerald Stourzh produced a monumental 862-page update of his earlier treatises on Austrian State Treaty negotiations. This makes use of new archival material, including some Soviet documents. It represents by far the most authoritative, comprehensive work on the twists and turns of the complex bargaining and posturing by the occupying powers. In his narrative, Stourzh also describes how successive Austrian Governments used differences between the Allies as leverage to influence the outcome of Treaty negotiations. Bischof's much thinner book of the same year pales in comparison, although Bischof exerts stronger effort to create an impression that Austrians played the major role in moulding their own future. Indeed, Bischof offers, in his description of 'the legendary Moscow diplomacy of the Raab delegation', the delightfully creative image of a Western 'crisis management (that) found itself relegated to the sidelines of merely observing

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<sup>17</sup> Warren W. Williams, 'The Road to the Austrian State Treaty,' *Journal of Cold War Studies*, vol. 2, no. 2, Spring 2000, pp. 97-107.

this vigorous bilateral diplomacy, reduced to the unsavoury task of trying to strictly proscribe the Vienna Ballhausplatz' diplomatic manoeuvring space'.<sup>18</sup>

Other Austrian historians, including Rauchensteiner and Wagnleitner, concentrate more on how the American occupation affected Austrian culture, and Beer has contributed significantly to an understanding of cultural and legal issues in the British occupation Zone. Beer's unique, extensive work on allied intelligence activities in Austria during and after the war is valuable, particularly because covert intelligence operations played an important role in the prosecution of the Cold War by all sides. Indeed Beer's fascinating evidence linking participants in *The Third Man* with British intelligence and his detailed investigations into the making of this epic film are, to say the least, thought-provoking.<sup>19</sup>

Reinhold Wagnleitner wrote his doctoral thesis, *Grossbritannien und die Wiedererrichtung der Republik Österreich*, at the University of Salzburg in 1975. He was the first historian to study the Public Record Office's FO 371 files and, at the time, his research was original. The thesis concentrated on British planning for the occupation and then implementation of these plans in the year 1945, but no further.<sup>20</sup>

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<sup>18</sup> Günter Bischof, *Austria in the First Cold War, 1945-1955: The Leverage of the Weak* (New York: St. Martin's Press, Inc., 1999), p. 144.

<sup>19</sup> Siegfried Beer, 'The Third Man', *History Today*, 51 (5) (2001), 45-51 .

<sup>20</sup> E-mail message to author from Professor Siegfried Beer, 14 November 2003, hard copy in author's personal files.

Ralph W. Brown III and former US Army Lieutenant Colonel James Jay Carafano are two of the few foreign scholars to concentrate on the American military in occupied Austria. The US Army Military History Institute Internet web site contains valuable bibliographic and source material.<sup>21</sup>

Brown wrote a thesis in 1995 at the University of Tennessee in Knoxville, entitled *A Cold War Army of Occupation: The US Military Government in Vienna, 1945-1950*. Brown concentrated on the American military presence and its organization, but contributed some useful material for students of British policy as well, highlighting the difficulties that existed between American and British military commanders on the ground. He challenged Whitnah and Erickson's previous assurances that all was well between the two allies, and pointed to significant animosity between generals McCreery and Clark.<sup>22</sup> Brown also offered one of the more comprehensive accounts of Soviet kidnappings, as well as useful information on American military intelligence activities during the period covered, providing persuasive reporting that speaks against some of Carafano's later assertions to the effect that American military intelligence was providing the information and threat assessments upon which overall US foreign policy was based. Brown quotes official histories of the US Forces in Austria (USFA) and USFA's G-2 Staff to confirm that American military intelligence in Austria was sharply

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<sup>21</sup> United States Army Military Institute, United States Army War College, Carlisle Barracks, Carlisle, Pennsylvania, <<http://carlisle-www.army.mil/usamhi/>> [accessed periodically throughout research for this thesis].

<sup>22</sup> Clark was one of the few American general grade officers who frequently clashed with his British counterparts. See for example Rick Atkinson, *An Army at Dawn: the War in North Africa*, (New York: Henry Holt & Co., 2002).

focused on denazification activities.<sup>23</sup> It was only in November 1946, shortly before the establishment of CIA's first station in Vienna, that the 7769 Military Intelligence Service began to devote attention to the Soviet presence – an activity that was, in any case, frowned upon by Army Command.<sup>24</sup> According to Brown, the American counterintelligence effort was concentrated ninety percent on denazification. While Brown's research focuses on American issues in Austria, it is useful to students of general occupation issues as well.

Carafano's December 2000, groundbreaking doctoral thesis (Georgetown University) bears the clever title, *Waltzing Into the Cold War: US military operations in occupied Austria, 1945-1955*.<sup>25</sup> While this is of marginal value to students of British foreign policy, it nevertheless contributes helpfully to the background against which any examination of Britain in Austria must be considered.

Carafano's conclusions receive some attention in this thesis because of his creative explanations of how American military operations and military commanders in Austria influenced overall US foreign policy. British policy enjoys less attention from Carafano, but American influence at the time was profound, and, in some of the issues covered by Carafano, British interests

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<sup>23</sup> History of G-2 USFA: From Beginning to June 1947, Folder 43, Box 5, RG 260, US National Archives and Records Administration (NARA II), College Park, Maryland, pp. 10, 20. See also, 'History of the Office of Director of Intelligence, USFA', January – March 1948, RG 260, Folder 46, Box 6, NARA II, p. 10.

<sup>24</sup> Ralph W. III Brown, *A Cold War Army of Occupation. The U.S. Military Government in Vienna, 1945-1950*, (PhD, University of Tennessee, 1995), p. 93.

<sup>25</sup> James Jay Carafano, *Waltzing into the Cold War: U.S. military operations in occupied Austria, 1945-1955*, (PhD, Georgetown University, 2000).

must be studied within the context of Anglo-American relations. The information and explanations in this work are important for students of the US role in Cold War history, especially those interested in the military aspects of East-West confrontation. Students of British policy should at least be aware of it.

Alice Hills, currently a Senior Lecturer at the British Joint Services Command and Staff College, obtained a Ph.D. in 1975 while in the Department of War Studies, King's College London. Her thesis, published under the name Joan E. Hills, was on *British Policy and Strategy Towards Austria in the Years 1943-1945*. In the year 2000, Hills published a book on the same subject but with a slightly different title, *Britain and the Occupation of Austria, 1943-1945*, with virtually no changes from the 1975 thesis and with no acknowledgement of scholarly contributions on Austria during the 25-year interlude. In separate, published reviews of the Hills book, both this author and Austrian Professor Siegfried Beer pointed out that the title is misleading.<sup>26</sup> The occupation of Austria began in 1945, not 1943. Beer is troubled further by Hills' book:

It must be said from the outset: this is an extremely disturbing book despite being published by a reputable editor in a respected military series, for it is a unilateral work, in which the documents accessible and the literature published since 1975, particularly by Austrian scholars, appear to have been methodically ignored, the latter without even the slightest hint of a bad conscience, like a reference to an unfortunate lack of linguistic acumen. There is an explanation for the fact that the scholarship exhibited in this study more or less dates back to the mid-1970s both in the documentation consulted and in the secondary literature cited: Alice Hills submitted at least the

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<sup>26</sup> Warren W. Williams, review of Alice Hills, *Britain and the Occupation of Austria: 1943-1945*, (New York: St. Martin's Press, 2000), in *Journal of Cold War Studies*, Vol. 5, No. 1, Summer 2003, pp. 131-132.

essence of her findings already in 1975 for a thesis approved at the University of London under the name of Joan E. Hills and under the title *British Policy and Strategy Toward Austria in the Years 1943-1945*. Unforgivably, she has not attempted to bring the study up-to-date. This is unfortunate, for despite several flaws in scope and detail, this book has its indisputable merits.<sup>27</sup>

Hills' book is helpful to students who are interested in the way the wartime British Government went about structuring strategic planning for post-conflict operations, specifically for the occupation of Austria, and also to those who are more interested in process than results. Hills' personal interests include the military's role in post-conflict operations, and so she provides minute detail on the day-to-day complex procedure that was employed by the British Government to prepare for and manage the occupation of Austria. Hills would have benefited by acknowledging the work of other scholars and by considering the sizeable volume of material that has become available since her 1975 thesis.

Robert Knight's 1986 doctoral thesis, *British Policy Towards Occupied Austria, 1945-1950*, remains the only comprehensive work devoted, at least in title, solely to British policy regarding Austria, and this treatise ends with the year 1949.<sup>28</sup> After reading Knight, however, the reader is left wondering what British policy was during this period of time. A title more descriptive of the content may have been appropriate. Elizabeth Barker's 1983 book on

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<sup>27</sup> Siegfried Beer, 'Britain and the Occupation of Austria, 1943-45', *American Historical Review*, 107 (2002), 279-280, pp. 279-280.

<sup>28</sup> Robert Graham Knight, *British Policy Towards Occupied Austria 1945-1950*, (PhD, London University, 1986).



Britain's role among the Superpowers touches on overall British policy, but does not cover the subject in depth.<sup>29</sup> Barber's 1976 book on how Britain formulates policy is helpful in understanding the mechanics of foreign policy formulation in the United Kingdom, but does not contribute to a better understanding of the results – namely, the effects of British policy. Dorey's 1995 treatise on British politics since 1945 is devoted almost solely to domestic issues, but is nonetheless useful to those lacking depth on the topic.<sup>30</sup> Graz University Professor Siegfried Beer's very useful research and several publications on the behaviour of Britain as an occupying power tend to focus on British administration of the two Austrian provinces constituting the British Zone of occupation. Bullock's 1983 biography of Ernest Bevin mentions Austria, as do Anthony Eden's memoirs, but neither describes British policy toward Austria.<sup>31</sup>

#### PERSONAL EXPERIENCE

The fourth category of material that has been invaluable in completing this thesis is unique and will not be found in any scholarly or other work. It stems exclusively from this author's personal experience. Observations and conclusions herein are influenced by over forty years of close personal contact with geopolitical, diplomatic and strategic issues, many of them having to do in earlier years with occupied Austria, and, later, with various

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<sup>29</sup> Elizabeth Barker, *The British Between the Superpowers, 1945-50* (London - Basingstoke: The Macmillan Press Limited, 1983).

<sup>30</sup> Peter Dorey, *British Politics Since 1945* (Oxford UK & Cambridge MA: Blackwell Publishers, 1995).

<sup>31</sup> Alan Bullock, *Ernest Bevin: Foreign Secretary 1945-1951* (London: William Heinemann Ltd, 1983). Anthony Eden, *The Memoirs of Sir Anthony Eden; The Full Circle* (London: Cassell & Company Limited, 1960).

governmental processes for the formulation and implementation of foreign policy in different governmental systems.

The experience of residing in Vienna during the post-war era contributed to an intense interest in Austrian issues and a perspective that could not otherwise be developed. Because my father was a senior member of the United States Element on the Allied Commission for Austria, I moved to Vienna soon after the war, and attended an Austrian secondary school. When my father's tour as Chief of the United States Forces Austria (USFA) Education Division ended, he was appointed Guest Professor at the Second Zoological Institute, University of Vienna. My home was in Vienna until 1963. Although I was not physically present consistently for that entire period of time, Vienna remained home where I took vacations and where I visited as often as possible. As a young man, I met and grew to know most senior American military and civilian personalities in Vienna, including generals Keyes, Hickey and Balmer, and on one occasion I held a memorable conversation with Soviet High Commissioner Vladimir Kurasov, to whom I gave my necktie after he admired it.<sup>32</sup>

I witnessed at least one certain Soviet kidnapping on the streets of Vienna, was present during the immediate aftermath of a shooting by Soviet sentries on the Ringstrasse, was evacuated with other dependents during times of Soviet threat and was detained and harassed on different occasions by

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<sup>32</sup> This conversation was reported as a footnote in this author's Review Essay, 'The Road to the Austrian State Treaty', in Harvard University's *Journal of Cold War Studies*, Spring 2000, Vol. 2, No. 1, p. 98.

Soviet military personnel. I have maintained personal ties with Austrian friends over the many years, one of whom is a now-retired police officer who served in the front ranks confronting Communist demonstrators during the 1950 riots.

In presenting these credentials to comment on Austria, on foreign policy and on military issues, I offer no apologies for whatever personal opinions may appear in the narrative and conclusions. Rather, there is an honest effort to seek balance and fairness, which should be the maximum that can reasonably be expected of a historian. Vojtech Mastny agrees that:

By its nature, contemporary history imposes upon a scholar a more personal commitment than do other periods of the past. Rather than determining the topic of his inquiry solely because of its intrinsic merit, he can hardly pretend that he was not influenced in his choice by direct exposure to his subject matter.<sup>33</sup>

Direct participants in the Cold War – or perhaps any war – will inevitably be influenced by what they saw, heard and felt.

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<sup>33</sup> Vojtech Mastny, *Russia's Road to the Cold War: diplomacy, warfare, and politics of Communism, 1941-1945* (New York and Guildford: Columbia University Press, 1979) p. ix.

## **CHAPTER ONE: BRITISH INTERESTS, POLICIES AND PLANNING ACTIVITIES TO MAY 1945**

In a 2001 review of a book written by Alice Hills of the British Joint Services Command and Staff College, Austrian Professor Siegfried Beer offered an interesting observation – one that contributed significantly to the inspiration for much of the thinking behind this particular chapter. Beer wrote in the *American Historical Review*:

It remains a remarkable fact about the Austrian problem of the 1940s that most initiatives undertaken in Austria's reconstruction originated in London. This was true, for example, for the first official formulation of allied policy culminating in the Moscow Declaration of November 1, 1943; for the military and political planning on Austria throughout the war and even for the question of an accelerated transfer of responsibilities to Austrian authorities connected with the so-called Second Control Agreement signed by the Allies in June 1946. ... In short, British military planners and policy makers were most consistent in their efforts to prepare for the inevitable occupation tasks ahead, political and military.<sup>1</sup>

Without detracting from the astuteness of Professor Beer's observation, and without for the moment mentioning the Marshall Plan, one can suggest that historians should not be surprised that Britain played such an important role in Austria's reconstruction. Britain did, after all, have most interest not only in defeating Germany, but also in arranging for an orderly post-war Europe, a Europe that would accommodate a financially bankrupt Britain and still allow her to play the role of a major world power, which in fact she was not.

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<sup>1</sup> Siegfried Beer, 'Britain and the Occupation of Austria, 1943-45', *American Historical Review*, 107 (2002), 279-280

The United States was, at best, an unwilling entrant into World War II, and her leaders had no plans for American forces to remain on the continent after the armistice was achieved. In fact, the American President had told Josef Stalin that the last US soldier would be out of Europe within two years of a cease-fire.<sup>2</sup> The United States flatly refused a role in the post-war occupation of Austria, and made clear that its only occupation desires were for a small zone in Northern Germany where the ports were, so that evacuation of all Americans could be facilitated. It was Winston Churchill and, ironically, Josef Stalin, who, by January 1945, had talked Roosevelt into accepting an occupation zone in Austria and a share in the administration of Vienna, the capital.<sup>3</sup>

This chapter presents the background information necessary to understand the evolution of British policy and behaviour towards Austria after Germany's surrender. It summarises British policy interests regarding Austria, beginning with the 1938 *Anschluß*, and describes how Britain went about planning for the post-war situation, while highlighting the difficulties military planners encountered as the war against Germany progressed. The chapter describes the instruments of diplomacy employed by Britain, as the victorious Powers attempted to reach agreement on important post-war matters.

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<sup>2</sup> This conversation between Roosevelt and Stalin is reported by a number of historians. See William L Stearman, *The Soviet Union and the Occupation of Austria* (Bonn, Vienna, Zurich: Siegler & Co, 1962), pp. 15-17.

<sup>3</sup> F. S. V. Donnison, *Civil Affairs and Military Government, North-West Europe, 1944-1946* (London: Her Majesty's Stationery Office, 1961), p. 284.

Some difficulties arose from the clash of cultures, as British and Americans developed joint planning procedures and *modus operandi*. But the two worked well together, probably because of the effective way the joint staffs were organised and managed. Those problems that existed were exacerbated by a variety of uncertainties and an almost total lack of information on Austria and on what was happening within the country. Also, Austria was of secondary importance to Allied leaders, and the War Cabinet's attentions were focused on Germany, which was always the more important. Once planners recognised that Austria would have to be occupied and that front line combat troops would have to begin the process of occupation before military government staffs could be put into place, responsibility for occupation planning became increasingly important. Unfortunately, this responsibility kept shifting between Allied commands, in part because it was impossible to know what specific units would be involved in the occupation and from which direction or command they would have to come.

Before occupation planning could begin, several complex political questions had to be answered. What was Austria? Since 1938, she had been a part of Germany. None of the Allied nations had declared war against Austria. So, political leaders had to decide whether it was going to be necessary to have some form of treaty or other agreement acknowledging the cessation of hostilities with Austria. How were Allied forces supposed to treat Austrians, as liberated people or conquered enemy? How was the country to be governed? If Austria was to be accepted as a separate, sovereign state that had been unjustly occupied by Germany, then what governing role, if any,

should the Allied armies play on Austrian soil? There was no government in exile and virtually no internal resistance movement. Somebody was going to have to govern the country to avert social chaos in the immediate aftermath of a cease fire, but who would govern and with what authority?

Answers to these and a myriad of other difficult questions were necessary before any realistic occupation planning could take place. To complicate matters, occupation planning had to begin without any insight into what the Soviet Union's plans were for Austria. British planners did not know what the Kremlin planned for Germany, much less this small alpine land. A lot of Austrian soldiers had fought on the German side at, among other places, Stalingrad, and one could legitimately assume that Stalin would take interest in their post-war fate.

It was not until the end of 1943 that Allied agreement was reached to regard Austria as a sovereign nation that had been taken over forcefully by Nazi Germany. The decision was then made to treat Austria and its people as liberated, rather than defeated, and the planning for a reasonable approach to post-war administration of the country could begin.

This chapter includes discussion of the October 1943 Moscow Declaration, which reflected this Allied decision and which provided the first foundation for a coherent British post-war policy. There is also acknowledgement of the failed attempt by the Allies to manage post-war issues through the vehicle of a new European Advisory Commission (EAC) and the Council of Foreign

Ministers (CFM). The chapter concludes with a brief reminder of the challenge to British forces in Italy and Southern Austria posed by Yugoslavia's Marshall Tito, whose territorial claims in Austria were to remain a serious and at times dangerous irritant in the subsequent, lengthy negotiations on an Austrian treaty.

## **BRITISH POLICY AND PLANNING REGARDING AUSTRIA BEFORE THE MOSCOW**

### **DECLARATION**

During the last days of the First Republic, the Austrian Chancellor was under strong pressure from domestic Nazi forces to unite with Germany. The crisis escalated dramatically following Chancellor Schuschnigg's announcement of 9 March 1938 that he planned to hold a plebiscite to determine whether Austrians wanted to remain independent from Germany. The country's Nazis, predicting that Austrians would vote to remain free and independent, demanded the removal of Schuschnigg and cancellation of the plebiscite. A furious Hitler sent Schuschnigg an ultimatum: he had one hour to resign or it would be the end of Austrian independence. In a desperate last minute attempt to preserve Austria's independence, Schuschnigg turned for help to London. Lord Halifax consulted the Prime Minister who replied, 'His Majesty's Government could not take any responsibility of advising the Chancellor to take any course of action which might expose his country to dangers against which His Majesty's Government are unable to guarantee protection'.<sup>4</sup> The British Prime Minister was Neville Chamberlain.

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<sup>4</sup> Stearman, *The Soviet Union and the Occupation of Austria* p. 27, citing Conclusions of a Cabinet Meeting, 12 March 1938, Cab.23, vol. 92, pp. 346-9.



British interest in Austria during WW II was straightforward. Austria had been absorbed into the German Reich as a result of the 1938 *Anschluß*, and was an integral part of an enemy nation with which Britain was at war. But the War Cabinet, which had ultimate authority for the conduct of the war, did not pay much attention to Austria except to acknowledge that it was part of Germany.<sup>5</sup> The nation's top leadership concentrated its resources on broader issues affecting Britain's war-fighting capabilities, and the subject of Austria was not seen as a problem of particular importance:

With Austria, we were not directly concerned, although the news came to us of the difficulties of arranging an agreement on the zones of occupation. Strangely enough, this was the one country – in addition to Germany – in which Russia agreed to a division of authority, although they were not ill placed to impose their will. At the time, I watched what was happening in the last days of April with detached interest. More than ten years later I was to sign a treaty by which Austria was finally freed from Allied occupation – Russian, French, British and American.<sup>6</sup>

On the planning levels in London, however, it remained an assumption that the Allies would win the war, and plans had to be made for the management of a post-war situation. Here, Austria was seen as a separate problem, because it was also assumed that Austria would have to be occupied for a period of time and that British forces would have to participate in that occupation. Dedicated plans for Austria would be required, and resources would have to be found to enable implementation of these plans. In a Foreign

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<sup>5</sup> Alice Hills, *Britain and the Occupation of Austria, 1943-1945* (Houndmills, Basingstoke, London: Macmillan Press Ltd., 2000), p. 13.

<sup>6</sup> Harold Macmillan, *The Blast of War 1939 -1945* (London: Macmillan, 1967), p. 690.

Office brief of 10 March 1943, the German Department's Sir Geoffrey Harrison wrote 'It should be emphasised that it is in the interests of the United Nations and of Austria itself that the abolition of the Nazi regime not be followed by chaos. ... Occupation will be necessary.'<sup>7</sup> The Foreign Office, the War Office and the Joint Chiefs of Staff began formulating strategies to cope with the kind of problems that might await Britain in a post-war Austria. All three Allied Powers were agreed that Austria would have to be established as an independent state following the war, and that all vestiges of German control over the country would have to be dismantled.<sup>8</sup>

Donnison, who wrote the definitive work on civil affairs and military government in Northwest Europe, explains that 'martial law' is used to explain a situation in which responsibility for governing a given area is transferred from civil to military authorities, 'whether under provisions of the constitution or by means of special legislation, or has been assumed by the military authorities of their own motion on grounds of military necessity.'<sup>9</sup> In occupied enemy territory, international law provides the right of invading forces to assume sovereign power and to establish military government. When invading forces find themselves on friendly territory, however, the situation is far from clear. A 23 July 1942 paper distributed by the Administration of Territories (Europe) Committee addressed this problem,

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<sup>7</sup> Hills, *Britain and the Occupation of Austria, 1943-1945*, p. 4, citing 10 March 1943 Foreign Office Brief, FO 371/38839, The National Archives (TNA): Public Record Office (PRO), hereafter, PRO. This is an incorrect citation. This file contains documents which relate entirely to the year 1944.

<sup>8</sup> Eden briefing paper to the Foreign Secretary, 25 May 1943, PREM 4/33/7, WP (43) 218, PRO.

<sup>9</sup> Donnison, *Civil Affairs and Military Government, Northwest Europe*, p. 37.

recognising that it consisted, basically, of three different situations. There was the case of those countries whose governments had been able to flee before being captured by invading German forces. Here, there were firmly established governments-in-exile with whom Britain could agree on post-war governmental matters. Then there were other countries in which organised resistance movements were in full operation, and these would eventually be available for consultation on post-war government issues. Finally, there were those conquered or liberated nations which had no government-in-exile and no organised resistance movements. Here, it was clear that there would be a period of time between liberation and the establishment of a new permanent government, during which the invading Allied forces would have to administer and do whatever was necessary to avoid social chaos, feed the people, deal with displaced persons and refugees and begin the process of reconstruction. It was not easy to plan for these very different contingencies.<sup>10</sup>

Initial consideration of issues that would be involved in the establishment of an Allied military government in Austria began in 1942, and British planners had their hands full. It was impossible to predict whether occupation of Austria would have to start before or after Germany's capitulation. It was assumed that, in either case, occupation would initially have to take the form of a military government, hopefully for as short a time as was absolutely necessary. Occupation objectives were formulated by the Supreme Headquarters Allied Expeditionary Force, North-West Europe (SHAEP). But

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<sup>10</sup> F. S. V. Donnison, *Civil Affairs and Military Government Central Organization and Planning* (London: Her Majesty's Stationery Office, 1966), pp. 37-56.

these were of little practical use because of all the uncertainties characterising the Austria problem and because of the low priority assigned to Austria. The initial stages of the occupation would almost certainly have to be managed by combat troops, whose involvement in military government matters would exclude them from other assignments. These war fighters would need advice and assistance from specialists in civil affairs and military government. The initial occupation authority might have to be a military government, but it was always envisioned that the Foreign Office would play an influential role in the occupation, as indeed it did.

Planners recognised the potential problems inherent in a military holding operation that lasted for any length of time after the shooting stopped. First of all, there would be British domestic problems generated by a lengthy military occupation. It was unrealistic to expect Parliament to provide the financial and other resources necessary for an efficient military occupation for very long. At the same time, it would be difficult if not impossible for the initial military governors to solve all of the serious problems that would inevitably confront them in a war-torn society. It was therefore of paramount importance that all occupation plans provide for the rapid replacement of military occupation forces with civilians. Hills observed that 'insistence on a civilian outlook in military government was an important theme in British planning, and it moulded the attitude to be adopted towards Austria from the beginning'.<sup>11</sup>

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<sup>11</sup> Hills, *Britain and the Occupation of Austria, 1943-1945*, p. 5.

London knew very little about the situation inside Austria during the war, and there were virtually no intelligence operations specifically targeting the country. While the SIS, the Special Operations Executive (SOE) and the Ministry of Economic Warfare's Psychological Warfare Branch were active in other combat zones, none of these organisations was prepared to dispatch teams into Austria until late in the war.<sup>12</sup> There was no Austrian government in exile to provide guidance or assistance, nor was there any confirmed, organised resistance movement inside the country.<sup>13</sup> Any team inserted into Austria would have to deploy into a totally unknown situation and, in any case, could probably not be supported from existing British military resources, which were already severely stretched. British understanding of Austria was based primarily on calculated guesses. This meant that planners had to develop plans covering every conceivable contingency. This type of extended staff exercise required vast resources, far in excess of the importance that was being attached to Austria as a problem separate from Germany.

As a result of these difficulties and Austria's relatively low ranking on Britain's priority list, British policy towards Austria throughout most of the war was

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<sup>12</sup> It was not until 1944 when a small SOE mission, led by Peter Wilkinson, who was in charge of SOE/Austria, with Charles Villiers and Edward Renton, infiltrated into southern Austria from Yugoslavia. See Douglas Dodds-Parker, *Setting Europe Ablaze* (Windlesham: Springwood Books Limited, 1983), pp. 186-187.

<sup>13</sup> Records of the OSS, 1942-1945, Washington Director's Office, Administrative Files, Wash-Dir-Off Op 266: 990 SSU Operations and Wash-Dir-Off Op 266: 969 Balkans Basic File, (National Archives Microfilm Publication 1642, Roll 83), US National Archives II, College Park, MD (hereafter NARA II). See also David David Stafford, *Britain and European Resistance, 1940-1945: a Survey of the Special Operations Executive, with documents* (London: Macmillan in association with St. Antony's College, Oxford, 1980) See also Dodds-Parker, *Setting Europe Ablaze*, pp. 186-187.

always somewhat nebulous. There was little continuity in government thinking, and resources available to those few people working on Austria were scarce. Responsibility for Austria kept changing between military commands, and planning assumptions on when the occupation would have to begin and which military units would have to participate kept changing with the strategic situation. In 1942, for example, responsibility for Austria passed from a relatively junior civil affairs officer to the Chief of Staff, Supreme Allied Commander (COSSAC). The function was then elevated directly to SHAEF in Hammersmith, England. By 1944, when detailed planning for the occupation began in earnest, responsibility rested with the Supreme Commander, European Theatre (SAC). When it became clear that the occupation would have to be initiated by forces advancing through Italy, planning responsibility was transferred to the Supreme Allied Commander, Mediterranean (SACMED). When it appeared that the occupation would have to begin before Germany surrendered, planning authority for Austria was taken from both SAC and SACMED, but it was not assigned clearly to anybody else. Eventually, the Combined Chiefs of Staff (CCS) decided that planning responsibility should rest with the new tripartite control machinery, not yet in existence, but under consideration in the EAC, a body created by the Allied foreign ministers at the Moscow Conference in the fall of 1943. At this point, Britain did not have a plan for a military government in Austria, and it was not even clear who had ultimate responsibility for finalising one.<sup>14</sup>

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<sup>14</sup> Hills, *Britain and the Occupation of Austria, 1943-1945* p. 2.

A British Element for Austria was formed in August 1944, when the civilian and military deputy commissioners for Germany were instructed to organise it. At this stage, both the British Elements for Germany and Austria were directly under the Foreign Office. In November 1944, W. H. B. Mack took over as civilian British Deputy Commissioner of the Allied Commission for Austria, headquartered in St. Paul's School in Hammersmith. Shortly thereafter, Brigadier T. J. W. Winterton was appointed the military Deputy Commissioner. A small contingent from the British Element moved to Caserta, Italy, to work alongside Allied Force Headquarters (AFHQ). During the following March and April, the full British Element for Austria moved to Rome in preparation to go to Vienna as soon as possible.<sup>15</sup>

Meanwhile, British legal officials were wrestling with the legal ramifications of the 1938 *Anschluss*. Until the government could make up its mind as to how it was going to regard the *Anschluss*, the Foreign Office recommended against any public statements regarding Britain's attitude toward Austria, and public debate on Austria was actively discouraged. Thinking on post-war policies only began to gel toward the end of 1943, but it was not until much later that Britain could say with any confidence what its post-war policy on Austria really was.

The proposals eventually presented in Moscow emerged from several years of confused debate. The records show how, partly empirically and partly by what can only be described as intuition, the British Government made up its mind on critical issues, such as the influence of Nazism in Austria, which were then debated repeatedly

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<sup>15</sup> Donnison, *Civil Affairs and Military Government, Northwest Europe* p. 284.

and indecisively. ...[H]esitancy remained characteristic of most of the recorded public and private discussions...[T]he treatment to which a post-war Austria should be subject and the means by which she could be freed from German domination remained uncertain.<sup>16</sup>

### **THE MOSCOW DECLARATION – A FOUNDATION FOR SUBSEQUENT BRITISH POLICY**

The ambiguities of British policy regarding Austria began to clear toward the end of 1943. The foreign ministers of Great Britain, the United States and the USSR met in Moscow from 18-30 October 1943 to discuss war plans and objectives. Among other things, they reached two agreements that had profound effects on Austria and on Allied policies toward post-war Austria. They agreed to form the EAC, which was to function as the principle advisory body on post-war European issues, including Austria. They also issued what became known as the Moscow Declaration.

In Moscow, British Foreign Secretary Anthony Eden introduced a draft declaration on Austria's future status. This was sent to the Drafting Commission consisting of Sir William Strang, Andrei Vyshinsky and James C. Dunn, where a finished draft was eventually produced and subsequently approved by Foreign Ministers Molotov, Eden and Hull. On 1 November 1943, two days after the Moscow Conference ended, the 'Declaration on Austria' was announced to the international public. This was the very first agreed, joint allied policy on Austria:

The Governments of the United Kingdom, the Soviet Union and the United States of America are agreed that Austria, the first country to

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<sup>16</sup> Hills, *Britain and the Occupation of Austria, 1943-1945* pp. 27-28.



fall a victim to Hitlerite aggression, shall be liberated from German domination. They regard the annexation imposed on Austria by Germany on March 15, 1938, as null and void.<sup>17</sup> They consider themselves as in no way bound by any changes affected in Austria since that date. They declare that they wish to see re-established a free and independent Austria and thereby to open the way for the Austrian people themselves, as well as those neighbouring states that will be faced with similar problems, to find that political and economic security which is the only basis for lasting peace. Austria is reminded, however, that she has a responsibility which she cannot evade, for participation in the war at the side of Hitlerite Germany, and that in the final settlement, account will inevitably be taken of her own contribution to her liberation.<sup>18</sup>

The first two clauses in this declaration are consistent with earlier Allied statements on Austria and its post-war status. The last point is not, and tends to water down the effect of the whole declaration. This so-called guilt clause was the result of a heated debate after Vyshinsky insisted on the inclusion of a statement holding Austria responsible for her participation on Germany's side during the war. The Soviets initially proposed the sentence 'Austria bears full political and material responsibility for the war'. Britain and America argued that Austria had, in 1938, ceased to exist as a state and therefore could not be held politically responsible for anything that occurred after the *Anschluß*. Also, Britain made the point that inclusion of the term 'materially responsible' opened the door to the extraction of war reparations, and it would not be appropriate for the Allies to expect war reparations from a liberated country.<sup>19</sup> Unfortunately, the matter of war reparations, or the disposition of German Assets as the issue became known in Austria, escalated to the top of a long list of contentious issues between the Western

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<sup>17</sup> The *Anschluß* took place on 17 March 1938.

<sup>18</sup> United States Department of State Bulletin, Vol. IX. (1943), No. 228, p. 310, NARA II.

<sup>19</sup> Stearman, *The Soviet Union and the Occupation of Austria* p. 13.

Allies and the Soviet Union, and was the subject of heated debate during the decade-long occupation.

Here was an example of the ambiguities inherent in Britain's policy formulation process at this point in time. Winston Churchill, in a November 1939 radio broadcast, had promised Austrians an eventual return of their independence.<sup>20</sup> Again in 1940, Churchill told his Foreign Secretary, Anthony Eden, that he was personally extremely interested in Austria, and thought that the separation of Austrians and South Germans from the Prussians was essential to the post-war harmonious reconstruction of Europe.<sup>21</sup> (This could not have impressed Mr Eden because the conversation is not mentioned in his memoirs, although a number of Austria-related issues do receive broad comment).<sup>22</sup> In a 9 November 1940 Mansion House speech, Churchill specifically said that Austria was one of the countries Britain had gone to war for.<sup>23</sup> This statement differed somewhat from that of Lloyd George who, in 1936, told the House of Commons 'here is one thing that the people of this country have made up their minds definitely about. Whatever government is in power they will never go to war again for an Austrian quarrel'.<sup>24</sup> On 18 February 1942, Churchill said 'with the victory of the allies liberated Austria will again take up her place of honour. ...The British people will never leave

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<sup>20</sup> Ibid., p. 5

<sup>21</sup> Churchill to Eden, 10 June 1940, PREM 4/33/7, PRO.

<sup>22</sup> Anthony Eden, *The Memoirs of Sir Anthony Eden: The Full Circle* (London: Cassell & Company Limited, 1960).

<sup>23</sup> Hills, *Britain and the Occupation of Austria, 1943-1945* p. 28.

<sup>24</sup> Ibid., p. 17, citing House of Commons Debate, 5<sup>th</sup> Ser., 313, 1228.

the cause of liberty in Austria in the lurch. ...We will fight for her liberation'.<sup>25</sup> On 2 June 1942, Churchill wrote a Minute to Eden in which he stipulated 'I certainly look forward to the liberation and thereafter its liberation as a separate state or as the centre of a mid European Confederation'.<sup>26</sup> In September 1942, Eden informed the House of Commons that Britain did not recognise the *Anschluß* and continued to respect Austria as an independent state taken over by force. Since 1939, various other British politicians and diplomats had highlighted the fact that Britain did not recognise the *Anschluß* and continued to regard Austria as an independent state – indeed the 'first free country to fall victim to Nazi aggression'.<sup>27</sup> Austria was a state to be liberated, not defeated. Yet, in 1943, Britain found herself in Moscow arguing with the Russians that Austria had ceased to exist in 1938 and could therefore not be held responsible for fighting on Germany's side. The final wording of the 'guilt clause' was an uncomfortable compromise for all three Allies, and it opened the door to later Soviet demands for reparation payments, despite the intent of the rest of the Moscow Declaration. The guilt clause was also used by Moscow in an attempt to justify what became a program of mass confiscation of Austria's industrial and natural resources.

The first draft of the Moscow Declaration was prepared in the British Foreign Office German Department by Sir Geoffrey Harrison.<sup>28</sup> There is evidence that

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<sup>25</sup> Ibid., p. 28.

<sup>26</sup> Churchill to Eden, 10 June 1942, PREM 4, 33/7, PRO.

<sup>27</sup> Guenter Bischof, *Austria in the First Cold War, 1945-1955; The Leverage of the Weak* (New York: St. Martin's Press, Inc., 1999), p. 24.

<sup>28</sup> Ibid.

the original idea for it was born in the Psychological Warfare Branch, the rationale being that such a proclamation in 1943 would have encouraged more Austrians to turn against the Germans and to develop at least some form of resistance movement against Nazi Germany.<sup>29</sup> If this was the British strategy, it didn't work. The Moscow Declaration did not inspire formation of an Austrian resistance movement. It did, however, provide the Psychological Warfare Branch with a more solid foundation for increasingly focused propaganda messages transmitted into Austria.

Policy guidelines for British propaganda broadcasts to Austria were also inconsistent and at times confusing during this phase of the war, reflecting the shifting responsibility for strategic planning and therefore policies anticipating the British military occupation.<sup>30</sup> Just as Britain's psychological warriors were concentrating increasingly on Austria with messages designed to encourage Austrians to earn their independence, Eden himself cautioned that, while he expected Austrians to contribute towards their own liberation, 'acts of overt resistance were discouraged'.<sup>31</sup> Austrians were somehow expected to damage Nazi Germany, but only through passive strategies. 'Appeals to the Austrian people to revolt were to be avoided until the final moments of the war.'<sup>32</sup> At the end of 1943, the Psychological Warfare Branch

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<sup>29</sup> Ibid., p.149. See also Gerald Stourzh, *Um Einheit und Freiheit; Staatsvertrag, Neutralität und das Ende der Ost-West Besetzung Österreichs 1945-1955* (Vienna - Cologne - Graz: Böhlau Verlag, 1998).

<sup>30</sup> Asa Briggs, *The History of Broadcasting in the United Kingdom* (London, New York: Oxford University Press, 1961).

<sup>31</sup> Hills, *Britain and the Occupation of Austria, 1943-1945* p. 26, citing Eden in an 11 March 1944 Minute, FO 371/38839, PRO.

<sup>32</sup> Ibid., p. 26, citing Wilson to Harrison, 13 June 1944, FO 371/38839, PRO.

was apparently hoping that the Moscow Declaration would inspire the kind of resistance movement in Austria that, overall, the British Government did not necessarily want.

It has also been suggested that Britain and the United States approved the 'guilt clause' precisely because it created the possibility for war reparations payments. Harrison vociferously denied this in a correspondence exchange with Günter Bischof. Harrison wrote 'it was at no point envisaged by us ... as a basis for exacting reparations from Austria. ... It was however a warning to the Austrians that they must earn the restoration of their independence'.<sup>33</sup>

Whatever motivation lay behind the Moscow Declaration, this 1943 joint commitment did provide a relatively clear foundation for Britain's post-war policy toward Austria. It established that Britain, the United States and the Soviet Union would view Austria as a victim rather than an enemy, a liberated rather than conquered nation. For the first time, signs of a reasonably consistent, comprehensible British policy towards post-war Austria were evident, and these signs were reinforced by public statements, however cautious, by the country's political leadership, both in the run up to the Moscow Conference and during the Conference itself.<sup>34</sup>

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<sup>33</sup> Günter Bischof E-Mail to author, 1 May 2000, hard copy in author's files.

<sup>34</sup> See Eden's summary of Britain's political options in his 25 May 1943 memorandum, PREM 4/ 33/7, WP(43)218, PRO, approved by the War Cabinet in June 1943 as a broad reflection of British policy towards Austria.

Because the Moscow Declaration provided that Austria would be treated as a special case after the war, this, in turn, implied that the Allies intended to ignore the legitimacy of the 1938 *Anschluss*. Because Austria was part of Germany when the Allies declared war on that country, and because there was no separate declaration of war against Austria, the termination of a state of war between the Allies and Germany was, de facto, seen to include Austria. For legal and diplomatic purposes, the *Anschluss* became a non-event, and, while the so-called guilt clause acknowledged that Austria had, in fact, fought on Germany's side, Austria was to be treated by the Allies as an independent country taken over by force. In fact, more than 1.2 million Austrians had fought in German military forces during the Second World War and the Russians never forgot that many of them were at Stalingrad. The 44th Infantry Division, for example, under XI Army Corps command, was destroyed at Stalingrad. It was originally an entirely Austrian division, as was the replacement division formed under the same unit designation in 1943, although this no doubt included other Germans.<sup>35</sup> It was the desire and intent of at least Britain and the United States that Austria would be given back its independence, once Nazi Germany had been defeated.

There were disagreements between Britain and the United States on how the cessation of hostilities with Austria should be handled, but these were accommodated during the war and resolved in 1946:

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<sup>35</sup> W. Mitcham Samuel, *Hitler's Legions: the German Army Order of Battle, World War II* (New York: Stein and Day, 1985).

Whilst the United Kingdom Government in virtue of their recognition de jure and de facto of the *Anschluß* of 1938 regard Austria as having necessarily inherited enemy status of Germany, so that technical state of war existing between United Kingdom and Austria must continue until it is specifically terminated, we have no desire to accord undue emphasis or significance to this fact at present time. And, although the United Kingdom's formal position is thus somewhat different from that of the United States, we believe that there is no discrepancy between policies of the two Governments toward Austria. (US) State Department is also being informed that, should Austrian treaty be unduly delayed, we might be prepared to consider issuing unilateral declaration, similar to that just made by the United States Government, designed to abrogate the technical enemy status of Austria, in advance of conclusion of general treaty.<sup>36</sup>

### **THE EUROPEAN ADVISORY COMMISSION**

Allied diplomatic interaction during this mid-war period highlighted the difficulties involved in coordinating policies for a post-war Europe, yet effective coordination was essential if chaos was to be avoided. In Moscow, the foreign ministers recognised the need for some form of effective machinery to arrange for this coordination, and they agreed to establish the EAC.

The EAC, headquartered in Lancaster House, London, was to function as the main advisory body on post-war European issues. It was supposed to remain aware of the developing situation, to make recommendations on how Allied policy might best be coordinated, to seek mutually acceptable resolution at the staff level of the myriad of complex issues victory would bring, including those related to the peace treaties with Germany and its wartime allies. In

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<sup>36</sup> Robert H. Keyserlingk, *Austria in World War II: An Anglo-American Dilemma* (Montreal: McGill-Queen's University Press, 1988), pp. 273-274.

short, the EAC was to deal with all possible questions relating to the termination of hostilities in Europe.<sup>37</sup>

Each of the Allied governments announced their appointees to the EAC at the Teheran Conference in December 1943. Britain appointed Sir William Strang, who was later to become Permanent Secretary in the Foreign Office (1949-1953) and still later Lord Strang. John Winant, US Ambassador in London, represented the United States. The Kremlin also designated its ambassador in London, Fedor Gusev, as EAC representative. British diplomat Michael Cullis recalls Gusev 'once refusing, in over twenty minutes' sullen silence, to say anything at all'.<sup>38</sup> Each delegate formed his own staff consisting of officials with the appropriate civilian and military expertise. In November 1944, the French Provisional Government was invited to participate, and it assigned M. Massigli, the French ambassador in London.

The EAC met for the first time to draw up and recommend to the three governments (the United States, Great Britain and Russia) the terms of conditions to be imposed on Germany and the enemy countries in Europe at the time of their surrender and to recommend the form of control machinery which should be put into effect for the purpose of executing such terms and conditions.<sup>39</sup>

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<sup>37</sup> For the constitution and charter of the European Advisory Commission see FO 371/40580 and FO 371/40581, PRO.

<sup>38</sup> Michael Cullis, 'Austria 1945-1955: The Desk-level View of a British Diplomat,' in *Geschichte Zwischen Freiheit und Ordnung: Gerald Stourzh, zum 60. Geburtstag*, Leidenfrost, (Graz: Verlag Styria, p. 214.

<sup>39</sup> Donald R. Whitnah and Edgar L. Erickson, *The American Occupation of Austria: Planning and Early Years* Greenwood Press, 1985), p. 14, citing a 7 January 1944 memorandum from



The EAC did not prove to be an effective body. It had only advisory powers and therefore all decisions had to be referred to the respective capitals. The Commission was headquartered in London and so it was possible for the British delegation to clear strategies and positions quickly and efficiently with the Foreign Office, the Joint Chiefs of Staff and, when necessary, the Prime Minister and Cabinet. The other three delegations had to await instructions from their home capitals on all matters, including the complex and controversial delineations of occupation zones, sources of supplies for civilians, the nationality of occupation forces, and a variety of other issues which became increasingly difficult, as Allied cooperation during World War II drifted toward the dangerous confrontations of the Cold War.

Strang was the only EAC delegate to enjoy the luxury of spending full time on EAC matters. According to Günter Bischof, the Foreign Office sought to use this advantage to 'buttress (Britain's) position in an alliance in which they were becoming a junior partner', and in the process give 'matters of political peacekeeping equal status to American-Soviet predominance in war-making'. The Soviets wanted to prevent 'the fruits of battlefield victory (to be) snatched away by shrewd Western diplomacy,' while the United States' objective was to protect its image as the winner of World War II.<sup>40</sup> While this is certainly an interesting analysis of the respective priorities of wartime Allies, it is more likely that the EAC was created at this particular time in an honest and

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Brig. Gen. J.E. Hull, Chief Theater Group, US War Office's Office of Planning Development, to Gen. John H. Hildring, Director of Civil Affairs in Washington.

<sup>40</sup> Bischof, *Austria in the First Cold War, 1945-1955: The Leverage of the Weak*, p. 28.

practical attempt to solve a lot of complicated problems. In 1943, nobody predicted – or wanted - the Cold War.

From the beginning, EAC sessions descended into continual argument. The Soviet delegate refused to discuss any aspect of Allied control machinery before agreement on occupation zones was reached. He 'methodically procrastinated on EAC decisions that might threaten (the Soviet) future security sphere in Eastern Europe and prejudice occupation matters in Central Europe'.<sup>41</sup> The United States had already announced that it did not desire to participate in the occupation of Austria. But both Britain and the USSR wanted a US presence in the occupation. It was only toward the end of 1944 that Roosevelt recanted and agreed to occupy an area in Austria adjacent to the American Zone in southern Germany, much to the Foreign Office's relief. Günter Bischof has suggested that Roosevelt changed his mind because he learned that Stalin was using this stalemate at the EAC to set up puppet governments in Eastern Europe, primarily at the time in Rumania and Bulgaria, and was thereby demonstrating that only a physical presence on the ground would allow any of the Four Powers to have an influential say on important issues. Bischof demonstrates an appealing sense of imagination, but he might be right. Roosevelt almost certainly changed his mind because Churchill persuaded him that an American presence was critical in a post-war effort to contain Soviet imperialism on the continent. Bischof is probably correct in asserting that 'it was only in cases where the British tabled proposals at the EAC which offered unexpected bonuses (for

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<sup>41</sup> Ibid.

Moscow) did the Soviet representative move quickly'.<sup>42</sup> Even before the end of the war, Britain was already drifting toward a mediating position in East-West negotiations, while at the same time Churchill was hard at work trying to change Roosevelt's rosy opinion of the Soviet Union and the benevolence of 'Uncle Joe' Stalin. The atmosphere surrounding discussions on zones, districts and control machinery was not helped by Roosevelt's death on 12 April 1945.

The EAC was unable to agree on any important issue until the 'Agreement on Zones of Occupation in Austria and Administration of the City of Vienna' was signed on 9 July 1945.<sup>43</sup> Even this triggered a furious exchange when the Soviets refused to agree on the Covering Report, providing for Allied privileges and facilities in Vienna and Western rights of movement between the British, French and American Zones and Vienna, which was situated deep in the Soviet occupation zone. It was only when British delegate Lord Hood, on instruction from the Foreign Office, threatened to break off all further negotiations that the Soviets acquiesced. This Agreement then was superseded by the Second Control Agreement of 28 June 1946, the drafting of which was begun by the British element in November 1945.<sup>44</sup> In all, it took four separate proposals before the Allies agreed on the delineation of occupation zones.

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<sup>42</sup> Ibid.

<sup>43</sup> Minutes of the European Advisory Commission meeting of 9 July 1945, E.A.C. (45) 5<sup>th</sup> Meeting, FO 1060/729, PRO.

<sup>44</sup> Stearman, *The Soviet Union and the Occupation of Austria* p. 40.

Like Germany, Austria was eventually divided into four occupation zones: American, British, French and Soviet. Agreement on the geographic and political boundaries of the four zones was not easy to reach. The first plan for the partitioning of Austria was submitted by the British on 21 August 1944, and provided for the country to be divided into a Soviet Zone comprising a little less than half of the northern part of the country (Upper and Lower Austria), and a British Zone in the south (Vorarlberg, Tyrol including what was then East Tyrol, Salzburg, Carinthia, and Styria). There were no provisions here for the Americans or French. The United States had made it clear it was not interested in joining the occupation, and the French had yet to be afforded serious consideration as an occupying power.

The Soviets countered on 13 November of the same year with a recommendation that would have the United States occupying the five western-most provinces (Vorarlberg, Tyrol including East Tyrol, Salzburg and Upper Austria). The British were to have a strip right down the middle of the country, comprising part of Upper Austria, part of Styria and Carinthia. The Soviet Union would occupy the rest of Lower Austria, the rest of Styria and Burgenland.

On 30 January 1945, London offered yet a third plan which did include France as an occupying power. This allocated Lower Austria and half of Burgenland to the Soviet Union, Upper Austria and Salzburg to America, East Tyrol, Carinthia and Styria to the United Kingdom, and the western

provinces of Vorarlberg and Tyrol to France. Moscow tinkered with this for three months and submitted what turned out to be the final proposal, agreed by all Four Powers. This provided for essentially the same zone borders included in the 30 January British proposition, except that it extended the Soviet Zone to include part of Upper Austria, up to the Enns River, a few kilometres east of Linz.<sup>45</sup>

Four Power agreement was finally reached on a Soviet recommendation on 4 April 1945. This included a minor adjustment that gave all of Burgenland Province to the Soviet Union. The occupation zones had been established.

It took no less than six separate plans before the Four Powers could agree on a partitioning of the capital, Vienna, into four occupation sectors, one each for the occupying powers, and one so-called International Sector in the First District, in the middle of the city. A Vienna Inter-Allied Command (VIAC) was formed to govern the city.<sup>46</sup> Formal interaction between the Four Powers took place in the International Sector. Law and order here was supposed to be maintained by the 'Four Men in a Jeep' made famous by a film of the same name and, of course, *The Third Man*.

In the meantime, the failure of the EAC to resolve urgent issues forced the Combined Chiefs of Staff to begin issuing provisional directives as guidelines

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<sup>45</sup> Hugo Portisch, *Die Wiedergeburt Unseres Staates* (Vienna: Verlag Kremayr & Scheriau, 1985), p. 510.

<sup>46</sup> Halvor O. Ekern, 'The Allied Commission for Austria,' in *The Austria Solution: International Conflict and Cooperation*, Bauer, (Charlottesville: University Press of Virginia, 1982), p. 57.

for post-war planning, knowing that these same directives would probably be inappropriate once the four governments had an opportunity to reach political agreement on the issues affected by them – hardly a prescription for efficient command and control.<sup>47</sup>

### THE LIBERATION OF AUSTRIA

On 29 March 1945, the first Allied soldier set foot on Austrian territory. He was a Russian soldier from Marshall Fedor Ivanovich Tolbukhin's Third Ukrainian Front. He was the first Russian soldier to set foot on Austrian soil for 262 years.<sup>48</sup> That piece of Austrian ground in the Province of Burgenland, just a few hundred meters from the small village of Klostermarienberg, was intended by London to become part of the British Occupation Zone, but fate – accompanied by successful Soviet bargaining in the EAC and ACA – ceded it to Moscow. In 1986, an Austrian television crew visited this place to photograph the location and, if possible, to identify the Russian soldier. According to Hugo Portisch and Sepp Riff, leaders of the expedition, older residents of Klostermarienberg remembered the day well, and were able to point out the precise location where Soviet tanks crossed the border. The track marks were still there.<sup>49</sup>

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<sup>47</sup> Whitnah and Erickson, *The American Occupation of Austria: Planning and Early Years*, p. 14.

<sup>48</sup> Renewed fighting between the Ottoman and Habsburg Empires had brought the last invaders from the East to Austria, and along essentially the same route through Hungary as taken by Marshall Tolbukhin in 1945. The Turkish siege of Vienna in 1683 brought Russia to ally with Poland, Venice, and the Habsburg Empire in defending Vienna. This time it was Russia's turn to invade.

<sup>49</sup> Portisch, *Die Wiedergeburt Unseres Staates* p. 25.

According to a 29 March 1945 entry in the War Diary of the Wehrmacht's Army Group South, 'the Soviet troops are pressing an advance with three armies toward the West, which on 29 March brought them into control of the area Steinamanger and Güns and, at about 11:05 o'clock, across the Reich's border at Klostermarienberg'.<sup>50</sup>

On 29 March 1945, the Orders of the Day for the Third Ukrainian Front, which had rolled across Hungary and up to the Austrian border, included the observation that 'the closer Vienna, the closer Berlin and the end of the war and victory'.<sup>51</sup>

Throughout the winter of 1945, the final Soviet offensive was rampaging across the Eastern Front, from the Baltic to the Carpathians, along a 750-mile German line of defence that was overwhelmed by the sheer weight of five full Soviet Fronts. The primary objectives were Berlin in the north and Vienna in the south. Marshal Zhukov's First Belorussian Front reached the Oder on 31 January, and on 2 May 1945 accepted the surrender of General Weidling, Commandant of Berlin.

In the south, Budapest fell in February, after a difficult siege and massive assault by the Second and Third Ukrainian Fronts, commanded by Marshals Malinovsky and Tolbukhin respectively. Navigating along both the northern and southern shores of the Danube, with the southern element of a pincer

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<sup>50</sup> Ibid.

<sup>51</sup> Ibid.

movement just south of Eisenstadt, the Red Army moved on to Vienna, which fell to Malinovsky on 13 April. Farther to the West, Alexander's 15th Army Group and Tito's Yugoslav People's Liberation Army had approached Trieste and the so-called – and, as it turned out, mythical – Alpine Redoubt, roughly defined by the area between Trieste, Salzburg, Switzerland and Graz. American units under General Alexander Patch roared into Austria from Bavaria to place pressure on the Alpine Redoubt from the north.

German soldiers along the Eastern Front had received orders to hold at all cost – no step backward was to be taken. If the Red Army were allowed entry into the Reich, Berlin said, only sorrow and misery would follow, especially for German women and children. Propaganda films, photographs and eyewitness accounts of Soviet atrocities were beamed at Wehrmacht units facing the Russians, in an effort to stiffen their resolve. By this time, it was too late.

The Nazi leadership in Berlin, divorced from the realities of the fast-moving combat situation in the field, expressed disappointment with the performance of even their elite units on the Austro-Hungarian border. Josef Goebbels, for example, complained that even the SS units committed along the Eastern Front did not acquit themselves well.<sup>52</sup> And the desperate measure of committing the *Volkssturm* was a disaster.<sup>53</sup> The very last German offensive

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<sup>52</sup> Ibid., p. 30, quoting Goebbels personal diary, 28 March 1945.

<sup>53</sup> Ibid., p. 26. As a last resort, Germany called upon its *Volkssturm*, consisting of civilians aged from 16 – 60, to hold the front against the advancing Soviets. According to first-hand accounts given the Austrian television crew in 1984, the *Volkssturm* did not fight, but either



action of the war, Operation Spring Awakening, was launched from Western Hungary in an unsuccessful attempt to save Budapest and relieve pressure on the Austrian border.<sup>54</sup> It is noteworthy that the German high command made the decision to commit its last available reserves, not in the defence of Berlin, but in defence of Vienna. These included the 6th Waffen SS *Panzerarmee* under command of the famous *Oberstgruppenführer* Sepp Dietrich, who fought to the last with his own troops on the front line, after sarcastically telling Baldur von Schirach, *Gauleiter* of Vienna, that his Panzer Army was probably named the 6th *Panzerarmee* because he only had six tanks left.<sup>55</sup>

'As the Red Army rolled ... Vienna was becoming one of the great prizes of prestige and bones of contention for the future control of Central Europe.'<sup>56</sup> Soviet interest in Western Hungary and Eastern Austria at the time is understandable. The last oil fields under German control were located here, and Austria still hosted some of Germany's remaining, intact industrial facilities. Without this oil and without these manufacturing plants, what was left of Germany's war machine would collapse. On 28 March, one day before the Red Army crossed into southern Austria, Josef Goebbels observed 'also in Hungary the situation has become critical, we are facing the danger of

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abandoned their defensive positions before the Soviets arrived, or hid until it was relatively safe for them to go home.

<sup>54</sup> *Deckname Frühlingserwachen*.

<sup>55</sup> Portisch, *Die Wiedergeburt Unseres Staates* p. 30.

<sup>56</sup> Bischof, *Austria in the First Cold War, 1945-1955: The Leverage of the Weak* p. 29.

losing our important oil fields (Ölgebiet)'.<sup>57</sup> As the Western Allies were to find out, however, Stalin had longer-term interests in Austria's natural and industrial resources. In agreeing to the Soviet wording of the 1943 Moscow Declaration's guilt clause blaming Austria for participating in the war on Germany's side, Britain and the United States had opened a Pandora's Box. They did not foretell the severe difficulties that would affect Four Power relations as a result of Stalin's war reparation demands on this 'liberated' country – demands the Soviets saw as justifiable because all of the Allies had agreed on Austria's wartime guilt.

It was not until 2 May 1945 that elements of the British 8th Army's 78th Division moved northward from the Po River Valley, through Udine and past Tarvisio, toward the Austrian border. Vienna had already fallen. The Soviets had, unilaterally and without informing the United States or Britain, announced the formation of a provisional Austrian government under the leadership of an old Socialist, Dr Karl Renner, the last president of Austria's First Republic. During Austria's First Republic, Renner had described himself as a revolutionary socialist, and this no doubt remained in Soviet memory. (He was described by an admirer as 'an extreme moderate' – an interesting oxymoron which must have appealed to the Viennese sense of humour).<sup>58</sup> The new Renner government had issued, on 27 April 1945, a declaration of Austrian independence for the country and formal establishment of this

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<sup>57</sup> Portisch, *Die Wiedergeburt Unseres Staates* p. 30.

<sup>58</sup> Ilona Duczynska, *Workers in Arms* ( New York: Monthly Review Press, 1978.), p.21.

provisional government. American troops had crossed into the Tyrol at Schönbichl/Vils on 28 April. The French had entered Hohenweiler near Bregenz in the Vorarlberg on 29 April.

On 6 May, all German forces in Austria surrendered. On 7 May, the British 78th division's 56th Reconnaissance Regiment became the first unit of the British 8th Army to cross the Austrian frontier, at the pass of Monte Croce, or Plöckenpass:

The Regiment then moved without opposition through Mauthen to Tamsweg and Oberwolz. After rounding up several concentrations of enemy troops, and after accepting the surrender and supervising the disarmament of a German SS Brigade, 56 Recce (sic) returned to Oberdrauburg, Lienz and Nikolsdorf. There it was involved in repatriating to the Soviets, two divisions of White Russian soldiers who had been fighting for the Germans in Northern Italy. After successfully completing this mission the regiment moved to Wolfsberg for a well deserved rest.<sup>59</sup>

British reconnaissance troops made contact for the first time with Soviet forces at Voitsberg in Styria on 9 May, while others of the 8<sup>th</sup> Army sped swiftly into north eastern Italy to counter Yugoslav troop movements into Carinthia, Styria and Venezia Giulia. The confrontation between Yugoslav and British military units very nearly erupted into a major fire fight, which would almost certainly have drawn Soviet and Western forces into a shooting

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<sup>59</sup> Ronald Arthur Tee, 'A British Soldier Remembers,' <<http://www.britishsoldier.com/ronindex.htm>>, [13 August 2003]. A personal account by Ronald Arthur Tee, who served in the 56th Reconnaissance Regiment, 78th 'Battleaxe' Division, the British 1st, (later the 8th), Army from 1941 to 1946. Mr Tee's personal recollections of his participation in these events are also available in personal e-mail correspondence from Mr Tee to this author, hard copy in author's personal files.

war. As it turned out, close cooperation between Alexander and Eisenhower allowed the Western Powers to bluff Tito into withdrawing his forces before a more serious situation occurred.

### THE YUGOSLAV CHALLENGE

Although Austria, at this time, played a minor role in Britain's interests, this tiny alpine land provided the stage upon which dangerous events transpired in the closing days of the war – events that very nearly triggered a significant military engagement between Britain and Yugoslavia. It is reasonable to assume that, in the event of such engagement, Yugoslavia's Marshall Tito would have enjoyed Soviet support – Tolbukhin's Third Ukrainian Front was on Tito's right flank at the time – and also that the United States would have reinforced Alexander with elements of the US Third Army. Hence, any such engagement would almost certainly have broadened swiftly into a wider shooting war between East and West. This confrontation was pre-empted by a clever Anglo-American bluff.

The liberation of Trieste was quite dramatic. On 16 May 1945, *Time* reported:

Trieste was liberated last week. But the heady thrill of liberation was quickly followed by an international headache - conflicting Yugoslav and Italian claims to the city, which is predominantly Italian but situated in a Slav area.

Into Trieste, as the Germans retreated, crowded Marshal Tito's Yugoslav partisans, Italian Communist partisans, Italian non-Communist partisans and (to the surprise of most people who had all but forgotten them) General Draja Mihailovitch's Chetniks. Yugoslavs and Italians at once asserted squatter's rights.

Before the partisans could come to blows, the British Eighth Army's crack [2nd] New Zealand division dashed in and occupied Trieste's

strategic waterfront. So long as they remained there, Italians felt, Trieste was not lost to Italy - though the Yugoslavs held almost all the rest of Venezia Giulia, including Fiume. Later, US troops [91st Infantry Division] also moved into Trieste.

Never since the Allied occupation had the British been so popular with Italians. The Cabinet of aging Premier Ivanoe Bonomi issued a declaration of 'deep satisfaction' that the New Zealanders were in Trieste, adding a 'special salute to the incontestably Italian city'.<sup>60</sup>

When British, American and Yugoslav forces moved into the Venezia-Gulia area (Yugoslavs were carrying US weapons and wearing United States Army uniforms made at the Philadelphia Quartermaster Depot in Pennsylvania), Field Marshall Alexander, Supreme Allied Commander of the Mediterranean Theatre of Operations, immediately ordered the American 91<sup>st</sup> Infantry Division to be placed under the operational control of the British Eighth Army. The 91<sup>st</sup> was to send one battalion to occupy Trieste, and the remainder of the division was to deploy northward, up to the Austrian border. The Yugoslav commander sent a sharp message to the 91<sup>st</sup> Division Commander, Major General William G. Livesay, demanding that he withdraw in order to avoid a major incident. Livesay responded 'you withdraw your troops, for if there is (an incident), it will be because of your forces. My troops are disciplined'.<sup>61</sup> The situation was tense. The US 10<sup>th</sup> Mountain Division and II Corps Headquarters were moved to the area and placed under the control of the British Eighth Army. The 85<sup>th</sup> Infantry Division was also placed on alert, while Lieutenant General Sir William Duthin Morgan, Deputy Supreme Commander Mediterranean Theatre (and a direct descendent of

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<sup>60</sup> *Time Magazine*, May 16 1945, Foreign News - Italy - 'Trouble Spot,' pp. 46-47.

<sup>61</sup> Thomas St. John Arnold, *United States Forces Austria* (Charlottesville: Sunflower University Press, 2001), pp. 30-31.

the pirate, Sir Henry Morgan) established a so-called Morgan Line to separate Allied forces in Italy from those of Yugoslavia in Venezia-Gulia. This extended from Trieste all the way to the Austrian border.<sup>62</sup>

By this time, the Yugoslav advance had caught up with the half -million refugees who were fleeing northward from Soviet and Bulgarian forces. Also, the British found a large population of so-called *Chetniks* (who were accused by some of having fought on Germany's side), 35,000 and growing quickly, as well as some 35,000 German Croat troops.<sup>63</sup> Widespread atrocities were occurring, as indeed was also the case in that part of Austria that Tito had occupied and set up a provisional Yugoslav government. Abuses of the local population were widespread.

Alexander and General Dwight Eisenhower, Supreme Commander, Allied Forces in Europe, were appalled by these incidents, but there was little they could do about it in pragmatic terms, being significantly outnumbered. Alexander appealed to the Combined Chiefs of Staff and also to the Foreign Office for advice and assistance on this problem, suggesting that to send the Chetniks back to Yugoslavia 'might be fatal to their health'.<sup>64</sup>

Alexander had met with Tito on 8 May, in Belgrade, in an attempt to negotiate a resolution of these issues. Tito's reaction was to expel both the British and

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<sup>62</sup> Ibid., p. 31.

<sup>63</sup> Alexander to Combined Chiefs of Staff, Telegram NAF 975 , 17 May 1945, 371/48018, PRO.

<sup>64</sup> Ibid.

American Liaison Missions from Belgrade on 14 May, thereby triggering a very clear and present threat of military engagement between Yugoslav and British forces in Southern Austria.

The issue of the Chetniks in Austria (and the presence of Cossacks, who were handed over to the Soviets) was referred to the Cabinet. A 26 May Minute by the Cabinet's Chiefs of Staff Committee rendered the opinion that the 'Austrian' *Chetniks* should be dealt with in the same way fleeing *Chetniks* in Venezia Giulia were, and that they not be handed over or returned to Yugoslavia. Instead, the Committee felt it best for them to be disarmed and interned 'pending final agreement on their disposal by the British and United States Governments'.<sup>65</sup> The Cossacks did not fare as well. Macmillan, who at the time was touring Italy and Austria, noted in his 13 May 1945 diary entry:

Moreover, among the surrendered Germans are about 40,000 Cossacks and 'White' Russians, with their wives and children. To hand them over to the Russians is condemning them to slavery, torture and probably death. To refuse, is deeply to offend the Russians, and incidentally break the Yalta agreement. We have decided to hand them over.<sup>66</sup>

Alexander was already distracted by another potentially serious situation, when the French refused a direct order to withdraw from Northern Italy. His military position was untenable, and he asked Eisenhower to intervene with the French and also to dispatch three additional divisions, which, he

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<sup>65</sup> Chiefs of Staff Committee Minute, 26 May 1945, 371/48018, C.O.S.(45)358 (0), PRO.

<sup>66</sup> Harold Macmillan, *War Diaries: Politics and War in the Mediterranean, January 1943-May 1945* (New York: St. Martin's Press, 1984), p. 757.

calculated, would give him enough capability to expel the Yugoslavs from Austria and Trieste. In addition, he asked for urgent assistance in managing 220,000 prisoners of war and 200,000 so-called Displaced Persons (DPs), whose care was occupying a large number of his troops in Austria, whom he otherwise needed for urgent duties. Eisenhower defused the French situation by threatening to withhold all military assistance until they were out of Italy. De Gaulle backed down. Eisenhower told Alexander that he would be unable to assist with the DP and POW situation, but he acknowledged the seriousness of the Yugoslav challenge and pledged American support.

London and Washington agreed with Alexander and Eisenhower that war with Yugoslavia in Austria had to be avoided if at all possible, and so a strategy was developed to bluff Tito into withdrawing his claims. Eisenhower believed that Tito's confidence in dictating terms to Alexander was based on the support he had been promised by the Red Army, which was present in the area in superior numbers. The new American President, Harry S. Truman, and his Secretary of State, George C. Marshall, suggested that Eisenhower dispatch the Third Army's General George C. Patton with several armoured divisions to reinforce Alexander, but Eisenhower was reluctant to do so. Among other reasons, Eisenhower knew these troops were badly needed in Asia, and he did not want to start an unnecessary war with Yugoslavia. He suspected that Tito could be sufficiently intimidated by the mere threat of such reinforcement, especially if Patton were personally involved. The objective, then, was to cause Tito to withdraw without firing a shot – a risky gamble.



While this discussion was in progress, Tito moved five divisions into Southeast Carinthia and he re-configured his forces in preparation for possible war with the British. Alexander responded by evacuating all allied personnel from the threatened areas of Austria. A shooting war between the British and Yugoslavs was imminent when Eisenhower announced that he was dispatching General Patton and several US armoured divisions southward to bolster Alexander's Sixth Army Group. Eisenhower, of course, had no intention of actually doing this. The bluff worked. Tito backed down. According to Portisch and Riff, Tolbukhin himself ordered Tito to withdraw all Yugoslav forces out of Carinthia, which, if so, would have contributed to Tito's motivation in going home.<sup>67</sup> In any case, he did go home.

The second Belgrade Agreement (9 June 1945) and the Trieste Agreement (20 June 1945) decompressed this confrontation. But it had rocketed Austria to the top of Britain's list of priorities before the country's political leadership even had time to catch their breath at war's end.

## **CONCLUSIONS**

On 13 April 1945, one day after Roosevelt's death and succession to the American Presidency by Vice President Harry S. Truman, Stalin informed American Ambassador Harriman that the Red Army had entered and taken Vienna. World War Two ended in Europe a little over three weeks later, on 8 May. It was time for the occupation of Austria to begin. British and American planners had, despite a myriad of continuing difficulties, done their job. Both

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<sup>67</sup> Portisch, *Die Wiedergeburt Unseres Staates*, p. 337.

nations were more or less prepared to meet occupation responsibilities, which were initially assumed by young, front line officers seconded for this civil government duty from front line units.<sup>68</sup> The first Control Agreement and agreement providing for occupation zones and administration of the City of Vienna, however, were to be finalised only in July. It was not until August that the first meeting of Allied commanders took place on Austrian soil. The bickering between East and West that was to lead to the next war had already started, even before the dust of the World War had settled.

The 1943 Moscow Declaration was supposed to have confirmed that Austria was to be treated by the victorious Powers as a liberated, independent country that had been taken over forcefully by Germany. This implied, at least to Britain and the United States, that Austria was still a sovereign nation and deserved to be given back its full independence as soon as possible. The post-war sovereign power in Austria was, however, to be the Allied Commission, even though a provisional Austrian Government was put into place by the Soviets in Vienna and a new Austrian Government subsequently came into being via genuine national elections. The Soviet Union saw the guilt clause in the Moscow Declaration as justification for a massive campaign of confiscations, and this generated the single most difficult and contentious obstacle to the Austrian State treaty. Austria was not to be free until May of 1955.

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<sup>68</sup> Ekern, 'The Allied Commission for Austria,' p. 56.

An effective Anglo-American relationship had been formed during the war at leadership levels and in the joint military staffs. The foundation for a continuing US – UK cooperation was, however, shaken with the sudden disappearance of both national leaders. Roosevelt died in April and Churchill lost the 5 July elections. Stalin was the only one of the Big Three left. The new British Foreign Secretary, Ernest Bevin, was confronted with the awesome task of crafting new relationships and alliances that would provide for Britain's continuing national security, and at the same time accommodate her new status as a bankrupt nation, yet one accustomed to the role of a great world power.

Austria was to play a supporting role in the drama that unfolded during the next ten years. Austria provided a stage upon which the competing Cold War participants engaged and manoeuvred, always with an eye cocked toward the much larger and more important problem, Germany. In 1945, the new Labour Government adopted Churchill's objective of creating a free and independent Austria as soon as possible. As the Four Powers engaged on Austrian soil and elsewhere, however, British resolve weakened and it was not long before London's ultimate policy objective became ending the British occupation and concluding an Austrian State Treaty, even if this meant paying bribes the Kremlin was asking for in return for agreement on the Treaty.

## **CHAPTER TWO: BRITISH INTERESTS AND POLICIES DURING THE PERIOD 1945-1948**

This chapter addresses the transitional period between war's end and consolidation of the two Cold War camps. It reveals the thinking behind British policy formulation regarding Austria, relying heavily on archival diplomatic correspondence between Vienna, Paris, Moscow, Washington and the Foreign Office, drafted by experienced British officials who were in the front lines of diplomacy and directly involved with occupation issues, as well as with the evolving relationships between the Allied Powers. Austria was to become a Cold War battlefield on which the Four Powers would test negotiating proposals and tactics, at least partially with intent to identify those policies that might work toward the achievement of vested interest in and about Germany. While some of this archival material has been mentioned in other works, few, if any of the documents used in this chapter have been exploited in such depth. Yet each one exposes much of the rationale for Britain's foreign policies toward Austria as they evolved during the post war transition years. Here, the reader can see the origins of Britain's commitment to an Austrian State Treaty – to the resolution of all outstanding issues and disagreements between the Allies on Austria through the vehicle of one document. This rigid posture was to cause difficulties, and it locked Britain's diplomacy into an inflexible position that did not always work to her advantage and that frequently annoyed her most important ally, the United States.

Many Americans could never quite understand why British policy makers assumed that an end to the occupation would automatically result in independence for Austria, especially since the Russians were demanding huge payments and other expensive concessions in return for the treaty, and Moscow was insisting on maintaining control of Austrian industrial and mineral resources after Western troops left the country. Nor could Americans understand why an early execution of a treaty was the most important task at hand. The US wanted to keep Western forces in Austria until Austria had the capability to provide for her own internal security. That, in the American view, was the only way to prevent the country from falling into Communist hands and guarantee true independence, particularly given the fate of Austria's immediate neighbours in Hungary and Czechoslovakia. Americans were more interested in actual results than words on a piece of paper, no matter how well those words were intended.

The degree of commitment to the Austrian State Treaty by Foreign Secretary Ernest Bevin provided Moscow with powerful negotiating leverage. Did this policy stance by Britain prolong the occupation of Austria unnecessarily? The answer to that lies in a second question: would the Austrians have enjoyed true sovereignty and independence if the United States and Britain had signed a treaty and withdrawn their military forces while the Soviet Army remained in place and in control of the country's most important infrastructure assets?

This chapter also summarises a decision taken at the Potsdam Conference (17 July - 2 August 1945), which in effect opened the door for the Russians to extract reparations from Austria, something Britain and the United States did not want to happen. Some historians have attributed this decision to 'Soviet cunning in its plan to take over Austria,' while others describe it as a Western blunder of some magnitude.<sup>1</sup>

### **BEGINNING OF THE OCCUPATION**

It was Britain that persuaded the United States to participate in the occupation of Austria, and the US did so only with great reluctance. The war against Japan was still raging at the time of Germany's surrender. Men and material were badly needed in the Far East, and isolationist tendencies were still strong throughout the country. The President was under pressure to bring the boys home. Roosevelt let it be known that he wanted no more than an American zone in northern Germany because the ports were situated there and it would make it easier to transport Americans out of Europe. He had bowed on 9 December 1944 to British and, ironically, Soviet pressure to accept a zone of occupation in Austria as well. American reluctance to remain in Europe began to dissipate when it became obvious that the United States, Britain and the Soviet Union were drifting into what later became known as the Cold War.

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<sup>1</sup> Robert Graham Knight, *British Policy Towards Occupied Austria 1945-1950*, (PhD, London University, 1986), p. 42. See also William B. Bader, *Austria Between East and West, 1945-1955* (Stanford: Stanford University Press, 1966), p. 38.

Vienna fell on 13 April 1945, but it took until June of that year before Stalin agreed to allow a British/American delegation travel to the capital. It was not until 23 August that the first meeting of the allied commanders took place on Austrian soil. The first session of the Allied Council was delayed until 11 September.<sup>2</sup> In the meantime, the Soviets had moved swiftly to appoint a provisional government under the leadership of Dr. Karl Renner, a canny old Socialist (whom Lenin was said to have described as 'one of the most despicable lackeys of German imperialism'), who had served as president of the last elected Austrian parliament, during the First Republic.<sup>3</sup> Stalin ordered the Soviet High Command to find Renner and place him in charge of government as soon as possible, acting presumably under the impression that Renner's long commitment to Socialism and his vast political experience would be helpful in establishing a Soviet style people's democracy in Austria. Stalin was prepared to overlook Renner's enthusiastic support for Hitler's 1938 Anschluß.<sup>4</sup> According to Mastny, when Stalin learned that Renner was in touch with the Red Army in Austria, he said 'the old traitor is still alive? He is just the man we need'.<sup>5</sup> Elements of the Third Ukrainian Front did locate Renner but found him disgusted by the undisciplined conduct of Russian troops. When assured that these incidents were the result of individual

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<sup>2</sup> Mark Clark, *Calculated Risk: The Story of the War in the Mediterranean* (New York: Harper & Bros, 1950), p. 452: 'They (Soviets) were busy looting Austria at the time and didn't want to be bothered'.

<sup>3</sup> Vojtech Mastny, *Russia's Road to the Cold War: Diplomacy, Warfare, and Politics of Communism, 1941-1945* (New York and Guildford: Columbia University Press, 1979), p. 268.

<sup>4</sup> Günter Bischof, *Austria in the First Cold War, 1945-1955: The Leverage of the Weak* (New York: St. Martin's Press, Inc, 1999), p. 35.

<sup>5</sup> Mastny, *Russia's Road to the Cold War* p. 268.

misconduct and not official policy, and that they would be stopped, Renner agreed to lead the provisional government.

On 27 April 1945, Renner declared Austria's independence and reinstated the Constitution of 1920. This action was taken without any consultation with or advanced notice to the United States and Britain. The Western Allies, expecting joint decision-making in the governing of occupied Austria, were shocked. Britain refused to recognise the Renner government and accused Stalin of violating the Yalta Agreements. In Central Europe, post war relations between the victorious allies began on a far less than friendly note.

But if the Russians were hoping that Renner would help them put a Communist or at least pro-Soviet government in place before the Western Allies could compose themselves, Moscow was in for a big surprise. The Kremlin was banking heavily on a strong Communist representation in Austria's post war government. It was therefore important that the Communist Party (KPÖ) perform strongly in the first national elections, held on 25 November 1945 under supervision of the Soviet-appointed provisional government, before the Western Allies were settled in Vienna. It came as a very cold shower when the KPÖ won just over five percent of the vote and lost nine of their ten provisional cabinet seats. The conservative Austrian Peoples Party (ÖVP) emerged with almost an absolute majority, and



proceeded to form a national government with the Socialists (SPÖ) and only an insignificant KPÖ representation.<sup>6</sup>

Immediately following the elections, a leading Communist member of the Provisional government, Ernst Fischer, conceded openly that the excesses of Soviet front line troops had delivered an irreparable blow to the prestige of Austria's Communist Party.<sup>7</sup> This uncivilised behaviour had caused many Austrians to turn away from Communism and toward the West for protection. One parish priest observed 'these people will never forget what the Red Army did to our women'.<sup>8</sup> With the exception of a few attempts to generate social unrest, the KPÖ was not to play an important role in Austrian politics. Indeed, most Austrians never did forget.

While occupied Germany was initially governed by an Allied Control Council until 1949, the Austrian government was subordinate to an Allied Council, which met regularly to discuss and agree on important issues and to approve or disapprove government actions. Chairmanship of the Allied Council rotated on a monthly basis, marked by an elaborate military changing-of-the-guard ceremony in Vienna. This ceremony was always followed by a social

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<sup>6</sup> Gerald Stourzh, *Um Einheit und Freiheit: Staatsvertrag, Neutralität und das Ende der Ost-West Besetzung Österreichs 1945-1955* (Vienna - Cologne - Graz: Böhlau Verlag, 1998), p. 781. See also Bischof, *Austria in the First Cold War*, p. 69.

<sup>7</sup> Bischof, *Austria in the First Cold War*, p. 34.

<sup>8</sup> Ibid., p. 33.

reception hosted by the incoming controlling power.<sup>9</sup> A Vienna Inter-Allied Command was set up to govern Vienna.

The whole Four Power occupation superstructure was known as the Allied Commission for Austria (ACA).<sup>10</sup> The ACA was organised into directorates, each with representation from all Four Powers. Internal Affairs, Political, Legal, Finance, Education, Social Administration, Economics and Transportation & Communications directorates corresponded to the equivalent ministries in the Austrian government. There were five directorates without an Austrian counterpart: Reparations, Deliveries and Restitution, Prisoner of War and Displaced Persons, Military, Naval and Air.

Heading the ACA was the Allied Council (AC), composed of the four Commanders-in-Chief, or High Commissioners. The deputies to these High Commissioners formed the Executive Committee (EC). The AC and EC met on alternative Fridays. Agenda items could be introduced by any one of the Four Powers at any level. Usually, issues introduced were initially sent to the responsible directorate. If there was unanimous agreement on an issue, it was normally referred to the Executive Committee for ratification. Items on which there was disagreement were referred up the chain of command, step by step. Directorates could also simply drop items where severe

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<sup>9</sup> As a boy, the author accompanied his father, a high ranking American official, to some of these functions. At one, Soviet High Commissioner Vladimir Kurasov made a point of initiating a conversation. He particularly admired the colourful necktie I was wearing, and said he would never be able to buy such a thing in the Soviet Union. I asked him if he would like to have the tie. He said he would. I took the necktie off and presented him with it – not the first or last gift handed the Soviets by representatives of the Western Powers in Austria.

<sup>10</sup> Note the absence of the word control in this title, a result of the Moscow Declaration, as discussed in Chapter 1.

disagreement existed, or they could hold them over until future sessions. If the Allied Council, the supreme authority, could not agree on any issue, this issue could be dropped from the agenda or referred back to the appropriate directorate for continuing discussion and negotiation.<sup>11</sup>

Each of the occupying powers was responsible for its designated occupation zone in the country, and also for its respective sector of the city. Control of the International Sector rotated monthly and became the responsibility of whichever power was chairing the Allied Council.

The importance of International Sector control was more than symbolic. The Soviet practice of kidnapping in Austria was widespread, and was the source of much friction between the USSR, the Austrian government and the Western allies. Dramatic incidents in which individuals were snatched directly off of streets in the International Sector, in broad daylight, were not uncommon, especially during those months the Sector was under Soviet control.<sup>12</sup> The Western allies usually were a bit more cautious during the same periods of time, and some Westerners studiously avoided entering the International Sector during those months when the Soviets were in the chair.

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<sup>11</sup> Halvor O. Ekern, 'The Allied Commission for Austria', in *The Austria Solution: International Conflict and Cooperation*, Bauer, (Charlottesville: University Press of Virginia, 1982), pp. 57-58.

<sup>12</sup> William L. Stearman, *The Soviet Union and the Occupation of Austria* (Bonn, Vienna, Zurich: Siegler & Co, 1962), p. 66.

While the Moscow Declaration may have provided a foundation for British policy, there is a difference between having a policy and observing it. During the early days of the occupation, none of the Allies treated Austria as a liberated nation.<sup>13</sup> Indeed, all took a punitive approach, as they addressed the myriad of practical problems involved in putting occupation machinery into place. The overall atmosphere was not conducive to an amiable relationship between the Allies' battle-hardened combat troops and the local Austrians. The fact that German Army personnel, including Waffen SS troops, continued to surrender to the Allies sporadically throughout 1945 was among the reminders that war was still in progress.

The four Allied commanders met on Austrian territory for the first time on 23 August 1945. The meeting took place in Vienna, after the Soviets lifted their ban on Western travel to the capital. The quadripartite administration of Austria began officially on 11 September when the new Allied Council met for the very first time, in the Imperial Hotel. Soviet Marshall Koniev chaired the session. Between Potsdam and this first Allied Council session, the Western Allies had become increasingly annoyed by what was turning out to be a concerted program of plant and equipment confiscations by the Russians. General Clark observed:

The Soviet approach to this problem was to claim everything and then challenge the Austrians and the other Allied Powers to prove that it had not been legal German property. ... In this way they

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<sup>13</sup> Ralph W. III Brown, *A Cold War Army of Occupation. The US Military Government in Vienna, 1945-1950*, (PhD, University of Tennessee, 1995), p. 89. See also US Joint Chiefs of Staff to General Mark Clark, FRUS vol.1, *Potsdam*, 27 June 1945, pp. 338-339. See also Department of State Bulletin, vol. XIII, no. 331, 28 October 1945, pp. 661-673.

removed vast amounts of coal, oil and machinery from Austria immediately after the war in a period of looting that all but wrecked the national economy beyond hope of reconstruction: and they used their rights as an occupational power to seize 120 factories in their zone.<sup>14</sup>

At Potsdam, the West had suggested that Austria be exempt from paying reparations, even if some agreement would eventually be reached involving a one-time delivery of capital goods built up solely for German war fighting requirements.<sup>15</sup> Moscow, in turn, argued that Austria should pay reparations, specifically 250 million dollars (in kind) over a period of six years, because Austrian troops had participated in the invasion of the USSR and had done much damage. On 28 July, Stalin surprised everybody by renouncing reparations from Austria on the grounds that no Austrian Army had participated in the war. He argued that Austrians had been in the war, of course, but they were mostly scattered throughout German Army units.<sup>16</sup> While this discussion was in progress, Soviets in Austria continued to remove Austrian plant and other equipment for transshipment to the USSR. British Treasury officials warned that, unless this practice stopped, 'our successful contest to get Austria off paying reparations will have been an empty victory'.<sup>17</sup>

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<sup>14</sup> Clark, *Calculated Risk: The Story of the War in the Mediterranean*, p. 467.

<sup>15</sup> Knight, *British Policy Towards Occupied Austria 1945-1950*, p. 42, citing a 21 July 1945 British draft, FRUS, *Potsdam II*, Doc. 765.

<sup>16</sup> *Ibid.*, p. 43.

<sup>17</sup> 29 July 1945 Memorandum by Treasury Under Secretary David Waley, FO 371/45906, UE 3373, PRO.

Even at this early stage in post war developments, British officials recognised the potential importance of what became the most contentious issue throughout negotiations on the Austrian State Treaty: disposition of German assets in Austria. This, however, did not prevent the Western Powers from striking an agreement with Stalin that a demarcation line would be drawn, North to South, through Europe, running directly through Austria, and all German external assets on one side of the line would belong to the West and German external assets on the other side would belong to the Soviet Union. On the last day of the conference, Stalin suggested that this agreement include German assets located in Austria. According to Bischof, the Americans were not paying too much attention because they were tired and wanted to go home, and the British agreed 'only reluctantly'.<sup>18</sup> The assets covered by Stalin's suggestion were in addition to what the Soviets were carting off from Austria as these discussions were taking place. It did not occur to anybody in the West to insist that the Three Powers agree on a definition of 'German asset', and both Truman and Attlee signed the agreement. It was to come back and haunt them.

The British Treasury was the first to lament this concession, regarding it as a 'great pity', that the Western Powers had renounced claim to German external assets in Eastern Europe, a move they felt would totally negate all British efforts over the past two years to exempt Austria from paying reparations at all.<sup>19</sup> Bischof points out that the West's concessions were

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<sup>18</sup> Bischof, *Austria in the First Cold War*, p. 40.

<sup>19</sup> Ibid., pp. 40-41.

costly. Both Austria and Germany ended up paying something like five times what Stalin asked for at Potsdam.<sup>20</sup>

By signing the German assets agreement, Truman and Attlee triggered almost a decade-long argument between the Western Powers and the Soviet Union, and they also created raw material for an active debate in the world of academia. Knight points to the continuing arguments in recent Austrian historiography on this issue. Some historians describe the Potsdam decision on German assets to be less of a Western blunder and more a 'logical reflection of deliberate policy'.<sup>21</sup> Others describe the decision as representing the West's dividing up war booty. The more traditional interpretation carries most weight. This has it that the West, quite simply, blundered. Truman and Attlee should not have signed away German assets in Austria without at least demanding unanimous agreement on what the term meant. As we shall see, however, this mistake was to be matched by one of equal magnitude by the Soviets when they casually agreed to a new nationalisation law which, in effect, negated Moscow's veto on most issues in the Allied Council.

Between the end of the war and the first Allied Council meeting, the West learned that the Soviets were trying to entice Austria into a bilateral agreement providing for the transfer of certain Austrian facilities to Russian control. Moscow was holding out the prospect of a bilateral Austro-Soviet trade Agreement in return for certain Austrian agreements on these transfers.

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<sup>20</sup> Ibid.

<sup>21</sup> Knight, *British Policy Towards Occupied Austria 1945-1950*, , p. 42.

Moscow obviously wanted to craft an economic agreement with Austria along the same lines as she had with her Eastern European client states. Austrian representatives seemed prepared to go along with the deal, but asked Russians for three things. First, Austria wanted bilateral agreement on a specific list of firms that would be eligible for Soviet take-over. Second, they wanted the opportunity to buy Soviet equity back with government bonds. Third, Austria wanted concrete assurances that any firms taken over would still remain under Austrian jurisdiction. The Soviets were not prepared to grant any of these requests, so it is unlikely that the bilateral trade agreement would have become a reality, even if Western Intelligence had not found out about the discussions, which the Soviets tried hard to keep secret, and vetoed the idea.<sup>22</sup>

The immediate post war months were far from anti-climatic. On 26 July 1945, Churchill was voted out of office and a new Labour Government took charge in the United Kingdom, with Clement Attlee as Prime Minister and Ernest Bevin as Foreign Secretary. In Asia, the world's first atomic weapons were deployed in Hiroshima (6 August) and Nagasaki (8 August). In Austria, East and West were beginning to size each other up and begin a dialogue that was, at least ostensibly, intended to lead to Austria's independence. It was to be a much longer and more complex path than anybody in the West anticipated at the time.

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<sup>22</sup> Office of Strategic Service (Charles Thayer) to Gruenther, 7 September 1945, Records Group 59, D 331, NARA II.



The EAC had been formally dissolved during the Potsdam Conference in July. Following unpleasant exchanges with Soviet command, the British Army was finally permitted to move into the British Zone of occupation, replacing Red Army units on the move to their newly prescribed zone. The British entered Graz on 23 July 1945. On 23 August, each Allied Power was fully positioned in its respective headquarters in Vienna, with the British headquarters located in Schönbrunn Palace. The transition from Eighth Army to civilian control took place smoothly and without serious incident. By 15 August 1945, Allied Council staff had completely replaced Eighth Army personnel in all senior positions.<sup>23</sup> The control machinery that was to power the Allied Council had also been agreed. Austria's elected government would administer the country, but supreme authority, in effect sovereignty, would rest in the Allied Council.

### **AUSTRIA IN EAST-WEST RELATIONS**

As organisational affairs in Austria were progressing, serious diplomatic events were beginning to unfold in the broader international arena. During the second half of 1945, there were two meetings of the new Council of Foreign Ministers (CFM). The first took place in London from 11 September to 2 October. The second was in Moscow from 15-27 December. During both of these sessions, Four Power interaction on the wide spectrum of post war issues was affected by the demise of the suspicious but comfortable relationship that had developed during the war years between Churchill, Stalin and Roosevelt. Both Roosevelt and Churchill had suddenly

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<sup>23</sup> Alice Hills, *Britain and the Occupation of Austria, 1943-1945* (Houndmills, Basingstoke, London: Macmillan Press, 2000), p. 167.

disappeared from the scene, and Stalin departed almost immediately after Germany's surrender for a prolonged vacation near Sochi on the Black Sea. It was left to the foreign ministers to get to know each other at the CFM meetings, and to develop a constructive way of working with each other.

Stalin did historians a favour by taking this vacation, his first in nine years. The absence from Moscow of both Molotov, who was attending overseas conferences, and Stalin, on vacation, necessitated the exchange of written correspondence. Copies of this correspondence are now available to some scholars, including Professor Vladimir O. Pechatnov of the Moscow Institute of International Relations, who, with translation assistance from Vladislav Zubok, has produced a study of the correspondence.<sup>24</sup>

There is little evidence that the Soviet Union assigned any great strategic importance to Austria, which cropped up only once in the 1945 correspondence exchange between Stalin and Molotov – at least in that part of the correspondence that has been translated and published. Stalin asked Molotov to explain a proposal of the Western Allies to replace old Reichsmark notes with a new currency, the Alliance Schilling. Stalin said this proposal looked to him to be 'suspicious.' Molotov responded 'I consider undesirable the exchange of Reichsmark for the Alliance Schilling. This, of course, could make us dependent on the Allies. It would be better for us to accelerate the adoption of an Austrian currency and to help them [the

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<sup>24</sup> Vladimir O. Pechatnov, *Foreign Policy Correspondence Between Stalin and Molotov and Other Politburo Members, September 1945 - December 1946; 'The Allies Are Pressing You To Break Your Will'*, (Washington DC: CWIHP, 1999), p. 25.

Austrians] in this business. This would be also more advantageous for us politically'.<sup>25</sup>

It is also clear in the Stalin-Molotov correspondence how both viewed Britain and the United States. Stalin observed 'the Anglo-Saxons are hostile, duplicitous, and anti-Soviet at heart, they understand only the language of firmness and strength. At worst, they are hidden enemies, at best - rivals, and if they are allies then it is in name only.'<sup>26</sup>

### **THE FIRST CFM MEETINGS**

At the first two CFM meetings, Foreign Minister Molotov represented the USSR. The American Secretary of State was still the enigmatic John Byrnes. John Foster Dulles, a bright and experienced Wall Street lawyer with strong links to Conservative Republicans in congress, arrived in London as a new addition to the American team and was soon to become one of America's most influential secretaries of state, with profound influence on East-West relations. Ernest Bevin made his first appearance as Britain's Foreign Secretary, following Labour's victory in Britain's polls, and he experienced the first of his many clashes with his Soviet counterpart. Toward the end of September, when Bevin must still have been reeling from this encounter, it occurred to him to tell Molotov that his methods were very akin to those of Hitler. This did not go down very well. Molotov reported to Stalin 'I declared that if Bevin did not take these inappropriate words back, then I would not be

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<sup>25</sup> Ibid., p. 7.

<sup>26</sup> Ibid., p. 8.

able to participate in this conference'. Molotov stormed to the exit, but Bevin defused the incident by apologising.<sup>27</sup>

The first twelve meetings of the CFM concentrated on Italian and Balkan issues. Sparks began flying especially on the topic of Rumania, and the Western delegates were able to witness first-hand Stalin's new get tough negotiating style. It quickly became obvious that Stalin had no inclination to compromise on what for him was a vital issue—the consolidation of a Soviet sphere of influence in Eastern Europe.

In briefing Molotov on how he should behave at the London CFM, Stalin wrote:

What might happen under such conditions? It might happen that the Allies could sign a peace treaty with Italy without us. So what? Then we have a precedent. We would get a possibility in our turn to reach a peace treaty with our satellites without the Allies.<sup>28</sup>

The London CFM session in September 1945 was the first diplomatic encounter between the Allies after the Potsdam Conference. The agenda included the preparation of draft peace treaties with Germany's wartime allies, a process that more or less automatically came to include Austria. The unifying factor of war no longer existed and everyone suspected that negotiations between East and West would be more difficult. Moscow could no longer depend on the relationships Stalin had formed with Roosevelt and

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<sup>27</sup> Ibid., p. 7.

<sup>28</sup> Ibid., p.2.

Churchill to negotiate mutually acceptable spheres of influence in Europe. Both were gone – and the United States had the atomic bomb. Stalin adopted stronger, more aggressive negotiating tactics and instructed Molotov to get tough with the West.<sup>29</sup>

### **1946 AND THE THE MACK/JERRAM REPORTS**

By 1946, the developing standoff between East and West had to be acknowledged. On 9 February 1946, in Moscow's Bolshoi Theatre, in his first post war public speech, Stalin highlighted the importance of securing the USSR unilaterally, through 'renewed mobilisation of domestic resources' and rearmament. While suggesting that it might be possible to avoid military confrontation with the West if the Allies would agree on a periodic and fair reapportioning of raw materials and markets, he conceded that this could not take place under the 'contemporary capitalist conditions of world economic development'.<sup>30</sup> This speech and George Kennan's famous Long Telegram offered persuasive confirmation that the Cold War had begun.<sup>31</sup>

Britain's agreement was signalled by Winston Churchill on 5 March, when he delivered a speech entitled 'The Sinews of Peace' at Fulton, Missouri, population 7,000, to a crowd of over 40,000 people, with the President of the

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<sup>29</sup> Ibid.

<sup>30</sup> Vladislav Zubok and Constantine Pleshakov, *Inside the Kremlin's Cold War: from Stalin to Khrushchev* (Cambridge, Mass: Harvard University Press, 1996), p. 35.

<sup>31</sup> Kennan's communications from Moscow had strong influence on the thinking of Western policy makers. For detailed analysis of Kennan's cables, see William Taubman, *Stalin's American Policy*, (New York: Norton, 1982), Robert J. McMahon, *The Origins of the Cold War*, third edition, (Lexington, Mass: D. H. Heath & Co, 1991).

United States seated directly behind him. Churchill made it clear that he was speaking for himself and that his views did not necessarily reflect the official policies of the United Kingdom: 'from Stettin in the Baltic to Trieste in the Adriatic, an iron curtain has descended across the continent'. Russia, through the agency of the Communist parties and fifth columnists, was set on destroying the foundations of Christian civilisation. The Soviet Union must be resisted by a permanent alliance of the staunch English-speaking peoples - the United States, Great Britain and the Commonwealth.<sup>32</sup>

Klaus Larres maintains that Churchill's Fulton speech was misunderstood. Churchill's intention, according to Larres, was to recommend a twin track approach to the Soviet Union. While recognising that 'there is nothing they (the USSR) admire so much as strength, and there is nothing for which they have less respect than for weakness, especially for military weakness', Churchill was only calling for negotiations from strength. He remained convinced that it would be possible for the West to maintain 'good understanding on all points with Russia' after the War, but this element of his Fulton speech was disregarded and the public focused on his more dramatic 'iron curtain' reference.<sup>33</sup> Larres points out that, even in Opposition, Churchill continued to press for summit diplomacy – direct negotiations on the most important international issues between chiefs-of-state. This was a prospect, however, that was neither acceptable to the American State Department nor

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<sup>32</sup> Jennifer Rosenberg, 'Winston Churchill's Iron Curtain Speech,' 20<sup>th</sup> Century History in Partnership with the History Net, <<http://history1900s.about.com/library/weekly/aa082400a.htm?once=true&>>, [7 October 2003].

<sup>33</sup> Klaus Larres, *Churchill's Cold War : the Politics of Personal Diplomacy* (New Haven: Yale University Press, 2002), pp. 124-125.

the British Foreign Office where there was a growing sentiment in favour of conference diplomacy, and where there was by no means common agreement that it was going to be possible for the West to maintain amicable relations with Stalin. By this time, Austria had already become a Cold War battlefield, although of secondary importance to any of the Great Powers, except of course to the people who were fighting it on the ground. The real issue was Germany, and Austria was seen as part of that problem.

Diplomats were at work in Austria itself. In a 4 February 1946 despatch, Bevin authorised overseas Chiefs of Mission to submit an annual political report in lieu of the standard annual report on key developments in their respective areas of responsibility, as required by the Foreign Office. In his report on 1946, William Henry Bradshaw Mack, Britain's Diplomatic and Political Representative in Vienna, opted for this alternative and submitted a paper entitled 'Austria: Political Report for 1946.'<sup>34</sup> This six-page document provides valuable insight into the issues Britain's foreign policy team on the ground in Vienna considered most important during the first full calendar year of peace.<sup>35</sup>

Mack was ideal for this assignment. Born and educated in Dublin, he entered government in May 1921 as Third Secretary in the Diplomatic Service. Following tours of duty in Constantinople and Berlin, he was promoted to

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<sup>34</sup> Mack to Bevin, Vienna, 'Austria: Political Report for 1946,' 8 May 1947, FO 465/1, Document 21, C 7006/708/3,

<sup>35</sup> Harold Macmillan, *War Diaries: Politics and War in the Mediterranean, January 1943-May 1945* (New York: St. Martin's Press, 1984), pp. 744 – 745: 'I delight in Hal (Mack) – always fresh and interesting, and with a wonderful sense of humour.'

Second Secretary in 1925 and then First Secretary in 1933. He was sent to Prague in 1934, where he became Charge D'affaires, before being transferred to Vienna in December of the same year. In Vienna, he acted as Charge D'affaires in 1935, 1936 and 1937, and again in mid-1938. He was attached to the Representative of Austria at the coronation of H.M. King George VI in May 1937. Mack left Austria for Rome in April 1938, and served in Paris until his transfer to the Foreign Office in London in June 1940. He was made a C.M.G. in June 1942 and appointed as Acting Assistant Under Secretary of State while still holding his post as Political Liaison Officer with the forces of the United States of America in Great Britain and North Africa. On 13 September 1944, he was appointed as Deputy Commissioner (Civil) on the Control Commission for Austria, with the rank of Minister. His appointment as Political Advisor to the Commander-in-Chief of British Forces of Occupation in Austria came on 1 May 1945. His extensive, previous experience in Austria during the First Republic, and his experience in dealing with Americans, would serve both him and the Allied Commission well.<sup>36</sup>

Given Europe's post war economic and financial difficulties, it is not surprising that Mack devoted a major part of his 1946 report to 'Economic Difficulties'. Austrians were anticipating what was predicted – and what turned out to be – a severe winter, with critical shortages of both food and fuel. The country's industries were just beginning to recover, and increasing demand for fuel made it critically important that coal deliveries arrive on schedule. Unfortunately, Austria's primary sources of coal (The Ruhr,

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<sup>36</sup> *The Foreign Office List and Diplomatic and Consular Year Book for 1947*, 120<sup>th</sup> Publication, (London: Harrison and Sons, 1948), p. 249, REF: 351 010 ZS FO, PRO.



Czechoslovakia and Poland) were not able to meet outstanding orders. Domestic coal production was lagging, hampered by a shortage of food, clothing and equipment and, as it became increasingly evident, Soviet confiscations, although Mack did not refer to these in his report.

At the end of the year, the country was in crisis. Mack reported that industry had come to a virtual standstill, public utilities and services were drastically curtailed, and the public's morale had fallen to new levels in the face of an unexpectedly harsh winter. The food shortages were, in Mack's words, catastrophic. The United States intervened by reducing its bill to the United Nations Relief and Rehabilitation Administration (UNRRA), for food stocks handed over in April, by some \$5 million, and this allowed the Austrian Government to announce an increase in the daily ration of bread and flour. This unilateral action by the Austrian government, Mack reported, infuriated the Soviets, who blatantly refused to allow food supplies to move out of or even through the Soviet Zone. It was possible to implement the increased ration levels only after the three Western Powers persuaded the Soviets that they would provide whatever financial assistance was required to ensure equal distribution of food and fuel throughout the country.

But UNRRA was scheduled to go out of existence in early 1947, and everybody knew that, left to its own resources, Austria could not afford to pay for needed food and fuel. The government continued to battle inflation, partially caused by the high spending levels of occupation forces. On 13 December 1946, the Allied Council, after months of debate, finally decided on

a significant reduction in occupation costs. During the fourth quarter of the year, the Soviet element would receive 112½ million *Schillings*, while the other three elements would agree to receive only 25 million, each. Also, it was agreed that the total occupation costs during 1947 would not exceed fifteen percent of the Austrian budget, as compared with thirty five percent during 1946.<sup>37</sup>

Britain's decision in December 1946 to give Austria grants amounting to £8½ million and credits for relief and reconstruction, as well as a commercial credit of £1½ million for purchase of raw wool, created an excellent impression. According to Mack, this British offer was the first example of concrete economic assistance on the part of any occupying Power.<sup>38</sup>

Despite the importance of economic issues, the Second Control Agreement of 28 June occupied, justifiably, top priority in Mack's report.

Although the signature of the New Control Agreement, with its renewed assurance of the identity of Allied aims, marked an important mile-stone on the road towards the re-establishment of Austria as an independent State, political developments in Austria from July to December were dominated by continued disagreement in the Allied Council over the means by which the agreement should be put into practical effect. Much disagreement was almost invariably due to obstruction by the Soviet element.<sup>39</sup>

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<sup>37</sup> Mack to Bevin, 'Austria: Political Report for 1946,' p. 38.

<sup>38</sup> Ibid. This is not entirely correct. The United States had already intervened financially during 1946 to reduce the War Department Bill to UNRRA, thereby permitting the implementation of increased bread and flour rations.

<sup>39</sup> Ibid., p. 1.

This is hardly surprising. During negotiations leading up to final agreement on this Second Control Agreement, Soviet delegates were either not paying attention or had not been adequately instructed by Moscow. They agreed to what, in hindsight, was by far the most important provision in this new Control Agreement and one of the most significant agreements reached during the entire occupation. Article 6 of this new Agreement established that all Austrian legislation would become automatically effective after thirty one days unless the Allied Council took positive action to disapprove – except for constitutional laws. For constitutional laws, advanced Allied Council approval was still required. By agreeing to Article 6, the Soviet Union relinquished its veto power in the Allied Council on legislation passed by Austria's parliament, with the singular exception of constitutional matters. A debate on what was or was not a constitutional law began only after the Control Agreement was signed and after the Soviets began to understand the full ramifications of what they had given away. Stearman observed:

Next to November 25, 1945 (the date of the complete Communist electoral defeat), June 28, 1946, marked the most important day in Austria's ten year occupation. It was on this day that the four Allies signed the New Control Agreement and by four strokes of the pen eliminated Soviet veto power over the Austrian parliament.<sup>40</sup>

The electric atmosphere surrounding the Allied Council following the Second Control Agreement was exacerbated by the publication, via a 6 July 1946 TASS press release, of the so-called Kurasov Order Number 17. It was alleged by the Russians to have been issued on 27 June – one day before

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<sup>40</sup> Stearman, *The Soviet Union and the Occupation of Austria*, p. 40.

the Second Control Agreement was signed.<sup>41</sup> Order Number 17 specified that, 'in accordance with the Berlin (Potsdam) Conference', all German property located in eastern Austria had passed into Soviet hands as war reparations payments.<sup>42</sup> One day before, in a highly publicised event, General Mark Clark had returned the Steyr Works, an enterprise in the US Zone that had clearly been created by German capital, to Austria as a gesture of American good will – and probably an intelligent public relations gimmick. On 10 July, the United States announced that it was withdrawing all claims to a share of German assets in Austria. By mid-1946, Britain was also well on her way toward the total renunciation of German assets in Austria. But the Soviet Union was moving in just the opposite direction. In fact, confiscations were not confined to the Russian Zone; the Soviets also seized all assets of the Danube Shipping Company, including the firm's offices in the British occupational sector of Vienna.<sup>43</sup>

Austrian historian Rauchensteiner has argued that the Soviets knew very well what they were doing when they voted in favour of Article 6 of the new Control Agreement, but this seems hardly credible, given Moscow's attempts to have it reversed.<sup>44</sup> The Foreign Office's view was that the Soviets were

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<sup>41</sup> There are suggestions that the Soviets deliberately backdated Order No. 17 in order to be able to claim that it was in effect before the Second Control Agreement was signed. Therefore facilities seized by the Soviets under the provisions of Order No. 17 could not be nationalised by the Austrian Government. See Knight, *British Policy Towards Occupied Austria 1945-1950*, p. 74. See also Manfred Rauchensteiner, *Der Sonderfall: Die Besatzungszeit in Oesterreich 1945 bis 1955* (Graz: Verlag Styria, 1979), p. 179.

<sup>42</sup> Stearman, *The Soviet Union and the Occupation of Austria*, p.47, citing Department of State Bulletin XV, 1946, p. 123.

<sup>43</sup> Ibid., p. 49.

<sup>44</sup> Knight, *British Policy Towards Occupied Austria 1945-1950*, p.70, citing Rauchensteiner, *Der Sonderfall: Die Besatzungszeit in Oesterreich 1945 bis 1955*, pp. 166-167.

simply not paying sufficient attention during this particular part of the discussions. It is also possible that communications between Vienna and Moscow broke down. The Soviet element in the Allied Council apparently did not enjoy the same degree of discretion as did their Western counterparts. Decisions on all issues were made in Moscow and passed along to Vienna.

The fact that the Russians were induced to accept it has always been seen as remarkable. The general explanation of our people on the spot, that the Soviet authorities simply did not understand what they were agreeing to, tended to be borne out by the way they frequently disallowed Austrian laws in their own zone, even arresting (and deporting) numbers of Austrian officials for trying to implement them. But in any case it was a crucial development for Austria. The original initiative for it was an Anglo-American one, conceived and carried through by Jack Nicholls of our Political Division and his US counterpart Ware Adams. (The claim made many years later by the French High Commissioner General Béthourt that the idea was his cannot, I fear, be taken very seriously).<sup>45</sup>

Whatever Soviet motives might have been, 28 June 1946 was an important date in post war Austrian history, and Article 6 provided the Austrians with at least some relief from what had become the massive rape of their national assets by the Soviet Union. Stearman concludes that 'Soviet agreement to Article 6 represents the most significant Soviet miscalculation vis-à-vis Austria since the establishment of the Renner Government'.<sup>46</sup> The German assets issue became a source of continuing friction between the allies and with the Austrian government throughout the occupation period, and it

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<sup>45</sup> Michael Cullis, 'Austria 1945-1955: The Desk-Level View of a British Diplomat', in *Geschichte Zwischen Freiheit und Ordnung: Gerald Stourzh, zum 60. Geburtstag*, Brix, Froeschl and Leidenfrost, (Graz: Verlag Styria, 1989), p. 216.

<sup>46</sup> Stearman, *The Soviet Union and the Occupation of Austria*, p.45.

remained the 'single most important issue in the long- winded negotiations for the Austrian Treaty'. Whereas the Soviets may not have assigned much political or strategic value to Austria, there can be no doubt that they saw it as an attractive source of treasure.

On 24 July 1946, the Austrian Government submitted a Nationalisation Bill that was passed by the Parliament on 28 July. This legislation ordered the nationalisation of over 70 enterprises throughout the country, half of which already been taken over by the Soviets – including the Danube Shipping Company.<sup>47</sup> The objective was obvious: firms nationalised by Austria were no longer German assets, and therefore the Soviets had no right to confiscate them.

Despite frenetic opposition and attempts by Soviet authorities to intimidate the Austrian government into withdrawing the Bill, it became law of the land. The Soviets refused to allow this legislation to be implemented in their occupation zone, despite strong protests by America and Britain. Property confiscated by the Soviets was transferred to the Administration for Soviet Property in Eastern Austria (USIA), and the Soviet Mineral Oil Administration (SMV) took over management of Austria's oil industry, which had also been nationalised under the new law. USIA facilities refused to pay taxes, social security or import duties. In total, USIA eventually consisted of some 300 firms employing over 50,000 Austrians. Precise information on the USIA complex was difficult and somewhat dangerous to obtain at the time. The

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<sup>47</sup> Ibid., p. 50, citing *Österreichische Grundindustrie Verstaatlicht*, Bundesministerium für Verkehr und Verstaatlichte Betriebe, Vienna 1951, p.8.

Russians regarded any attempt to investigate USIA as espionage, and the penalty for such espionage was, at the very least, a trip to the Gulag.<sup>48</sup>

While ignoring Austrian law, Soviet representatives in the Allied Council attempted to legitimise their conduct by pressing for repeal of the Nationalisation Law or, as an alternative, to have the Four Powers agree that it was a constitutional law requiring advanced approval by the Allied Council. But, as Mack told the Foreign Office, the 'horse had already bolted and the Western Powers made it clear that it was now too late to close the door'.<sup>49</sup>

Britain's representatives who sat opposite their Russian counterparts in Vienna commented on several occasions on what appeared to be a consistent Soviet behavioural trait of placing value on the letter of the law. Sir George Rendel reported, in September 1947, for example:

Whatever the explanation, there seems to me no doubt that the Russians are genuinely anxious to see their positions in Austria legalised. ...They have shown a strange eagerness to be 'made an honest woman of', and for the offspring of their irregularities in Austria to be legitimised.<sup>50</sup>

This did not mean, however, that the letter of the law would preclude Soviet violations of it. The issue of the Nationalisation Law remained on the Council agenda, with the Soviets becoming increasingly confrontational on the issue.

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<sup>48</sup> *Bischof, Austria in the First Cold War*, P. 86.

<sup>49</sup> Mack to Bevin, 'Austria: Political Report for 1946,' p. 36.

<sup>50</sup> Rendel to Bevin, London, 'Austrian State Treaty: (1) Concrete Facts Relating to German Assets; (2) Soviet Attitude Towards an Austrian Treaty in General, 29 September 1947, FO 465/1, Document No. 34, C 12796/6922/3, paragraph 18,

On 2 August, they alleged that the Law was in violation of both the Potsdam and new Control agreements, and they announced once again that the Soviet Union would take whatever unilateral action it wished, regardless of this new Austrian law:

The evident reluctance on the part of the Soviet element to carry out in practice what it had agreed on paper was amply confirmed during the remainder of the year (1946) by the Soviet attitude towards a number of other measures which were similarly designed to increase the authority of the Austrian Government throughout the whole country, and to break down the zonal barriers in the interests of economic unity...The Soviet action resulted therefore in a failure fully to restore to the Austrian Government the degree of sovereignty for which the Control Agreement provided.<sup>51</sup>

British representatives in Vienna began for the first time speaking in complimentary terms of Austria's return to the world of international diplomacy. Austrian Foreign Minister Gruber had enjoyed success at the Paris Conference of Foreign Ministers in solving the difficult South Tyrol problem – 'with the help of the United Kingdom delegation' and despite subsequent attempts by the Soviets to invalidate the settlement.<sup>52</sup> The individual adventures of the Foreign Minister were accompanied by the gradual resumption of Austria's bilateral relations with other governments. Article 7 of the Second Control Agreement established that Austria was free to initiate diplomatic and consular relations with United Nations (UN) member states and also with other governments, subject to the prior approval of the Allied Council. By the end of 1946, Austria had established or was in the

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<sup>51</sup> Ibid., paragraph 5, p. 60.

<sup>52</sup> Ibid.



process of establishing sixteen missions in foreign lands, six of which had already attained the status of legation. In reverse, diplomatic or political missions accredited to the Austrian Government replaced the military missions that had been accredited to the Allied Council. 'The Yugoslav military mission alone made an abortive attempt, with Soviet support, to prolong its existence, but even after a Yugoslav political mission had been accepted in Vienna, the Yugoslav Government refused to receive an Austrian political representation in Belgrade'.<sup>53</sup> Also by the end of 1946, Austria had submitted applications for membership in several important international organizations, 'despite Soviet opposition'.

Mack's overall assessment of Austria during 1946 began and ended on the same note. Austria's situation was hardly encouraging:

In particular the obstructionism of the Soviet element had the effect both of prolonging uncertainty about Austria's political future, and of perpetuating the fundamental difficulty of zonal administration. The Soviet element continued to regard its own zone as one in which it had virtually extra-territorial rights, to interpret the Control Agreement to suit its own convenience, and to attempt to secure a long-term grasp over Austrian economy which was not consistent with its declared aim of the re-establishment of Austria as an independent State.<sup>54</sup>

At the same time, however, the beleaguered Austrian Government had not only survived a difficult year, but had proven its ability to hold together and to begin the process of resuming pre-war relations with a number of other

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<sup>53</sup> 'Austria: Political Report for 1946,' paragraph 9, p. 37.

<sup>54</sup> Ibid. paragraph 22, p. 39.

important nations. It was Mack's assessment that the Austrian people – one must assume they were referring predominantly to the Viennese – despite severe privations, retained a remarkable cheerfulness of heart, and this in itself was seen to justify an optimistic expectation of ultimate recovery.

At the end of 1946, the CFM decided to proceed with negotiations on a treaty for Austria. Although Britain's representatives to the Council could not have known this at the time, they made two mistakes. According to Michael Cullis:

First was the way in which, mistakenly believing it would facilitate agreement, we based some of our draft on the model of the peace treaties with ex-enemy countries that had just been concluded, despite the fact that the Austrian Treaty was meant to be of a different kind.' Secondly, there was the equally sincere but unwarranted confidence with which we approached these negotiations in the New Year, little imagining that it would be over 8 years before they came to fruition.<sup>55</sup>

### **1947 and the Cheetham/ Rendel Reports**

The annual report on political developments in Austria during the year 1947 was signed by Nicholas John Alexander Cheetham of the British Element's Political Division, ACA, from 1946-1948. Cheetham, too, was an experienced diplomat. He was educated at Eton and Christ Church, Oxford, and entered the diplomatic service as a Third Secretary in October of 1934. He served tours of duty in Athens, Buenos Aires and Mexico City, before returning to the Foreign Office in January 1944. He was transferred to the Allied Commission for Austria on 16 August 1946, as Director of the Political Division (British

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<sup>55</sup> Cullis, 'Austria 1945-1955,' p. 219.

Element). As of 17 September 1947, he acted as Counsellor of the British Legation in Vienna. In 1948, the Foreign Office resumed responsibility for the Mission in Vienna, and Cheetham was placed in charge the same year.<sup>56</sup>

This report described for the Foreign Secretary a more favourable situation in Austria. Following a harsh winter, 1947 saw a 'steady improvement' in Austria's economic situation.<sup>57</sup> Production had increased, thereby relieving the fuel and power crisis. Termination of UNRRA supplies was more than compensated by a substantial increase in aid from the United States, and the daily ration had been increased to 1,700 calories.<sup>58</sup> An overall quickening in the tempo of economic life allowed Austrians to begin seeing an improvement in their living standards. Cheetham noticed an improvement in the morale of the Austrian people, and reported that 'national pride, rising above regional, sectional and class jealousies, began to assert itself and give Austrians a new strength and resolution to endure the hardships, shortages and dangers' of contemporary life. He also reported that public opinion remained strongly behind the Austrian Government in its efforts to preserve the country's sovereignty and independence. (This was an interesting selection of wording, given that sovereign power remained with the Allied

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<sup>56</sup> The Foreign Office List and Diplomatic and Consular Year Book for 1949, 122<sup>nd</sup> Publication (London: Harrison and Sons, 1949), p. 194, REF: 351 010 ZS FO, PRO.

<sup>57</sup> Cheetham to Bevin, Vienna, 'Austria: Annual Report 1947,' 1 April 1948, FO 465/2, Document No. 16, C 2623/185/3, PRO.

<sup>58</sup> This conflicts with U.S. reports that, in March 1947, most Austrians were receiving only 1,300 calories per day, and Deputy US High Commissioner General J. D. Balmer, was involved in intensive discussions with Austrian Food Minister Sagmeister on how to solve the problem of the inability of occupying powers to predict food deliveries. See Balmer to Sagmeister, 5 March 1947, Balmer Papers, as cited by Donald Whitnah and Edgar Erikson, *The American Occupation of Austria: Planning and Early Years* Greenwood Press, 1985), p. 241.

Council and it would be another eight years before Austria enjoyed her independence).

On the negative side, Cheetham observed that the work of the Allied Council grew 'less and less constructive' during the course of the year. Efforts by the three Western Powers were increasingly devoted to 'blocking Soviet endeavours to undermine the authority of the Austrian Government' and to preventing the Russians from creating conditions under which 'social unrest could flourish'. Meanwhile, the Soviet Element was 'systematically' involved in strategies designed to obstruct Western attempts to rehabilitate the country and to grant free rein to the Austrian Government. At the end of 1946 'the shivering and undernourished population looked forward ... with some confidence to the conclusion of a treaty. At the end of the year, the position was reversed'.<sup>59</sup>

After Britain recognised the Soviet-appointed Renner Government, and after 1945 elections delivered a devastating blow to Communism in Austria, the Austrian Government began to move toward the West, a phenomenon that did not pass Soviet notice, nor did it pass mention in Cheetham's report.<sup>60</sup> According to Cheetham 'wiser spirits saw in the Western forces of occupation

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<sup>59</sup> Cheetham to Bevin, 'Austria: Annual Report 1947,' p. 52.

<sup>60</sup> One of the features of this election campaign was the appearance in Vienna of posters and banners proclaiming 'whoever loves the Red Army votes Communist.' After the elections, members of the ÖVP and SPÖ told British representatives that they had been responsible for this campaign of black propaganda. Michael Cullis, head of the Austria Section of the German Department in the Foreign Office, reports that: '...there is little doubt that the Communists themselves, with or without Soviet approval, were responsible for what must be reckoned as one of the most counter-productive of modern electoral slogans.' See Cullis, 'Austria 1945-1955,' p. 216.

the surest safeguard of future Austrian independence in the face of Soviet expansion'.<sup>61</sup>

The significance of the year 1947 for Britain's diplomacy vis-à-vis Austria could best be examined within the framework of meetings of the Council of Foreign Ministers, the Deputy Foreign Ministers' drafting committee, and the Austrian Treaty Commission (ATC). In New York, the foreign ministers decided (December 1946) that their Deputies should join together as a drafting committee for the Austrian State Treaty, and that the drafting exercise should begin in January 1947. The Deputies were instructed to compile a report for their principals by March 1947, listing the articles of the treaty and describing the level of agreement or disagreement that had been achieved on each of them. The Deputies discharged their duty and submitted a report to the Conference of Foreign Ministers meeting in Moscow, 10 March – 24 April 1947. Discussions on the Austrian State Treaty did not progress beyond the German assets issue, on which there were severely conflicting views between East and West.

While treaty talks continued throughout 1947, Britain took interest in other Austrian issues. Relations between Austria and Yugoslavia improved somewhat. These had primarily to do with Belgrade's claims to Slovene Carinthia and that part of Styria hosting a small Croatian community. These claims were pressed by the Soviets with unusual vigour at the Moscow Conference, and opposed with equal force by the Austrian delegation.

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<sup>61</sup> Cheetham to Bevin, 'Austria: Annual Report 1947,' p. 1.



However, Tito finally accepted an Austrian official representation in Belgrade, and talks between Britain's Commander-in-Chief, Lt. Gen. Sir James Steele, and Marshal Tito, resulted in an agreement involving the return of Yugoslav war criminals.

Yugoslavia remained an important factor in Western strategy. The Soviets continued to support Tito's claims in Austria and use them from time to time to deflect quadripartite negotiations away from more important and urgent issues. Even after Stalin's break with Tito, the Russians continued to press these claims. The head of the Foreign Office's Austria Section recalls:

Yugoslavia did have a part to play in Western strategy. For not only did all these events (The Moscow-Belgrade rift and Yugoslav claims and Soviet support for them in quadripartite sessions) prompt the West to plan seriously for its coordinated defence, which was to lead to the Brussels, and eventually the North Atlantic Treaty Organisations, but they also raised doubts in our minds about the wisdom of continuing to negotiate towards a possible situation where, if a Treaty were indeed concluded, the resultant withdrawal of all occupying forces, from an Austria that had not yet been enabled to create any armed forces of its own, could produce a dangerous vacuum. In these circumstances, the decision was taken to halt the Treaty talks until the general situation should improve, or at least be clarified. This step had naturally to be concerted with the Austrians, who in accepting its necessity were at pains to insist that suspension should be on an issue that the public could appreciate. German assets were not a good one for this purpose. Better, to repay the Soviets in their own coin by taking a clear stand over Austria's territorial integrity, in face of the Yugoslav claims which they were still supporting.<sup>62</sup>

In his annual report for 1947, Cheetham commented on Austria's 'ill-considered' application for membership in the United Nations. This had

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<sup>62</sup> Ibid, p. 223.

apparently been inspired by advice from the United States – advice with which the Foreign Office disagreed, warning that the action would surely be opposed by the Soviet Union on the correct grounds that Austria was not yet a sovereign state. The Austrians were more than a little upset when Britain abstained on this issue in the U.N. Membership Committee, but they were mollified when Britain's delegation supported a further motion by the United States, on 10 November, calling for the Security Council to reconsider Austria's application. Austria also joined three additional international organisations during the year, despite strong Soviet opposition and demands in the Allied Council that advanced quadripartite approval for such memberships be required.

Soviet defensiveness in its interaction with the West in Austria was exacerbated from the beginning of the occupation by the incompetence and failure of the Austrian Communist Party (KPÖ) to acquire an influential voice in Government. Communist-inspired strikes and demonstrations were commonplace, as were attacks on the Austrian Government and Western Powers in the Communist press.<sup>63</sup> But the KPÖ never recovered from its humiliating defeat in the 1945 elections, and in 1947 the last remaining Communist was driven out of the coalition government. In the meantime, the KPÖ frequently found itself in embarrassing positions. For example, Communist opposition to Austria's Nationalisation Law was hardly in line with Marxist-Leninist doctrine. When it came time to vote on this law, the KPÖ found itself voting against a provision it had previously championed. As

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<sup>63</sup> See 'Austria: Annual Report 1947,' paragraphs 18-23, for accounts of 'unimpressive' Communist strikes and demonstrations held in the British Zone during the summer of 1947, which produced 'no results.'

Stearman points out, it became obvious that such a law would interfere with Soviet economic plans which apparently took precedence over ideology.

Cheetham described the departure of the last KPÖ representative in his annual report for 1947, noting the removal from the Cabinet of Dr Karl Altman, Minister for Electrification, the forced resignation of the editor of *Neues Österreich*, a spokesman for Austrian Communists, and '... removal of the sinister Dr Duermeyer on 3 September from his post as Head of the Vienna State (Political) Police'. Still, the KPÖ would continue to be an irritant to the government and would, on at least one occasion before independence, come very close to triggering a major confrontation between the Western Allies and Soviet Union.

#### **SIR GEORGE RENDEL AND THE AUSTRIAN TREATY COMMISSION**

In an attempt to inspire progress, the Four Powers decided to abandon what had become unsuccessful efforts to agree on a definition for German assets, and concentrate on the development of a list of specific facilities that all could agree were 'German'. The Austrian Treaty Commission (ATC) was formed, ostensibly consisting of experts, and was charged with the task of meeting until something positive emerged. In December 1947, after the Four Powers failed to reach agreement on German assets, Bevin told the House of Commons:

Austrian property has been taken and, what is more, a claim has been made and is being exercised for extra-territoriality in the exploitation of these resources; that is to say, that they are not being



subjected to the general Austrian law. ...That is a position which, in all these treaties, His Majesty's Government cannot accept. ...We have, therefore, to try and get an agreed definition. When we found included in the term 'German assets' the whole of what was absorbed by Hitler after the Anschluß, it was, in our view, carrying the definition too far, and doing what was never intended or understood.<sup>64</sup>

The ATC met no less than eighty five times between 12 May and 11 October 1947.<sup>65</sup> On 29 September 1947, the British Delegate, Sir George William Rendel, wrote a detailed report on the Commission's activities.<sup>66</sup> Rendel was 'an experienced diplomat who happened, at the time, to be en disponibilité'.<sup>67</sup> He had been in Britain's Foreign Service since 1913. He served as Envoy Extraordinary and Minister Plenipotentiary in Sofia in March of 1941 when diplomatic ties between the two countries were severed. He moved back to London where he was appointed Britain's top diplomatic representative to the Yugoslav Government in July of the same year. He retired from the Foreign Service in February 1944 with the rank of Ambassador, but was employed on a temporary basis in the Foreign Office.<sup>68</sup> The selection of Rendel to represent Britain on the ATC was perhaps indicative of the importance the Foreign Office attached to the exercise. Was he picked only because he was a retired diplomat hanging around the

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<sup>64</sup> Extract from the House of Commons Debate, 18 December 1947, FO 465/1, Document 44, p. 121.

<sup>65</sup> Stourzh, *Um Einheit und Freiheit; Staatsvertrag, Neutralität und das Ende der Ost-West Besetzung Österreichs 1945-1955*, p. 783.

<sup>66</sup> Rendel to Bevin, 29 September 1947, 'Austrian Peace Treaty: Report on (1) the 'Concrete Facts' relating to German Assets; (2) Soviet Attitude Toward the Austrian Treaty in General,' FO 465/1, C12796/6922/3, PRO.

<sup>67</sup> Cullis, 'Austria 1945-1955', p. 220.

<sup>68</sup> Foreign and Commonwealth Office, Foreign Office List 1947, Foreign and Commonwealth Office, FCO Services, Information Management Group, King Charles Street, London SW1A 2AH.

Foreign Office with little to do, or was he selected because of his experience and skill as a negotiator? The Foreign and Commonwealth Office Foreign Office List shows that Rendel proceeded from this assignment to become Ambassador to Belgium, and while that was probably not the most important posting, it shows that Rendel's service was still held in some regard.

Rendel's report was the most serious and authoritative summary of Britain's evaluation of Austrian State Treaty issues and also of Britain's top priority foreign policy objectives regarding Austria to date. It remained the principle policy paper on this issue until 15 December 1949, when Her Majesty's Delegate to the CFM, Deputies for Austria, dispatched a comprehensive review of negotiations to the end of the year 1949.<sup>69</sup> The Rendel report was included in the Foreign Offices 'Confidential Print' collection of key documents, distributed to a select audience consisting of high-level decision-makers. It provided a basis for the Secretary of State's presentation to the House of Commons on 18 December 1947, and also a foundation for his personal views on British policy and strategy regarding Austria from that point onward.<sup>70</sup>

By this time, Bevin was more than aware of the burden the occupation was placing on Britain's already beleaguered resources and he wanted it to end as soon as possible. This enthusiasm for an end to the occupation eventually

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<sup>69</sup> Mallet to Bevin, New York, 'Proposed Austrian Treaty: Review of Negotiations to End of 1949', 15 December 1949, FO 371/465/3, C 9981/176/3, December 1949, p.15, FO 465/3, C 9981/176/3, PRO.

<sup>70</sup> Extract from House of Commons Debate, 18 December 1947, FO 465/1, Document 44, pp. 121-122.

led to his conviction that the West should pay whatever price Moscow asked in return for a treaty. This was to contribute to Anglo-American tensions toward the end of Bevin's term as Foreign Secretary.

In his report, Rendel advised that the British delegation's experience in Moscow and Vienna during 1947 had shown beyond any doubt that the issue of German assets must be resolved before London could expect progress on any other issue having to do with Austria. Britain, America and France had all placed the German external assets located in their occupation zones under Austrian management until the overall issue could be resolved in the Allied Council, through the vehicle of Trust Agreements.<sup>71</sup> The problem was Moscow.

Britain opted for an Austrian treaty as the best way to restore Austria's independence.<sup>72</sup> But the draft texts introduced in early 1947 by the Western powers were based on the treaties developed for the Soviet satellite states, mostly because it was thought that this would make it easier for the Soviets to agree. When serious negotiations began, in January and February 1947, fourteen treaty articles were agreed. By the time of the Moscow Conference, twenty-six articles remained to be agreed and nineteen had not even been discussed. By the end of the Moscow Conference, a further seventeen articles had been agreed. From that point onward however, until after the

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<sup>71</sup> Stearman, *The Soviet Union and the Occupation of Austria* p. 50.

<sup>72</sup> Mallet to Bevin, 'Proposed Austrian Treaty: Review of Negotiations to End of 1949,' paragraph 7, p. 74.

Paris Conference in June 1949, no additional agreements were reached.

German assets had become a logjam.<sup>73</sup>

With the benefit of hindsight, Rendel felt that the whole predicament of German assets in Austria could have been avoided if a simple agreement had been reached at Potsdam to define 'German assets' as those assets that were genuinely German before the *Anschluß*. Immediately following the *Anschluß*, the Germans had set about harnessing the entire Austrian economy for the purposes of the German war machine. After the war, it was difficult to distinguish between those facilities that became German by fair and proper means and those that were taken by force. Rendel observed:

Clearly we cannot agree to the Russians simply succeeding to the controlling position in Austria which the Germans acquired by their wrongful annexation of Austria in 1938 – an annexation which was condemned by the Moscow Declaration of 1<sup>st</sup> November, 1943, under which it was agreed, moreover, that the consequences of this German annexation should be regarded as null and void.<sup>74</sup>

Two years later, Britain's delegate to the CFM, Deputies for Austria, W. I.

Mallet, phrased the problem somewhat differently:

It became increasingly clear during the Treaty Commission's discussions, that any settlement on the basis of the Soviet interpretation was likely to leave the Russians in possession of so

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<sup>73</sup> Ibid., paragraph 8, p. 74.

<sup>74</sup> Rendel to Bevin, 'Austrian State Treaty: (1) Concrete Facts Relating to German Assets; (2) Soviet Attitude Towards an Austrian Treaty in General,' paragraph 5, p. 60.

much of Austria's industrial resources as to make it problematical whether Austria could survive as an independent country.<sup>75</sup>

Based on this recognition, the British delegation to the Treaty Commission, where it took nineteen meetings just to agree on the agenda, formulated a negotiating strategy and assigned it the code name 'Portia'. after the rich heiress in Shakespeare's *Merchant of Venice*.<sup>76</sup> In 'Operation Portia', Britain would concede that the Russians were entitled to their pound of flesh in Austria, but the British Government should be resolved to ensure that they did not get more than 'just one pound'. Moscow must not end up in a position more favourable than the original German owners. Portia also included the position that only ownership rights to property could be transferred, not the property itself. This was important because the Soviets were tearing out industrial equipment and other property and shipping it to the Soviet Union. The British would also argue that, if the Soviets wanted rights that initially belonged to Germans, then they should also be subject to the same liabilities, obligations and limitations attached to those rights. The Foreign Office felt they had a cast iron case with this strategy: 'no State property could be labelled a German asset, and ownership of all such properties should revert to the Austrian Government'.<sup>77</sup>

The Rendel report noted that cooperation between the US and British delegations could not have been better. This assessment of Anglo-American

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<sup>75</sup> 'Proposed Austrian Treaty: Review of Negotiations to End of 1949,' paragraph 9, p. 74.

<sup>76</sup> Act IV.i.311-2: 'This bond doth give thee here no jot of blood – The words expressly are 'a pound of flesh'. For confirmation of the nineteen meetings see Cullis, 'Austria 1945-1955,' p. 220.

<sup>77</sup> Rendel Report, 29 September 1947, Annex I, paragraph 5, p. 65.

working relationships on the ground and in quadripartite discussions is shared by Halvorn O. Ekern, an American official who personally participated in most if not all important quadripartite discussions during the period 1947-1955:<sup>78</sup>

Throughout the ten years, I can't remember any significant differences between the US and the British at the Allied Commission level. What dissimilarities were encountered could usually be settled over the phone. I usually accompanied the US High Commissioner, or his Deputy, to any business meetings with the British, and can't remember any occasion when disagreements had to be reported to governments.<sup>79</sup>

The technical elements of both sides were 'virtually integrated into a single unit', according to the Rendel Report, and much of the substance in the British Delegation's reporting to Whitehall during 1947 arose from joint Anglo-American effort.<sup>80</sup> There were of course differences in the working style of British and American representatives. The Americans, Rendel said, were inclined to work on the principle of the internal combustion engine, 'by a series of short, sharp explosions', which were not always followed up with, by inference, the same professionalism demonstrated by Britain's more experienced and competent diplomats.

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<sup>78</sup> Halvor O Ekern served as a member of the US Delegation to the Council of Foreign Ministers and the Deputy Foreign Ministers. He also served on the US Delegation to the Austrian Treaty Commission. He was an advisor to the Allied Commission for Austria from 1947-1950. In October 1950, he was assigned to the Quadripartite Secretariat, and in March 1954 he was appointed as Political Officer. Ekern went on to complete a distinguished career in the American diplomatic service. I remain grateful to Hal Ekern for providing many personal observations on his experiences in Vienna and for confirming a number of facts included in this thesis. For biographical information, see the US Department of State Biographic Registry, July 1970.

<sup>79</sup> Halvor O Ekern, in a personal letter to this author, dated 6 March 2002, available in author's personal files.

<sup>80</sup> William Stearman and Halvor Ekern were senior US officials who participated in these Four Power negotiations. Both agree with Rendel's account of Anglo-American cooperation. See e-mail messages to author from Stearman and Ekern, available in author's personal files.

### **The Cherrière Plan to Resolve the German Assets Problem**

On 8 October 1947, the French Deputy High Commissioner, General Paul Cherrière, submitted a proposal designed to facilitate agreement on the disposition of German assets in Austria. In his 1986 doctoral thesis, Robert Knight suggests that this plan probably owed most to one David Ginsberg, an economist and deputy chief of the American ATC delegation.<sup>81</sup> Bischof also reports that it was Ginsberg who 'engineered' the proposal.<sup>82</sup> Stourzh identifies Ginsberg as the '*eigentliche Autor*', and reports that the so-called Cherrière Plan was submitted by the French only as a matter of tactics, on the assumption that Moscow would be more receptive to a French rather than a British or American initiative.<sup>83</sup> Essentially, this Plan provided for Austria to allow Moscow to keep part of the Danube shipping complex and certain oil production and rights, while regaining ownership of other German assets in return for a lump sum payment. The size of this payment and the complex formula for calculating who got what under the various versions of the Cherrière Plan are described in detail by Stourzh in his 831-page history of the Austrian State Treaty negotiations.<sup>84</sup> In this work, Stourzh provides a chart identifying the specific assets involved in the proposed deal, and the suggested distribution thereof.<sup>85</sup>

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<sup>81</sup> Knight, *British Policy Towards Occupied Austria 1945-1950*, p. 135.

<sup>82</sup> Bischof, *Austria in the First Cold War*, p. 109.

<sup>83</sup> Stourzh, *Um Einheit und Freiheit; Staatsvertrag, Neutralität und das Ende der Ost-West Besetzung Österreichs 1945-1955*, p. 116.

<sup>84</sup> Ibid..

<sup>85</sup> Ibid., pp. 114-115.

The events of 1947 had convinced Bevin that only an agreement on the disposition of German assets in Austria would open the door to a State Treaty, and here was a suggestion that had attracted expressions of interest from Moscow.<sup>86</sup> Bevin wanted Britain to renounce claims to German assets located in the British Zone, and he told the Foreign Office that Britain should not 'insist on too rigid a settlement in satisfaction of any British interests which might remain in Austria'.<sup>87</sup> Everybody understood that any monies paid to the Russians would probably come from American taxpayers and, not surprisingly, the US delegation was less than thrilled by the concept of a one-time, lump sum payoff to Russians. Knight describes how Austria's Foreign Minister believed the American camp was divided on this issue, with half prepared to pay the Russians off. Whether Minister Gruber's observations were accurate or not, the final deal struck with the Soviets did include a lump sum payment of US\$ 2 million, but this was a tit-for-tat payment for the return of the Danube Shipping Company.<sup>88</sup>

### **The Galloway Report: Britain's Position in Austria and Concerns Over Cost**

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<sup>86</sup> James Marjoribanks, First Secretary of the German Political Section at the time, reported to Bevin: 'we can take it that the Soviet are prepared to accept the French proposal as a basis of a settlement...' Knight, *British Policy Towards Occupied Austria 1945-1950*, p. 139, citing a Minute sent to Bevin by Marjoribanks, dated 28 November 1947.

<sup>87</sup> Foreign Office Minute, 28 November 1947, C 15614, FO 371/63985. PRO.

<sup>88</sup> Knight, *British Policy Towards Occupied Austria 1945-1950*, p. 137.



On 30 January 1948, the Commander-in-Chief of British Troops in Austria (BTA), Lieutenant General A. Galloway sent a revealing report to Bevin explaining his views on Britain's mission in Austria, and addressing several concerns that Bevin had expressed regarding the cost of the occupation and the extent to which Galloway had gone to divest costly administrative authority to Austrians.<sup>89</sup>

Galloway was an experienced officer with both staff and command experience. In 1940, he was the Commandant of the British Staff College in Haifa, Palestine. After staff duty in Egypt, he served in command of a brigade on Crete before being assigned to the War Office from 1942-1943. He commanded the 1<sup>st</sup> Armoured Division in North Africa from 1943-1944 and, in 1945, became Commanding Officer, 3<sup>d</sup> Division. Following the war, he served in the Netherlands and Germany before taking over as Commanding Officer, Malaya Command. He was assigned as British High Commissioner and Commander British Troops Austria in 1947. Lieutenant-General Galloway retired from the army in 1950.<sup>90</sup>

Galloway opined that British occupation forces were in Austria to carry out the physical occupation and to participate in quadripartite activities. They were also politico-economic reasons to have a British participation in the Four Power occupation of Austria. The small military forces under his

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<sup>89</sup> Office of the Commander-in-Chief, British Troops in Austria Vienna, 'British Function in Austria', 30 January 1948, FO 465/2, Document No. 6, C 855/54/3, PRO.

<sup>90</sup> Steen Ammentorp, Librarian, DB, *The Generals of World War II; British Generals*, <<http://www.generals.dk/Main.htm>>, [10 October 2003].

command were ensuring the inviolability of Austria's 1947 frontiers in the British Zone, and assisting Austrian authorities in maintaining law and order.

Galloway noted that the planned separation of Britain's diplomatic and Allied Commission functions had, in fact, already taken place. The former Political Division had relinquished control of the Information Services Branch, and Public Relations had become 'in all but name' the responsibility of the British Legation. Sir Henry Mack's September 1947 appointment as His Majesty's Minister formalised this change.<sup>91</sup> In Austria, the primary task of the British Element was to participate in existing quadripartite machinery. The most efficient way to organise this activity, according to Galloway, was to have the heads of each functional division report directly to the Deputy Commissioner. Such a reporting channel would automatically allow for efficient coordination, especially if the Deputy Commissioner would look to each Division Director to ensure proper coordination of effort in his respective area of responsibility.

Galloway opposed a recommendation that the division heads be somehow grouped or amalgamated, on the grounds that this organization would necessitate experienced British Element officers functioning as coordinators, which would place them outside the existing quadripartite machinery provided by the Control Agreements. Also, an additional level of bureaucracy would be created between the specialised divisions and the central coordinating authority. At the same time, Galloway applauded the 'fusion' of the Economic and Finance divisions, because the head of this new entity

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<sup>91</sup> Galloway to Bevin, 'British Function in Austria,' paragraph 13, pp. 16 - 17.

could then coordinate all economic matters. He recommended that this division be kept in the British Element rather than having it transferred over to the Legation. 'There is not, and never has been, any obstacle to the full use by His Majesty's Minister of the talent available in the British Element'.<sup>92</sup> Galloway attached a detailed proposal for the merging of certain other divisions, and went on to address Bevin's plans to reduce the British Element's budget for the Fiscal Year 1948-1949 by twenty five percent.

He felt this would be a difficult target to achieve, but said he could do it if the British Legation and the Intelligence Organisation were transferred under 'some other ceiling'. He submitted other suggestions for cost reduction, but cautioned Bevin that there was only so much one could do to reduce the costs of occupation, because '...the maintenance staff of the British Element has to be butcher, baker, green-grocer, fuel merchant, estate agent, &c., as none of these services can be obtained in the normal way nor can commodities be safely handled without British supervision.'<sup>93</sup>

In paragraph 5 of his report, Galloway presented a discussion of the pros and cons of combining the office of High Commissioner with that of His Majesty's Minister; in other words, appointing a civilian as both. On one hand, the appointment of a civilian as High Commissioner would place an experienced diplomat in the post and thereby increase the success potential of British foreign policy. It might also serve as further evidence to Austrians of Britain's

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<sup>92</sup> Ibid, p. 16.

<sup>93</sup> Ibid., paragraph 19, p. 18.

desire to 'soften the impact of the continued occupation'. On the other hand, a civilian should not be burdened with the military responsibilities of a Commander-in-Chief. In any case, such a change should be carried out only if all four occupying Powers did the same thing, and, here, Galloway predicted that the Soviets would never agree, '...having regard to the size of their army, and relying as they do upon the military aspect of their occupation to give effect to their policy...'<sup>94</sup>

Galloway disagreed strongly with Bevin's suggestion that the Control Agreement be revised in order to reduce British obligations and thereby allow further reductions in the cost of occupation. In paragraph 20 of his memorandum to Bevin, he wrote:

Even if agreement could be reached among the three Western Elements, which itself is doubtful, the Soviet reaction would either be completely negative – in other words they would refuse to discuss the matter altogether – or they would seize upon the opportunity to try the modification of parts of the Control Agreement, which they have found to be an embarrassment. I refer in particular to the present article 6 (a) under which, in spite of Soviet opposition, the Austrian Government has been able to pass most of its legislation. If the Soviet agreed to discuss revision at all, it would be with the objective of removing this article and, worse, of restricting the liberty of action of the Austrian Government generally.

He also disagreed with Bevin's suggestion that the administration of the British Zone and Sector be coordinated more closely with the other two Western Powers, pointing out that he had always been most careful to avoid doing anything that might contribute to the impression of a separate political

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<sup>94</sup> Ibid., paragraph 8, p. 16.

or economic organization for the three Western zones. 'I have always understood it to be the policy of His Majesty's Government that nothing be done which might tend towards the partition of Austria.'<sup>95</sup>

Galloway concluded his report to Bevin by saying he had the impression that London did not fully appreciate the extent to which British occupation authorities had made Austrians independent of the occupying Power. 'I wish to repeat that in the British Zone administrative responsibility has been transferred to the Austrian authorities in every field'.

Galloway also raised an issue that was to become a major point of contention between the Soviets and Western allies, and one that served to extend the occupation of Austria by, arguably, three or four years. Given Soviet conduct in areas hosting elements of the Soviet army since the end of World War Two, and given the Western Allies' desire to prevent Austria from being absorbed into the Communist Bloc, Austria's lack of an adequate internal security capability was becoming of increasing importance. Aggressive Communist behaviour in other parts of the world, notably in Korea, and Communist-inspired civil unrest at home, persuaded many in the West to suspect that a withdrawal of Western forces would offer Moscow too tempting an opportunity to establish yet another permanent base for a Soviet military presence.

In my opinion the presence of the troops of the Western Powers in Austria has been a dominant factor in preventing Austria from following the same road as Hungary and the other Danubian countries. No advice which has been given to the Austrian

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<sup>95</sup> Ibid., paragraph 21, p. 18.

Government, or is likely to be given in future, compares in importance to the presence, even if only in token strength, of the protective military forces of the Western Powers.<sup>96</sup>

Galloway expanded this view by opining that, outside the work necessary to abide by Control Agreements, the British Element should remain aware that a major struggle was taking place in Austria, pitting the Western way of life against that of the East. He saw this primarily political battle being fought chiefly with economic weapons. Therefore, included in the British mission in Austria was the 'planning of resistance to Soviet encroachments in the economic field and work in connexion with the Marshall Plan'.<sup>97</sup>

According to Galloway, it was only the presence of the British military that gave 'ultimate authority' to any British executive work carried out by British diplomats. Only continued functioning of the overall quadripartite machinery was permitting the central Austrian Government to exercise its authority throughout the whole country and to prevent the partitioning of Austria. While Soviet obstructionism had reduced the effectiveness of this quadripartite interaction, 'much can still be done to provide the Austrian Government with support to stiffen their resistance to Soviet pressure, and thus to gain the utmost advantage from the Marshall Plan'.<sup>98</sup> Because of the importance of the continuing workings of the quadripartite machinery, Galloway advised Bevin that there were few places where 'the battle could be lost' more quickly than in Four Power discussions.

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<sup>96</sup> Ibid., paragraph 2, p.15.

<sup>97</sup> Ibid., paragraph. 4, p. 15.

<sup>98</sup> Ibid., paragraph. 3, p. 15.

### **Was an Austrian State Treaty Necessary?**

A close examination of British policy towards Austria at this point in the occupation inspires some interesting questions. Was a Treaty possible or even necessary? There was no requirement for a peace treaty, but, on the Soviet side, the term 'peace treaty' seemed to flow off the tongue with ease, and one cannot help but wonder if the loose choice of language in casual conversation did not reflect a more deeply held conviction that, in the real world, the Moscow Declaration did not mean all that much. Khrushchev, for example, routinely referred to the Austrian treaty as a peace treaty, just as he referred consistently to the Allied *Control* Commission in Austria (see chapter 5).

One must ask why, after discovering how difficult it was going to be to achieve Four Power agreement on one all-encompassing, comprehensive treaty – one that covered so many post war Austrian issues in one document – did Britain press on, apparently with blind conviction that this was the only way to put the Austria problem to rest? Were the British so committed to what they regarded as the traditional *process* of diplomacy that the idea of alternatives did not occur to them?

American diplomats explored different ways of solving the Austria problem, and submitted alternative proposals. In February 1950, for example, Washington suggested the Four Powers simply withdraw all forces and leave the Austrian Government to strike a deal with Moscow. This idea was floated

with little hope that it would be accepted, but it nonetheless demonstrated at least some positive attempt to strike out in a different direction to breach the impasse. On various occasions individual members of the Austrian Government suggested the same thing, that the West withdraw and let Austrians quibble with Moscow over reparations. Whether the Austrians were sincere or not will probably never be known. It is reported elsewhere in this thesis that Austrian politicians frequently said different things in public than they did in private conversations with Western representatives.

In fact, some British diplomats did raise these questions, beginning with Sir George Rendel in his September 1947 report to Bevin. He did believe that it would be possible to negotiate successfully with Moscow on an Austrian treaty, and he was certainly well placed to assess the situation. But he also wondered if there was a better way of achieving British objectives 'by having no treaty at all'.

Rendel believed that it was realistic to think of drafting a treaty to which all parties would subscribe. He wrote 'There is nothing in the facts of the situation, as we have ascertained them, which is incompatible with either the Moscow Declaration or the Potsdam decision'.<sup>99</sup> Perhaps naively, he suggested that, if the Soviets would be satisfied with receiving precisely what was promised them at Potsdam and not try to get more, then there was no reason why Russia should not agree to the end of the occupation without in any way interfering with Austria's future freedom and independence.

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<sup>99</sup> 'Austrian State Treaty: (1) Concrete Facts Relating to German Assets; (2) Soviet Attitude Towards an Austrian Treaty in General', paragraphs 12-13, p. 61.



Would the Soviets ever really be satisfied with only what was promised at Potsdam? The answer to this, Rendel said, was more complex and would depend on factors not connected with Austria. If East-West relations were to deteriorate further, and this was certainly the direction in which relations were headed at the time, then the Soviets would probably not accept any treaty the West thought reasonable. Soviet attitudes would depend on how much they were able to gain elsewhere, for example from German production, in Greece, the Aegean, Persia, Korea, and the Dardenelles. Rendel believed that Moscow viewed Austria only in connection with other problems they were having with the West, and that it was highly unlikely that Russia would accept a solution for Austria unless that also encompassed resolution of issues outside of Austria.

The shape of Austria on the map is not unlike that of a Yale key, with Vienna as the focal point of the handle. It is a key which may open the door, on the one hand to Southern Germany and ultimately the Rhine, and on the other to Venetia, Lombardy, and ultimately the Western Mediterranean. ...[I]t may serve equally as a wedge which may be driven between the positions of the Western Powers to the north and to the south of the Alps respectively.<sup>100</sup>

In Rendel's opinion, no treaty would guarantee Austria's independence if the Soviet Union was intent on pursuing a 'forward policy' in Europe; however, he also thought the Western Powers should be able to support Austria economically to the point where an 'independent spirit' could be maintained and kept alive. In any case, a Western conclusion that no treaty could

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<sup>100</sup> Ibid., paragraph 14 (iii), pp. 61-62.

provide for a free and independent Austria would, de facto, mean that the Moscow Declaration and all subsequent British foreign policy decisions regarding Austria had been unsound – a conclusion which Rendel believed to be mistaken.

We see here once again a heavy reliance on the reliability of the process of diplomacy – on the sanctity of international agreements at a time when Britain simply did not possess the wherewithal to deliver the kind of economic support to which Rendel referred, and when Britain lacked the military strength to add muscle to British efforts designed to press the Soviets into accepting unwelcome proposals. In the post war years the Labour Government was presiding over an empire that was soon to disappear, and a weakened position in the global strategic arena. Some historians believe they had, somewhat reluctantly, abandoned hopes of an Anglo-Soviet friendship and 'grudgingly accepted Britain's position as an ally of the United States'.<sup>101</sup> Recognising that Britain could no longer claim the status of a world power, the Labour Government believed that intelligent management of the Anglo-American relationship, combined with an international information program designed to keep Britain's case before the world, was the best way forward.

In any case, Rendel had begun this discussion with the rhetorical question as to whether British goals could better be achieved by terminating negotiations

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<sup>101</sup> Philip M. Taylor, 'The Projection of Britain Abroad, 1945-51,' in *British Foreign Policy, 1945-51*, Dockrill and Young, (Houndmills, Basingstoke, Hampshire and London: The Macmillan Press, 1989), pp.10-11.

and accepting that there would be no Austrian treaty at all. In paragraph 22 of his September 1947 report, he suggested that this would be a 'counsel of despair' and would lead to a variety of unacceptable disasters throughout Central Europe and possibly elsewhere in the world. There would be widespread consternation within Austria's borders, and this would lead to a significant weakening of those elements of Austrian society working for moderation, international cooperation and a 'reasonable measure of national independence'. Rendel felt that the failure of the Four Powers to sign a treaty would drive Austrian Socialists into the arms of Communism and 'shatter the confidence ... which is generally felt in Austria in the ultimate justification of Western civilisation.' Failure to agree on a treaty would almost certainly lead to a 'geographical disintegration of Austria and the absorption of at least the Soviet occupation zone into the Communist Bloc'. On a more pragmatic scale:

A policy of 'no treaty' would ... leave the Soviet Union in undisputed control over Austrian oil (with serious consequences for all Central Europe) and over much of Austrian industry, as well as the City of Vienna and all that it stands for. ... It would profoundly shake the confidence of southern Germany and northern Italy and perhaps even of eastern Switzerland ... Even if we could establish some kind of protective mission in western Austria, it would ... still give the Soviet Government a commanding political position from which to extend Soviet influence either towards the Rhine or towards the western Mediterranean. It would still leave us with heavy and expensive responsibilities which would impose on us increasingly difficult burdens and become increasingly difficult to carry out. We should, I submit, get the worst of both worlds, and probably be even worse off than with a treaty which was not ideal. ... [We owe it to Austria and Europe to continue, in close cooperation with the Americans, to fight for a sound Austrian Treaty by every fair means in our power.]<sup>102</sup>

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<sup>102</sup> Rendel Report, 29 September 1947, paragraph. 23, p. 64.

Rendel concluded that Britain had but one reasonable option, and that was to drive on in pursuit of an Austrian State Treaty, despite formidable and possibly insurmountable obstacles, and with the knowledge that it would take many years to disabuse the Soviets of their misconceptions of the West. No agreement would be forthcoming if Britain could not find some way to 'convince the Soviet Union of her bona fides, more specifically by meticulously avoiding any attempt to defend bad cases or to use arguments which we know are in themselves unsound'.<sup>103</sup>

This would not be easy because the Soviet Government and their delegates were incapable of understanding honesty of purpose:

Then there is the perfectly genuine Russian suspicion of the policy of the Western Powers. In all our dealings with modern Russians we are faced all the time with the almost insuperable difficulty produced by their fundamental incapacity of understanding or believing in the honest motives of others. Having themselves abandoned positive and objective ethics and adopted purely materialistic criteria, the idea of any Power being actuated, on any occasion, by motives of honesty, right dealing, or abstract justice – or, in fact, by any principles of universal application – is genuinely and utterly incomprehensible to them. ...[T]hey simply cannot conceive the possibility of our being moved by any but the basest motives of short-sighted and sordid self-interest. ...Austrian independence is merely a trick to keep them out, to get in ourselves, and to use Austria as a spearhead against the Soviet Union, in the conflict which they are beginning to regard (I suggest mistakenly) as ultimately inevitable.<sup>104</sup>

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<sup>103</sup> Rendel Report, 29 September 1947, paragraph 24, p. 64.

<sup>104</sup> Rendel Report, para. 15, p. 62.

As Cheetham had speculated, the prospects of resolving such fundamental issues of trust and mutual confidence were slim. Margaret Jackson, Cheetham's Personal Assistant who attended and took notes on Allied Commission discussions, recalls that meetings with the Soviets were reduced to boring sessions during which the Western representatives sat politely and listened to lectures by the Soviet delegate on why the USSR could not accept their proposals.<sup>105</sup> The British, by this time, attributed lack of progress toward an Austrian State Treaty solely to Soviet obstructionism.

The Foreign Office's head of the Austria Section, German Political Department, Michael Cullis, commented on the Rendel report by allowing that he '... would only question his (Rendel's) apparent belief that it might with more time have been possible to reach agreement on this legal basis, whereas it soon became clear to me that for the Soviets the whole Treaty Commission exercise was no more than a holding operation.'<sup>106</sup>

## **Conclusions**

By the end of 1947, Bevin had decided that Britain could not afford the costs of the occupation of Austria. He wanted to conclude an Austrian State Treaty as soon as possible, and withdraw British troops. He knew that the matter of German assets had emerged as the single most important obstacle to an Austrian Treaty, and he understood this issue would have to be resolved before a treaty was possible. Despite eighty five sessions of the Austrian Treaty Commission, the Four Powers had failed to reach agreement on

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<sup>105</sup> Telephone conversation between author and Miss Jackson, 11 March 2002.

<sup>106</sup> Cullis, 'Austria 1945-1955,' p. 221.

German assets. The Soviets were insisting on terms that even Bevin was not prepared to accept, although he was already leaning towards his later conviction that the West should pay whatever Moscow was asking in return for an Austrian treaty.

By the end of 1947, Britain had identified the key issues involved in the occupation. Britain's policy objectives vis-à-vis Austria were clear. Foreign Office strategies designed to accomplish these objectives were formulated and in the process of implementation. Bevin had, with the assistance of a few able and experienced diplomats, come to certain conclusions that were to guide him on matters pertaining to Austria up until the point where his illness forced him from the scene. His periodic presentations to the Cabinet and to the House of Commons summarised these views and identified what Bevin considered the primary obstacles to accomplishment of British objectives.

On one hand Britain wanted to continue enjoying the status of a world power whose participation in geo-strategic deliberations was important to the re-establishment of world order and peace. On the other hand, Britain was broke and did not have the material resources necessary to meet the obligations of a post war global force. But World War Two threats to the country's national security had swiftly been replaced by new, perhaps even more ominous threats, this time originating in Moscow. While agreeing on the seriousness of the Soviet threat, Commonwealth leaders had declined an invitation to band together in some form of 'central machinery' or mutual

defence pact. None of the European nations was capable of providing the resources necessary for the construction of an effective defence shield, although serious efforts were made through the Brussels Pact toward a common European defence alliance. The only – and certainly Bevin's preferred – way forward was to forge a strong alliance with the United States. His efforts in this direction were well advanced by the end of 1947.

Britain's objective of establishing an effective military government in her Zone of occupation had been accomplished smoothly. The occupation administration was in place, and Britain was represented in all of the Allied Council directorates. Britain had persuaded the United States to participate in the occupation and had succeeded in strengthening Anglo-American ties. American economic aid was benefiting both Britain and Austria, and the Marshall Plan was just around the corner. Britain's place, if not her full role in the Cold War, was well established. The initial period of transition from war to peace had, by end 1947, come to an end. Unfortunately, the next war had already begun.

### **CHAPTER THREE: FORLORN HOPES**

This chapter recovers the narrative of developments in and about Austria during the period 1948 and 1949 and up to the beginning of 1950, as seen through British eyes. It sets the stage for the dramatic events of 1950 when the Cold War turned hot. The chapter summarises key issues and events that affected Britain and Austria within the context of a rapidly deteriorating international situation. Certain key Cold War events that were not directly related to Austria, but that affected Four Power interaction in Austria, are explained as they were considered in British diplomacy and as they affected British policy aspirations. Again, correspondence between the field and the Foreign Office is revealed in some detail. Experienced, competent British diplomats and military officers authored the most important reporting covered here. These reports contributed significantly to a continuing refinement of British foreign policy regarding Austria, as the Cold War environment changed. None of the policy documents upon which this chapter is based has been exploited fully in the past. Indeed, two Public Record Office series used for this research were only declassified in 2002 and 2003, respectively.<sup>1</sup> The detailed examination this chapter provides offers useful insight into the thinking that was driving British policy toward Austria at the time.

As in the previous two chapters, our narrative pauses from time to time to examine certain critical issues and developments in depth, calling heavily on archival material and combining selected analyses and observations offered by astute secondary sources.

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<sup>1</sup> FO 465/5 and FO 465/6.



Economic issues grew in importance for Britain's leaders, as the country's efforts to recover after the War II faltered. The Marshall Plan had profound impact on Austria and on the ability of Western Allies to expedite efforts to bring the occupation to an end in such a way as to ensure Austria's secure sovereignty and independence. While this was an American initiative, Britain, which benefited significantly from Marshall Aid, exploited the opportunities the Plan created for achievement of British policy goals. Constructive efforts continued during this period to be undermined by an obstreperous Kremlin intent upon maximising its exploitation of Austria's industrial and natural resources, and maintaining an iron grip on the Austrian population resident in its zone.

The Soviet kidnapping campaign is covered here because it was a major concern of British authorities in Austria, as is reflected in diplomatic and military reporting. Both kidnappings and Soviet economic confiscations took place in the British sector of Vienna and in the British occupation Zone. The narrative pauses also to consider the elections of 1949, which brought new political realities to the country's electoral process. While the effect on policy, as such, was minimal, the Foreign Office and Parliament took active interest in these elections and it is appropriate to comment here on that interest.

During this period, Foreign Secretary Ernest Bevin became convinced that the Soviet Union was prepared to sign an Austrian State Treaty, and he launched an intensive lobbying campaign to persuade his American

counterpart of what he, Bevin, saw as the overall benefits for the Western world in paying whatever bribe the USSR was asking in return for that treaty. The West would be well served, Bevin came to think, by signing the treaty and withdrawing occupation forces – even if this meant leaving the Soviets in control of certain important Austrian natural and industrial assets. The US position was quite different, and this chapter pauses again to examine Bevin's goals and motivation at this crucial point in Cold War history. Was he correct in his assumption that the Soviets would sign a treaty in return for an economic and financial payoff? Senior Soviet diplomats had told him so. Was he naive to believe them? Were his lobbying activities in Washington appropriate?

Anglo-American differences on how best to conclude the occupation of Austria have been the subject of study by other historians. Among these, Gerald Stourzh seems to have been the first to suggest that conditions existing during 1948 and 1949 created an opportunity for the American military to seize control of US foreign policy and 'militarise' American foreign policy. Günter Bischof and, later, James Carafano, echoed Stourzh's charge, but expanded it to include the accusation that US High Commissioner, Lieutenant General Geoffrey Keyes, embarked on a successful campaign to turn Austria into an American-dominated garrison state. These allegations are examined in this chapter within the context of overall Anglo-American cooperation on both an Austrian Treaty and the controversial matter of rearming the country.

Finally, it would be irresponsible to offer a narrative of British interests in Austria during the occupation without at least mentioning the importance of clandestine intelligence operations. Austria, especially Vienna, provided fertile ground for intelligence operatives of many different nationalities on both sides of the Iron Curtain to ply their trade. Vienna was the scene for one of the most dramatic and productive British intelligence initiatives of the entire period.

### **A TURNING POINT**

Developments in and about Austria must be viewed against the background of what else was happening in the world, as relations between East and West deteriorated. Strang believed that, 'by 1948, the cleavage between the Communist and anti-Communist parts of the world, with polarization of power between Moscow and Washington, had become unmistakably clear'.<sup>2</sup> 1948 was certainly a pivotal year in Austria's path toward independence. It was a year during which Western cooperation on Austrian issues was complicated by what Bevin's biographer, Alan Bullock, interpreted as a threat to Britain's relationship with the United States at the most senior levels. While this is perhaps an overstatement, Bevin and Secretary of State Acheson did disagree on matters having to do with the Austrian State Treaty.

Perhaps most importantly, Britain was broke and, because of this, Bevin understood that everything at that moment 'turned on being able to create a

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<sup>2</sup> William Strang, *Britain in World Affairs : a Survey of the Fluctuations in British Power and Influence ; Henry VIII to Elizabeth II* ([London]: Faber Deutsch, 1961), p. 347.

more stable and lasting relationship with the United States'.<sup>3</sup> But a close relationship with and total dependency on America were not entirely popular in Labour ranks, and important Members of the US Congress were not thrilled by the prospect of Washington's giving more money to London – still seen by many Americans as having colonialist aspirations but no longer able to wield real influence in the world. Bevin was worried that all of his work designed to build a framework for continuing cooperation between Western Europe and the United States might collapse. The Cabinet had cogitated long and hard before entering into a Loan Agreement with the United States, but did so because it saw no other options. In the face of severe challenge by Labour Party colleagues and by other influential segments of Britain's socialist society, for example the National Union of Miners, Bevin stood firm in his assurance to all that 'the US will see us through'.<sup>4</sup> As Bullock observed, 'no one had ever found Ernie Bevin lacking in confidence'.<sup>5</sup>

Indeed the United States did see Britain through, and the unprecedented closeness of the Anglo-American relationship, forged during the war, persevered, in spite of the occasional hiccup.

There was no doubt about the closeness of the wartime relationship between Britain and the United States. With the Combined Chiefs of Staff and combined commands on the military side; the Combined Boards and Lend Lease on the economic, and the unique

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<sup>3</sup> Alan Bullock, *Ernest Bevin: Foreign Secretary 1945-1951* (London: William Heinemann Ltd, 1983), p. 446.

<sup>4</sup> *Ibid.*, p. 444.

<sup>5</sup> *Ibid.*, p. 4.

correspondence between Churchill and Roosevelt, it was the most successful alliance in history.<sup>6</sup>

The US and British governments continued throughout 1948 to rebuild Europe as an effective counter-weight to the Soviet Bloc, and to strengthen anti-Communist governments, although Bevin was forced to tell his American counterpart that London could no longer pull its own weight in Greece and Turkey. In 1948, reconstruction efforts in Germany assumed an increased sense of urgency. The Western Allies and Soviet Union moved rapidly toward what, in 1949, became the final post-war delineation of rival spheres of influence: formation of the West German Republic and the North Atlantic Treaty, which committed the United States formally to the defence of Western Europe for the first time in history.

In Austria, 1948 began with a Soviet counter-offer to the Cherrière Plan. The Special Deputies for the Austrian State Treaty conducted their 64<sup>th</sup>-163<sup>d</sup> sessions between 20 February and 10 May in London – without reaching agreement, despite what Bevin saw in the Soviet response to the Cherrière Plan as a basis of negotiation.<sup>7</sup> On 25 February, the Communists seized power in Czechoslovakia. On 17 March Britain concluded a 50-year mutual defence pact with France and the Benelux countries. On 24 June the Soviet Union began the Berlin Blockade, which alerted the Western Allies to the possibility that the same fate could befall Vienna, where the West was totally

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<sup>6</sup> Ibid, p. 12.

<sup>7</sup> Robert Graham Knight, *British Policy Towards Occupied Austria 1945-1950*, (PhD, London University, 1986). p. 143.

dependent on Soviet occupation authorities for access to their own airports and to the railway and highways linking Vienna with the West. Britain and the United States reaffirmed the joint contingency plan that, in the event of increased Soviet aggression, no attempt would be made to defend Vienna. Western forces would withdraw and be prepared to accept a partitioning of Austria. Should the Soviets launch a military offensive, the plan was for American and British forces to fight a delaying action while withdrawing into Italy where a stand would be made.<sup>8</sup>

William L. Stearman was a foreign correspondent for the Mutual Broadcasting Corporation in Vienna at the time of the Berlin Blockade. He describes a very interesting but little known incident involving a confrontation between British and Soviet military forces and he raises a question as to how much influence this incident might have had on Soviet thinking regarding a blockade of Vienna along the lines of Berlin.<sup>9</sup>

At 12:30 p.m., 11 April 1948, suddenly and without prior notification, Russian guards on the border between the British and Soviet occupation zones began enforcing the same identification requirements that the Soviets had introduced after Marshal Sokolovsky ended Four Power control in Germany ten days earlier. In addition to the usual Gray Cards, they began demanding

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<sup>8</sup> See NSC 63/1, 16 February 1950, 'Proposed US Policy in the Event of a Blockade of Vienna', Dwight D. Eisenhower Library, Abilene, Kansas, Austria (2), 2/16/50. See also Chiefs of Staff Committee - Joint Planning Staff Memorandum, 31 March 1950, 'Effect of Withdrawal From Trieste on the Position of the British Occupation Forces in Austria', J.P.(50) 26, DEFE 11/23, PRO.

<sup>9</sup> Stearman E-Mail message to author, 19 August 2003, hard copy available in author's personal files. See *New York Times*, 8 October 1951, for a cursory report on the incident.

documents carrying identifying photographs. Although this requirement was in direct contravention of the Control Agreements, a number of British servicemen were turned back and denied passage to Vienna through the Soviet Zone. British enlisted men did not have photographs on their identification documents. On the following day, Soviet road blocks were set up on the roads from Vienna to British and American airports in Tulln and Schwechat. Western High Commissioners decided to hold their protests until the next Allied Council meeting, scheduled four days later, on 16 April 1948. In the meantime, British military command initiated a more abrupt response:

The British, determined not to comply with the new and totally unwarranted ID card measures, sent a convoy of trucks carrying armed troops up to the UK-Soviet zonal border crossing. When the Soviet guard detail refused to let it through the barrier because of the new ID requirement, the British officer in charge ordered his troops to 'fix bayonets' (the clattering of which was well designed to get the Soviet guards' attention). Whereupon he walked up to the barrier, flipped it up and ordered his trucks to pass on through. End of problem! ... This encounter sure made the Brits look good!<sup>10</sup>

### **THE SOVIET KIDNAPPING CAMPAIGN**

In the deteriorating international situation during the late 1940s, it is not surprising that East-West tensions increased in Austria. In addition to wide spread Soviet looting and severe clashes of culture, a major reason for the worsening of on-the-ground relations between Westerners and Soviets in 1948 was the Soviet practice of kidnapping or, as it was sometimes called more diplomatically in official correspondence, clandestine arrests. This outrageous campaign involved Soviet officials snatching individuals off public

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<sup>10</sup> Ibid.

streets and into black Mariahs, often in broad daylight and in front of the general public. It was apparent that Soviets behaved in Austria pretty much the same way they behaved at home. Russians knew only one way to govern – the Soviet way in which they had grown up – and in this system, arbitrary arrests and sudden disappearances were commonplace.<sup>11</sup> In his 1944 conversation with Yugoslav Milovan Djilas, Stalin, himself, said 'whoever occupies a territory also imposes on it his own social system. Everyone imposes his own system as far as his army has power to do so'.<sup>12</sup>

Both Stearman and Bischof report on the difficulties Soviet kidnapping caused for Austrian citizens and for quadripartite relations, but it was Brown who provided perhaps the most comprehensive detail on the issue.<sup>13</sup> Soviet authorities had launched a massive kidnapping campaign almost immediately after entering Vienna in 1945. Some of this activity represented the kind of mopping up operation every victorious army conducts as the dust of war settles, but Soviet abductions went further than that. The categories of people most at risk expanded rapidly to include German and Austrian intelligence officers who had specialised in Soviet affairs, Austrian citizens who refused to cooperate with Russian intelligence services, and indeed anybody who failed to tremble and obey Soviet authority – including Austrian police officers who were simply doing their duty by maintaining peace and

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<sup>11</sup> US State Department paper dated 19 August 1948, 'Soviet Kidnapping,' 863.00/10-1448 (microfilm), NARA II.

<sup>12</sup> Milovan Djilas and Joseph Stalin, *Conversations with Stalin* (London: Hart-Davies, 1962), p. 105.

<sup>13</sup> Ralph W. III Brown, *A Cold War Army of Occupation. The U.S. Military Government in Vienna, 1945-1950*, (PhD, University of Tennessee, 1995), chapter beginning on p. 221.



order or by investigating crimes. In some instances, Russian military personnel used Communist Party members in the police to provide plausible justification for kidnappings, but, as the number of Communist policemen dwindled, Soviets officers did not hesitate to carry out the acts themselves.

Austrian citizens were not the only people vulnerable to Soviet kidnappers. One of the lesser celebrated, and perhaps more tragic cases involved a native-born British citizen, Mrs. M. A. Miske, who was snatched off a Vienna street by Russian officers while she was searching for her husband from whom she had become separated during the war. According to her own statements, Miske was born and raised in Newcastle upon Tyne. She met a Hungarian diplomat while visiting the Hungarian Legation in London with a friend, and she subsequently married this man, one Baron Eugen Miske-Gerstenberg. The couple served in several overseas diplomatic posts and were then caught up in the Nazi occupation of Hungary, at which time Miske was arrested by the Gestapo as a British spy. She was held under harsh conditions in solitary confinement for nineteen months, and returned to British authorities as part of a prisoner exchange in Istanbul. After failing to find her husband, she joined the British Army in Cairo (Force 133), and served until the summer of 1945, at which time she was returned to the UK on board the HMS Britannic. British authorities helped her search for her husband and adopted son, and in the process arranged for Miske to be flown to Vienna, her husband's birthplace and last known location. Shortly after learning that Baron Miske-Gerstenberg had committed suicide during the war and that her son had been killed, Miske was kidnapped by Soviet officials. She was held

in a Polar Zone labour camp for some nine years before being released to British authorities during the Khrushchev-Bulganin state visit to London. There is no indication in the files as to why she was kidnapped or whether formal charges were ever brought against her. A 25 February 1955 letter to Mrs Miske from the British Legation in Budapest assured her that the Minister was gratified by her release from the Soviet Union, and that enquiries were in motion that would eventually enable Mrs. Miske to leave Hungary. The Legation forwarded 250 forints 'as a contribution to (her) current living expenses'.<sup>14</sup>

Brown reports that the most numerous and blatant Soviet moves against civilians took place in early 1948, when Russian kidnappings became almost daily occurrences.<sup>15</sup> Nobody knows precisely how many people were kidnapped. The US State Department reported that, during the period 1946 - 1948, Soviet military or civilian officials snatched between 450 and 800 people in Vienna. From the beginning of 1948 until July 1950, some 946 people were kidnapped. A later dispatch reported that 1,800 men, women and children had been abducted by Soviet authorities. While there was a large prisoner return after the State Treaty was signed in 1955, some of those abducted were never seen again.<sup>16</sup>

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<sup>14</sup> See the M.A. Miske Collection, No. 91/6/1, Department of Documents, Imperial War Museum, Lambeth Road, London SE1 6HZ.

<sup>15</sup> Brown, *A Cold War Army of Occupation. The U.S. Military Government in Vienna, 1945-1950*, p. 219.

<sup>16</sup> *Ibid.*, p. 217.

Brown suggests that the Western Powers did surprisingly little to discourage or obstruct Soviet arrests in the three Western sectors of the capital or even in their own occupation zones. A January 1946 British report touched on the subject when a Soviet officer took the initiative to thank a British officer (who did not know what the Russian was talking about) for helping arrest 'deserters' found in the British sector. Later in the same year, a Col. Gordon-Smith told the British Element's Political section that he could offer 'no guarantee that anyone wanted by the Russians will not be abducted and possibly disappear for good without a trace'.<sup>17</sup>

There were several celebrated and particularly dramatic cases in 1948, including that of an Estonian woman named Sinaida Kao who had fled from the Red Army to Vienna with her one child. The Soviets decided to repatriate Kao, but she was able to elude them in Vienna's International (First) District for enough time to get an emergency plea for help to the US Provost Marshal. The US was chairing the Allied Commission at the time and was therefore in command of the First District. American military policemen rushed to the rescue. A struggle ensued and a Russian soldier was knocked unconscious after attempting to draw a concealed weapon. Kao was never handed back to the Soviets despite vitriolic demands, and Soviet protests were, for all practical purposes, ignored.<sup>18</sup>

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<sup>17</sup> Gordon-Smith Minute, 14 March 1946, FO 1020/2916/133, PRO.

<sup>18</sup> The Kao case bears a remarkable similarity to the Anna Schmidt character played by Alida Valli in the Graham Greene, Carol Reed, Alexander Korda film, *The Third Man*. Greene was contracted to write the story in January 1948 and filming commenced the same year. See Charles Drazin, *In Search of the Third Man* (London: Methuen Publishing Limited, 1999).

Another case during early 1948 involved an American Counter Intelligence Corps (CIC) officer who was snatched by the Soviets and held for more than twenty four hours before being released without his official identification papers, at a remote location some ninety minutes South of Vienna. In yet another case, a CIC officer employed force to protect one of his civilian employees against a Soviet kidnapping attempt on a street in the First District. British military police responded to the commotion and threw all parties into a British military jail. Twenty minutes later, an armed Soviet military detachment raided the jail and forced the British to release both the American CIC agent and the unsuccessful Soviet kidnapper into their custody. Soviet authorities refused British and American demands for return of the American officer. It was then discovered that the Soviet official involved had not only failed to abduct his intended victim, but had inadvertently lost his official identification papers in the British jail. The American officer was exchanged in return for the documents and reported that he had been severely beaten by the Russians while in their custody.<sup>19</sup>

Only two weeks later, Soviet kidnappers struck again, this time snatching a senior Austrian Criminal Investigation Inspector, Oberkriminalinspektor Anton Marek, from a public street in front of the Ministry of Justice in broad daylight, again in the International District. Marek, a survivor of Dachau, had refused a Soviet demand to turn over evidence the police had accumulated on another Russian kidnapping case under investigation, and had thereby apparently sealed his fate. He spent the next seven years in a Soviet prison.

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<sup>19</sup> Brown, *A Cold War Army of Occupation. The U.S. Military Government in Vienna, 1945-1950*, pp. 221-222.

It should be noted here that this escalating confrontation between armed Western and Soviet military authorities was taking place at the same time the Berlin Blockade was becoming nastier and more dangerous. The Berlin Airlift was in full operation and both Soviet and Western military forces throughout Europe were on a high state of alert. It looked to many at the time that a major covert war was breaking out on the streets of Vienna. Brown quotes a CIC report to the effect that 'the Soviets were becoming bolder and more aggressive in their activities and were becoming increasingly open in their tactics'.<sup>20</sup>

Halvor Ekern describes a little-known action taken by American occupation authorities in Vienna during the Berlin Blockade. While in command of an advance party of American officers, US Major General Al Gruenther had informed Soviet authorities that the American High Commissioner, Mark Clark, would not move his headquarters from Salzburg to Vienna until the Soviets signed a written agreement to provide the Western Allies free and open access to Vienna.

The Soviets reluctantly agreed to an air-tight access accord covering air, road and rail transit rights. A supplementary local protocol gave the US control of that part of the Vienna Woods beyond the eighteenth and nineteenth districts 'for walking purposes'. This, too, was later of near-critical importance at the time of the Berlin blockade. When the Soviets initiated their

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<sup>20</sup> History of the Office of the Director of Intelligence for the Period April-June 1948, RG 260, Folder 46, Box 6, NARA II.

blockade on Berlin, the Soviet High Commissioner in Austria apparently had received similar instructions. Soviet troops blocked traffic to and from Vienna.<sup>21</sup> When this happened, Ekern led a team of engineers into this 'walking zone' to 'select a location for the rapid construction of an airfield for resupply purposes. Remarkably, the American Element lost their copy of this agreement! The Soviets apparently had retained theirs because the Russians did not interfere with the Ekern party's movement through this walking area.'<sup>22</sup>

The Soviet kidnapping campaign was also of great interest to Sir C. B. Jerram, K.C.M.G., who was Britain's Envoy Extraordinary and Minister Plenipotentiary in Vienna from 1948-1949. He was a fascinating character with extensive diplomatic experience. He had been an interpreter in the Levant in 1913, and was arrested and imprisoned by Bolshevik forces in Moscow in 1918. He served in Novorossisk, Moscow, Leningrad, and then again in Moscow until diplomatic relations between Great Britain and the Soviet Union were suspended in June 1927. Subsequently, he served in Tallinn (then Reval) twice, in Bergen, Helsingfors, Warsaw and Madrid in 1937, when he was also appointed as Britain's Assistant Agent to General Franco's administration. He was made C.M.G. in January 1938 and sent to Buenos Aires as Commercial Counsellor. He was promoted to Envoy

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<sup>21</sup> Ekern, Halvor O., 'The Allied Commission for Austria,' *The Austria Solution: International Conflict and Cooperation*, (ed.) Robert A. Bauer, published for the Johns Hopkins Foreign Policy Institute, School of Advanced International Studies, The Johns Hopkins University by the University Press of Virginia, Charlottesville (1982), pp. 56, 57, 59, 60.

<sup>22</sup> This author lived in Vienna's 18<sup>th</sup> District and frequently took hiking and camping expeditions into this same walking area of the Vienna Woods. On several occasions, American Boy Scout Troop Number One (in Europe) was camping along the trail in this walking area, as Soviet patrols moved along it. We were within ten meters of each other on all such occasions, and at times exchanged friendly greetings, but only after the Russian soldiers made sure we were not American military personnel!

Extraordinary and Minister Plenipotentiary to Stockholm in July 1945, was made K.C.M.G. in June 1947 when he was also promoted to the rank of Ambassador. Jerram was appointed as Envoy Extraordinary and Minister Plenipotentiary in Vienna in April 1948.<sup>23</sup>

Jerram assigned Russian kidnappings a prominent place in an official report to Clement Attlee on major political developments in Austria during 1948.<sup>24</sup> This report makes particular mention of the Marek abduction and of the audacity behind a Soviet snatch of Austria's head of the Planning Section of the Ministry of Economic Planning and Property Control, Dr Margarethe Ottillinger. 'The seizure of (Dr Ottillinger), which was carried out in the presence of her Minister ... coupled with the temporary detention of the Minister himself, and the fact that Frau Dr Ottillinger was both a high official and a young woman, caused widespread dismay.'<sup>25</sup> This case was of particular interest to Britain because Dr Ottillinger had just returned from studying British economic planning in London, where she had been the luncheon guest of Michael Cullis, a member of the British Embassy staff in Vienna.<sup>26</sup> The Western High Commissioners failed to secure the release of these two Austrian officials, or even to obtain a Soviet promise that they would get a fair trial and be treated humanely. Jerram attributed the serious

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<sup>23</sup> The Foreign Office List and Diplomatic and Consular Year Book for 1949, 122<sup>nd</sup> Publication (London: Harrison and Sons, , 1949), p. 266, REF: 351 010 ZS FO, PRO.

<sup>24</sup> Jerram to Attlee, Telegram No. 38, 12 April 1949, 'Austria: Annual Political Review for 1948'. C 3216/176/3, FO 465/3, paragraph 6 ,PRO.

<sup>25</sup> Jerram to Attlee, 12 April 1948, paragraph 6.

<sup>26</sup> Michael Cullis, '*Austria 1945-1955: The Desk-level View of a British Diplomat*,' in *Geschichte Zwischen Freiheit und Ordnung*: Gerald Stourzh, zum 60. Geburtstag, Leidenfrost, (Graz: Verlag Styria, 1989), p. 223.

deterioration of relations between the Austrian Government and the Soviet occupying authorities in 1948 directly to this Soviet kidnapping campaign.

### **ECONOMIC MATTERS**

Soviet behaviour regarding certain important economic issues represented a second and major cause of friction between the Western Allies and Soviets, and received prominent mention in Jerram's 12 April 1949 report, The British High Commission was concerned that tensions during 1948 were being exacerbated by 'the unscrupulous economic policy' pursued by the Administration of Soviet Property in Austria (USI.A.) and by Moscow's support for Yugoslav treaty claims. Jerram assumed that, despite Russian propaganda to the contrary, the prospect of continuing economic gain constituted the main reason for Moscow's reluctance to sign an Austrian treaty. During the year, it was learned that U.S.I.A. was directly involved in the smuggling of goods for sale in Austria, and had unilaterally initiated a series of barter agreements with the USSR's East European client states. Jerram informed Attlee that 'If the Austrian character were not easy-going and optimistic, morale might well have been more seriously shaken by the prospect of the indefinite continuance of a system based on gangsterism and exploitation'.<sup>27</sup>

The Jerram report noted that the currency reform of December 1947 had brought a remarkable outburst of production and trade and, for the first time since the war, shops were full, the food ration was steadily improving, and

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<sup>27</sup> Jerram to Attlee, 12 April 1949, paragraph 6.



both the volume and variety of foodstuffs available in the open and black markets was significantly higher than the previous year. However, price increases were still ahead of wage hikes, and many low-paid people were finding it difficult or impossible to benefit from the overall increase in the health of Austria's economy.

In paragraph 7 of his 1949 dispatch, Jerram raised what was to become an issue of critical importance to political stability and the rule of law in Austria: the role of the country's trade union leaders. In this particular case, Jerram attributed an important inter-party agreement on wage – price control to the 'energetic intervention' of certain union leaders who were prepared to commit themselves to increasing living standards in the country through aggressive price reductions rather than systematic wage increases. Inter-party bickering was intense on this issue, but, at least according to Britain's top diplomat on the scene, the agreement 'effectively put an end to incipient industrial unrest'. Unfortunately, this conclusion was premature, and stability in Austria was to be threatened on more than one occasion by Communist-inspired violence based ostensibly on workers' dissatisfaction over the relationship between wage and price increases. In 1950, these issues caused major civil unrest and came very close to triggering an East-West armed confrontation.

During 1948, the Austrian Foreign Minister Karl Gruber, launched a number of initiatives, which seemed to be intended to counter Communist accusations of an Austrian economic bias toward the West. Trade pacts were concluded with Poland, Czechoslovakia and Hungary – although Switzerland

and Italy continued to receive some thirty percent of Austria's exports.<sup>28</sup> Dr Gruber made a successful trip to Rome where he signed two conventions on rail traffic between North and South Tyrol. He later, in December 1948, commented favourably during a budget debate on Austro-Italian relations and the long-range importance of Austria's 'powerful neighbour covering (Austria's) southern flank'. Austria was once again emerging into the international arena.

### **THE MARSHALL PLAN AND AUSTRIA**

The Marshall Plan - '... that most successful and beneficent of all the post-war international enterprises' - was one of the most important economic issues to emerge during the entire occupation.<sup>29</sup> While this was an American program and Britain's primary role was to benefit from it, the impact on Austria was such that some mention here is more than appropriate. According to some, it was the most important turning point in Austria's economic recovery.<sup>30</sup> Bischof, for example, writes that, with 'a total of 1.5 billion dollars in American post-war aid, Austria was one of those European countries profiting most from American generosity.' According to Bischof's calculations, Austria received US\$ 909.1 million, or the equivalent of \$131.70 per capita, in Marshall Plan aid, alone.<sup>31</sup>

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<sup>28</sup> Ibid., paragraph 7.

<sup>29</sup> Strang, *Britain in World Affairs*, p. 355.

<sup>30</sup> Guenter Bischof, *Austria in the First Cold War, 1945-1955; The Leverage of the Weak* (New York: St. Martin's Press, Inc., 1999), p. 98.

<sup>31</sup> Ibid, p. 102, citing statistics available in Ingvar Svennilson, *Growth and Stagnation in the European Economy*, (Geneva: UN Economic Commission for Europe, 1954), p. 236f.

The United States Agency for International Development (USAID), Statistics & Reports Division, accounting dated 17 November 1975, is probably a more reliable source of this data. If so, ERP funds to Austria totalled some \$ 98 per capita. This USAID report establishes that Marshall Plan funds were allocated as follows:<sup>32</sup>

MARSHALL PLAN EXPENDITURES ECONOMIC ASSISTANCE, APRIL 3, 1948 TO JUNE

30, 1952

(IN MILLIONS OF DOLLARS)

COUNTRY	Total	Grants	Loans
Total for all countries	13,325.8	11,820.7	1,505.1
Austria	677.8	677.8	0
Belgium-Luxembourg	559.3	491.3	68.0
Denmark	273.0	239.7	33.3
France	2,713.6	2,488.0	225.6
Federal Republic of Germany	1,390.6	1,173.7	216.9
Greece	706.7	706.7	--
Iceland	29.3	24.0	5.3
Ireland	147.5	19.3	128.2
Italy (including Trieste)	1,508.8	1,413.2	95.6
Netherlands	1,083.5	916.8	166.7
Norway	255.3	216.1	39.2
Portugal	51.2	15.1	36.1
Sweden	107.3	86.9	20.4
Turkey	225.1	140.1	85.0
United Kingdom	3,189.8	2,805.0	384.8

Communists reacted angrily to the Marshall Plan, labelling it just another weapon of American imperialism. Moscow took the immediate initiative to forbid Communist controlled governments from participating in the Marshall

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<sup>32</sup> The George C. Marshall Foundation, Exhibit on the European Recovery Plan, <[http://www.marshallfoundation.org/about\\_gcm/marshall\\_plan.htm/expenditures](http://www.marshallfoundation.org/about_gcm/marshall_plan.htm/expenditures)>, [3 September 2002].

Plan, and did its best to obstruct ERP funds from flowing into the Soviet occupation Zone in Austria. In fact, Soviet High Commissioner, Kurasov, even issued orders to block American officials from entering the Russian Zone to supervise the distribution of ERP funds, as America's congress had mandated in approving the program. Kurasov described the Marshall Plan as a 'gross violation of the control agreements and a case of blatant American imperialism'.<sup>33</sup> Through some administrative creativity, however, American and Austrian authorities found a way to evade this Soviet obstructionism, while still complying technically with congressional restrictions designed to ensure close supervision of the way Marshall Plan dollars were spent. Bischof explains how this was done.

Vienna was rife with rumours of a Communist coup, and Marshall ordered Vienna to find a mutually acceptable arrangement since it was 'most important that relief supplies continue to enter the Eastern zone'. Erhardt and Keyes devised a simple solution. The new food stocks forwarded by the June relief agreement, and under strict Congressional restrictions, were channelled to the three Western zones. Older food reserves of the post-UNRAA aid programme from the beginning of 1947 had no strings attached and were channelled into the Soviet Zone. In this way, all of Austria was supplied with American food stocks, and a national unity was preserved. The ingeniousness of the solution lay in the can-do pragmatism of mid-level American policy makers on the spot, and signalled the final victory of the principle of Austrian economic unity.<sup>34</sup>

This tactic, which succeeded in circumnavigating Soviet obstacles, probably saved Austria from being partitioned. There was an ever-present danger that

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<sup>33</sup> Bischof, *Austria in the First Cold War, 1945-1955; The Leverage of the Weak*, p. 100, quoting a 10 July 1947 Allied Council document.

<sup>34</sup> G. Bischof, 'The Marshall-Plan and Austria', *Zeitgeschichte*, 17 (1990), 463-474 pp. 101-103.

Austria would become, like Germany, divided into two parts, one under Soviet control and part of the Soviet Bloc, the other allied with the West. This possibility remained of concern to London and Washington throughout the decade-long tussle with Moscow. But Austria was never partitioned, and it remains an interesting Cold War fact that the Russian occupation Zone of Austria was the only territory under Communist control to benefit from the Marshall Plan.

For Great Britain, of course, the Marshall Plan came as a godsend. According to the above USAID statistics, the United Kingdom received \$3,189.8 million or \$63 for each of Britain's 50.6 million citizens. Alan Bullock describes Bevin's personal reaction:

'I assure you, gentlemen,' he told the National Press Club in Washington, 'it was like a life-line to sinking men. It seemed to bring hope where there was none. The generosity of it was beyond our belief. It expressed a mutual thing. It was 'Try and help yourselves and we will try to see what we can do. Try and do the thing collectively and we will see what we can put into the pool.' I think you understand why, therefore, we responded with such alacrity and why we grabbed the lifeline with both hands.<sup>35</sup>

The United Kingdom was the only OEEC member state able to dispense with Marshall aid two years before the formal termination of the program, a development which the *Economist* (25 March 1950) called 'almost fantastic,' especially since Western Europe, at the brink of economic collapse in 1947, had surpassed pre-war levels of industrial production, and almost reached

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<sup>35</sup> Bullock, *Ernest Bevin* pp. 405-406.

these levels in agriculture.<sup>36</sup> Investment in capital equipment was higher than in 1938, and both excessive unemployment and inflation had been pre-empted. 'This was success beyond the expectations of anyone in 1947-48'.<sup>37</sup> In a 14 December 1950 telegram, Bevin sent the following instructions to his ambassador in Washington:

Please convey the following message from me to General Marshall. I sat in the House of Commons yesterday and heard Chancellor announce suspension of Marshall Aid and had you been there I should have wanted to go and say to you with full heart 'Thank you'.<sup>38</sup>

The ERP was intended primarily to help European states defend themselves against Communism by rebuilding their own economies. Participation was voluntary. The Soviet Union and Europe's Communist states were invited to participate, but they declined. It is understandable that the Kremlin didn't like the program and perceived Marshall Plan aid as a threat to Soviet control in satellite states, as well as a black eye to Communism in general. It is understandable, if not laudable, that the Soviets forbade their client states from participating in the Plan.<sup>39</sup> It is understandable that the Congress of the United States enacted legislation that was in the best interests of the American People, because that is what every Member of Congress is elected

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<sup>36</sup> Ibid., p. 718.

<sup>37</sup> Ibid., p. 761.

<sup>38</sup> Bevin to Franks, Telegram No. 5620, 14 December 1950, US/50/58, FO 800/517, PRO.

<sup>39</sup> For a current and comprehensive treatise on Soviet rejection of the Marshall Plan, see: Parish, Scott D. and Narinsky, Mikhail, 'New Evidence on the Soviet Rejection of the Marshall Plan, 1947,' in *CWIHP Working Paper Number 9*, March 1994.

to do. That US foreign policy interests coincided with the needs of recipient countries at the time of the Marshall Plan was a positive, constructive and very fortunate development.

### **AUSTRIAN POLITICS**

Already in 1948, attention began to turn toward the national elections scheduled for the following year. It is the duty of every overseas diplomatic mission to monitor and report on political developments in the host country, and so it was with the British mission in Vienna. Britain had little interest in Austria's internal political developments, beyond an ongoing desire to see stability and progress, primarily because there was virtually no reason to worry about the local Communist Party acquiring sufficient representation through democratic electoral process to exert deciding influence on key issues.

Nonetheless, periodic reporting on domestic political issues was routine, and Jerram offered his own analysis of developments in 1948.<sup>40</sup> He reported that the Austrian political parties had begun manoeuvring to position themselves for the 1949 campaign. The smooth co-operation between the People's Party and the Socialists in Austria's coalition government was thus more strained than it was in 1947, and this became increasingly obvious as the year progressed, usually in the form of public recriminations and political duelling in the press.

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<sup>40</sup> Jerram to Attlee, British High Commission Vienna, 'Austria: Annual Review for 1948,' 12 April 1949, FO 371/465/3, Document No. 11, Telegram No. 38, C 3216/176/3,

In Jerram's opinion, the Socialists were expecting to increase their strength at the expense of both the People's Party and the Communists who had been 'further discomforted' in May when they lost a good portion of the influence they had previously enjoyed in the Trades Union Federation. Having yet again seen the democratic process act against them, Austrian Communists should have been inclined to exploit the growing anxieties associated with steadily increasing prices and the decision by both the Socialists and Trades Union Council to seek relief through solutions that did not involve significant wage hikes. The Communists did not. There were a few Communist-inspired demonstrations and strikes, but these were not serious or disruptive. Nor, according to Jerram, did the Communists benefit from their attack on a Capital Levy Bill, which was condemned as wholly inadequate and indulgent towards capitalist interests.

Both the Capital Levy and Capital Increment Levy Bill became law on 20 August 1948, completing the government's financial reform package begun in 1947 with the currency conversion of December 1947 – the final step in what had been a controversial, acrimonious and at times confrontational negotiation between coalition partners. The Communists concentrated their attacks on economic aspects of the reform, while the Socialists and Peoples Party disagreements were mostly political – unfortunately leaving a number of important economic issues 'shelved to the detriment of the Austrian economy'.



In connection with the forthcoming national elections, the coalition partners each concentrated on maintaining and strengthening solidarity and discipline within their own ranks, while attempting to recruit new members. It was in this competition for new members that one saw the most mutual antagonism. Several factors contributed to an increase of about one third in the eligible voting population; (for example, the return of prisoners of war, the naturalization of Volksdeutsche, the emergence of new age groups and a 5 March Amnesty Law that allowed 'less-implicated Nazis' to vote). The opportunity for all political parties to enlist new voters was obvious. It was also evident to others who were not participants in the coalition government, and this new floating vote was wooed by new 'mushroom political parties,' which sprang up all over the country. Some applied formally to the Allied Council for approval to compete in the 1949 elections, the most noticeable of which was the Democratic Union which attempted to recruit disillusioned members of the People's Party whose views tended to lean to the right of the political spectrum.

Jerram reported that Britain, supported by the United States, opposed new political parties, arguing that a further fragmentation of the Austrian political scene would not be in the best interests of the country. Britain's diplomats on the scene believed the Soviets were promoting these new political groupings in order to 'atomise' Austria's political body and 'create the utmost possible confusion' before the 1949 elections.<sup>41</sup> Interestingly, Jerram's successor, Sir Harold Caccia, reported on 1 January 1950, that:

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<sup>41</sup> Ibid., paragraph 15, p. 24..

His Majesty's Government declared themselves in favour of allowing Austrians the full political activity permitted by their constitution. But the French and Americans both viewed with hostility the prospect of new political forces and concepts emerging before the elections. ... The Soviet Element, and behind them the Communists, avoided committing themselves to either thesis and sought merely to perpetuate the confusion.<sup>42</sup>

In the meantime, Jerram contradicted himself and, on 18 October 1949, reported to Bevin on the 'lengthy and sometimes painful process of conversion' he and his staff had suffered while attempting to persuade his American and French counterparts of the wisdom behind British policy that 'Austrians should be free to form new political parties in accordance with their Constitution'.<sup>43</sup>

This policy issue was discussed at some length in the House of Commons, where, on 9 May 1949, the Under-Secretary of State for Foreign Affairs, Christopher Paget Mayhew, was asked whether he could 'give an assurance that the Austrian people will be free to decide the number of political parties contesting the next election ...' <sup>44</sup> Mrs Ayrton-Gould followed-on with the request that the Secretary of State for Foreign Affairs tell the House whether the 'Control Commission for Austria' had yet agreed to allow new political parties and, if not, what the British Element was doing about the issue. Mr

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<sup>42</sup> Caccia to McNeil, British High Commission Vienna, 'Austria: Annual Review for 1949,' 1 January 1950, FO 465/4, Telegram 1, C 214/6/3,

<sup>43</sup> Jerram to Bevin, British High Commission Vienna, 'General Elections in Austria,' 18 October 1949, FO 465/3, Document No. 27, Telegram No. 115, C 8189/47/3,

<sup>44</sup> *The Hansard 'PARLIAMENTARY DEBATES,'* Session 1948-1949, Fifth Series, vol 464, cc 1487-1488.

J.B. Hynd jumped up to challenge the Under-Secretary, asking if he was aware that the 'Allied Control Council' in Vienna was preventing the recognition of any parties other than the People's Party, the Socialist Party and the Communist Party – what was the British Element doing to lift the embargo so as to 'enable such democratic parties as wish to prepare for the forthcoming elections ...?' Mr Benn Levy took the implied argument a step further by seeking Foreign Office assurance that 'any attempt to influence the course and results of the forthcoming elections in Austria by artificially restricting the number of parties who may contest the election will be vigorously resisted by His Majesty's Government'. Mr Mayhew responded:

His Majesty's Government have for some time been anxious that the Austrians should be free to form any new political parties they wish in accordance with the Austrian Constitution. The House will, however, appreciate that there are various other considerations which have to be taken into account, and one of them is the need for securing joint action by all four of the occupying powers in Austria. My right hon. Friend regrets that it has not yet been possible to obtain unanimity in this matter.

When pressed to identify which other governments were objecting to new parties in Austria, Mr Mayhew said 'We have discussed this question with the French and United States Governments and have not been able to reach agreement'.

In fact, none of the new political groupings attracted large memberships, but the movement towards more parties did generate a surprising amount of local and national press coverage, including in some provincial newspapers, which voiced pan-German, if not outright neo-Nazi opinions. Jerram reported

that the most objectionable of these publications, *Alpenländischer Heimatruf*, sprang up in the British Zone in October 1948 and quickly spread throughout the country. The Socialists were encouraged by these developments, which of course distressed the People's Party who feared a split in the so-called bourgeois vote.<sup>45</sup>

In turn, the People's Party took comfort in the 31 October expulsion from the SPÖ of Socialist Deputy and former party secretary, Dr Erwin Scharf, who had published a booklet reflecting Communist views, and which leaked classified Socialist Party documents. Scharf hoped to attract support from left-wing members of the Socialist Party, but he did not ask for Allied Council approval as an official political party, so the year ended with virtually no realignment of the political party structure.

Jerram concludes his report on 1948 with the assurance that:

The zest and occasional bitterness with which the issues of internal politics were pursued should not, I think, be taken as indicating that Austrian politicians, in their concentration upon domestic affairs and lulled into an unreal sense of security by a vast improvement in economic conditions, are becoming blind to the precarious situation of their country on the borderline between democratic and Communist Europe. The responsible leaders of both coalition parties, with the fate of Czechoslovakia and Hungary before their eyes, are shrewd and patriotic enough to realise that ideological differences and personal rivalries must not be allowed to develop to a point where they might endanger the democratic unity of the State and facilitate the infiltrating and disintegrating tactics of communism. They have constantly assured me that whatever the outcome of the 1949 elections and treaty discussions the coalition of People's Party and Socialists must continue in face of the menace from the East.<sup>46</sup>

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<sup>45</sup> Jerram to Attlee, 'Austria: Annual Review for 1948,' paragraph 16, p. 24.

<sup>46</sup> Jerram to Attlee, 'General Elections in Austria,' 12 April 1949, paragraph 19, p.25.

On 18 October 1949, Jerram wrote a comprehensive report to Bevin on the 9 October national elections.<sup>47</sup> 94.3 percent of the eligible voters did in fact vote on a day when, according to Jerram, complete calm reigned and no disturbances were reported. Occupation authorities had taken care to make sure that their troops had no contact whatsoever with the voting public on Election Day. In fact, all occupation troops were confined to barracks, and '...the democratic freedom of the elections was scrupulously respected in all four zones'.<sup>48</sup>

The ÖVP won 1,844,850 votes, which gave them seventy seven seats in the National Assembly. The SPÖ won 1,621,275 votes (38.69 percent), which gave them sixty seven seats. The 'Left Bloc,' a combination of Communists and dissident Socialists, won 212, 651 votes (5.07 percent) and five seats. There were three new parties, none of which had contested elections before. Of these, only the VdU registered significantly, winning 489,132 votes (11.67 percent) and sixteen seats in the National Assembly.<sup>49</sup> Jerram recalled that,

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<sup>47</sup> Jerram to Bevin, 'General Elections in Austria,' 18 October 1949, C 880/47/3, FO 465/3, PRO.

<sup>48</sup> Ibid., paragraph 1, p. 66.

<sup>49</sup> The VdU was an issue of some controversy in the British House of Commons. During a 9 May 1949 debate, for example, Under-Secretary Mayhew was tackled by Philip Piratin, a Labour M.P. from Stepney (Mile End), who asked if the government was aware that the VdU was a 'neo-Fascist organization, whose appeal is directed to former Nazis'. Mayhew responded that the VdU 'has not offended any Allied Council directive'. This discourse was brought to an abrupt end when Colonel Alan Gomme-Duncan, Conservative M.P. from Perth and Kinross, jumped to his feet to ask Mayhew: 'In view of the fact that the Communists call everybody Fascists who are not Communists, will he (the Under-Secretary) refuse to take any notice of this nonsense?' See *The Hansard 'PARLIAMENTARY DEBATES,'* Session 1948-1949, Fifth Series, vol 464, cc 650-651.

in the 1945 election, the ÖVP enjoyed an absolute majority of eighty five seats, the SPÖ seventy six and the Communists four.<sup>50</sup>

Jerram reported that the Socialist leadership was extremely disappointed by their party's performance in the polls, especially because they succeeded in attracting so few of the 940,000 newly eligible voters. The People's Party was pleased, the Chancellor being especially proud that his party gained strength in his own home province, Lower Austria and 'Red Vienna'. It was Jerram's assessment that the presence of the Independents (VdU) would make it easier for the ÖVP and SPÖ to found a new coalition government on a relatively secure basis, and he welcomed the signs of the 'growing sense of statesmanship and national responsibility among senior Austrian political leaders' that this trend toward coalition signalled.<sup>51</sup> He also welcomed the fact that, despite the Left having gained one seat (KPÖ), there was little for the Communists to be pleased about. 'I am informed that the Russians, who placed a very large sum in schillings at the disposal of the Communist electoral organisation, are profoundly irritated by the utter failure of their satellites to extend their influence'. He did not expect the Soviet authorities to attempt to overturn or interfere with the election's results; however, 'the maintenance of an atmosphere of uncertainty is an elementary part of the technique of Soviet policy in Austria'.<sup>52</sup>

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<sup>50</sup> Jerram to Bevin, 'General Elections in Austria,' paragraph 3, p. 67.

<sup>51</sup> Jerram to Bevin, 18 October 1949, paragraph 10, p. 69..

<sup>52</sup> Ibid., paragraph. 11, p.69.

If for no other reason, Jerram's 12 April 1949 report is significant because it cuts through the complexities surrounding Four Power negotiations and unilateral efforts by the Austrians to conclude a treaty, and it identifies a fundamental difference of opinion that clearly existed in both Austrian and some foreign circles throughout the occupation. There was by no means a consensus that the true interests of the country would be served by a speedy end of the occupation. This is seldom if ever mentioned in the historiography.

According to official British assessments of the situation, many Austrians believed that the withdrawal of Western occupation troops would give 'free play to the sinister undermining tactics the Russians have used with such signal success to destroy democracy and independence in the neighbouring countries'.<sup>53</sup> All of the obvious benefits resulting from a treaty granting Austrians their freedom, independence and an end to Russian exploitation of the country's natural and industrial resources were insufficient, according to Jerram, to convince a large body of Austrian opinion that the departure of the Russians under the terms of any treaty would not be followed by their rapid return. This fear was accompanied by the further suspicion that, in such a case, the Western Powers would either 'stand idly by as they did in 1938' or 'in their slowness and indecision' would not move quickly enough to forestall a Soviet takeover. Jerram concluded 'even members of the Austrian Government, who so insistently demand in public the end of the occupation, have been known to voice such apprehensions in private'.<sup>54</sup>

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<sup>53</sup> Jerram to Attlee, 'Austria: Annual Review for 1948,' paragraph 19, p. 25.

<sup>54</sup> Ibid.

The Commander-in-Chief British Troops in Austria (1947-1950), Lieutenant General Alexander Galloway, reported essentially the same personal impression. In a 30 January 1948 communication to Foreign Secretary Bevin, Galloway wrote 'I think it is fair to say that the large majority of Austrians are not averse to the presence of military High Commissioners, or troops, and look upon us, together with the United States and French troops, as their guarantee of security against Yugoslav and Soviet aggression in Austria'.<sup>55</sup>

It is interesting that it occurred to both Jerram and Galloway to include this observation in their formal reporting to London. It was not at all unusual for Austrians, in private settings, to voice concerns over what might happen to the country – or in the case of politicians and certain categories of others, what might happen to them, personally - if Western forces pulled out. This author had friends and acquaintances that were not at all reluctant to express the same concerns, both during the occupation and, in hindsight, afterwards. These personal memories were not unique. American international affairs expert and author of perhaps the most reliable and durable report on the occupation years, William L. Stearman, recalls precisely the same experience:

I can assure you the Austrians regarded the Western powers as benefactors especially the Americans (less the French). Austria was initially in dreadful shape, especially in that dreadful winter of 1947-48, one of the coldest in the 20th century, and especially in the eastern part which I knew best. (Some were actually dying of

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<sup>55</sup> Office of the Commander-in-Chief, British Troops in Austria Vienna,, 'British Function in Austria,' 30 January 1948, FO 465/2, Document No. 6, C 855/54/3, paragraph 9, p. PRO.



starvation.) And they badly needed our aid. (Of all the Europeans we aided, the Austrians remained the most grateful.) They depended on both our aid and on our protection. They were really and truly scared of being taken over by the Communists after what happened right next door to their close, if sometimes disdained, former relatives. I knew no Austrians who, in the 1945-1950 period and even later, thought Austria could survive if the West pulled out. All Austrians, with a few Communist exceptions, wanted, however, to end the Soviet occupation. I am sure any Austrian who was an adult during this period would bear me out. (I had especially good insights into Austrian thinking, since I was engaged to a Viennese in 1949 whom I married in 1950. She is no longer with us.) When we finally pulled out in 1955, a station Rot-Weiss-Rot commentator remarked that Austrians viewed our departure 'mit einem lachenden und mit einem weinenden Auge.'<sup>56</sup>

The presence of foreign occupation troops in any society is always an anomaly, and one that is usually accompanied by resentment on the part of the local population. It was popular and perhaps sensible for political figures to bemoan the occupation in public and to demand that foreign troops be withdrawn, while, in private, worrying that this might actually happen. Austrian politicians who were known to lean heavily toward the West probably had good cause for concern. After all, the Soviets were still kidnapping people they didn't like while Western forces were still present. Few Austrians had reason to expect relief in a situation where only Soviet troops were there.

There were periods of time during the occupation when Austrians were more outspoken about their fears of a premature treaty. Audrey Cronin, for example, reports that senior Austrian political leaders actually told the Western Allies that they did not want a treaty, at the time of the London

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<sup>56</sup> Personal E-Mail message from William L. Stearman to author, 1 April 2002, available in author's personal files.

Conference in November 1947. They wanted the appearance of progress toward a treaty, but 'when it came to the actual signing of a burdensome agreement they were far less than enthusiastic'.<sup>57</sup> Indeed, Mack reported to Bevin, following a conversation with President Renner, that Austrians wanted the occupation to continue indefinitely, in part because the cost of the occupation to the Austrian Government would be far less than the assets Moscow was claiming.<sup>58</sup>

One has to acknowledge that the obsequiousness for which at least the Viennese have a well-deserved reputation may have coloured their conversations with Western officials in social settings. These overtures, intended to be polite, could have been misinterpreted as a serious desire for occupation forces to stay. Nonetheless, there was official reporting from both British civilian and military sources to the effect that not all Austrians were anxious to see the occupation end, regardless of what they said in public.

Jerram would have been aware that, in private, bilateral, Anglo-American discussions, US officials had been passing along reports to their British counterparts to the effect that the French, too, were less than enthusiastic about the early conclusion of an Austrian Treaty. London was sceptical about these reports, at least until December of 1949, when Sir William Hayter of the Foreign Office visited the French Foreign Ministry's Couve du Murville in Paris to talk about Austria and find out how much substance there was in the

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<sup>57</sup> Audrey Kurth Cronin, *Great Power Politics and the Struggle Over Austria* (Ithica, New York: Cornell University Press, 1986), p. 59.

<sup>58</sup> Mack to Bevin, 16 October 1957, FO 371/63975 (C13901), PRO.

American reports. On 21 December 1949, Hayter wrote to the head of the German Political Department in London, Sir Patrick H. Dean, forwarding Couve's confirmation that 'there was in fact considerable substance in these (American) reports'. Couve told Hayter that the view was particularly strong in the Foreign Affairs Commission of the French Assembly that the 'Austrians were a feeble lot and would find it quite impossible to resist Russian pressure, exercised through the controls they would retain after the Treaty'.<sup>59</sup> Even Foreign Minister Schuman held this view personally, believing that Austria would eventually be forced into the position of a Soviet satellite if an Austrian State Treaty was concluded. Hence, an Austrian Treaty was not viewed with great enthusiasm in Paris where, in any case, it might be difficult to get it ratified by the French Assembly. The French Government might even find itself having to seek Communist support for ratification – 'not a prospect they viewed with any favour'.

From the British perspective, even if a treaty became a reality in 1949, it would be necessary to 'inject large doses of confidence' into the Austrian Government and Austrian people, in order to convince them that, under the watchful eye of the West, Austria would never find itself in a less favourable position than the other Western European democracies.<sup>60</sup> Absent in Jerram's important report was any mention of the fact that both Britain and the United States had already, in secret, begun plans to provide Austria with a military capability that would be adequate to protect her internal security, once

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<sup>59</sup> Hayter to Dean, Letter of 21 December 1949, C 9899 106/9/544/49, FO 371/84927, PRO.

<sup>60</sup> Jerram to Attlee, 'Austria: Annual Review for 1948,' 12 April 1949, paragraph 19, p. 25.

Western forces withdrew. Jerram would have known about these highly classified activities, however, and must have intended that the phrase 'doses of confidence' include the assumption of Western assistance in raising an Austrian Army.

#### **FOUR POWER NEGOTIATIONS**

Historians interested in the occupation of Austria have tended to concentrate on the tumultuous negotiations on the Austrian State Treaty, sometimes losing sight of the fundamental objective of those negotiations. The twists and turns of this lengthy and tedious negotiation were at times dramatic, always unpredictable and usually fascinating, so it is not surprising that even experienced modern historians have allowed themselves to be lured into exclusive focus on the progress – or lack of progress – toward finalisation of the Austrian State Treaty. The *Doyen* of Austria's corps of contemporary historians, Professor Gerald Stourzh, the patron and *Dissertationsvater* to many of the country's younger scholars and a prolific writer, himself has produced a detailed history of the Austrian State Treaty – one of epic proportions. In adopting this exclusive focus, some seem to have become so intrigued by the negotiating strategies that they forgot what the ultimate policy objectives were – why the negotiations were taking place. Hence, we see frequent, at times breathlessly indignant allegations that one or more of the Western powers was as guilty as Moscow for sabotaging the negotiations and prolonging the occupation, thereby delaying independence. Here, the instinctive behaviour is to equate independence with an end to the occupation. Although related, the two were quite separate issues.

British historian Knight, for example, asks 'was an agreement on Austria possible six years before 1955'?<sup>61</sup> Of course it was. The occupation could have ended at any point during the ten years of its lifetime, but this would not necessarily have resulted in independence for Austria. Western Powers could have withdrawn their military forces from the country at any time – as indeed both the United States and the Austrian Government suggested at various times – but this would almost certainly not have led to Austria's independence. The Soviet Union would have agreed to a deal on the Austrian treaty at any point until late 1949, had the West been prepared to pay them a lot of money, had the treaty required withdrawal of Western forces from the country, and had it permitted the Soviets to maintain military forces on the ground in Austria while retaining control over the country's industrial and natural resources. On several occasions during the period 1945-1950, Soviet representatives actually told Western diplomats that the Kremlin would be amenable to such a bribe.

In August of 1949, for example, Soviet Deputy Foreign Minister, Georgiy Zarubin told British Deputy, Sir Ivo Mallet, that the Soviet Union would agree to all other articles in the draft treaty if the West would grant all Soviet economic demands, mostly having to do with the disposition of so-called German assets.<sup>62</sup> Mallet was obviously attracted by this proposal because he reported it to the British Legation in Vienna, asking if the Legation staff

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<sup>61</sup> Knight, *British Policy Towards Occupied Austria 1945-1950*, p. 245.

<sup>62</sup> Mallet was Britain's Deputy for Austria on the UK Delegation to the Council of Foreign Ministers.

thought that Austrians would find it acceptable. He also requested an assessment of Austria's actual capability to meet the Soviet conditions, if Britain's diplomats felt these conditions would be acceptable. Mallet also wrote to Bevin's Private Secretary, E. E. Tomkins, alerting him to the possibility that the Secretary of State might have to take up the matter personally, should the Vienna Legation believe Austria would accept the deal. In this communication, thinking realistically, Mallet speculated that Bevin might have to 'put considerable pressure on the Americans before they will agree (to the Zarubin proposal). ...<sup>63</sup> This incident and Mallet's interpretation of it, reveal two things. First, Mallet fell for Zarubin's bait. Second, Mallet's communications on the matter reflect the British Government's recognition that the United States would probably not.

Two months later, in October 1949, Soviet Foreign Minister Andre Vyshinsky opened a second door to Zarubin's deal with Mallet, and told Bevin that Josef Stalin wanted an Austrian treaty – the Soviet Union was prepared to sign. But there was a catch: the Western Powers would have to concede to all Soviet economic demands in Austria. By this time, Bevin had drifted away from Britain's basic policy objective – a free and independent Austria – and was concentrating single-mindedly on the conclusion of an Austrian Treaty and an end to the occupation. By 1950, Bevin wanted the matter of Austria settled, even if it meant paying the Russians off and agreeing to withdraw Western occupation forces, leaving a Soviet presence still on the ground. In an April

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<sup>63</sup> Mallet to E. E. Tomkins, Bevin's Private Secretary, 6 August 1949, (C6353, FO 371/76446, PRO. See also telegram from Foreign Office to Vienna, 6 August 1949, C6274, FO 371/76446 , PRO.

1950 paper to the Cabinet, he wrote 'it became clear enough to us that, however unreasonable the Russian interpretation of the Paris agreement, we must be prepared to swallow it for the sake of getting an early treaty'.<sup>64</sup> 'The Americans were no doubt inclined to ask why, when getting an early treaty would have meant deserting Austria and leaving her without the means to protect her own internal security.

Bevin had become convinced that the Soviets would deliver a treaty if the West agreed to Soviet economic demands, and he was pressing this view strongly on his American counterpart, Secretary of State Dean Acheson. After all, in the higher planes of diplomacy, the Paris Conference of Foreign Ministers (23 May – 20 June 1949) had been something of a success, and some Western diplomats were suggesting that a significant step had been taken in the direction of reduced East-West tensions. If nothing else, the Four Powers were speaking with each other again, and the prospect of imminent war was not as alarming as it had been.<sup>65</sup> It was a matter of great frustration to Bevin that, in his view, the Americans continued to drag their feet on an Austrian treaty at a time when the Soviets were showing signs that they might be prepared to be reasonable. In April of 1950, he told the Cabinet:

...While Soviet policy ultimately underlies all our troubles with the Austrian Treaty, we have also had difficulties with our Western allies. Neither the United States nor the French Government seem really to

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<sup>64</sup> CP (50) 66, 11 April 1950, CAB 129/39, PRO.

<sup>65</sup> For a more detailed account of this period of reduced Cold War tensions in mid-1949, see Klaus Larres, *Churchill's Cold War : the politics of personal diplomacy* (New Haven: Yale University Press, 2002), p.131. See also Robert Murphy, *Diplomat among warriors* (London: Collins, 1964), pp.391-394.

have faced the full implications of getting an Austrian Treaty until it was too late to reverse the policy of trying to get one. For a long time the United States Government sheltered behind the supposed unwillingness of the Soviet Government to conclude a Treaty, and behind the complexity of the German assets question. However when the negotiations were resumed at the beginning of 1949, the State Department had evidently decided in favour of concluding the Treaty, provided tolerable terms could be secured. ... It is possible that the Americans went further in Paris than they intended to, and that this was one of the reasons for their stubbornness in the subsequent negotiations. ...<sup>66</sup>

More likely, Washington had, in fact, faced up to the full implications of getting an Austrian treaty and withdrawing from the country before Austria had sufficient armed security forces to protect against a communist coup, and that it was Bevin who had not grasped the full ramifications of such a potential blunder. One month later, however, Bevin acknowledged formally that his drive to negotiate a treaty at any cost had failed, and concluded 'the fact that the Russians have ceased to want a Treaty has altered the whole position, and I do not now advocate the making of concessions which are unlikely to serve any useful purpose'.<sup>67</sup>

Mallet took the Vyshinsky/Zarubin offer directly to Bevin in August of 1949, after receiving the somewhat astonishing advice from Britain's Minister in Vienna (1948-1949), Sir Bertram Jerram that Austria's economy would not suffer as a result of a treaty acceptable to the Russians.<sup>68</sup> Jerram had, however, added an important proviso, namely that, should such a treaty be

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<sup>66</sup> CP (50)66, 11 April, 1950, CAB 129/39, PRO.

<sup>67</sup> CO (50) 93, 4 May 1950, CAB 129/39, PRO.

<sup>68</sup> Memorandum of Conversation, Mallet and Bevin, 19 August 1949, C6548, FO 371/76447, PRO.



signed, Austria's need for foreign aid would become more important and more prolonged.<sup>69</sup> Here, Jerram had given contradictory advice. Either Austria could afford to pay the Soviet price without having her economy affected, or she could do so only with expanded foreign aid – a situation reminiscent of the failed First Republic, and a development that all of the Western Powers wanted to avoid. Bevin's response, as recorded in a Minute summarising this conversation, was that he, personally, was in favour of signing a treaty on Russian terms, but he would accept whatever decision the Americans made. If the Americans did not want to sign the treaty at that time, he regarded it as important that 'the onus of such a decision be placed entirely on them'.<sup>70</sup> Here again, one sees the steam going out of Bevin's energetic drive to win independence for the Austrian people. Passing the buck was hardly a characteristic of the younger and more physically fit Ernest Bevin.

Bevin's behaviour at this point was more than a simple cop-out. He was obviously tiring of the Austria problem and wanted it settled, almost regardless of the consequences. He had advice from his senior diplomats in Vienna that Austria would not necessarily suffer economically from a treaty on Russian terms. He also had advice from the Joint Chiefs of Staff that it was in British interests to withdraw all occupation forces from the country if the Foreign Office could not conclude a treaty before a 'stable Austrian

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<sup>69</sup> Jerram to Foreign Office, 13 August 1949, C6417, FO 371/76446, PRO.

<sup>70</sup> Cronin, *Great Power Politics and the Struggle Over Austria*, p. 81.

government was in control'.<sup>71</sup> In offering this opinion, the Chiefs of Staff said that the conclusion of a treaty and development of strategies designed to preempt Communist subversion into Austria must remain the responsibility of the Foreign Office – a classic demonstration of passing the buck.

Not surprisingly, there was opposition to Bevin's approach in Washington where the British strategy was seen as an unnecessary sell-out to the Russians and a distinct departure from the original policy objective of guaranteeing a free, independent and sovereign Austria. It was broadly recognised – not without some irritation – that America, alone, would have to bear the costs of any bribe paid to the Soviets in return for an Austrian State Treaty. And nobody in Washington really believed that the Austrians would be able to sustain the cost of a treaty under these circumstances anyway, despite Foreign Minister Gruber's assurances to Bevin to the contrary. Experts in the Austrian Foreign Ministry, Gruber had said, were working out how the country could pay what the Soviets were asking in return for the German assets they had confiscated. Gruber also argued that an early withdrawal of occupation forces would benefit the Western Powers because it would remove the Soviet Army from Tito's northern border, make it easier to bring Austria into the European Council and other international organisations, and the treaty would be encouraging to the West Germans. Gruber asked

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<sup>71</sup> Report by the Joint Planning Staff, Chiefs of Staff Committee, 5 December 1947, 'Withdrawal of Allied Forces from Austria,' C199/G, FO 371/70388, PRO.

Bevin to encourage the Americans to grant Soviet economic demands and agree to an early treaty.<sup>72</sup>

Bevin subsequently met with the American Ambassador in London, and put forth these arguments, offering his opinion that all of these benefits would be worth paying a 'small price' to the Russians.<sup>73</sup> Ambassador Douglas disagreed, pointing out that the United States Senate would never ratify such an agreement and, besides, an agreement along the lines Bevin seemed to want would give the Soviets 'dangerous economic influence over Austria'. He once again told Bevin that his government did not believe the Austrians could afford to pay the Soviet price, regardless of what Gruber was alleging, and as soon as the Austrians found themselves in trouble, they would call for the Americans to bail them out – yet again. Douglas also remarked that it was easy for Great Britain to lobby in favour of bribing the Soviets because London would not bear any of the costs.<sup>74</sup>

It was following this 26 August 1949 conversation that Bevin took his argument directly to Acheson, but to no avail. Acheson was already under harsh pressure from critics of the Truman administration, and he knew full well that such an agreement would not be approved in the Senate. The mid-term US elections had resulted in Republican control of both houses of

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<sup>72</sup> Cronin, *Great Power Politics and the Struggle Over Austria* Cronin, p. 82. Gruber had specifically told Bevin that experts in the Austrian Foreign Ministry had worked out detailed plans for the payment of what the Soviets were asking for the return of German assets to Austria.

<sup>73</sup> Foreign Office London, 'Conversation Between the Secretary of State and the American Ambassador,' 26 August 1949, FO 465/3, Document 23, Telegram 1242, C 6812/176/3,

<sup>74</sup> Ibid.

congress, and Truman was wrestling with formidable political opposition. Also, Acheson's personal position in Washington was far too shaky to permit him to incur further political risks. He was accused from several directions, accurately as it was later proven, of tolerating Communists and Soviet agents in the State Department. Truman and Acheson's policies in the Far East were seen by many as having abandoned a valuable ally in Nationalist China, and losing Mainland China to the Communists. Acheson had come squarely into the sights of the House Un-American Activities Committee and, later, Wisconsin Senator Joseph McCarthy, who was popular with the American public and who later, accused Acheson in public of hiding Communist spies in the State Department.<sup>75</sup> Acheson's spirited defence of Alger Hiss - even after Hiss was exposed, tried as a Soviet spy and convicted of perjury - did not contribute to the public's perception of his judgement on matters of national security. At this point in time, Acheson was certainly not inclined to do anything else that could be interpreted as yet another gift to Communism.

Bevin's behaviour in this interaction with his American counterpart indicates that he may not have understood - or at least was not adequately respectful of - the intricacies of America's political process, and that he was not sensitive to the wide spectrum of political forces at play in the United States.

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<sup>75</sup> On 9th February, 1950, Joseph McCarthy gave a speech at Wheeling, West Virginia, in which he attacked Acheson as 'a pompous diplomat in striped pants'. McCarthy alleged that some State Department officials were passing secret information to the Soviet Union. Declassification of the Venona Papers in 1995 proved that some of McCarthy's accusations were correct - the American Government was, in fact, riddled with Soviet spies. Acheson had seen this pressure mounting and, during the latter stages of 1949, had become more cautious in his own dealings as Secretary of State. See Michael Paul Rogin, *The intellectuals and McCarthy: the radical specter* (Cambridge, M.I.T. Press, 1967). pp. 232-235.

Perhaps Bevin and his advisors focused solely on opinion inside the Washington Beltway and remained oblivious to the mood of the broader American public. It is possible that his people on the ground in the United States and in the Foreign Office were not reliably informed – or that they were misinterpreting what they saw, perhaps confused by the vast amount of information and intensity of emotions circulating in the capitol. On the other hand, reporting by experienced British diplomats posted in other American cities did highlight the American public's anger over Communist infiltration of the government and the influence Communists appeared to be enjoying over US foreign policy.<sup>76</sup>

In April 1950, in a paper to the Cabinet analysing why no Austrian treaty had been concluded to date, Bevin reported that the State Department '... were concerned also with their own domestic difficulties particularly with the Army Department and with Congress, and indeed public opinion generally'.<sup>77</sup> Bevin apparently had forgotten that the United States was a democracy in which the views of the American public and their elected representatives in congress always have profound effect on national policy – much more so than in Great Britain where a different system for foreign policy formulation exists. Of course appointed officials in the Truman administration were sensitive to the mood of congress and the American people, and the mood at that particular time was definitely not receptive to gratuitous concessions to Communism.

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<sup>76</sup> See, for example, British Consulate General Chicago, 'Anti-British Sentiment,' 27 October 1949, Telegram No. 80, 27 October 1949, FO 371/74174,,

<sup>77</sup> CP (50) 66, 11 April 1950, PRO.

Cronin makes the interesting point in her *Great Power Politics and the Struggle Over Austria*, that, had the United States and Britain taken Bevin's advice and paid the Russians for a treaty, Moscow would have almost certainly strengthened her hold on Austria's economy. Bevin's advisors had apparently not noticed that the first payment against the suggested debt to the Soviet Union would have been due only two months after the treaty was signed, one month before occupation troops would have been obligated to exit the country. Despite what Gruber told the British, the Austrian parliament was not at all certain that Austria would have been able to pay even this first instalment against the Soviet debt.<sup>78</sup> Had Austria reneged on the first instalment payment while foreign occupation troops were still in the country, the Soviets could have used this payment failure as justification to keep the Soviet Army in Austria. Such a decision would have, it is reasonable to conclude, caused the Western Powers to also keep Western forces in the country, leaving the situation almost as it was before conclusion of the treaty with one important difference. The Soviet Union would have acquired legal justification for its exorbitant economic demands and would have landed in a stronger position in the country.<sup>79</sup> Knight dismisses this as a 'rather flimsy (American) economic objection to a treaty.'<sup>80</sup> 'Perceptive' might be a more appropriate adjective to employ in this observation.

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<sup>78</sup> Minute of a meeting between the three Western foreign ministers, 29 September 1949, at the Waldorf Astoria Hotel in New York, C7755, FO 371/76451, PRO.

<sup>79</sup> Cronin, *Great Power Politics and the Struggle Over Austria* p. 91.

<sup>80</sup> Knight, *British Policy Towards Occupied Austria 1945-1950*, p. 243.

1949 was the last year during which responsible Four Power discussions took place on the subject of an Austrian State Treaty. The Deputies for Austria did meet again on 9 January 1950, but the meeting produced no constructive results. For Austria and the Austrian people, the year was full of false starts and false hopes, and it ended in an atmosphere of gloom and dejection. What must have seemed like the last coffin nail was driven home on 22 November when Soviet Treaty Deputy Zarubin, ignoring a total capitulation by the Western Powers to Soviet treaty demands only four days earlier, announced that the Soviet Union was not prepared even to discuss an Austrian Treaty until full agreement was reached on the trivial Article 48, which pertained to post-war relief supplies of dried peas taken from German Army stores and distributed by the Red Army, an issue that hardly qualified as a deal-breaker in any serious discussion. This was a heavy-handed deflection from the real issues. Knight calls it an obvious 'red herring'.<sup>81</sup> It was broadly known that the supply of peas was worm-ridden, a fact that detracted somewhat from Soviet largesse. As one result of this bizarre pea issue, the dramatic statue of the victorious Red Army soldier, which still stands in Vienna's IV District, acquired the Viennese nickname of '*Erbse**nkönig*'.<sup>82</sup>

1949 was the year in which the Soviet Union exploded her first atomic bomb (29 August), thereby propelling the Cold War into a totally new phase and

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<sup>81</sup> Ibid. p. 245.

<sup>82</sup> This author was resident in Vienna at the time and recalls this example of droll Viennese wit. This memory is reinforced by that of Dr TH Bagley, another Old Austria Hand, via a personal communication dated 22 April 2002, copy available in author's personal files.

introducing a modern definition of the term deterrent force. 1949 was the year in which Stalin's personal interest and attention swung from Europe in the direction of the Far East, and this could go far in explaining the erratic nature of Soviet diplomatic behaviour in Austria's quadripartite forums from this date until the treaty was agreed in early 1955.

Beginning in March, Stalin became preoccupied with his secret meetings in Moscow with Kim Il Sung, the North Korean dictator, during which the two crafted a relationship between the Soviet Union and Communist North Korea, and during which they eventually agreed to start the Korean War.<sup>83</sup> In December 1949, Stalin engaged in the first of five significant meetings with Mao Zedong of the newly created People's Republic of China. The original documents emerging from these meetings are in the Archive of the President, Russian Federation, and copies are available at CWIHP in Washington, DC. With the Vozhd's attention focused elsewhere, the Kremlin's staff for Austria was apparently not inclined to take initiatives, and Austria faded from the Soviet list of foreign policy priorities.

### **RE-ARMING AUSTRIA**

Recognising the necessity for Austria to have a capability to provide for its own internal security, Britain, France and the United States went about the task of rearming the country. The initiative was taken in Washington. On 17 November 1949, the US National Security Council produced a Top Secret document that was declassified only in March of 1999. NSC 38/4, 'A Report

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<sup>83</sup> See Introduction.



to the President on Future Courses of US Action With Respect to Austria,' is a fifteen-page document summarizing various views on the nature and timing of possible courses of action with respect to the Austrian State treaty and also regarding Austria's ability to provide for her own internal security, once a treaty was concluded. It discussed the current state of Austria's internal security capabilities at the time, and it concluded with an identification of American, British and French policy options.<sup>84</sup>

Western military commanders assumed that political and economic factors might dictate the conclusion of an Austrian treaty before the country was prepared adequately for self-defence, and that ideal circumstances might not prevail. The US Joint Chiefs of Staff recommended to the NSC:

...the treaty should be concluded in such a manner that Austrian armed forces are reasonably adequate to perform all tasks envisioned in the treaty... the most urgent problem involved in the conclusion of the treaty is the creation of an initial Austrian army capable of maintaining internal order during the period immediately following withdrawal of the occupation forces and pending the expansion of the army to the full strength authorised by the treaty.<sup>85</sup>

Further, it was the JCS view that, in order to guarantee effective internal security, Austria must have not only an army but also a strong local police or mobile army capable of '...imposing martial law in principal industrial and political centers in the event of internal disorder, and to prevent the entry of

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<sup>84</sup> NSC 38/4 was updated by NSC 38/5. NSC 38/6 and then superseded by NSC 164/1 in May 1950. See Folder 'Austria (3),' Box 47, Disaster File Series, NSC Staff Papers, Eisenhower Library.

<sup>85</sup> NSC 38/4, p. 2.

foreign action groups attempting to create internal disorder or attempting to arrange a coup d'état.<sup>86</sup>

Paragraph 3-d of NSC 38/4 is entitled 'British and French Views'. Here, it is acknowledged that '...the exact extent or effectiveness of British and French participation in the program for Austrian internal security has not been determined'. In response to a 22 July 1949 request by the United States to both France and Britain asking for specific information on how they would participate in the rearming of Austria, the French Foreign Ministry replied that their Ministry of National Defense was studying the matter. France might, it was said, be able to provide some light weapons such as automatic rifles, pistols, machineguns and ammunition, depending on who paid for this equipment. The British Government answered that it '...considers the equipping of the Austrian army a United States responsibility'.<sup>87</sup> Bevin said British forces might agree to leave behind some surplus military equipment when their troops pulled out of Austria, but he declined to quantify this contribution. Britain did, however, agree to train and equip an Austrian Air Force consisting of 5,000 men and 90 aircraft.

The following Foreign Office Minute is a reliable reflection of London's views:

The Americans and, to a lesser degree, the French, attach the greatest importance to ensuring that Austria should be in a position to defend herself against a communist coup when allied forces are withdrawn. It appears that the US military made this a condition for

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<sup>86</sup> Ibid.

<sup>87</sup> Ibid.

their consent that the State Department should be authorised to make all concessions to the Soviet necessary to get agreement on the Treaty. The Americans therefore attach importance to these conversations, and we have agreed to participate in them.<sup>88</sup>

Again, the British got it slightly wrong. The American military command was never in a position to set conditions for foreign policy. Every contribution to this debate by the JCS was in the form of opinion or recommendation. It was the purpose of NSC 38/4 to pull together the opinions of the JCS and all other interested parties, to merge them into an NSC recommendation, and to present this recommendation to the President of the United States. As Truman confirms, only the President decides policy:

The difficulty with many career officials in the government is that they regard themselves as the men who really make policy and run the government. They look upon the elected officials as just temporary occupants. Every President in our history has been faced with this problem: how to prevent career men from circumventing presidential policy. Too often career men seek to impose their own views instead of carrying out the established policy of the administration. Sometimes they achieve this by influencing the key men appointed by the President to put his policies into operation. It has often happened in the War and Navy Departments that the generals and the admirals, instead of working for and under the Secretaries, succeeded in having the Secretaries act for and under them. And it has happened in the Department of State.

Some Presidents have handled this situation by setting up what amounted to a little State Department of their own. President Roosevelt did this and carried on direct communications with Churchill and Stalin. I did not feel that I wanted to follow this method, because the State Department is set up for the purpose of handling foreign policy operations, and the State Department ought to take care of them. But I wanted to make it plain that the President of the United States, and not the second or third echelon in the State Department, is responsible for making foreign policy, and, furthermore, that no one in any department can sabotage the

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<sup>88</sup> Mallet to Sir I. Kirkpatrick, Foreign Office Minute, 9 February 1950, 'The Rearmament of Austrian Forces', C113, FO 371/84927, p.1, PRO.

President's policy. The civil servant, the general or admiral, the foreign service officer has no authority to make policy. They act only as servants of the government, and therefore they must remain in line with the government policy that is established by those who have been chosen by the people to set that policy....<sup>89</sup>

NSC, State Department and Defence Department documents show that, despite spirited debate, the NSC was unable to reach agreement on Austrian Treaty issues. Consequently, the secretaries of state and defence reported this impasse to Truman, who thought about it for a moment and then issued instructions that an Austrian treaty be concluded as soon as possible. The remaining time should be used to beef up Austria's internal defence capability to the extent possible. This, then, was US policy.

The Western Allies already had sound legal grounds for their ensuing activities. Article 17 of the draft treaty had already been agreed by the Four Powers. This Article limited Austria to a force capable of maintaining internal order and protecting the national borders. The force could not exceed 53,000 men, including border guards, air force, river patrols and a gendarmerie. Austria would be limited to an air force of 5,000 men and ninety aircraft of which no more than seventy could be combat capable. The air force was not permitted to possess any aircraft that had been specifically built as bombers. Austria's military forces would be pledged not to rebuild any of the World War Two military facilities that had been destroyed by the four occupying powers. A Soviet demand that the Austrian military be armed and equipped solely

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<sup>90</sup> Harry S. Truman, *Memoirs: Years of Trial and Hope 1946-1952* (Garden City, NY: Doubleday & Company Inc., 1956), p. 165.

with weapons and equipment manufactured in Austria by Austrians was withdrawn by the Russians on 15 April 1948. It is ironic that, after causing so much trouble between East and West, Article 17 was one of the treaty articles left out of the final treaty draft in 1955. The final Austrian State Treaty did not contain restrictions on the size of Austria's military forces.<sup>90</sup>

But in the late 1940s, Article 17 still posed major problems. The West had determined that the full treaty limit of 53,000 men, including 11,000 gendarmes, was required to protect the internal security of the country. The Austrians had estimated that it would take between one and two years to recruit, train, equip and field an army of this size. But Article 33 of the treaty draft gave them only ninety days after conclusion of a treaty to build that force.

Because the United States was driving this issue and Britain was going along with whatever Washington decided - so long as it did not involve any money from London - it is worth summarising how the US decided to approach the rearming of Austria. Moscow was watching closely and remained sensitive to anything the West did to strengthen Austrian military and paramilitary capabilities. Western officials assumed that the Kremlin was hoping to concoct strategies for later use in Germany on rearmament issues.

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<sup>90</sup> See Article 17 of the Austrian State Treaty, and the final Treaty text, both carried in full in the German language in: Gerald Stourzh, *Um Einheit und Freiheit: Staatsvertrag, Neutralität und das Ende der Ost-West Besetzung Österreichs 1945-1955* (Vienna - Cologne - Graz: Böhlau Verlag, 1998), pp. 681-773.

It was left to US High Commissioner, Lieutenant General Geoffrey Keyes, to submit recommendations for a smaller force, one that could be raised and ready within ninety days of the signing of a treaty. Keyes thought it would be possible for Austria to recruit and train some 28,000 troops within the specified period of time, providing total cooperation from the Austrian Government.<sup>91</sup> The Defence Department determined that the US could furnish sufficient small arms and ammunition for a force of this size within three to four months, and armoured cars and light tanks could be provided within to six months, all without negative effect on the minimum procurement requirements of the US Army. It would take about a year, however, to develop the capability to transport such an army. Total cost would be in the vicinity of \$82 million, and these funds could be made available, if the congress could designate Austria as a recipient country under enabling legislation for the US Military Aid Program. Unfortunately, congress was not inclined to do this until the treaty was actually signed.

NSC 38/4 identified all available options. The option of accepting a treaty in the absence of adequate provisions for internal Austrian security was dismissed as unacceptable. The second involved a tactic to delay ratification of the treaty in order to buy more time to complete the raising of a security force. This, too, was dismissed as undesirable. The United States '...should not be placed in the position of delaying ratification'.<sup>92</sup> A third tactic would have the Western Powers creating an Austrian army or expanding the

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<sup>91</sup> NSC 38/4, paragraph. 4-a, p. 5.

<sup>92</sup> NSC 38/4, paragraph 5-a-(2), pp. 8-9.

existing gendarmerie without Soviet approval. The Western Powers were already training and equipping one regiment of gendarmerie in the Western zones and had begun covert military planning for more with the cooperation of the Austrian Government. It was thought that the gendarmerie program could produce an army of approximately 28,000 men. If the Soviets disapproved, it would have to be done covertly. This was seen as another 'undesirable', but one that should be considered if the three Western Allies decided to proceed with the Austrian Army without Soviet approval.

The fourth option revived an agreement the three Western Powers had made on 15 September 1949, to raise the question of an Austrian Army with Moscow at the moment an Austrian treaty was signed, so that recruitment and training could begin immediately.

The final option, to seek a revision of the treaty, was also dismissed:

From the military point of view, the phasing-out of the occupation forces in consonance with the ability of the Austrian army to assume the responsibility of internal security would further the desired objective, if other means are not successful. It would be necessary, however, to secure Four Power agreement to increase the 90-day period (Article 33) to 180 days. From the political viewpoint, such a proposal would not be desirable, as it would open the door for the Soviets to request reconsideration of any other agreed article, such as the article relating to Austria's frontiers. A proposal to increase the 90-day period might also result in a Soviet demand for modification of the existing agreement on the schedule for the relinquishment to Austria of German assets now held by the Soviet authorities (Article 35).<sup>93</sup>

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<sup>93</sup> NSC 38/4, paragraph 5-b, p. 11.

In signing NSC 38/4, the President ordered that the United States should insure, by all appropriate measures prior to the withdrawal of the occupation forces, that the Austrian armed forces were adequate to maintain internal security. An army of 28,000 troops would be required to maintain order during the period immediately following the departure of occupation troops, and this force would have to be expanded to the full 53,000 allowed by the treaty within two years, maximum. The most desirable course of action would be for the Three Powers to seek Soviet approval to build the allowed Austrian Army as soon as the treaty was signed. If the Soviets did not agree to extend the ninety-day limit so as to allow the force to be completed, then the Three Powers should begin immediately to build the army in the Western zones without Soviet approval, and to seek agreement from France and Britain to begin this action at least three months before ratification of the treaty.

In any case, it was decided that the US should continue efforts to obtain agreement by Britain and France to assume their share of the mutual responsibility for the internal security of Austria. The West should continue to impress upon the Austrian Government the necessity for complete cooperation in the creation of the Austrian army. America should earmark equipment for Austria under the Military Assistance Program with a sufficiently high priority to insure the availability of essential equipment by the time a treaty comes into force. Also, equipment programmed for Austria should be shipped to Austria and/or Germany for storage under U. S. control.<sup>94</sup>

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<sup>94</sup> NSC 38/4, paragraph 11, p. 13.



Bischof suggests that it was the strikes of September/October 1950 that 'finally' led the Western Powers and the Austrian Government to join together and build an Austrian security force.<sup>95</sup> In fact, an agreement had been reached between Britain and the United States well before the autumn disturbances, requiring the US to equip an Austrian army and for Britain to equip an Austrian air force.<sup>96</sup>

On 23 December 1949, Keyes wrote to his British counterpart, documenting a recent personal discussion during which the two agreed to review the whole subject of security forces for Austria.<sup>97</sup> He suggested that the two agree on as many points of a detailed plan as possible, and then to forward the disagreed points to their respective governments for negotiation. Keyes stressed US desire to leave Austria capable of maintaining internal security and protecting against a communist coup d'état.

Prior to the withdrawal of the occupation forces, we must insure that adequate progress has been made toward the creation of an Austrian army in being which, together with police and gendarmerie, is capable of maintaining internal security and preserving boundaries from marauding bands or satellite action groups capable of causing a coup d'état.<sup>98</sup>

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<sup>95</sup> Bischof, *Austria in the First Cold War, 1945-1955; The Leverage of the Weak* p. 120.

<sup>96</sup> Foreign Office London, 'Austrian Army,' 9 February 1950, FO 371/84927, C 1133/37/3G,

<sup>97</sup> Keyes Top Secret Memorandum to Major General T. J. W. Winterton, 23 December 1949, C304, FO 371/84927, PRO.

<sup>98</sup> Ibid, paragraph 3-d , p. 1.

To this paragraph, the British High Commissioner replied: 'I agree'.<sup>99</sup>

Winterton agreed with Keyes' statement of objectives, using only slightly different wording – 'to put down any trouble fomented in frontier districts by 'satellite' countries' – but with the same intent. He opined that the Russians were not interested in the internal security of Austria and would oppose all efforts to raise an Austrian army. He reminded Keyes that it would be illegal for Britain and the United States to begin arming and organizing an army until the State Treaty was ratified. The West was prohibited from forming the army before the Treaty was signed, and it would not be possible to raise sufficient army units during the ninety-day period between conclusion of the Treaty and withdrawal of occupation forces.

Consequently, we must look to some agency other than the army to provide most of the internal security forces needed by the time we withdraw, since it is essential for us to proceed by legal means. ...It may be possible under these conditions to raise and train certain units, probably infantry units, which will be available for internal security purposes by the time the Occupation Forces withdraw or very soon afterwards.<sup>100</sup>

Winterton thought it would probably be necessary to raise the desired security forces before the Treaty was signed as gendarmerie. The current strength of Austria's gendarmerie was 10,500 and Winterton envisioned the necessity to recruit an additional 10,000 men. He recognised that the doubling of Austria's gendarmerie would require more money, but pointed out

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<sup>99</sup> Winterton to Keyes, 11 January 1950, C304, FO 371/84927, p. 2, PRO.

<sup>100</sup> Winterton to Keyes, p. 1.

that a supplementary budget to accommodate this increase in gendarmerie strength would not be an Austrian Constitutional Law and, therefore, there was nothing the Russians could do to prevent its passage, even though they could obstruct implementation in the Soviet Zone.

One Colonel P. D. Miller of the Headquarters, Allied Commission for Austria, British Troops Austria, sent copies of this exchange to London, where it was received by A. G. Gilchrest in the German Political Department of the Foreign Office. On the cover sheet attached at the Foreign Office, one D. M. Kitching added a hand-written minute 'General Winterton is the more practical'.<sup>101</sup>

This exchange on the Austrian army progressed to the point where talks were scheduled to be held in Washington. Each party was to draw up specific plans for, respectively, an army and air force. In the process, a table of organisation and equipment (TO&E) had been formulated for a military force of 27,855 strong.<sup>102</sup>

By the end of January 1950, the British High Command had completed a detailed TO&E for an Austrian Air Force, including plans to train the core element of the new air force in the United Kingdom – providing that 'the formation of the Austrian Air Force will in no way be a cost to the Royal Air

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<sup>101</sup> Cover sheet to the Keyes – Winterton exchange of December 1949 – January 1950, C304, FO 371/84927, PRO.

<sup>102</sup> Miller to Foreign Office, 7 February 1950, C1173, FO 371/84927, PRO.

Force'.<sup>103</sup> The aim of the plan was to form a small air force capable of supporting the country's internal security forces. The Plan envisaged the creation of three fighter squadrons, an Air Force headquarters element, a training and organisation program, as well as plans for maintenance and signals units. The new Austrian air force would be equipped with fifteen Tiger Moths, twenty eight Harvards, eight Oxfords, sixteen Spitfire MK-14s, and thirty-two Spitfire MK-16s. In terms of manpower, the Royal Air Force plan envisaged an Austrian force of one hundred and seventy six officers, 1,801 other ranks and thirty seven civilians. With the exception of nine already-qualified Austrian pilots, the RAF planned to train Austrian personnel with no previous flying experience. The cost was estimated at £26,342 to cover all of the training planned in the United Kingdom, and £1,750,000 for the aircraft and equipment. The plan provided for this organisation to be in place, having achieved combat - effectiveness eighteen months from the point of execution of the plan – 'D plus 18'.

Anglo-American discussions to finalise these plans were intentionally scheduled for a period of time during which the Russians were refusing to discuss the Austrian State Treaty. The cover sheet on a 9 February 1950 Foreign Office Minute from Sir Ivo Mallet, Britain's Deputy Foreign Minister for Austria, to Sir Ivone Kirkpatrick, Permanent Under-Secretary of the German Section, forwards '...reasons why these suggested talks should take place while the Russians are still opposed to the Treaty'.<sup>104</sup>

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<sup>103</sup> Air Ministry Memorandum from Group Captain R. B. Wardman to I. F. Porter of the Foreign Office, 31 January 1950, C833, FO 371/84927, PRO.

<sup>104</sup> Mallett to Kirkpatrick, 'Austrian Army,' 9 February 1950.

Mallet suggested two reasons why Britain should try to postpone talks on an Austrian army. First, he saw little reason to prepare plans to rearm Austria when he thought these plans could not be implemented until a treaty was signed. Aside from the common sense conclusion that prior planning for major events is usually of benefit, Mallet's assumption was simply wrong. The West could have begun organising and arming Austrian military and paramilitary units in their occupation zones at any time – providing the British and American governments were prepared to do so and to cope with the inevitable Soviet protest. The Soviets had made it clear by this time that they were not prepared even to discuss an Austrian treaty, and the Western Powers had, themselves, concluded that progress on an Austrian treaty was an unrealistic expectation. The Soviets were complaining periodically about allegations that the Western Powers were building an Austrian army anyway, even as they called up their own paramilitary units in the Russian Zone, with little if any sensitivity to the way the Western Powers or the Austrian Government would react.

Mallet was also afraid, with justification as it turned out, that any talks held between Britain and the United States on the subject of an Austrian army would leak to the Soviets and harden the Kremlin's stand against a State Treaty. Correspondence between London, Washington and Vienna on the issue carried the warning 'this telegram is of particular secrecy and should be

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retained by the authorised recipient and not passed on'.<sup>105</sup> One Foreign Office Telegram to Washington warned 'I am particularly anxious that at the present time there should be no leakage regarding these discussions. Please endeavour to ensure that secrecy is maintained, and express to your colleagues my hope that they will take precautions to this end'.<sup>106</sup> Telegram 720 was classified SECRET and transmitted via 'OTP,' which means one-time pad, a common and unbreakable code system in which the sender and receiver personally encipher and decipher the message using code pages that are employed only once and then destroyed.

Of course, large bureaucracies have ways of neutralising the effects of even the most rigorous security precautions, and this Foreign Office telegram is a classic example of what can happen to secret material. Sender and receiver toiled, probably for hours, to cipher and decipher the message, yet copies of it were sent to British embassies in Paris and Vienna, and the distribution listed by the drafter provided for copies to be sent to the German Political Department, Northern Department and Western Departments. Technically, this means that most if not every official assigned to those large government departments could gain access to the ultra-secret, priority transmission once it was decoded. The wider the distribution, the less secure the information.

Mallet's fears of a leak were well founded for other reasons, given what was later revealed about the depth of Soviet intelligence penetration of the British

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<sup>105</sup> As an example, see Foreign Office Telegram 1026, 4 March 1950, C1129/37/3, FO 371/84927, PRO.

<sup>106</sup> Foreign Office Telegram 720, 3 February 1950, FO 371/84927.

Foreign Office at home and abroad. The successes of Blake, Cairncross, Philby, Burgess and Maclean are legendary in the history of Cold War espionage, and much has been written outlining the extraordinary access these agents had to classified information during their service on behalf of Soviet Intelligence. The historiography of Soviet espionage against the United Kingdom includes books authored by Soviet intelligence officers who handled the so-called 'Cambridge Five' or the 'Crown Jewels'. Any rational assessment of Soviet access to Western secrets during the period of the Austrian occupation must conclude that little if any important correspondence exchanged between the United States and Britain on sensitive matters remained hidden from Soviet eyes.<sup>107</sup> Richard Aldrich's excellent book, *The Hidden Hand*,<sup>108</sup> and *KGB: The Inside Story*,<sup>109</sup> by Christopher Andrew and Oleg Gordievsky, are two examples of books that describe how serious were the security breaches in the Foreign Office and its key embassies abroad during precisely the period of time the Foreign Office was demanding the tightest possible security surrounding all exchanges regarding the rearming of Austria.<sup>110</sup>

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<sup>107</sup> Whether Stalin and his successors believed and acted on information flowing from British sources remains a matter of speculation. It is common knowledge that Kremlin leaders tended to ignore information that did not coincide with their own thinking, and also that Soviet intelligence headquarters did not always forward information that they felt would not please the current Kremlin leadership.

<sup>108</sup> Richard J. Aldrich, *The Hidden Hand: Britain, America and Cold War Secret Intelligence* (London: John Murray, 2001).

<sup>109</sup> Christopher Andrew and Oleg Gordievsky, *KGB : the Inside Story of its Foreign Operations from Lenin to Gorbachev* ([London]: Sceptre, 1991, 1991).

<sup>110</sup> Aldrich, *Aldrich: Hidden Hand* .

## **AUSTRIA - A GARRISON STATE?**

Mallet's 9 February Minute highlights a difference of opinion between Britain and the US on the matter of re-arming Austria, even though Britain had already agreed formally to participate in the exercise. The document is also revealing because of what it does not contain. Reference has already been made to suggestions in the historiography that US High Commissioner Keyes used his position in Austria to launch a political power play to assume military control over American policy and turn Austria into a garrison state (see Introduction to this chapter).

British representatives in Austria and in the Foreign Office would certainly have become alarmed by any such extraordinary departure from normal diplomacy - especially given the many, daily interactions between British and American officials in Austria, London and Washington. Mallet makes no mention of any British concern that the American military were attempting to 'militarise' US policy towards Austria or to turn the country into an American 'garrison state'. In fact, there is no mention of any such British concern in any of the diplomatic or military correspondence studied in the Public Record Office or the US National Archives for the purposes of this thesis. It is unlikely that Mallet could have discussed British and American views on the re-arming of Austria in this type of document without at least referring to an American attempt to turn Austria into a NATO garrison state, had there been any such move in this direction. The British were never hesitant to tackle Americans when they thought Washington's policies were straying off-track. They certainly did so during the Korean War when London was worried that



General Douglas MacArthur's aggressive recommendations might start a war with China and that President Truman was considering the use of nuclear weapons. It is inconceivable that the British would have stood idly by and watched American military officers seize control of US policy in Austria without creating a furore.

The myth that Keyes, sought to control American foreign policy seems to have originated with Austria's Günter Bischof.<sup>111</sup> US Army Lt. Col. James Carafano attempts to justify the allegation, and stretches more than a little to do so. His dissertation and subsequent book are, in part, based on the premise that the American military establishment in Austria succeeded in turning Austria into a garrison state as part of NATO's defence.<sup>112</sup> According to this theory, the Austrian people were denied their independence for an inordinate period of years because of US military scheming. Washington was as responsible as Moscow for prolonging the occupation.

Neither Bischof nor Carafano explain how it was possible for a military High Commissioner to 'militarise' a military occupation. Neither explains why Keyes did not expand American military forces in Austria beyond the skeleton crew present throughout the occupation, if he wanted to turn the country into a NATO garrison state and if the military's views prevailed in US overall policy formulation. To sell the idea that American military officers overturned

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<sup>111</sup> Günter Bischof, *Austria in the First Cold War, 1945-1955: The Leverage of the Weak* (New York: St. Martin's Press, Inc., 1999), pp, 111-129, 'Militarization of Austria'.

<sup>112</sup> James Jay Carafano, *Waltzing into the Cold War : the Struggle for Occupied Austria* (College Station: Texas A&M University Press, 2002). See also the advanced publicity for this book in *Eurospan Politics*, Autumn-Winter 2002, The Eurospan Group, London 2002, p. 24.

civilian control of foreign policy and were responsible for perpetuating an unnecessary occupation in Austria, proponents of this school must – and do – deflect attention from the fact that a deadly war was in progress, albeit a Cold War, and therefore much of the intent behind all Western policies was to strengthen national security and contain the war. The sale of this concept becomes even less persuasive when one recalls that the President who supposedly allowed the military to dominate foreign policy was the same President who, only a short while later, summarily fired one of America's most famous military officers, General of the Army Douglas MacArthur, for disagreeing in public with policies set by America's civilian leadership.

The conclusion that Keyes militarised American policy in Austria is simply wrong. The mistake arises from an inability to distinguish between strategy and policy, and a more specific inability – or unwillingness – to differentiate between policy recommendations and policy decisions. The conclusion also reflects poor understanding of how American foreign policy was formulated, as well as insensitivity to the furious internecine battles that were taking place in Washington at the time. Here, Bischof and Carafano share Ernest Bevin's penchant for misreading the American political system. But even Bevin never expressed concern that the American brass hats were taking control of policy.

Bischof and Carafano may be unaware of, or perhaps misled by a more local tussle that was taking place right in Vienna between Keyes and his Political Advisor, Jack Erhard, who represented the State Department. Here, there

was definitely a contest between military and civilian views, but it did not dominate American policy and it landed both Keyes and Erhard in trouble. The friction did not arise from any attempt to impose military control over policy. It had solely to do with a sharp difference of opinion regarding a fourth Austrian political party - a development already discussed in this chapter. Keyes opposed this addition to the Austrian political arena because he knew that the new party was Conservative and therefore would play to the Soviet's campaign to prove the Western Allies were soft on neo-Nazism. Erhard, backed by the State Department, argued that Austria should be allowed to pursue her own democratic destiny, even if this angered the Kremlin. Ekern explained the dispute this way:

The inter-agency dispute escalated, but the British were wise and experienced enough to keep hands off. Eventually, it resulted in the removal of General Keyes - and of Minister Erhard. And (it) led to the transfer of occupation responsibilities to the Department of State. To maintain an appearance of Western unity, the British and French were persuaded to also appoint civilian High Commissioners. The change was affected in the fall of 1950, but the Soviets did not follow suit for another three years. After all, their reasons for continuing the occupation were military, so they could hardly 'normalise' their presence.<sup>113</sup>

The militarisation issue is pertinent to the evaluation of British Austria policy because it demonstrates how easily one might be confused - as was Bevin - by the way American policy was formulated, especially in the wake of the 1947 National Security Act. Inherent in the 'militarisation' allegation is the suggestion that civilian political leadership in the White House and both Houses of Congress (Republicans and Democrats) stood aside and let this happen at a time when the political atmosphere in the capitol was electric

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<sup>113</sup> Halvor O. Ekern, in a personal letter to author, 6 March 2002, p. 3, original in author's personal files.

and most intelligent people with future ambitions had their political antennae tuned to maximum sensitivity and were ducking for cover. Also, the argument accepts that the newly formed US National Security Council – the operative word being *Council* - transformed itself into an advocate organisation and elevated the military establishment over the Department of State, allowing the Pentagon call the shots in American foreign policy.

Carafano alleges that (US) National security became both a mantra and obsession for successive post-war administrations. In the process of defining potential post-war dangers, the United States military, in effect, helped create, shape, and change the threat. Carafano is also disturbed that, in the policy vacuum of the early Cold War years, US strategy in Austria appeared to emerge from below, instead of emanating from above.<sup>114</sup> But he also reveals that Keyes' economic and political recommendations were not influential in Washington. He admits that Keyes failed to persuade the Pentagon to exaggerate the importance of Austria in America's overall foreign affairs priorities.<sup>115</sup>

A less diplomatic reader might be inclined to ask: and this surprises you? Few others would be shocked to see a responsible government emphasise national security issues at a time when national security was under threat. Britain's representatives in Austria certainly were not. Nor would most

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<sup>114</sup> Carafano, *Waltzing into the Cold War : the Struggle for Occupied Austria : US Military Operations in Occupied Austria, 1945-1955* (unpublished doctoral thesis, Georgetown University School of the Arts and Sciences, 2000), p. 312.

<sup>115</sup> Ibid., p. 531.

citizens of a democratic political system be surprised to see the strategy-formulation process flow upwards, as opposed to less democratic systems in which strategy and policy is dictated from above. If the complaint is that Austria presented little or no threat to US or British national security, this is correct, if somewhat short sighted. Armed Soviet troops were standing face to face with armed Western troops on Austrian soil and the slightest spark could have ignited a major confrontation of international dimensions. American foreign affairs expert, NSC member and former American delegate to the Allied Council in Vienna, William L. Stearman, calls the militarisation theory 'clear balderdash'.<sup>116</sup>

At the Washington end, there is also little evidence that political and strategic reporting by military intelligence units carried much weight in high-level policy chambers. Cambridge's Christopher Andrew has contributed usefully to the understanding of how President Truman handled the nation's intelligence organisations and capabilities, and makes clear that Truman had little regard for the Joint Chiefs of Staff input into high level intelligence reporting and analyses. 'Truman had limited confidence in the judgement of the Joint Chiefs of Staff, whose chairman, General Omar N. Bradley, struck him as rather weak and indecisive'.<sup>117</sup> This was hardly an endorsement of the view that the military dominated policy under Truman.

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<sup>116</sup> See personal communication from Stearman to author, 28 January 2000, available in author's personal files. See also : Warren Williams, 'The Road to the Austrian State Treaty,' in *Journal of Cold War Studies*, Davis Center for Russian Studies, Harvard University, vol. 2, no. 2, Spring 2000, p. 106.

<sup>117</sup> Christopher Andrew, M., *For the President's Eyes Only : Secret Intelligence and the American* (New York: Harper Collins, 1995) pp. 148-198.

When challenged on his interpretation of the degree of influence America's military exerted on policy, Carafano retreats to the speculation that, while the military may not have dictated policy, its intelligence reporting contributed to the making of policy in 'fundamental and important ways'.<sup>118</sup> Of course it did. Military Intelligence was one of many contributors to the large body of information available to decision makers in Washington and London. Military reporting consisted primarily of Soviet order of battle and military movements. Did attempts at sophisticated political and economic analyses by US and UK military commanders carry more or even as much weight in policy-making circles than those of experienced and trusted diplomats? Given American policy making process and the *modus operandi* of the National Security Council, probably not. Given the course of the furious debate during the late 1940s on how the national budget should be divided up between the various military services, probably not. Given the eventual decisions on Austria policy made by America's top leadership, certainly not. Carafano seems to recognise this in a less prominent paragraph in his dissertation:

By 1946, (military) intelligence support focused primarily on helping process individuals through the denazification program by conducting background checks and interrogations. Then, in February 1946, the Allies agreed to turn over control of the program to the Austrian government. A year later Army intelligence concluded that its participation in the process of denazification was all but complete. After this point its role was mostly passive, monitoring programs, preparing special reports, and compiling statistical analyses.<sup>119</sup>

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<sup>118</sup> Carafano, *Waltzing into the Cold War : the Struggle for Occupied Austria* , p. 546.

<sup>119</sup> Ibid., pp. 895-896.

Senior intelligence officers dispute the allegation that reporting by military intelligence organisations in Austria shaped American policy. William Hood, for example, was Chief of Operations in the Central Intelligence Agency (CIA) Vienna Station from 1951 until the treaty was signed.<sup>120</sup> He dismisses the Bischof and Carafano allegations as 'preposterous:'

I was considerably surprised to learn ... that some 'historians' have asserted that intelligence from the military wielded a dominant influence on US policy on the occupation of Austria. It has been some fifty years now, but surely not long enough for anyone to come up quite so far off base. During the occupation - that is after the smoke had cleared - Austria was the beneficiary of two outstanding High Commissioners -- each, of course, with ambassadorial rank. In 1950 ... Donnelly had the job. He was experienced, very aggressive and bright. He had various senior posts after leaving Austria. ... Donnelly's successor was Llewellyn Thompson ....

The notion that either of these ambassadors -- not to mention the State Department and White House -- being dominated by any influence from the military in Austria is simple preposterous....

I am not sure how much if any political reporting the military did on Austria before 1951, but it is impossible to believe that it was substantial or well received. I do not recall the CIA office ever having seen any of it -- and I would have done had there been any. It is also difficult to imagine that the military had any substantial reporting brief on Austrian political developments by the time the possibility of a State Treaty became likely. I do know that the CIA office had none at all.

The only time when the military might conceivably have had any impact on US policy in Austria would have been during the first years of the occupation .. 1945-1948. But this would not likely have had anything to do with the eventual State Treaty.<sup>121</sup>

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<sup>120</sup> Letter from William J. Hood to author, 28 April 2003, original in author's personal files.

<sup>121</sup> Ibid.

## **AUSTRIA AS A CENTRE OF COVERT INTELLIGENCE ACTIVITIES**

Of course Order of Battle and other reporting against military requirements from within the country were of great interest. But London and Washington wanted to know not only where the Soviets were, in what numbers, in what configurations and with what kind of weapons and equipment. They wanted to know Soviet intentions. David Stafford writes that Churchill continually demanded reliable data on the Soviet Union and Soviet Bloc. He wanted not only strength data, but also reports on military production, the Soviet budget, consumption of finished steel and so forth.<sup>122</sup>

Most required information was obtainable through overt sources, but British and American covert intelligence activities in Vienna contributed to the available body of information. The product from these operations was usually shared and received serious, if sometimes sceptical, treatment in the halls of Whitehall and Foggy Bottom. According to recently declassified documents from America's National Security Agency, the US and Britain developed the capability to decipher no less than six Soviet military codes, and were able to read virtually all traffic in those ciphers, as well as a variety of other Russian diplomatic, naval and police codes that the West's communications experts had broken. Unfortunately, on 29 October 1948, the Soviets changed virtually all of their cryptographic procedures and adopted the onetime pad, which was unbreakable.<sup>123</sup>

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<sup>122</sup> David Stafford, *Spies Beneath Berlin* (London: John Murray (Publishers) Ltd., 2002), p. 59.

<sup>123</sup> Ibid., p. 46, citing comments made by CIA historian, Dr Donald Steury during the 1998 Conference in Berlin on the subject of: 'On the Front Lines of the Cold War', to which this author was also an invited participant.



Vienna, along with Berlin, functioned throughout the Cold War as a major centre of international espionage and a favourite meeting ground for intelligence operatives of various nationalities. 'If there was a serious competitor to Berlin in the post-war spy stakes, it was Vienna.'<sup>124</sup> One senior intelligence officer commented that literally as well as figuratively, Vienna and Berlin were British and American listening posts to track the Soviet Central Group of Forces (CGF) in Austria (and) Hungary, and Group Soviet Forces Germany (GSFG)'.<sup>125</sup>

The Director of Central Intelligence, Richard Helms, described Vienna at the time as a place where '... the KGB is looking right down our throats...and they're playing for keeps – you can bet your hat and breakfast that they will double or kidnap any agent they spot'.<sup>126</sup> Another CIA officer was cautioned during his final briefings before taking up a senior post in Vienna, 'remember, the station is vulnerable – the KGB has penetrated the Austrian police and they've got informers three-deep around the embassy and every other American office'.<sup>127</sup>

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<sup>124</sup> Ibid., p. 17.

<sup>125</sup> Joseph C. Evans, E-Mail communication to author, 27 August 2002, p. 1, hard copy available in author's personal files.

<sup>126</sup> William Hood, *Mole: the True Story of the First Russian Intelligence Officer Recruited by the CIA* (Toronto: George J. McLeod Limited, 1982), p. 31.

<sup>127</sup> Ibid., p. 31, quoting Richard Helms' advice before Hood departed for Vienna.

Vienna was a gloomy and sinister place in those days. It struck an English woman assigned to the British occupation authorities that ... a 'feeling of menace hung over the city...stalking the streets and pervading the air so that you didn't feel secure in your own home. At any time during the day or night a great battering on the door could bring doom and disaster'. A vast network of Western intelligence organizations was on the ground in Austria and some of them even produced helpful information, especially on Soviet order of battle and Soviet behaviour in general. It was one of the few places on earth where Westerners could observe their Soviet counterparts directly – and, of course, *visa versa*. Vienna served as a window to the Soviet Union and some clandestine operations produced valuable reporting on Soviet Bloc political and strategic issues.

When the Soviet Army held exclusive control of the city after it fell, the Russians exploited the opportunity to plant agents in the Austrian police, political parties, the postal and telegraphic offices, and other important elements of the country's infrastructure. By the time the Western Allies were permitted to enter Vienna, the Russians had the place locked up. All of the impressive variety of British and American intelligence services encountered formidable difficulties in penetrating the Soviet presence. One CIA officer commented, 'at the time, firsthand information on the USSR was so hard to come by that the lowest dog-faced private deserting from the Red Army was considered a valuable source and immediately flown out of Austria to a defector center in Germany'.<sup>128</sup> Soviet intelligence had a much easier job.

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<sup>128</sup> Hood, *Mole: the True Story of the First Russian Intelligence Officer Recruited by the CIA* pp. 30-31.

Every member of the Austrian Communist Party was, in one way or another, an agent of the Soviet Union, and all of them were available to Soviet intelligence, on call. The top party leadership had spent the war in Russia being trained and prepared for reinsertion into the country as soon as the shooting stopped. Once back in Austria, they stood ready to obey Moscow's orders.<sup>129</sup>

In Austria, the priority British and American target was Soviet, and to a lesser extent the neighbouring Communist governments of Hungary, Czechoslovakia and Yugoslavia. Western intelligence monitored the Austrian Communist Party and its relations with Soviet elements, but the Austrian Government was never a priority target. Examination of requirements assigned to British intelligence in Austria reveals that no political issues were given 'Priority 1' status. Some political issues were included in Priority 2 and 3 lists, but none of these had direct bearing on foreign policy matters.<sup>130</sup>

Because of rapidly escalating hostilities and the perceived threat of imminent Soviet attack, the most urgent intelligence requirements had to do with early warning. Both British and American resources were concentrated on networks through which they could receive reliable and timely indications of

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<sup>129</sup> See E-Mail communication to author from former Soviet intelligence officer Boris Volodarsky, 21 July 2003: 'all activities were preliminary planned by the CP leaders and AS A MATTER OF THEIR OBLIGATION coordinated with the Sovinformburo, which replaced the Comintern. Many individual KPOe members (most vivid and known example was Ruth von Mayenburg, a wife of Ernst Fischer and a high-ranking GRU officer) were GRU/NKVD agents recruited in 1924/1934/1938-1945/ and returned to Austria after the WWII together with their leaders who lived in Moscow at the hotel Lux.'

<sup>130</sup> For example, see Annex A to Joint Intelligence Committee 'Requirements in Austria, 1950-1954'. DEFE 21/33, PRO.

an impending Soviet attack. Because none of the Western military forces were present in sufficient number to defend their European presence, and because the much larger Soviet Army was configured for offensive operations, the West looked to their intelligence capabilities to provide sufficient warning of an attack to allow the evacuation of dependents and activation of in-place delaying action plans, while a firm line of defence was consolidated in Italy.

An important element of early warning intelligence programs was the conduct of counter-intelligence operations designed in part to protect against Soviet penetration, but also to recruit and keep in-place Soviet civilian (KGB) and military (GRU) intelligence officers who were in positions to report on Soviet intentions. From time to time, the West benefited from Soviet and East Bloc officials who escaped from the Communist world and walked in to trade inside information for asylum in Britain or the USA.

Both the CIA and SIS stations in Vienna remained proactive against Soviet targets of opportunity, as well as against the neighbouring Communists states of Hungary, Czechoslovakia and Yugoslavia.<sup>131</sup> Of high value were the global technical intelligence efforts conducted by both Britain and the United States. These were among the most sensitive activities in the entire history of either government's information gathering efforts, and they produced vast

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<sup>131</sup> While CIA and SIS were developing their initial operations in Vienna, the two Allies were running a successful technical operation from Trieste against the Yugoslav target. The product of this operation was of particular value to Britain's understanding of Yugoslav policy and plans. See Anthony Clayton, *Forearmed : a history of the Intelligence Corps* (London, New York: Brassey's, 1993).

amounts of valuable intelligence – so voluminous, in fact, that developing ways of using the product on a timely basis proved to be an impossible challenge. Vienna was the scene for one of the first significant contributions to this intriguing effort.

David Stafford, 'a deservedly well-known expert on intelligence', is Project Director for the Centre for Second World War Studies at the University of Edinburgh.<sup>132</sup> He is the author of a number of authoritative books on secret intelligence operations and on the interaction between Western intelligence agencies during the Cold War. His book, *Spies Beneath Berlin*, published in 2002, is an authoritative description of the joint Anglo-American clandestine intelligence operation, with the British Secret Intelligence Service codename STOPWATCH and the CIA codename GOLD. This extraordinary operation involved the digging of a one-half mile secret tunnel underneath the border dividing Berlin's Soviet and American sectors, through which the two Western services tapped into the landlines of Headquarters, Group Soviet Forces Germany. According to former KGB Colonel Oleg Gordievsky, this massive audio operation was functional during a critical period of the Cold War, 1953-1956, and it uncovered some of the Soviet Union's 'most closely guarded secrets'.<sup>133</sup> The tunnel 'became one of the catalysts in the process that eventually resulted in Western victory in the Cold War'.

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<sup>132</sup> Oleg Gordievsky, 'It Was a Success: Spies Beneath Berlin', *Literary Review*, (2002), 23-25 p. 23.

<sup>133</sup> Stafford, *Spies Beneath Berlin* (London: John Murray Publishers LTD, 2002).

The Berlin Tunnel is well known to even the most casual student of Cold War espionage. What is less well known, as Stafford's book reveals, is that the idea for the Berlin tunnel was developed during similar tunnelling operations started by British intelligence in Vienna during the late 1940s, conceived of and managed by one of the West's most competent intelligence operations officers, Peter Lunn.<sup>134</sup>

By the time Lunn arrived in Vienna in 1948, the West's security situation had not improved. The Communist coup in Czechoslovakia had 'sent a chill through Austria,' and was soon followed by the Berlin Blockade. Lunn found the overall atmosphere in Vienna to be tense and the people bracing themselves for a Communist coup.<sup>135</sup>

The Berlin Blockade escalated the Western Allies' need for more and more reliable early warning information. Because of its geographic location and almost ideal circumstances for the conduct of espionage, Vienna was seen by London and Washington as a valuable front line listening post.

Lunn learned from an employee of the Austrian telecommunications system that cables linking Soviet headquarters to military units spread throughout eastern Austria ran through parts of the British and French sectors. If these cables could be tapped, SIS would be in a much stronger position to keep London informed on Soviet military strengths, movements and intentions.

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<sup>134</sup> Peter Lunn was also Captain of the British ski team at the 1936 Olympic Games.

<sup>135</sup> Stafford, *Spies Beneath Berlin* p. 19.

Lunn collected blueprints of Vienna's telephone nets and devised a plan to dig underground tunnels to the main Soviet communications cables. He was able to win the approval of his superior in London, Andrew King. Both were smart enough to know, however, that such a daring and risky venture would require approval from a skittish Foreign Office that was not known within SIS circles for its supportiveness or sense of adventure. Fortunately, a former Chairman of the Joint Intelligence Committee had just arrived in Vienna to take up post as the new British High Commissioner. This was the robust and forthright Harold Caccia. Caccia's experience told him that the Foreign Office would veto such a daring operation in Vienna. So he decided not to tell them. Instead, Caccia gave Lunn the go-ahead on his own initiative. 'I couldn't look at myself if there'd been an invasion and I denied the chance of getting the information, he confessed later.'<sup>136</sup>

Sir Harold Caccia, 'a keen shot and good sportsman', was assigned as British Minister in Vienna in December 1949.<sup>137</sup> In August of 1950, he became High Commissioner. Caccia was Britain's first post-war Ambassador to Austria, and served from 1951-1954. He ended his career as Ambassador to Washington. Sir Harold Anthony Caccia was one of Britain's most experienced diplomats, and enjoyed the confidence of Britain's political leadership. In his memoirs, Eden said of Caccia, 'Sir Harold was persistent in

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<sup>136</sup> Ibid., p. 24.

<sup>137</sup> Ibid., p. 24.

negotiation, cool in hours of crisis. I knew him well, for he had been my Private Secretary when I resigned as Foreign Secretary in 1938'.<sup>138</sup>

The operation was on, and SIS code-named it CLASSIFICATION. It began officially in the autumn of 1948, and involved at least three tunnels. In describing how SIS constructed and managed the CLASSIFICATION operation in Vienna, Stafford provides details on the organisation's 'Section Y', with headquarters at 2 Carlton Gardens in London, which housed the army of:

...transcribers and translators who sweated day and night to keep pace with the tapes from Vienna being flown in three times a week on a special RAF flight. After the transcribers did their job, the results passed on to a second team of a dozen or so army and air force officers with a good knowledge of Russian. They studied the transcribed conversations, extracted intelligence they thought important and compiled a regular intelligence bulletin on the state of the Soviet forces in Austria ... The customers (the War Office and the Foreign Office) got very excited....<sup>139</sup>

Even though the Soviet spy, George Blake, was part of the British CLASSIFICATION team from the beginning and had told his Soviet KGB handlers about it, the KGB, reportedly, chose not to inform either the Soviet military or the Soviet military intelligence service (GRU) about it. So, the vast wealth of information and insight gathered during the course of the tunnel operations in Vienna remained valid, reliable and of value to both the British

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<sup>138</sup> Anthony Eden, *The Memoirs of Sir Anthony Eden; The Full Circle* (London: Cassell & Company Limited, 1960), p. 118.

<sup>139</sup> Stafford, *Spies Beneath Berlin* p. 64.



and American intelligence services, which reported the product from CLASSIFICATION to their respective governments.

This operation was almost the cause of an embarrassing flap between the British and American intelligence services. Lunn had elected not to tell his American counterpart about the tunnelling. Yet, the product from the operation was being passed to the Americans at a high level, through London.<sup>140</sup> One senior American officer opined:

The Vienna tunnel turned out to be a much more valuable asset than MI6 calculated when it launched the operation on its own. ...With the Vienna tunnel...MI6 staked out a strong claim to join CIA later in the Berlin Tunnel operation. Without MI6, CIA might not have been able to capitalize as fully on the intercepts, to say nothing about tapping the Berlin landlines.<sup>141</sup>

In 1951, it occurred to the CIA station in Vienna to undertake the same type of audio operation against Soviet communications. When SIS discovered the CIA's explorations, they correctly assumed that CLASSIFICATION was about to be blown, entirely by accident. CLASSIFICATION became a joint SIS/CIA operation, but not before some heavy sweating in the local SIS offices.

Under Lunn, the local CIA station in Vienna had been kept strictly out of the picture. Lunn's successor, Andrew King, was left to tell the Americans, and

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<sup>140</sup> When contacted at his retirement home in Surrey, Peter Lunn politely declined to discuss any aspect of his government employment. See Lunn's personal letter to author, 21 September 2002, in author's personal files.

<sup>141</sup> See E-Mail communication from Joseph C. Evans to author, 27 August 2002, p. 1, hard copy in author's personal files..

he visited the Vienna CIA station headquarters to let them into the secret. By coincidence, the American he had come to brief, Bronson Tweedy, turned out to have attended the same British preparatory school. Stafford says this schoolboy friendship eased what might otherwise have been a frosty reception.<sup>142</sup> Tweedy, on the other hand, recalls that SIS informed CIA of the Vienna tunnels on a much earlier date. He flatly denies that his professional decisions would have been swayed by the fact that he and King had attended the same school 'as children'.<sup>143</sup> In any case, nobody knew at the time that SIS's revelations to CIA in Vienna were to lead to a much larger and an even more valuable venture in Berlin.

During its lifetime, the joint operation in Vienna kept a steady supply of first-hand information flowing to top decision-makers in London and Washington. The CIA recruited the first of a series of Soviet intelligence officers at the turn of the year 1952/1953. This invaluable source, posted right in the Soviet rezidentura in Vienna, combined with the CLASSIFICATION information, contributed greatly to the West's requirements for reliable early warning of a Soviet offensive. When the Berlin Tunnel came on-line in early 1955, even though Blake had also blown this operation to his Soviet handlers, the West was well positioned to assess the probability of Soviet attack on Western Europe. This capability also provided one of the very few windows into the Soviet Union's closed society in Moscow, which was particularly important in the wake of Stalin's death in 1953 when the West had virtually no insight into

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<sup>142</sup> Stafford, *Spies Beneath Berlin* p. 38.

<sup>143</sup> Personal letter from Bronson Tweedy to author, 30 August 2002, original letter available in author's personal files.

how the leadership struggle was unfolding inside of the Kremlin. Indiscreet conversations over the wires in Vienna and Berlin, as well as the ciphered telegraph traffic (which the West could decipher), helped educate Western decision makers on important political developments in the USSR.

A final note on intelligence operations is necessary. Because of a natural and deeply ingrained sense of scepticism on the part of counterintelligence officers, the value of the Vienna (and Berlin tunnels) has often been called into question and even dismissed by some during the Cold War as obvious Soviet deception operations. Critics accused the Western services of a blunder – an embarrassing demonstration of naiveté and incompetence. Why would the Soviets allow their military and even the GRU to use communications facilities the KGB knew were being tapped unless the Russians were using those same communications for disinformation purposes in order to deceive and mislead the West? According to Stafford and to another authoritative author, we now have a reliable answer, directly from the horse's mouth, so to speak.

The critics had been entirely wrong about the KGB's response to Blake's treachery. Far from using the Berlin and Vienna tunnels for misinformation and deception, the KGB's First Chief Directorate had taken a deliberate decision to conceal its existence from the Red Army and the GRU, the main users of the cables being tapped.<sup>144</sup>

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<sup>144</sup> Stafford, *Spies Beneath Berlin*, p. 180. See also David Murphy, Sergei Kondrashev, George Bailey, *Battleground Berlin* (New Haven, Conn.: R R Donnelly & Sons, 1997), pp. 233-237, for first-hand observations by KGB and CIA officers who were directly involved with the tunnel, obviously on opposite sides.

In April 1993, during a visit in Moscow to confer on a joint book project, CIA's David Murphy was told by retired KGB Lieutenant General Sergei A. Kondrashev, George Blake's case officer over the years and eventual head of KGB operations in Germany and Austria, that the KGB did not use the tapped land lines to disseminate disinformation. 'Kondrashev stated unequivocally that they were not used for disinformation. To do so, he said, would have involved too many people and would have risked Blake's security'.<sup>145</sup> According to Kondrashev, the KGB had allowed the West to listen in on Soviet military and GRU conversations and to read ciphered telegraph traffic. The KGB was prepared to 'sacrifice GRU and Soviet Army secrets to preserve its own mole'.<sup>146</sup> Kondrashev, at least, wants the West to conclude that the take from CLASSIFIED was legitimate, and information acquired from this extraordinary operation was valid. To those with a sceptical mind, who is to know for sure?

## **CONCLUSIONS**

Lord Strang was correct in identifying this period of time as a turning point in the Cold War. It was certainly an important period for the Austrians who, once again, presented themselves as a special post-war case. The Soviet Occupation Zone was the only territory in Europe to receive Marshall Plan aid. Britain also benefited from this massive program, which helped relieve London of at least some of the financial strain resulting from the occupation, and which allowed the Western Allies to help the Austrian Government bring the country's finances under reasonable control, despite repeated

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<sup>145</sup> Murphy, Kondrashev and Bailey, 'Battleground Berlin...', p. 218.

<sup>146</sup> Stafford, *Spies Beneath Berlin*, p. 181.

Communist efforts to undermine the credibility and effectiveness of the coalition government.

It was during the period covered by this chapter that the British Government decided to end the occupation of Austria, even if this meant paying Moscow a hefty bribe. Foreign Secretary Bevin launched an intensive lobbying campaign designed to persuade his American counterpart of the wisdom of this course of action. That this lobbying effort was ill-timed and almost certainly ill-conceived is now fairly clear. Bevin was wrong in his assessment that Moscow was ready to sign an Austrian treaty, as was proven conclusively when the Soviets refused to discuss a treaty even after the West conceded virtually everything the Soviets were demanding. Stalin's attention had turned toward the Far East and, not long afterward, the Cold War turned hot in Korea. Was Bevin naïve in believing Moscow was ready to end the occupation? He had been specifically told so by senior Russian diplomats who may, themselves, have believed Stalin ready to negotiate a treaty at the time they spoke with Bevin and other senior British diplomats. Bevin was perhaps not as naïve as he was, quite simply, wrong.

At least some of Bevin's confusion is understandable and can be attributed to the different ways the United States and Britain used to manage foreign affairs. The political arena in Washington at the time was both complex and dynamic, with a variety of interested parties jockeying for positions of political power and larger chunks of a national defence budget, all in the wake of one of the largest and most important pieces of legislation passed in US history -

the 1947 National Security Act. Whether it was the case that Bevin was ill-served by his experienced diplomatic team in Washington or whether he was in possession of sound advice and exercised flawed judgement, the result was the same.

The atmosphere surrounding interaction in the Allied Commission was, during this period, frigid, and not helped by the relentless Soviet campaign to strip Austria of its industrial and natural resources, while abducting people it did not like from public streets, even in Western sectors of the capital. East-West relations were also not improved when the United States and Britain agreed on a plan to create an armed security force so that the Austrian Government would be left with the capability to provide for the country's internal security when the occupation ended and foreign troops pulled out. Britain agreed to build and train an Austrian air force.

The Jerram report on significant events of 1948 received detailed attention in this chapter because it provides a useful overview of the political and economic developments which were seen as most important by the British diplomatic establishment. Jerram's analysis of political developments leading up to the national elections of 1949, and the appearance of entirely new political parties is helpful to the understanding of how the young Second Republic was growing up. Jerram also called attention to the importance of the Austrian Government's approach to wage and price control, and he correctly focused attention on issues that were to cause horrendous problems in 1950 and lead to the worst labour unrest in the country's history.

Jerram also raised, for the first time in official British reporting, the observation that many Austrians recognised that an early end to the occupation might not necessarily equate with freedom and independence for the country. The public statements by Austria's political leadership calling for occupation troops to withdraw were frequently accompanied by more private assurances by these same officials that they were more than happy for Western forces to remain in place until the Russians finally left.

This chapter will hopefully put to rest the artificially concocted tale that America's military, under the noses US Congress and the other occupying powers, seized control of US foreign policy, turned Austria into a garrison state and integrated the country into the Western defence network in Europe. It is time that this absurdity was relegated to the obscurity it deserves. A study of British policy is constructive in this respect. Any suggestion that American military officers dominated American foreign policy in Austria is absent from British records. Austrians did lean toward the West, and the Western Allies were certainly interested in ensuring that the country did not fall into the Communist Bloc, but this policy objective was in no way dictated by the military in either London or Washington.

Finally, the chapter provides a brief review of the scope and importance of British and American clandestine intelligence operations in Austria - a necessary part of any narrative on Austria of the late 1940s and early 1950s. The narrative now moves along to the year when British soldiers were once

again committed to battle and when Stalin's death set the stage for resolution of the post-war Austria problem.



## **CHAPTER FOUR: DRAMATIC EVENTS**

This chapter summarises Britain's strategic position in Europe at the beginning of the 1950s, and examines significant developments relating to Austria up to the death of Stalin in March 1953, which marked a major turning point in East-West relations. The focus is on British policy deliberations, objectives and strategies. By this point in post-war history, however, Britain was securely positioned as the junior member in the Anglo-American relationship, and British policy analyses or proposals regarding Austria were almost always in reaction to American initiatives. One glaring exception was Britain's unilateral decision to remove British occupation forces from Austria without advising the United States in advance. Britain was concerned about the consequences of American actions in Korea, but these fears had nothing to do with Austria, other than that Britain participated in contingency planning together with the other Western Powers. Nor did British-American differences regarding the diplomatic recognition of Communist China have relevance to Austria. In fact, it is an extraordinary fact of history that, even during the fiercest fighting in Korea, Americans and British officials sat at the same negotiating table with their Russian counterparts, and the affairs of the Allied Council in Austria proceeded more or less as usual, which does not mean on an amiable basis.

The chapter recovers the historical narrative, with temporary halts along the way to consider significant issues in greater depth, including the violent strikes in September and October 1950, which confronted Britain with an important policy decision, and which triggered a strong protest by London to

Moscow. The chapter includes recognition of the significance of Stalin's death in March 1953, and it concludes with the withdrawal of British occupation forces and an updated assessment of the Soviet threat.

### **SUMMARY OF THE SITUATION AT THE TURN OF THE DECADE**

On New Year's Eve, 1949/1950, on route home from what he regarded as a successful Commonwealth meeting in Colombo with stops in Cairo, Rome and Paris, Foreign Secretary Ernest Bevin looked forward to the forthcoming general election in the United Kingdom. The Labour Government was to retain power, albeit with a reduced majority, and Bevin was to remain in charge of the nation's foreign affairs. During the ensuing thirteen months, however, ill health required him to undergo two operations and to be absent from the Foreign Office most of the time. Between 1 March and 31 July 1950, Bevin was absent for eighty five out of 113 days. Between November 1949 and November 1950, he spoke only twice in the House of Commons, and he gave only two speeches outside of Parliament: one at the United Nations in September 1950 and one at the Labour Party Conference in October. He retired in March of 1951 and died five months later.<sup>1</sup>

As he celebrated New Year's Eve 1949/50, Ernest Bevin did not know that, within six months, British soldiers would once again be engaged in battle. He did not know that, for the past nine months, during precisely the period of time when Bevin thought the Soviets were most prepared to be reasonable with the West on an Austrian State Treaty, Josef Stalin and North Korea's

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<sup>1</sup> Alan Bullock, *Ernest Bevin: Foreign Secretary 1945-1951* (London: William Heinemann Ltd. 1983), p.757.

Kim Il Sung had been engaged in intensive deliberations on the relationship between the new Democratic Republic of Korea and Moscow, and on Soviet military support for North Korea's forthcoming invasion of the South.<sup>2</sup> Bevin did not know that, on the preceding day and half a world away, Soviet Ambassador T. F. Shtykov had delivered a personal telegram from Josef Stalin to Kim Il Sung, in which Stalin assured Kim of Kremlin assistance in the unification of Korea 'by military means'.<sup>3</sup>

By the end of 1949, the focus of Soviet foreign policy had shifted from Europe to the Far East. Europe, particularly Germany, remained important, but Stalin was concentrating on consolidation rather than change. With the exception of Austria, the lines of East-West demarcation in Europe had become clear. Events in Asia held forth new opportunities and even dangers for the USSR. Chinese Communists under Mao Zedong had taken power without Soviet help. Moscow had, in fact, maintained diplomatic relations with the Kuomintang during most of China's civil war. Stalin was faced with the possibility of another rift in the Communist world, one that offered even more potential problems than did the split with Yugoslavia. Cronin observes:

The People's Republic of China was founded on 1 October 1949. By December, Mao had come to Moscow for a visit that lasted two months. Stalin's attention was clearly diverted from Austria. Sino -

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<sup>2</sup> Official Minutes of the meeting between Stalin and Kim Il Sung, Moscow, 5 March, 1949, AVPRF, Fond 59a, Opis 5a, Delo 3, Papka 11, listy 10-20, as translated and published in CWIHP Bulletin Issue 5, Spring 1995, pp. 4-6.

<sup>3</sup> Archive of the Foreign Policy of the Russian Federation (AVPRF), Fond 059a, Opis 5a, Delo 3, Papka 11, list 92, published in CWIHP Bulletin, Issues 6-7, Winter 1995/1996, p. 36.

Soviet consultations were a portent of events in the Far East that would soon monopolise Western attention as well.<sup>4</sup>

1949 had been an eventful year. It had seen the first nuclear weapons test by the USSR, founding of the Communist Bloc's Council for Mutual Economic Cooperation (COMECON), the signing of the North Atlantic Treaty, the merger of Western occupation zones in Germany and approval by the Allied Control Council of a German federal constitution. Konrad Adenauer had become Chancellor in the new Federal Republic of Germany. East Germany became the German Democratic Republic during the same month that the Soviet Union renounced its 1945 treaty with Tito's Yugoslavia. 1949 had started with Beijing falling to the Chinese Communists and declaration of the new People's Republic of China – a dramatic event that captured serious attention in both East and West. In Europe, sessions 111-163 of the Deputy Foreign Ministers for Austria had taken place, with thirty-five articles in the draft Austrian treaty agreed and eighteen still undecided. The United States, France and Britain had begun to train and equip an Austrian gendarmerie in their respective zones of occupation, the first real step toward the development of a military force capable of providing for the nation's internal security. While not surprising to the Soviets, this provided Moscow with grist for the Kremlin's propaganda mill.<sup>5</sup> The Council of Foreign Ministers had met unproductively in Paris. The Deputies met again for the 164th-212th sessions

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<sup>4</sup> Audrey Kurth Cronin, *Great Power Politics and the Struggle Over Austria* (Ithaca, New York: Cornell University Press, 1986), p. 94.

<sup>5</sup> Ibid., p. 183, citing: *Pravda*, 'Military Construction in Austria', 24 March 1949, p. 3. 'Military Construction in the American Occupation Zone of Austria', 14 May 1949, p. 4; 'Formation of Secret Military Committee in Austria', 29 June 1949, p. 4; 'American Authorities Train Cadres for Future Austrian Army', 25 July 1945, p. 4.

in London and for the 213th-246th sessions in New York. Austria's second coalition government was established, under Chancellor Leopold Figl.

Bevin looked back on four years of exasperating negotiations on the Austrian State Treaty. His efforts had come to naught, despite the breeze of optimism that had drifted fleetingly past only a few months before. Bevin had toiled long and hard to persuade Washington of the benefits of an Austrian treaty, and he could take some comfort in the knowledge that he had succeeded in selling his views to at least his American counterpart, Dean Acheson, if not to the entire U. S. national security establishment or the congress. But the Anglo-American dispute over the Austrian State Treaty was resolved when Truman, observing his 'the buck stops here' leadership style, decided to sign the treaty and use the West's remaining time in Austria to expedite the development of an Austrian security force.<sup>6</sup>

Alas, what should have been a major achievement turned out to be only a false hope. Foreign Office opinion that the Kremlin was prepared and possibly even eager to end the occupation of Austria was based on wishful thinking. Britain's Foreign Secretary entered the 1950s with the impression that Austrian independence appeared not only 'elusive, but futile'.<sup>7</sup> It was not a happy New Year's Eve for Mr Bevin. He could probably sense that 1950 was to bring even more distress, but it is doubtful that he foresaw just how

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<sup>6</sup> NSC 38/4, 'Future Courses of US Action With Respect to Austria', 17 November 1949, p. 1. See also 'Action Memorandum of Conversation during the meeting of Secretary of State Dean Acheson, Secretary of Defence Louis Johnson and President Truman,' on the subject of the Austrian Treaty, available in the Papers of Dean Acheson, Truman Library.

<sup>7</sup> Cronin, *Great Power Politics and the Struggle Over Austria* p. 95

bad things were to become. On 25 June 1950, one month after the London Conferences took place and with Stalin's guarantee of support, North Korea invaded the South and the Cold War turned hot.

Britain committed itself to a participation in United Nations forces in Korea, thus creating a situation in which she found her representatives sitting across the negotiating table in Austria from Soviets, while British military forces were engaged in hot combat against a Soviet client state in Asia. The fear of war once again gripped Europe and hung menacingly over the diplomatic process. In addition to the Korean War, a number of other developments brought about changes in the atmosphere within which remaining World War Two European issues had to be resolved, including Austria's long term fate. President Truman's instruction to proceed with the development of the hydrogen bomb, combined with a new sense of firmness in Washington's dealings with the Russians, contributed to the concern of Europeans who were already uncomfortable with their dependence on the United States at the expense of a more unified Europe. The 'soft on Communism' accusations levelled by Members of Congress at Acheson and his State Department, especially after his and the Democratic Party's spirited defence of convicted Soviet spy Alger Hiss, served as a catalyst for anti-American sentiment on the Continent, where the prospects of a People's Paradise still found a soft spot in many a heart.

While the Soviet Communist party and its satellite partners joined together in a new, so-called peace offensive, concern over the rearmament of Germany

began to be expressed in the halls of European governments. There was mounting pressure to create a third force as a buffer between the United States and the Soviet Union. France was in the forefront of an argument that held that it would be impossible for Europe to develop a viable military defence against Soviet attack until an American force had time to arrive. The answer, it was suggested by some, was European political neutrality. Bevin's Atlantic reliance was under threat at exactly the time he was least capable of defending it. Indeed, even in the United Kingdom there was a view that the Labour Government's policies were an expression of 'petulant isolationism' and that the entire Western Alliance suffered from a lack of the kind of inspirational leadership Bevin had previously been able to give it.<sup>8</sup>

While battle raged in Korea, the Western Allies made several attempts during 1950 to engage Moscow in rational discussion on Austria. A number of initiatives were taken, one of the most important being the replacement of military High Commissioners with civilian diplomats and reduction in the size of occupation costs. The intent behind these Western initiatives was perhaps best described in a 24 August 1950 statement by Truman, announcing the appointment of Walter J. Donnelly as both American Ambassador and US High Commissioner to Austria. The appointment, said Truman, followed an 18 May 1950 decision by the three Western Powers to appoint civilian High Commissioners in Austria, consistent with Article 9 of the Control Agreement of 28 June 1946. Britain and France announced the appointments of Sir Harold Caccia and M. Jean Payard, respectively. Truman said:

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<sup>8</sup> Alan Bullock, *Ernest Bevin: Foreign Secretary 1945-1951* (London: William Heinemann Ltd, 1983), p. 761, citing *The Economist*, 25 March 1951.

The three Western Powers have taken this step because in the absence of an Austrian treaty – blocked by the Soviet Union – they are determined to carry out such measures as may properly be taken to strengthen within the framework of existing quadripartite agreement the authority of the Austrian Government and to lighten the burden of occupation on Austria to the greatest possible extent.<sup>9</sup>

In April 1950, Sir Y Kirkpatrick wrote to Winterton:

The Secretary of State has now considered the matter fully and decided that the British Element of the Control Commission be integrated with the Legation and that His Majesty's Minister will become High Commissioner. The purpose is to move toward a more normal relationship with Austria.<sup>10</sup>

In May of 1950, Bevin told the Cabinet:

Action by the Soviet Deputy, and the attitude of the Soviet government which it represents, makes it difficult for me any longer to nourish the hope that agreement on the Austrian Treaty can now be won by further concessions by the Western Powers. We must, I fear, conclude that the Soviet government have no intention of completing the Austrian Treaty until wider political developments make it in their interest to do so. This means that, whatever concessions we now make, there is not merely no guarantee but little likelihood that we shall get a Treaty.<sup>11</sup>

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<sup>9</sup> Statement by the President Upon Nominating Walter J. Donnelly as Minister and US High Commissioner for Austria, Truman Library, Public papers of the Presidents, available in digital format at: <<http://www.trumanlibrary.org/trumanpapers/pppus/1950/218.htm>>, [3 June 2003].

<sup>10</sup> Kirkpatrick to Winterton, 12 April 1950, Papers of Sir John Winterton: Papers Relating to Austria, 1943, 1946, March-June 1950, Department of Documents 02/53/2, Imperial War Museum, Lambeth Road, London.

<sup>11</sup> Secret Memorandum by the Secretary of State for Foreign Affairs, 'Austrian Treaty', 4 May 1950, C.P.(50) 93 [CAB 129/39], p. 1, PRO. See same document in DBPO, Series II, Volume II 1950, p. 218.



## THE DANGER OF PARTITION

Along with the disappointing acknowledgement that an Austrian treaty was beyond reach, came a renewed fear that the country might be partitioned, with the three Western zones merging in alliance with the West and the Atlantic Treaty, and the Soviet Zone incorporated into the Communist Bloc. Foreign Minister Gruber had raised this possibility with the British High Commissioner on several occasions, suggesting that, if there was to be no treaty, the Western Powers should consider taking unilateral action and simply withdraw their occupation forces, even if Soviets stayed. Gruber's idea was that the Western Powers could bring into force those articles in the draft treaty to which the Soviets had already agreed, and arrange for some form of partitioning of the country.<sup>12</sup>

Western concern over partitioning was expressed in a paper prepared by the British Element to the Allied Commission in co-operation with the Austrian Federal Ministry of Economic Planning in 1947. When, in 1950, the real potential for partition again appeared imminent, Western authorities made the strategic assumption that an Eastern Austria cut off from the rest of the country would be quickly absorbed into the Communist Bloc and would not be able to survive economically. One Western representative observed: 'Such an act of dissection is economically undesirable, but it would be a historical disaster'.<sup>13</sup> According to Cronin:

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<sup>12</sup> Caccia to Mallet, 28 February 1951, discussing a paper prepared by the Austrian Foreign Ministry, CA1071/19G, FO 371/93603, PRO.

<sup>13</sup> 'Austria and the Marshall Plan,' a paper prepared by the British Element to the Allied Council, October 1947, C14986, FO 371/64144, PRO.

Western Austria would probably dissolve under the strains of provincialism, with the central provinces drawn toward Germany, Vorarlberg toward Switzerland, and Carinthia toward Yugoslavia. The result would be dangerous instability on the continent and a possible rebirth of the kinds of tensions that had already helped bring about two major wars.<sup>14</sup>

### **PERCEPTION OF THE STRATEGIC THREAT**

By the end of the 1940s, according to a secret Foreign Office Minute, the Soviet Union was maintaining 565,000 troops in fifty five divisions outside her own borders.<sup>15</sup> 27,500 of these were in Austria, organised into three divisions. 320,000 were stationed in Germany, 85,000 in Poland, 30,000 in Rumania, 14,000 in Hungary, 10,000 were in Finland, 2,000 in Bulgaria, 1,000 in Czechoslovakia, and the rest were in the Far East. Britain's internal debates on major defence alliances were more or less settled. Britain was obligated for fifty years to provide reciprocal military and other assistance to Western European countries in the event of attack, under the terms of the Brussels Treaty signed on 17 March 1948. The Chiefs of Staff still relied on Field Marshall Montgomery's assessment that none of the other Western European nations would fight if attacked by the Soviet Union, regardless of reciprocal treaty obligations. In Montgomery's opinion, it would take years before the war-weary European states were mentally capable of even mounting effective defensive operations. While he knew the West would have to stop the Soviets as far to the east in Europe as possible if war broke out,

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<sup>14</sup> Cronin, *Great Power Politics and the Struggle Over Austria* p. 105.

<sup>15</sup> Foreign Office Minute, 31 January 1949, *Estimated Strength of Red Army Outside Soviet Union*, FO 371/77650, N 1242/1201/38G, PRO. Handwritten comments on the official cover sheet to this Minute indicate that not all Foreign Office officials were happy with the accuracy of this estimate.

Montgomery also knew that the Western Powers were not capable of blocking a concerted Soviet offensive.<sup>16</sup> At the beginning of 1950, Britain had the 2nd Infantry Division, the 7th Armoured Division and the Berlin Brigade in Germany. In Austria, the British had only three battalions. At the same time, the United States had only the 1st Infantry Division and assorted administrative troops in all of Europe.<sup>17</sup> These Western forces were looking at some forty Soviet divisions, supported by over 4,000 tactical aircraft, capable of initiating offensive operations against the West.<sup>18</sup> The Western Powers presented no credible, conventional deterrent to a Soviet attack and, perhaps worse, it was generally believed in Britain's leadership circles that the Soviets knew it.

We now know that the Soviets did, in fact, know of their overwhelming superiority vis-à-vis NATO forces in Europe. Following the collapse of the Soviet Bloc, Western military analysts acquired a collection of Russian and Warsaw Pact military plans. Moscow's archives may have remained closed, but those in the Satellite states opened their doors to the international community, and a volume of classified files have since been translated and

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<sup>16</sup> Bernard Montgomery, *The Memoirs of Field-Marshal: Montgomery of Alamein* (London: Collins, 1958), p. 498 ff.

<sup>17</sup> T.F. Mills, *Land Forces of Britain, the Commonwealth and Empire*, <http://www.regiments.org>, [11 November 2003].

<sup>18</sup> British units in Austria have already been identified. In 1948, the US had one infantry division in Europe, consisting of three infantry regiments, five constabulary regiments and six artillery battalions. Total personnel strength in Austria was 9,466. By 1950, the US maintained one infantry division in Europe, the 1<sup>st</sup> Infantry Division, consisting of three infantry regiments, three cavalry regiments, eight artillery battalions including two anti-aircraft units. Total US strength in Europe was 85,000 of which about 3,000 were in Austria. See E-Mail message to author from William Webb, Historian, US Army Center for Military History, Fort Leslie McNair, Washington DC. See also Robert S. Rush, Cold War Organizational Database NP.2003 and Cold War Manpower Database NP.2003, Drawn from US Army Station List 1945-1970 and US Army Personnel Strength Reports 1945-1970, copies in author's personal file. See also E-Mail messages from Rush to Author, 29 October 2003.

made available to scholars through a variety of sources.<sup>19</sup> Among other things, these plans show that Western estimates of the late 1940s and early 1950s were accurate. The Soviets banked heavily on mechanized infantry and tank superiority on the ground in Europe, backed-up by tactical nuclear weaponry, with plans to stream through the Fulda Gap and accomplish initial, intermediary objectives before NATO could begin to react. The Soviets never expected the West to initiate hostilities in Europe. To the Soviet Union and Warsaw Pact, 'NATO's defensive preparations were a sham'.<sup>20</sup> With the exception of a few field exercises in the late 1980s, the Group Soviet Forces Germany (GSFG) did not even rehearse plans to defend against NATO attack because they had concluded that a NATO attack was implausible. A 1965 Warsaw Pact exercise conducted in Hungary featured, bluntly, plans to 'completely destroy' Munich, Vienna, Verona and several other Western European cities with Soviet nuclear missiles. Vojtech Mastny reports that the authors of this exercise were ambiguous as to whether Budapest and other East European cities were expected to be destroyed by Western attacks, or whether plans to obliterate Western cities were to precede or follow NATO-initiated activities. But there is no doubt that the Soviets had plans to launch offensive operations in which nuclear missiles would be employed against major Western European population centres.<sup>21</sup>

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<sup>19</sup> Among the most productive and reliable sources are: CWIHP, The Harvard Center for Cold War Studies, The Parallel History Project and the Yale Avalon Project.

<sup>20</sup> 'Plan of Actions of the Czechoslovak People's Army for War Period', 11 October 1964, Warsaw Pact High Command, *Parallel History Project*, translated by Dr, Svetlana Savranskaya, Research Fellow, National Security Archives, and Anna Locher, Research Assistant, Center for Security Studies and Conflict Research, Zurich, <[http://www.isn.ethz.ch/php/documents/1/warplan\\_1-engl.htm](http://www.isn.ethz.ch/php/documents/1/warplan_1-engl.htm)>, [20 June 2001.]

<sup>21</sup> See Parallel History Project document collection on the 1965 Warsaw Pact exercise in Hungary, entitled 'European Cities Targeted for Nuclear Destruction: Hungarian Documents on the Soviet Bloc

Now-available Soviet and Warsaw Pact plans demonstrate how dominant the offensive was in strategic doctrine. Despite dramatic changes in the Russian domestic arena, and indeed in overt Soviet foreign policy during the period covered by this chapter, the military focus on offensive operations dominated plans. Soviet planners knew that neither the United States nor Great Britain had deployed forces anywhere near adequate to defend against a Warsaw Pact offensive, and also that both would have to fight any war in Europe with troops and equipment brought in from over the seas. The Soviet Union and Warsaw Pact forces (USSR, Poland, Hungary, East Germany, Czechoslovakia, Bulgaria, and Rumania) had the advantage of already being on the ground in Europe, because Moscow's treaties of bilateral friendship and mutual assistance provided for the stationing of Soviet Army units in the territories of signatory nations. Hence, Russian planning relied heavily on the Soviet Army's initial capability to disrupt relocating Western troops who would be highly vulnerable to both Intercontinental Ballistic Missiles (ICBM) and submarine weaponry, as they embarked and attempted to cross the water.<sup>22</sup>

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War Plans, 1956-71', translated documents available online at:  
 <[http://www.isn.ethz.ch/php/collections/coll\\_4.htm](http://www.isn.ethz.ch/php/collections/coll_4.htm)>, [24 July 2003.]

<sup>22</sup> See Marshal V. D. Sokolovskii, *Soviet Military Strategy* (Santa Monica CA: The Rand Corporation, 1963), chapter 6.

## THE BRITISH PRESENCE IN AUSTRIA<sup>23</sup>

As of February 1948, the Commander, British Troops Austria (BTA), subordinate to the War Office, was situated in Klagenfurt in the Province of Carinthia. Reporting directly to BTA Headquarters were the 138th Infantry Brigade, Vienna Area Command and Styria Sub-Area Command in Graz. Also directly subordinate to BTA Headquarters were a variety of supply, engineer and other logistics units, the Permanent President of Courts Martial (Austria), physical training and ski school Instructors' pools, a chaplains' pool, signals units, veterinary services, fire advisors, financial advisors, catering advisors, and the 31st British General Hospital (with 600 beds).

The 138th Infantry Brigade was a Second Line Territorial Army infantry brigade. It had entered Austria on 19 April 1945 as part of the 46th Infantry Division. The Brigade had fought in France, Palestine, Egypt, Italy, and Greece and of course in Austria. Among the more notable battles the Brigade had participated in were St. Omer-LaBassée (May 1940), Tunis (May 1943), Salerno (September 1943), the capture of Naples (September-October 1943), the Volturno Crossing (October 1943), Monte Camino (November-December 1943), the Gothic Line (August-September 1944), Rimini Line (September 1944) and the Lamone Crossing (December 1944).<sup>24</sup>

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<sup>23</sup> Order of Battle and locations in the following paragraphs are based on two sources. First, a 9 February 1948 letter from Headquarters, British Troops Austria, entitled, 'BTA Order of Battle & Location Statement'. This letter superseded BTA Hqs. Letter number 230 G of 25 November 1947. Original copy of this letter is to be found in 'British Troops in Austria, Orders of Battle and Location Statement – January 1948,' Printed Books Department Accession Number XK 93/1816, Imperial War Museum, Lambeth Road, London. The second source is *Land Forces of Britain, the Empire and Commonwealth*, <[www.regiments.org](http://www.regiments.org)>, created by T. F. Mills. 1 March 2001, updated 29 April 2003, [30 April 2003.]

<sup>24</sup> H F Joslen, *Orders of Battle, Second World War, 1939-1945*, (London: Her Majesty's Stationery Office, 1960), p. 324,

All British infantry units in Austria reported to the 138th Infantry Brigade for training purposes. Otherwise, the 138th consisted of five battalion-sized infantry units: 1st Battalion, the West Yorkshire Regiment (amalgamated in November with the 2nd battalion without change of name); 2nd Battalion, the Dorsetshire Regiment; and 2nd Battalion, the North Hampshire Regiment (amalgamated in August with the 1st Battalion without name change). The 1st Battalion, East Yorkshire Regiment (The Duke of York's Own – amalgamated in September with the 2nd Battalion without change of name) reported directly to the Styria Sub-Area Command in Graz.

Vienna hosted the Vienna Area Command (Army Component), a Royal Engineering unit, transport and movement control organisations, service corps, ordnance, postal units and relatively large military police, intelligence and other security organisations. Interestingly, the Headquarters Civil Affairs Component, situated in Vienna, reported directly to the British Element, Allied Commission Austria. The 70th General Hospital was also located in Vienna, with 150 beds.

The Styria Sub-Area Command in Graz was assigned operational control over A and B Companies, 1st East Yorkshire Regiment, and hosted a surprisingly large intelligence component, consisting of 263d, 301st, 313d, 409th and 418th Field Security Sections. Although posted in Graz, the

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Censorship Group reported directly to British Element, Allied Commission Austria.

### **CONTINGENCY PLANNING**

Austria does not play a major role in any of the Warsaw Pact plans studied for the purposes of this thesis.<sup>25</sup> The three Western Powers, on the other hand, anticipated a Soviet offensive and planned for it. These plans are now declassified and available at Britain's Public Record Office (PRO).<sup>26</sup>

Allied plans called for a coordinated withdrawal from Austria to Italy, and were code named PILGRIM ABLE, PILGRIM BAKER and PILGRIM CHARLIE. There was a fourth plan, PILGRIM DOG, which provided for a holding action in the Tyrol. This was heavily supported by the French but opposed by General Galloway who forbade any of his subordinates from even discussing it with the other Allies. Galloway wrote that he was warned by the Chief of the Imperial General Staff not to have anything to do with this plan.<sup>27</sup> Later, the American Joint Chiefs of Staff rejected PILGRIM DOG, while at the same time rejecting all other USFA recommendations for fighting forward in Austria.<sup>28</sup>

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<sup>25</sup> See for example: Der Bundesminister der Verteidigung, *Militärische Planungen des Warschauer Paktes in Zentraleuropa: Eine Studie*, Bonn, February 1992, trans. and annot. by Mark Kramer in *Warsaw Pact Military Planning in Central Europe: Revelations from the East German Archives*, CWIHP Bulletin No. 2 (Fall 1992).

<sup>26</sup> 'Plans for Austria and Trieste, 1947-1950', DEFE 11/23, PRO.

<sup>27</sup> Top Secret Letter from Galloway, Commander-in-Chief British Forces Austria, to the Secretary, Chiefs of Staff Committee, 12 May 1949, DEFE 11/23, PRO.

<sup>28</sup> Joint Strategic Plans Committee Report, 27 June 1952, JCS Geographic Files 1951-1953, RG 218, p. 12, NARA II.



PILGRIM was based on three general assumptions. First, it was assumed that the Soviet Union, reinforced by troops from Satellite nations, would cross the borders of the Western occupation zones in Germany and Austria. Second, the Western forces in Germany would implement their own contingency plans and withdraw immediately west of the Rhine. The third planning assumption - indeed a fact - was that Italy already declared her intention of joining the Allies at the beginning of such a war.

PILGRIM took into considerations a Western appreciation of possible enemy courses of action, and concluded that enemy decisions would be heavily influenced by the state of relations between the Soviet Union and Yugoslavia at the beginning of the campaign.<sup>29</sup> If the Soviet Forces in Austria and Hungary attacked in conjunction with the Yugoslavs, the most likely course of action would be to combine this offensive with Soviet forces in Germany to destroy US Forces in Austria and continue the offensive in the general direction of Graz–Klagenfurt–Po Valley and into the Italian peninsula with the objective of securing Italy and thereby control of the central Mediterranean region. If the Yugoslavs did not join in, the Soviets would attack together with Soviet troops in Germany in the direction of Salzburg–Innsbruck–Graz–Klagenfurt with the objective of destroying all US forces in Austria. In response, Western forces would respond according to one of three contingency plans:

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<sup>29</sup> 'Plan PILGRIM – Evacuation of Allied Forces From Austria', DEFE 11/23, J.P. (48) 134 (Final), PRO.

### PILGRIM ABLE

Western forces in Austria would stage a coordinated withdrawal to the Rhine and follow orders from the Allied Commander-in-Chief Western Europe. Under this plan, British forces would withdraw southward immediately, through Italy to France. American forces would withdraw through the French Zone to the Brenner Pass. And then follow British forces through Italy to France. French forces in the Vorarlberg would withdraw immediately to Mulhouse, and the remainder of French forces in Austria would protect the US withdrawal and then withdraw through Italy to France.

### PILGRIM BAKER

This alternative plan was designed to effect an Allied withdrawal from Austria and Trieste, and to evacuate them from Italian ports. Each Allied contingent would pull back to Leghorn. British forces in Austria and Western forces in Trieste would withdraw directly across Northern Italy, with American troops moving through the French Zone to the Brenner Pass.

### PILGRIM CHARLIE

In CHARLIE, Western forces in Austria and Trieste would execute a coordinated withdrawal to Northern Italy where they would join with Italian forces to take such action as they could. This alternative

assumed that Italy would in fact resist enemy forces crossing her borders. The plan provided for the withdrawing forces to concentrate in the area of Vicenza and be redeployed with the Italians to the area of Brenta-Piave. The priorities and withdrawal systems would be the same as in PILGRIM ABLE and BAKER.

In a War Office note critiquing PILGRIM, British planners observed that there seemed to be no reason for the circuitous route established in PILGRIM ABLE (through Italy and France to the Rhine) other than a concern by Allied commanders in Austria over a possible attack from the east, if they withdrew northward directly to the Rhine. Also, PILGRIM BAKER did not take into consideration that the withdrawal line directly across Northern Italy would expose Western forces to the large Communist element present there. In a war against Russia, Western forces in Northern Italy would have to expect sabotage and Communist partisan resistance. Britain's General Sir Alexander Galloway, Commander in Chief British Troops Austria from October 1947 until 1 January 1950, was opposed to PILGRIM CHARLIE because British, French and American troops involved in Northern Italy would have no air, armoured or artillery support: 'Under the conditions of modern war, I do not think this is on'.<sup>30</sup> Galloway was over-ridden by the Chiefs of Staff: 'the approach to the problem is however in accordance with the

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<sup>30</sup> Top Secret letter from Galloway to Chiefs of Staff Committee, 12 May 1949; Annex I to Chiefs of Staff Committee Report, 3 July 1950, entitled 'Disclosure of Information to the Italians About Co-ordinated War Plans for the Allied Occupation Forces in Austria and Trieste', DEFE 11/23, COS (50) 228, PRO.

directive issued by the Chief of Staff and appears to be the best that can be done under circumstances which are bound to involve considerable risks'.<sup>31</sup>

In a 31 March 1950 report on PILGRIM, as it affected British forces in Trieste, the Joint Planning Staff noted that Italian-Yugoslav relations were somewhat improved, and that Trieste was no longer being used to support Allied forces in Austria.<sup>32</sup> The Staff also noted a concern expressed by combined Anglo/US/French planners in Austria that Western forces could not hope to withdraw westward toward the Rhine before the Soviets could cut their lines of retreat. Therefore, withdrawal from Austria could only be executed through Italy. The Commanding General US Forces Austria was charged with the responsibility of coordinating plans for withdrawal of all Allied forces from Austria in the event of a Soviet attack. The Joint Staff report summarised three approaches being taken in this planning process. The first had Italy declaring war on the side of the Allies and fighting when attacked. In this case, all Western forces in Austria would withdraw directly into Italy and fight alongside Italian forces for 'as long as practicable'. If, on the other hand, Italy did not become an active ally but did not oppose Western forces movements into Italy, Western forces in Austria would withdraw to Western Italian or Southern French ports from which they would be evacuated. If nobody knew how the Italians would react to war, occupation troops in Austria would withdraw to Trieste and be evacuated by sea.

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<sup>31</sup> ANNEX II, 'Plan PILGRIM – Evacuation of Allied Forces From Austria', DEFE 11/23. J.P. (48) 134 (Final), p. 6.

<sup>32</sup> Top Secret Joint Planning Staff Report, 31 March 1950, p. 2, J.P.(50)26 (Final), C.O.S.(50)91, DEFE 11/23, PRO,

Galloway was not the only British senior military officer who was uncomfortable with these plans, which, by the way, had never been cleared with the Italian Government. Upon learning this, Major General H. Redman of the War Office was inspired to observe that the Italian troops' morale would perhaps be boosted by the sight of British troops on their soil, but he wondered how it would go down with these same Italian troops if they were ordered northward to face an attacking Soviet Army while dodging British and American troops streaming southward through their ranks in rapid retreat.<sup>33</sup>

On 2 September 1950, Redman, confirming that even the War Office was having problems with security, sent a Top Secret letter to A.G. Gilchrest of the Foreign Office German Department, regarding PLAN PILGRIM, after Italy had joined the Atlantic Pact. Here, the War Office admits that a highly classified communication had somehow gone 'out of channel' and landed on Gilchrest's desk. Gilchrest's response obviously caused a stir, because Redman was swift to explain:

I am afraid that you have been caused unnecessary trouble by being shown a telegram sent on a personal basis, and giving guidance to our Army Chiefs of Staff in Austria and Trieste in relation to a particular aspect of military planning. ... The small unbalanced forces which we have agreed to contribute to the defence of Northern Italy are not, from the military point of view, a sound proposition but have been committed for psychological and political rather than military reasons. The occupation forces are not organised as field forces and they lack the supporting arms and administrative backing necessary to make them efficient even in a defensive role ... it will be essential for our forces to set an example to the Italians and for us to demonstrate that we mean what we say. This will not be achieved if

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<sup>33</sup> Ibid.

our forces are seen to be retreating as rapidly as possible through the Italian frontier defences and make no attempt to cover the Italians whilst they are mobilising.<sup>34</sup>

The European mutual defence agreement might have added to Britain's defence capability, at least in appearance, but it also obligated the British government to share secret information with its treaty partners, including the French who were widely disliked and mistrusted, especially in British military circles.<sup>35</sup> Throughout its post-war diplomacy, the British government was terrified that the Soviet Union would find out how weak the country actually was, in both military and economic terms. Attlee did what he thought he could to protect the country's secrets. He excluded Communists from sensitive positions in which they might have access to classified information, for example, and both he and Bevin warned the French about the dangers of Communist penetration.<sup>36</sup> They understood that the more sensitive information London passed to its European treaty partners, the more likely it was that this information would reach Soviet ears. What they did not know was the extent to which the Soviet intelligence services had already, beginning in the 1930s, penetrated British government circles at practically all levels, the 'Cambridge Five' being but a few examples of secret agents who insured that Moscow received copies of sensitive British diplomatic traffic, policy papers, and first-hand reports of Anglo-American deliberations on strategic matters.

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<sup>34</sup> Top Secret letter from Redman to Gilcrest (Foreign Office), 1 September 1950, MO3/SE/51, FO 371/84923, pp. 1-2, PRO,

<sup>35</sup> Elizabeth Barker, *The British Between the Superpowers, 1945-50* (London - Basingstoke: The Macmillan Press Limited, 1983), p. 116, citing DEFE 4/14 COS(48)36<sup>th</sup> Mtg., 23.6.48.

<sup>36</sup> CAB 128/12 CM(48)25, 25.3.48.

## ANOTHER TRY

While contingency planning was underway, there were renewed efforts to breathe life back into treaty negotiations. Following the unsuccessful Deputies meeting on 9 January 1950, the British, French and American ambassadors in Moscow requested appointments with Soviet Foreign Minister Vyshinsky to submit protest notes over the lack of progress toward solution of the Austria issue, but all three were deflected to the Deputy Foreign Minister, Andrei Gromyko. This fifty minute-long meeting of the three Western ambassadors together with Gromyko produced one memorable quote from the Cold War's Austrian 'battlefield.' Tired of receiving what he regarded as evasive replies from Gromyko to fairly specific questions, American Ambassador Alan Kirk asked Gromyko how much longer it would be before the Western Allies could expect a resolution to the Austrian problem: 'it's been going on for some time.'<sup>37</sup> Gromyko replied: 'That depends on the value you place on time'.<sup>38</sup>

Subsequent meetings in 1950 of the four Deputies for Austria produced no movement at all, with the Soviet representative refusing to discuss any outstanding articles in the draft treaty until all matters pertaining to Austrian post-war debts to the Soviet Union were settled (e.g. the dried peas). The Soviets also refused to comment on the negotiations or even to speculate on

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<sup>37</sup> Telegram from Sir D. Kelly (Moscow) to the Foreign Office, 19 January 1950, C445, FO 371/84896, PRO.

<sup>38</sup> Cronin, *Great Power Politics and the Struggle Over Austria* p. 101, citing Lydia Kirk, *Postmarked Moscow* (London: Duckworth, 1953), p. 121.

when these might end.<sup>39</sup> In April 1950, the Soviets added a new obstacle in the discussions, alleging an alarming growth of neo-Nazi sentiment in Austria and demanding that a new article be added to the treaty draft requiring Austria to take action against all organisations of a 'Fascist type'.<sup>40</sup> There was no definition of what the Soviets meant by the term 'fascist'.

The real intent of this improvisation became clear only eight days later, when the Soviets demanded that progress on the Austrian Treaty would depend on settlement of Soviet objections to Allied policies regarding Trieste. One can only assume that the Soviet assessment of the issues attached to Trieste was the same as those presented in London and Washington, where it had already been concluded that an impasse had been reached. During the rest of 1950, the Soviets clung to the demand that Trieste be resolved before they were prepared to discuss Austria, rejecting Western claims that the two issues had nothing to do with each other. In a 23 May 1950 Minute for the Secretary of State for Foreign Affairs, Mallet reported that: 'The Soviet Union had now made it abundantly clear that they had no intention of concluding the treaty'.<sup>41</sup>

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<sup>39</sup> Ibid., p. 101.

<sup>40</sup> Ibid., p. 102.

<sup>41</sup> Foreign Office minute by Mallet to Bevin, 23 May 1950, C3578, FO 371/84904, PRO.



## CACCIA'S FEBRUARY 1950 SURVIVABILITY MEMORANDUM

On 28 February 1950, Sir Harold Caccia sent a telegram to Bevin, entitled 'Survival of Austria as an Independent State'.<sup>42</sup> The date is important because of the impending conference of Western foreign ministers, scheduled to be held in London beginning on 11 May. The document was considered to be of sufficient importance to be included in the 1950 Confidential Print file distributed by the Foreign Office to a select audience – an archival collection that was declassified only in the year 2001. Here, Caccia sought to assess the political and economic dangers which might threaten the survival of Austria 'if a treaty on the present terms were after all ratified and implemented in conditions as they are today'.<sup>43</sup> He based this assessment on certain assumptions:

For the purpose of this paper it is assumed that on the ninetieth day after ratification all occupying forces will have been withdrawn, that the full sovereignty of Austria will have been re-established and that Soviet-owned enterprises in Austria (oil administration and Danube Shipping Company) will then become subject to Austrian jurisdiction as prescribed in the treaty. It is also assumed that there will be no direct military action by the Soviet. On these assumptions, the immediate short-term danger is that of a Communist coup d'état, and the longer-term dangers are of Austria succumbing to political or economic weaknesses or a combination of both.<sup>44</sup>

The threat of a Communist coup was, according to Caccia, not great. Conceivably, well-armed Communist organizations such as the Werkschutz could seize machinery of government and broadcasting facilities and hold out

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<sup>42</sup> British High Commission Vienna, 'Survival of Austria as An Independent State,' 28 February 1950, FO 465/4, Document No. 3, Telegram No. 36, C 1678/1/3, .

<sup>43</sup> Ibid., p. 1.

<sup>44</sup> Ibid.

long enough for neighbouring countries to dispatch Communist reinforcements. But Caccia also opined, as it turned out prophetically, that the Austrian police and gendarmerie were probably able to handle any such eventuality. Even if the Soviets were to strengthen the Werkschutz and raise a strong militia, the Communists would still require help from forces smuggled into the country at the time of the coup. But 'the Austrian Government are already quite clear that it would be one of the primary tasks of the Austrian State forces to forestall any Communist coup'. Even if a Communist putsch succeeded in Vienna and Eastern Austria, it would in all probability not extend to the Western part of the country, and a partitioned state would result.<sup>45</sup>

Caccia then addressed the ramifications of political and economic weakness after occupation troops withdrew. In doing so, he offered an interesting, personal observation about the Austrian people.

There is unfortunately an inherent lack of confidence and will that Austria could and should survive as a separate political entity. The fanatic passion for national survival, which is characteristic of the Greeks, does not exist in Austria. On the other hand, it is easy to underestimate the capacity of the Austrian people for resistance by more devious means and to exaggerate the extent to which a mentality of fatalism saps their purpose.<sup>46</sup>

Hence, the 'prophets of woe' were likely to be more vocal than others. Caccia pointed out that there were three possibilities, should Austria not be able to stand on her own feet. First, it could be absorbed into some system of

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<sup>45</sup> Ibid., paragraph 2, p. 2.

<sup>46</sup> Ibid., paragraph 4, p. 2.

Danubian Soviet satellites. Second, Austria could be absorbed into a Western European Federation. Third, Austria could once again enjoy a 'fusion' with Germany. On the basis of past elections, Caccia reported, some ninety percent of the Austrian people would be opposed to becoming part of the Soviet empire, and this percentage would not change unless the Western Powers somehow demonstrated that they had neither the will nor ability to continue to support a free-standing, independent Austria. 'Social Democracy has some solid foundation here, and the prospect of Austrian Socialists, on becoming embroiled with the Right, throwing themselves into the arms of Soviet Communism is remote'.<sup>47</sup>

Of the two remaining alternative fates, incorporation into some form of Western European Federation would probably be most attractive to Austrians, provided that there was a Western European Federation to join. If the Western Powers wanted it, there 'would always be widespread support in Austria for adherence to a Western Federation. ... Indeed, the Austrians would feel that they had a right to belong for historic and cultural reasons as well, as because this would afford them some added physical protection from the Soviet Empire'.<sup>48</sup>

Most interesting of Caccia's observations is the one addressing his third alternative, that of Austria's becoming part of some 'fusion' with West Germany. Article 4 of the draft treaty, one of the articles already agreed by all

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<sup>47</sup> Ibid, paragraph 5, pp. 2-3.

<sup>48</sup> Ibid., paragraph 7, p. 3.

Four Powers, prohibited any type of political or economic union with Germany. But, as Caccia pointed out, so did the Treaty of St. Germaine and the Anschluß still took place. It is interesting that it occurred to Caccia to see this as a possible future course for Austria. He said himself that it was difficult to estimate just how attracted the Austrian people would be to the prospect of another Anschluß with Germany. In any case, he was confident that Britain would possess some form of veto in any western union and, in the absence of positive action by the Western Powers to bring about another Anschluß, it would almost certainly not come about. Economic developments, on the other hand, could lead Austria back into despair and cause her to reach out for more extreme solutions.

After listing the benefits and burdens Austria would probably derive from a treaty, Caccia concluded that the economic consequences of the treaty, in its then-current draft form, were not 'calculated to facilitate the Soviet in subverting the Austrian State'. The economic benefits of a treaty would far outweigh the burdens, provided that Western economic assistance would continue after the cessation of Marshall aid.<sup>49</sup> Again we see the British depending a great deal on the American taxpayer's willingness to continue economic support for Austria beyond the termination of major international aid programs.

Caccia concluded his assessment of political and economic risks by suggesting that, even with continuing Western aid, Austria's future would

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<sup>49</sup> Ibid., paragraph. 12, p. 4.

depend largely on her own efforts. A huge national drive would be required, and the execution of a treaty would, in his opinion, create sufficient incentive for the Austrian people to 'put their backs into it'.

All that is safe to assert here is that as things are today and on the basis of such assumptions as it is reasonable to make now, it is clear that Austria has a fair prospect of survival if two conditions are fulfilled. They are that the balance of power and influence in Europe does not turn significantly against the West, and that Austria receives an adequate degree of financial and economic support from the West after the end of Marshall Aid in order to prevent a sharp and enduring deterioration in the condition of living and employment.<sup>50</sup>

### **THE VIOLENT DEMONSTRATIONS OF SEPTEMBER AND OCTOBER 1950**

Communist gains in Korea during the initial phases of the war caused serious concern in Austria, where most people felt their future depended on the West's ability to protect them. But Western military forces were not doing very well against North Korean Communists, and the rapid US withdrawal in Korea sent Austrian self-confidence plummeting. Hugo Portisch recalled:

Der Koreakrieg hat eine ganze Reihe von Konsequenzen für Österreich. Unmittelbare und längerfristige. Zu den längerfristigen gehört sicherlich der völlige Stillstand in den Staatsvertragsverhandlungen. Längerfristig wirkt auch die Überzeugung der Amerikaner – wie auch vieler Österreicher Politiker – Korea bestätigt die Annahme, daß, wo der Westen ein Land räumt, die Kommunisten eindringen. Denn dies sei die Ausgangslage in Korea gewesen: Im Norden standen die Sowjets, als Besatzungstruppen, im Süden die Amerikaner, beide zogen ab. Im Norden hinterließen die Sowjets ein kommunistisches Regime, im Süden die Amerikaner ein prowestliches. Des militärischen Schutzes beraubt, wurde das prowestliche Südkorea ein Opfer des kommunistischen Regimes im Norden. Einem solchen Schicksal könne man in gleicher Lage offenbar entgehen, wenn man unter dem

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<sup>50</sup> Ibid., paragraph. 17, p. 5.

militärischen Schutz der USA bliebe oder selbst stark genug wäre, einen Angriff abzuwehren.<sup>51</sup>

Hopes of a tranquil future were not helped a few months later, when Communists in Austria launched what one British historian described as the greatest and 'most potentially dangerous wave of labour protests in Austria's post-war history'.<sup>52</sup> Audrey Cronin interpreted the strikes as the second major Soviet-inspired putsch – a Communist attempt to overthrow the Austrian Government.<sup>53</sup> Cronin's version of this incident is supported by other scholars who have studied the 1950 demonstrations in depth.<sup>54</sup> One of the more persuasive opinions in support of the putsch theory is that of Boris Volodarsky, former Soviet military intelligence officer and author of a forthcoming book on the history of Soviet intelligence operations in Austria. Volodarsky writes:

One should realise, that since its formation in 1918, KPÖ never existed as a separate body, it had always been only an arm of the Comintern, and after 1943 the Covinformburo (sic) and its successors. Koplenig, Fiala, Honner, Ernst Fischer & Co. were trained to fulfil orders, and do precisely what Moscow told them to do. There is no doubt that the Soviet intelligence played a leading role in the September-October 1950 strikes. There is plenty of open information that the target of the strikes was the existing coalition

<sup>51</sup> Hugo Portisch, *Der Lange Weg zur Freiheit* (Vienna: Verlag Kreymayr & Scheriau, 1986), p. 410.

<sup>52</sup> J. Lewis, 'Austria 1950: Strikes, 'Putsch' and Their Political Context', *European History Quarterly*, 30 (2000), 533-552 (2000), p. 533.

<sup>53</sup> Cronin, *Great Power Politics and the Struggle Over Austria* Cronin, p. 111. Cronin identifies the 1947 food riots as the first attempted Soviet-backed putsch.

<sup>54</sup> See, as examples: Ulricke Wetz, *Geschichte der Wiener Polizei-Direktion vom Jahre 1945 bis zur 1955: mit Berücksichtigung der Zeit vor 1945*, (PhD, University of Vienna, 1970b). See also Klenner, Fritz, 'Putschversuch oder nicht: Tatsachenbericht über das 4. Preis- und Lohnsabkommen und die beiden gescheiterten kommunistischen Generalstreikversuche im September und Oktober 1950,' Pressereferat des Österreichischer Gewerkschaftsbund, Wien 1958.

government, and the aim yet a new coalition government headed by the Communists, i.e. we can clearly speak of the putsch. ... ALL Austrian Communists, members of the government, were Soviet agents, the exact type of their relation to the Soviet 'organy' did not really matter. They all had pseudonyms and were getting instructions from Moscow.<sup>55</sup>

In other words, whether or not the incident represented a pre-planned coup d'état, Volodarsky maintains that Soviet intelligence would have been heavily involved, and he describes the demonstrations as a clear attempt by the Communists to assume control of the coalition government.

American historian, William Bader, who wrote one of the better books about the occupation of Austria, suggests that Austrian accounts of the 1950 demonstrations, while reflecting an understandable pride in the role played by the country's workers and security forces in suppressing the violence, ignore the fact that the Soviet attitude toward the strikes was 'probably the most crucial factor of the entire affair'.<sup>56</sup> What the Communists needed, according to Bader, was an incident that would have thrown the Austrian people into a mood of intense dissatisfaction with the coalition government. Such an incident would have to be so dramatic as to create a broad base of social discontent, one that would transcend political party lines. The summer of 1950 provided that opportunity because: 'only with the support of large numbers of dissatisfied Socialist workers could the Communists hope to

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<sup>55</sup> E-Mail message from Volodarsky to author, 2 July 2003, paragraphs 2 and 5. Hard copy in author's personal files.

<sup>56</sup> William B. Bader, *Austria Between East and West, 1945-1955* (Stanford: Stanford University Press, 1966), p. 158.

succeed in an attempt to shake or unseat the coalition government'.<sup>57</sup>

According to Bader:

The Austrian Socialists have long contended that the objective of the Communist Party in the fall of 1950 was the overthrow of the coalition government and the establishment of a 'people's democracy' in Austria. This is certainly true to the extent that such a takeover was the ultimate objective of the Communist Party.<sup>58</sup>

Bader maintains that, while the Communists may have wanted to exploit the situation they did not have the capability to do so. As an indication of how shallow support for the KPÖ had become, sixty nine of the eighty six factories voting to strike in Lower Austria were Soviet-run USIA plants. Only seventeen were not. No putsch occurred because Austrian workers did not want it.

What cost the Communists any chance of success in the October strike was the response of the workers to this (Government) appeal. The personal courage shown by many Austrian workers during these two critical days drew all too little comment in the Western press.<sup>59</sup>

In her 1970 PhD thesis on the history of Vienna's Police, Ulrike Wetz reported: *'Der Plan der Komunisten war, die Kontrolle über die Gewerkschaften und über diese Regierungsgewalt zu erlangen'*.<sup>60</sup> Others disagree and conclude that the September and October 1950 violent demonstrations were simply Communist-inspired expressions of outrage stirred by rumours of a new government wage and price plan that

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<sup>57</sup> Ibid., p. 158.

<sup>58</sup> Ibid., p. 166.

<sup>59</sup> Ibid., p. 179.

<sup>60</sup> Ulricke Wetz, *Geschichte der Wiener Polizei-Direktion vom Jahre 1945 bis zur 1955: mit Berücksichtigung der Zeit vor 1945*, (PhD, University of Vienna, 1970a), p. 394.



disadvantaged the working class. A reliable explanation of the motives behind the strikes will not be available until KPÖ files and Soviet archives are entirely open to the public. Attempted coup or not, these demonstrations inflamed the Austrian public and frightened the government to the point where Chancellor Leopold Figl asked, as we shall see, at least three times for Western military troops to augment Austrian police, who they thought were being overwhelmed by superior numbers of demonstrators. It was this request that forced Britain into a policy decision of some consequence.

The strikes of 1950 did two things for British Austria policy. First, they alerted everybody to the disaster that might have happened, given the Government's lack of preparation, inadequate intelligence capabilities and the questionable capability of Austrian law enforcement authorities to contain the mobs. Everybody learned new lessons from this serious incident, which forced British officials into at least one major decision on the ground in Austria - not to dispatch armed soldiers to support the police. Second, unashamed and illegal Soviet support for the demonstrators reinforced Britain's views about Soviet behaviour in Austria and of what might be expected from the Russian counterparts in the future.

In addition to daily situation reports to the Foreign Office from the Vienna Embassy, British High Commissioner, Sir Harold Caccia, wrote three substantive reports on the demonstrations. On 3 October and again on 8 October 1950, he sent comprehensive, analytical reports to Prime Minister

Attlee.<sup>61</sup> On 27 October 1950, he sent Ernest Bevin the agreed text of Britain's formal Note protesting Soviet behaviour during the demonstrations.<sup>62</sup> These documents are worthy of special note because they reflect how Britain's foreign policy team in Vienna interpreted the demonstrations and the underlying causes. The reports also highlighted the strikes' significance to British policy in Austria. All three documents were selected for inclusion in the Foreign Office's Confidential Print collection for the year 1950, for dissemination at the highest levels of the British Government.

According to Caccia's first report, the agitation that accompanied the Fourth Wage & Price Agreement dated back to the 1949 Agreement, which was broadly denounced by the Communists, who 'have taken every opportunity since to try and convince the workers that their real wages have been steadily declining'.<sup>63</sup> When it became known that another such agreement was under consideration, the KPÖ intensified propaganda efforts and accused the Socialists and trade union leaders of selling the workers out by engaging in a secret conspiracy with their 'reactionary' coalition partners. 'It was clear that the Communists were determined to challenge the Government and the trade union leadership on the streets whatever form the

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<sup>61</sup> Caccia to Attlee, 'Communist Demonstrations Against the Wage-Price Agreement in Austria: Evidence of Soviet Intervention', Vienna despatch no. 141, 3 October 1950, (C 6401/12/3), FO 465/4. Caccia to Attlee, 'Communist Disturbances in Austria,' Vienna despatch No. 143, 8 October 1950, C 6559/12/3, FO 465/4, Document 14, PRO.

<sup>62</sup> Caccia to Bevin, 'Disturbances in Austria: Note of Protest to the Soviet Government', Vienna Telegram No. 1202), 27 October 1950, C 7229/12/3, FO 465/4, PRO.

<sup>63</sup> Caccia to Attlee, British High Commission Vienna, 'Communist Demonstrations Against the Wage-Price Agreement in Austria: Evidence of Soviet Intervention,' 3 October 1950, FO 465/4, Document 13, C 6401/12/3, , p. 27.

agreement took'.<sup>64</sup> Caccia opined that the Wage & Price Agreement was 'the occasion and not the whole explanation' of this challenge to the Austrian coalition Government. Nonetheless, he saw the strikes as a clear challenge to existing authority.

On 3 October, Caccia reported that the first signs of real trouble began in July and August 1950 when farmers intensified efforts to obtain price increases for grain and other agricultural products. Austria's internal price of grain was about one-third the world price, and farmers in Austria had little incentive to sell through conventional channels. At the same time, a decision was made to withdraw government subsidies from a number of imported commodities, including coal and fertilizers. The worldwide price increases resulting from the Korean War were beginning to catch up with Austria, where there was also a proposal for a unitary exchange rate, a move encouraged by the International Monetary Fund and the Economic Cooperation Administration – always a lightning rod for Communist attacks.<sup>65</sup> Instead of conducting all of these deliberations in the open, the Government chose to do so in secret, denying to the public that any negotiations on a new Wage & Price Agreement were taking place at all.

News of the September demonstrations reached Austrian Government hands on the afternoon of 25 September. The Federal Chancellery was to be the target of Communist demonstrators entering Vienna from the city's outskirts.

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<sup>64</sup> Ibid.

<sup>65</sup> See Section on The Marshall Plan in Austria, Chapter 3.

The first hard news about the terms of the Fourth Wage & Price Agreement was published by the President of the Trade Union Federation in the *Arbeiter Zeitung* just before a scheduled 26 September Cabinet meeting. Communist demonstrators were already assembling, even before the terms of the Agreement were known.<sup>66</sup>

At about nine o'clock a.m., 26 September 1950, between 6,000 and 7,000 demonstrators began gathering in the Ballhausplatz, where they were addressed by Communist spokesmen. Austrian police were unable to disperse the mob. Chancellor Figl and some staff were besieged in the Chancellery until after 2 o'clock in the afternoon. At the same time, strikes were organised by Communists in Lower and Upper Austria and also in Styria, the most serious incident being the blocking of railway lines in the Soviet Occupation Zone south and west of Vienna. In the British Occupation Zone, police were unable to contain demonstrators who threatened the seat of government in Graz. Caccia reported that police were also unable to control crowds in Wiener Neustadt, Linz and St. Pölten. Then, Communist organisers ordered their people to withdraw, return to work on 27 September, and await the outcome of a so-called congress of shop-stewards scheduled for 30 September in Vienna.<sup>67</sup> Stearman reports that the program 'Russian Hour' on the Soviet military radio station, RAVAG, actually broadcast

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<sup>66</sup> Caccia to Attlee, 3 October 1950, 'Communist Demonstrations Against the Wage-Price Agreement in Austria: Evidence of Soviet Intervention'.

<sup>67</sup> Ibid., p. 29.

instructions to the demonstrators to go home and await the 'All-Austrian Shop Steward's Conference'.<sup>68</sup>

Franz Muhri was the KPÖ District Secretary for Mödling at the time. In 2002, he wrote a piece on the strikes, in which he admitted that the KPÖ made a serious mistake when they halted the strikes just when they were picking up steam: *'Der Aufruf zur Unterbrechung des Streikes hatte sich im weiteren als schwerer Fehler erwiesen was auch die KPÖ Führung später selbstkritisch feststellt'*.<sup>69</sup> This, he suggested, gave the government time to launch a massive anti-Communist press campaign and also to prepare law enforcement authorities for the next wave of strikes.

Socialist shop stewards did meet as scheduled and they passed a resolution endorsing the Fourth Wage & Price Agreement.<sup>70</sup> By the time the second round of violent demonstrations started, the government, the police and socialist trade union leaders were prepared. Wetz reported:

Auf der am 3.10.1950 nachmittags abgehaltenen Konferenz der sozialistischen Betriebsobmänner Wiens, in der das Lohn- und Preisabkommen gebilligt und die Streikparole zurückgewiesen wurde, gab der Obmann der Gewerkschaftssektion der Sicherheitswache, Schindler, unter dem stürmischen Beifall der Konferenzteilnehmer die Erklärung ab, daß die Wiener

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<sup>68</sup> William L Stearman, *The Soviet Union and the Occupation of Austria* (Bonn, Vienna, Zurich: Siegler & Co, 1962), p. 121.

<sup>69</sup> Franz Muhri, 'Am Beginn des Kalten Krieges: Der Oktoberstreik 1950 – Persönliche Bemerkungen zur Putsch-Metapher', *Kalter Krieg: Beiträge zur Ost-West-Konfrontation 1945-1990*, eds. Schöpfer, Gerald and Karner, Stefan, Leykam, (Buchverlagsgesellschaft: Graz, 2002), p. 195.

<sup>70</sup> Caccia to Bevin, Telegram No. 143, 8 October 1950, C 6559/12/3, FO 465/4, PRO, p. 31.

<sup>70</sup> Caccia to Bevin, 8 October 1950, p. 1.

Sicherheitswache sich strikte an die Anordnungen des Polizeipräsidenten halten werde.<sup>71</sup>

During the period 28 September – 4 October, furious exchanges took place in the Austrian press, and these served to inflame an already incendiary environment in which the government described the Communist-inspired strikes as a deliberate attempt to take over the government by force and install a Communist regime. Given what had already happened in neighbouring Hungary and Czechoslovakia, these accusations carried a plausible ring.

On 30 September, some 2,417 representatives of works committees and other spokesmen from every province met in Vienna's Floridsdorf locomotive factory. After a three-hour debate, the participants agreed on an ultimatum to the government:

Zurückziehung der Preiserhöhungen oder Verdopplung der im Abkommen vorgesehenen Erhöhung der Löhne, Gehälter, Pensionen, Renten, Kinderzulagen, bei voller Steuerfreiheit für die gesamten Erhöhungen.

Keine weiteren Preiserhöhungen, gesetzlicher Preisstopp.

Keine weitere Schillingabwertung ... falls die Regierung nicht bis spätestens Dienstag auf unsere Forderungen positiv antwortet und eine solche positive Antwort durch die Exekutive der österreichischen Betriebsrätekonferenz über die Rundfunksender nicht mitgeteilt wird - ohne weitere Aufforderung am Mittwoch der Streik in ganz Österreich zu beginnen.<sup>72</sup>

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<sup>71</sup> Wetz, *Wetz Dissertation*, p. 397.

<sup>72</sup> Franz Muhri, 'Am Beginn des Kalten Krieges: Der Oktoberstreik 1950 - Persönliche Bemerkungen zur "Putsch-Metapher', in *Kalter Krieg: Beiträge zur Ost-West-Konfrontation 1945-1990*, Schoepfer and Karner, (Graz: Leykam Buchverlagsgesellschaft m.b.H., 2002), p. 196.

When the 3 October deadline passed without government acceptance of shop stewards' demands, violent demonstrations broke out, with demonstrators forcefully taking over a post office in the Soviet Zone near Vienna. Using augmenting forces from the capital, Austrian police re-took the post office but were ordered away by Soviet military authorities. The smell of a concerted coup was definitely in the air, especially after Soviet authorities intervened on behalf of rioters by providing military vehicles for transportation, and by preventing Austrian police stationed in the Soviet Zone from responding to orders from higher headquarters to rush to Vienna and reinforce the police presence in the centre of town.

By noon on 5 October, enthusiasm for continuing violent demonstrations had waned, the non-communist press was reporting the strikes as failures, and Austrian police had succeeded in decompressing the most serious trouble spots. Socialist labour union leaders played a major role in obstructing Communist attempts to add fuel to the fire and one in particular, Franz Olah, Chairman of the Gewerkschaft der Bau- und Holzarbeiter (1949-1957), emerged from the incident as a national hero. As head of the construction workers' union, he organised his members into small bands, about the same size as the roving Communist demonstrators who were building road blocks and otherwise disrupting transportation facilities. These 'Olah Bataillone', armed with clubs, engaged the Communists in hand-to-hand fighting in 'hard fought battles all over the city'.<sup>73</sup>

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<sup>73</sup> Bader, *Austria Between East and West, 1945-1955*, p. 179.

On Thursday, 5 October 1950, the Präsidium of the all-Austria works committees met again in the Floridsdorf locomotive factory. Following another lengthy debate, there was unanimous opinion that the government had acted against the interests of Austrian workers by pursuing the Fourth Wage & Price Agreement, that the Austrian Trade Union Federation had done the same, that the workers' voice had been heard but ignored, and that the workers had been subdued by the unreasonable application of force.

Dadurch ist es im gegebenen Augenblick nicht möglich, eine einheitliche Bewegung in ganz Österreich zu entfalten. Aus diesen Gründen empfiehlt die Exekutive der österreichischen Betriebsrätekonferenz der Arbeiterschaft, den Streik abubrechen und Freitag in Betriebsversammlungen die Aufnahme der Arbeit zu beschließen. ...der Streik ist zu Ende, der Kampf geht weiter. ... so endet der große Streik mit einer Niederlage der KPÖ.<sup>74</sup>

Caccia's 8 October telegram to Bevin reported that 'the Communists' second challenge to the Government and to the trade union leadership on 4th October proved a fiasco'.<sup>75</sup> In Caccia's opinion, the Austrian Government had 'learned their lesson' during the September demonstrations and were fully prepared for the second round in October. The Government were, this time, 'on their toes and the population firmly in opposition to the Communist strike promoters'.<sup>76</sup> The whole affair was, according to Caccia's report, 'clearly identified as a Communist attempt to injure the country and not as a popular

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<sup>74</sup> Ibid., p. 197.

<sup>75</sup> British High Commission Vienna, 'Communist Disturbances in Austria: Preparedness of the Government to Meet the Challenge,' 8 October 1950, FO 465/4, Document 14, C 6559/12/3, p. 31, PRO.

<sup>76</sup> Ibid., p. 31.



outcry against the Wage Price Agreement'.<sup>77</sup> Caccia reported that the strikes assumed a 'gratuitous and spiteful character' on 5 October 1950, when they became largely confined to the Soviet occupation Zone and the Soviet Sector of Vienna, 'where the strikers and demonstrators enjoyed Russian protection from police interference'.<sup>78</sup>

He concluded that:

The scale of the disturbances ... did not exceed that of past occasions and no grave incidents took place. So far so good. What created anxiety was the realisation of what might have happened: for two things had been shown up. The inadequacy of the police and Russian support. ... Here I would point principally to the fact that the police failed to stop the demonstrators from reaching a dangerous objective, the Chancellery, and that a disaster did not occur mainly because the leaders of the demonstration had not willed it.<sup>79</sup>

Caccia proceeded to report that the Chancellor had not been adequately advised throughout the crisis by the Minister of Interior. According to Caccia, Figl made no less than four (sic) appeals to the US High Commissioner, who was in the Allied Council Chair in September, for intervention of Allied troops.<sup>80</sup> 'Why? Put simply, the answer is absence of early information and the failure to take energetic action soon enough'.<sup>81</sup>

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<sup>77</sup> Ibid., p. 31.

<sup>78</sup> Ibid., p. 32.

<sup>79</sup> Caccia to Attlee, Telegram 141, 3 October 1950, 'Communist Demonstrations Against the Wage – Price Agreement in Austria', FO 465/4, Document 13, p. 27.

<sup>80</sup> There were only three requests.

<sup>81</sup> Ibid. p. 29.

There was also an information gap between the Austrian Government and the Western Allies, who received no information at all from the Government in advance of the September demonstrations. During the events of 26 and 27 September, Figl appealed to American Lieutenant General Geoffrey Keyes for intervention of Allied troops. General Keyes was chairing the Allied Council during September of that year, his last month in office. There is, in fact, some confusion here in the historiography. Historians reporting on the violent strikes of September and October 1950 usually refer to the direct role played during the strikes by General Keyes, most often identified as US High Commissioner. Military records, however, show that Keyes relinquished his position as High Commissioner to civilian Walter J. Donnelly, effective 20 September 1950 – six days before the strikes started. President Truman did not sign Executive Order 10171, 'Transferring Occupation Functions in Austria to the Department of State', until 12 October 1950.<sup>82</sup> Perhaps expediency caused Donnelly to ask Keyes to handle the crisis, even though he had been effectively relieved of his High Commissioner duties. This, in any case, is a problem to be solved by students of the American participation in the occupation of Austria.

Caccia reported that, when Keyes queried the Ministry of Interior for detailed information on the situation, he was told that things were not, in fact, out of hand and that there was no need for Western troops.<sup>83</sup> Keyes knew that the

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<sup>82</sup> Footnote to Document 274, *Public Papers of the Presidents, Harry S. Truman, 1950*, Harry S. Truman Library, Independence, Missouri.

<sup>83</sup> 'Communist Demonstrations Against the Wage-Price Agreement in Austria: Evidence of Soviet Intervention'.

Western military in Austria was far outgunned by the Soviets. He also knew that Allied troops could be effective in quelling the demonstrations only if they were prepared to fire their weapons, and neither Keyes nor the other Western High Commissioners were thrilled by the prospect of a fire fight on the streets of Vienna at the same time Communist and Western forces were shooting at each other in Asia.

The Western High Commissioners met on 29 September to discuss the demonstrations. They were joined by the Chancellor, the Vice Chancellor and the Minister of Interior.

We pointed out the vital need for the Austrian Government to ensure that the police and gendarmerie took energetic action at an early stage to prevent the necessity of more drastic steps later. In doing so, General Keyes, as chairman, made it quite plain what would be the consequence of the intervention of Allied troops. They could only be used as troops and not as a few extra policemen in a different uniform. This meant, in plain language, that the Austrian Government should calculate in their own minds that such an intervention would mean shooting. This must have a profound effect inside and outside Austria.

Austrian ministers accepted this. Indeed, the Minister of Interior said that such intervention of Allied troops would be 'end of the Austrian Government'.<sup>84</sup>

Caccia conferred with his own Commander-in-Chief, General Thomas J. W. Winterton, who agreed with Keyes' response to Austrian requests for the commitment of Western troops. Following this conferral, Caccia met with the Minister of Interior, who pointed out to him that the Austrian police were still inadequately equipped and armed. For example, during the strikes, the police

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<sup>84</sup> Ibid.

did not have shock-resistant helmets, and they were armed only with wooden truncheons. Caccia brought this point up with the other Western High Commissioners, and all agreed that they should do as much as possible to prepare the police better to deal with violent demonstrations on the street, without violating the Control Agreement. Caccia told Attlee:

So far as policy is concerned, it was made clear that in our future discussions and plans we shall proceed on the basis that the police and gendarmerie be provided with such equipment as the Austrians wish to secure without violation of quadripartite agreements.<sup>85</sup>

Caccia told Attlee that poor equipment was not the only explanation for weak performance by Austrian police and gendarmerie. There was, he reported, a very real need for moral support, because 'the fear of reprisal is real. ... it goes down to the individual policeman, who realises that the Communists may take down his number during a melee, and that this may ultimately mean the kidnapping of himself and his family and deportation to Russia'.<sup>86</sup>

In the formal British Protest Note, Caccia flatly accused the Soviet Occupation authorities of infringing the Control Agreement both 'by omission and commission'. The charges were discussed at an Allied Council meeting on 13 October 1950, and were detailed in the Protest Note handed to the Soviets, as described in Caccia's 9 November 1950 telegram to Bevin. He reported that, when the American Commander of the International District attempted to confer immediately with his colleagues about the possible

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<sup>85</sup> Ibid.

<sup>86</sup> Ibid.

involvement of occupation forces, as he was obligated to do by quadripartite agreement, the Soviet Commander refused to attend the meeting or even to send a representative. When, on 26 September, the Police President of Vienna appealed for reinforcements from the Soviet Sector of town, the Russian City *Kommandatura* refused to allow the police to move. It was on the basis of these two actions – although there were other instances of Soviet obstructionism vis-à-vis the police and support for demonstrators – that Caccia brought charges against the Soviet Element at a 29 September Allied Council meeting.

At this meeting, the British and French representatives demanded that the Soviet Representative respond to Western charges that he obstructed the police. The Soviet High Commissioner rejected these demands and said 'the indignation of the Austrian toiling population is connected with the deterioration of living conditions raised by the imposition of the Marshall Plan on the population'. He did not refer to or attempt to explain the evidence at hand that his troops had obstructed Austrian police in the performance of their duty. The French High Commissioner observed that it was curious that ninety nine percent of the 'indignant' Austrian demonstrators were employees of Soviet-owned factories located in the Russian Zone.<sup>87</sup>

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<sup>87</sup> Stearman, *The Soviet Union and the Occupation of Austria*, pp. 121-122, citing Allied Council Meeting Minutes, 29 September 1950.

The official Protest Note handed to the Soviets by Britain referred specifically to these Allied Council discussions.<sup>88</sup> In this Note, the British Government accused the USSR of violating Article 3(d) of the Control Agreement, which required the Allied Council to 'assist the Austrian Government in assuming full control of affairs in Austria'.<sup>89</sup> The Foreign Office, at first, objected to this accusation and suggested it be left out of the Note. They wanted to avoid a legal argument with the Soviets over interpretation of the Control Agreement. Caccia responded to this objection with a strongly worded telegram requesting that this particular part of the Note be left in: 'the purpose of our denunciations in the Allied Council has been to prove specifically that it is a flagrant violation of the particular standards by which (sic) under the Control Agreement they have undertaken to abide in Austria'.<sup>90</sup> He went on to argue that the Soviets had been at pains to lead the discussion away from a review of their obligations under the Control Agreement, and it was exactly Caccia's desire to pin the Soviet Representative down on the precise definition of power provided for under the terms of the Control Agreement: 'the more precise the charges are framed, the more difficult is their rebuttal'. The Foreign Office cover sheet to this incoming telegram from Vienna contains no handwritten comments, other than a note to the effect that it pertains to past Foreign Office correspondence on the same subject. The reference to the Control Agreement stayed in:

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<sup>88</sup> Caccia to Kelly (Foreign Office), 'Disturbances in Austria: Note of Protest to the Soviet Government', 9 November 1950, Telegram no. 1202, (C7229/12/3), FO 465/4, PRO.

<sup>89</sup> Ibid., p. 39.

<sup>90</sup> Caccia to Foreign Office, Telegram No. 375, 16 November 1950, C7408, FO 371/84925, PRO.

During these (13 October) discussions the Soviet Representative argued that mob violence in the Soviet Zone of Austria was not properly the concern of the Allied Council and those actions taken by the local Soviet Commander could not be discussed by the Council. This view cannot be accepted by His Majesty's Government in the United Kingdom. The Control Agreement for Austria of 28th June, 1946, states clearly that the Allied Council may and should concern itself with any matter relating to the maintenance of law and order, and requires that it should support the authority of the Austrian Government guaranteed by that agreement.

Although the Soviet Government must be aware of the circumstances which gave rise to the statement of their representative on the Allied Council, especially since he himself at no time denied that they had occurred.<sup>91</sup>

The Note details how Soviet actions were in breach of the Control Agreement. First, the Soviet Commander in Wiener Neustadt obstructed the efforts of the Austrian police to restore order, and he instructed the police to return a Federal post office to a lawless mob which had seized the building illegally and had then been ejected from it by the police. The same Soviet Commander ordered the withdrawal of police sent to Wiener Neustadt by recognised Austrian authorities with the object of maintaining order and protecting life and property from the rioters. In taking these measures, the Soviet Commander actually threatened that Soviet armed forces would act against Austrian police if they failed to withdraw.

Further, the Note specifies, the Soviet Town Commandant ordered the President of the Vienna Police to recall to the Soviet sector all police forces employed outside that sector. He also refused to allow the execution of orders of dismissal and transfer of Austrian police officials without the consent of the Soviet Element of the Inter-Allied Command. Furthermore, the

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<sup>91</sup> Caccia to Kelly, 9 November 1950, p. 39.

same Soviet Town Commandant forbade any deployment of police forces located in the Soviet sector to any other sector of the City.

These actions by Soviet officials are clearly contrary to the Control Agreement, under Article 3(d) of which the Allied Council is required to assist the Austrian Government in assuming full control of affairs in Austria. Obstruction of the work of the police is patently inconsistent with this objective. In particular, the action of the Soviet Commander in ordering the surrender of a Government building to a rioting mob is contrary to this principle and calls for action by the Allied Council, since it involved support of elements of the population who were acting against the authority of the Austrian Government and police. ...Any move to immobilise the police or to create artificial geographical boundaries to their authority is in conflict with the duties of the signatories as laid down in the agreement. ...In the recent events in Vienna the Allied Council had issued no directives and no situation existed in which Article 5 could be deemed to apply. In these circumstances, His Majesty's Government can only regard the views expressed by the Soviet Commander in Austria at the meeting of the Allied Council on 13 October as unjustified and inadmissible.<sup>92</sup>

The Note objects to certain actions taken by Soviets since the 13 October meeting, which 'derogate further from the authority guaranteed to the Austrian Government under the Control Agreement of 1946'. Specifically, when the President of the Vienna Police felt compelled to suspend the chiefs of the Police Department Commissariats for the 2nd, 4th, 20th, 21st and 25th Vienna districts, these officers consulted with the Soviet Commander and then refused to obey the President's orders. This situation persisted, according to the Note, and local Soviet authorities 'have not only prevented exercise by the Austrian Government of their clearly established right to carry out disciplinary action in respect to their own police but have even gone so far as to order the Vienna Police President to withdraw his orders of

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<sup>92</sup> Ibid., pp. 39-40.



suspension'.<sup>93</sup> His Majesty's Government then invited the Soviets to issue appropriate instructions to their subordinates to stop interfering with the Austrian police.

There are still today two interpretations of the 1950 strikes. Some describe them as an attempt by communists to overthrow the Austrian Government, and this indeed was the interpretation the Austrian Government gave at the time.<sup>94</sup> Here, there are two schools of thought. The first is that Communists planned and executed a concerted effort to overthrow the government. The second is that the Communists did not pre-plan anything, but attempted to exploit the street violence and social chaos to either replace the government or at least to increase Communist participation in the coalition government. Others describe the incident as a series of communist-inspired strikes, and discount the suggestion that there was ever a concerted effort to overthrow the government. Labour leader Franz Olah was interviewed on this controversy by Austrian television (ÖRF) in 1986. Did the KPÖ attempt a putsch?

Ich möchte nicht sagen, sie wollten die Volksdemokratie durchsetzen. Daß sie die Volksdemokratie nicht einführen konnten, das war ziemlich klar, wie wollten sie das in einem Land, das vierfach besetzt war! Aber was sie bezweckten war, durch den Druck aus der sowjetischen Besatzungszone, wo ja der entscheidene Teil der Bevölkerung lebte und auch ein entscheidener Teil der Industrie, der Wirtschaft und der Verwaltung war, wieder Einfluß zu bekommen, auch auf die Bundesregierung, auf diesem Weg die Rückkehr in die

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<sup>93</sup> Ibid., p. 40.

<sup>94</sup> According to British historian Jill Lewis, in a nine-hour debate in the Austrian Parliament, on 12 October 1950, 'government politicians repeated the putsch allegations time and again'. Lewis, 'Austria 1950: Strikes, 'Putsch' and Their Political Context', p. 543.

Positionen zu erzwingen, die sie durch Wahlen verloren hatten. Auch in den Gewerkschaften wieder mehr Einfluß zu bekommen durch diesen sogenannten Streik und die Betriebsetzung. Das was ihr Ziel.<sup>95</sup>

There is also disagreement on the role the Soviet occupation forces played. Those who may be inclined to minimise the importance of direct Soviet support for the rioters, and who discount reporting by British and American officials from Vienna confirming this support, might benefit from reading the reporting from Austrian police precincts during the two periods of violent strikes. The Austrian national archives [Österreichische Staatsarchiv, Archiv der Republik (AdR)], have voluminous files containing copies of reports from police field stations throughout Austria, confirming official Soviet intervention. These were not politically motivated reports, but rather minute-by-minute, eye witness, factual reporting by trained observers, based on what individual policemen were actually seeing in various parts of the country. One such report - labelled 'dringende Lagemeldung' (urgent situation report) - informed headquarters that:

Der Russische stadtkommandant von st. valentin hat dem gendarmerieposten st. valentin soeben folgenden ... auftrag erteilt: der posten hat sorge zu tragen, das die besatzungsmacht nicht beschimpft wird, eventuelle demonstrationen geben die besatzungsmacht verhindern.

Die gendarmerie darf am 4.10.1950 gegen die demonstranten nicht einschreiten.

die bundesstrasse ist frei zu halten, eine patouille ist dahin abgehend zu machen.-

sämtliche gendarmeriebeamten haben in ihrem postenrayone zu verbleiben, zuteilungen von anderen posten (zur sicherungdes

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<sup>95</sup> Portisch, *Der Lange Weg zur Freiheit* p. 436.

umspannwerkes ersthofen und das kraftwerkes mühlrading) sind sofort aufzuheben.-

alle vorkommnisse sind am 4.10.1950 der kommandantur zu melden.<sup>96</sup>

Another report described the use of Soviet trucks to transport demonstrators to Vienna: '*Nebenbei wurden auch noch mit zahlreichen Kraftfahrzeugen, von denen viele aus USIA-Betrieben stammten und sowjetrussische Kennzeichen trugen, demonstrierende Arbeiter in die Innere Stadt befördert*'.<sup>97</sup> Other reports in the same files actually described the license plate numbers of trucks with Soviet markings used to transport demonstrators to Vienna's 1st District.

Perhaps the most bizarre interpretation of the events of September/October 1950 is that by Austrian historian Bischof, who suggests that the strikes 'came to the rescue of the stalled American plans for the rearmament of Western Austria'.<sup>98</sup> Bischof speculates, in his 1999 abbreviated history of the occupation period, that the Western powers would have been willing to provide direct military support for the Austrian police during these violent demonstrations of September/October 1950. He implies that the West was prepared to commit military forces to suppress the strike. US High Commissioner Keyes had refused the Austrian Government's request for Western military assistance no less than three times, for reasons which have

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<sup>96</sup> Telex from Amstetten police to police Generaldirektion, Vienna, number 1786, 3 October 1950, Bmfl, Z134939-2/50, AdR.

<sup>97</sup> Excerpt from a Vienna Police Headquarters report entitled, 'Vorfälle anlässlich des 4. Lohn-Preis Abkommens', 26 September 1950, Bmfl, Z-132012-2/50, p.1., AdR.

<sup>98</sup> Günter Bischof, *Austria in the First Cold War, 1945-1955: The Leverage of the Weak* (New York: St. Martin's Press, Inc., 1999), p. 120.

already been described. By this time, there was enough hard evidence of direct Soviet involvement in the demonstrations to cause serious concern in the Western camp. It was reasonable to assume that Soviet troops would not hesitate to confront Western forces the moment these were committed on the streets.

There is little reason to believe that British and American military forces would ever have been committed on an adventure that would have been, by any interpretation, a suicide mission. Besides, the prospect of Anglo-American troops exchanging fire with vastly superior Soviet military forces on the streets of Vienna could not have been a pleasant one for either side. It is more reasonable to conclude that Western military forces would not have been dispatched to shore up Austrian police under any circumstances, even if Keyes and his British counterpart predicted a Communist take-over. More likely, the West would have avoided direct intervention and then attempted to deal with a new Austrian Government to the extent this was possible. It is not speculation but rather fact that the West did not command a military capability adequate to dictate the outcome of the situation in September and October 1950 on Vienna's streets. It is also a fact that, whereas they probably found the prospect unpleasant, the Western Powers knew they could not defend Vienna or even their own occupation zones in the face of a resolved Soviet military offensive. Western contingency planning called for the rapid abandonment of Austria and strategic withdrawal to Italy.

In the mid-1980s, an Austrian Television (ÖRF) crew, completing what turned out to be an authoritative history of the occupation period, produced some very interesting and provocative information. Headed by a respected journalist, Hugo Portisch, the team claimed to have interviewed a number of individuals who actually participated in planning and other deliberations at the highest levels of the KPÖ, and also in discussions between the KPÖ and the Soviet High Command, during the period of the strikes. None of those interviewed agreed to be identified or to have their comments recorded, and so the only lasting record of these reports is to be found in reporting on the tapes of the resulting documentary, 'Österreich II,' and in volume II of the book that was published, based on the television documentary. Nonetheless, the Portisch reports are worthy of mention.

According to the Portisch interviews, the Communist Party leadership was, itself, surprised by the strength of the street demonstrations and the speed with which they escalated.<sup>99</sup> Lengthy deliberations were held on how the Party might exploit the violence to its advantage. There was an opinion that the Party should take advantage of the leverage the demonstrations had created to demand the admission of one or more ministers into the Cabinet, and also more Communists in the leadership ranks of the Trade Union Federation (ÖGB). Before these initiatives could be taken, however, the First Secretary of the KPÖ, Friedl Fűrberg, emerged from meetings with the Soviet High Command to report that the Soviets were upset over the disruptions being caused by the strikes. According to Fűrberg, the Soviet

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<sup>99</sup> Hugo Portisch, *Die Wiedergeburt Unseres Staates* (Vienna: Verlag Kremayr & Scheriau, 1985), p. 420.

USIA network of production facilities was being adversely affected to the extent that production targets to which management was committed would not be met, and this could get a lot of people into trouble.<sup>100</sup> Members of the Central Committee (most prominently Ernst Fischer and Franz Honner) argued that, whereas it was usually politic for the Austrian Communists to bow to the desires of their Soviet comrades, this strike presented a unique situation in which just the opposite should happen. Soviet interests should give way, so that the KPÖ could exploit the situation. Honner and Fischer saw this as a real, rather than concocted workers' movement, and there were huge opportunities for the KPÖ, as well as for Communism in general. Fűrberg brought all such argument to an abrupt stop, however, by repeating the Soviet position that they had their hands full with Korea and could not take the risk of generating a major confrontation with the West in Austria – at least for the time being: 'Moskau hat mit Korea schon genug Sorgen'.<sup>101</sup> The KPÖ would have to tremble and obey. Party Chairman Koplenig argued that the only way for the KPÖ to proceed was to broaden support for the strikes – seek coalition partners so that the KPÖ was not seen as the sole instigator. This is, then, what led to the end of the first wave of strikes and to the Shop Stewards meeting of 3 October.

The Portisch presentation includes information from one source who reported that there were strong differences among the Soviet occupation leadership, as well, with some ideologists urging swift action to exploit the present

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<sup>100</sup> Ibid., p. 421.

<sup>101</sup> Ibid.

instability, and some realists who were not prepared to provoke the West too far. There were also those who were concerned about Moscow's reaction to local under-achievement in the USIA production facilities.<sup>102</sup>

Sturmthal, in his 1982 contribution to *Austria Solution*, agrees that 'the vast majority of observers at the time were convinced that this (a Communist coup) was the ultimate aim of the CP (Communist Party), or at least this was what they asserted'.<sup>103</sup> He cautions that it would be difficult to believe that intelligent KPÖ leaders would have really thought that a party with around five percent support among the Austrian population could have formed a viable government. The most the Communists could have hoped for was a strong Soviet intervention, but here he concludes that: 'what seems clear is the contempt in which the Austrian Party was held by its Soviet protectors'.<sup>104</sup> Caccia's view was that the strikes were not the result of a pre-planned putsch: 'insofar as the Communists have plans for overthrowing the Austrian Government by a putsch, they do not seem at any stage to have committed themselves, either between 26th and 28th September or between 4th and 5th October, to an all-out effort'.<sup>105</sup> American reporting from Vienna to the State Department at the time also concluded that the KPÖ had not attempted a putsch:

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<sup>102</sup> Ibid., p. 422.

<sup>103</sup> Adolf Sturmthal, 'The Strikes of 1950,' in: Bauer, *Austria Solution* (Charlottesville: The University Press of Virginia, 1982), p. 73.

<sup>104</sup> Ibid., p. 74.

<sup>105</sup> Caccia to Bevin, Telegram 154, 27 October 1950, C 6869/12/3, FO 465/4, Document 15, p. 34, PRO.

As to Communist action, it should be emphasized that they could not have achieved measure of success attained without Soviet assistance. Nature of action, however, lends weight to recent Intelligence report that Central Committee of Party had decided concentrate on economic issues, where government is, of course, most vulnerable. ... [I]t does not appear this Communist strategy, even if confirmed, would pose threat beyond capabilities of Trade Unionists to control, unless Soviets have in effect taken over management of program themselves and are to continue overt instigation and support so apparent in past week.<sup>106</sup>

Portisch provides verbal testimony that Moscow intervened directly to defuse the Austrian strikes. Moscow wanted no new crises in Central Europe. There was to be no confrontation with the West. There was to be no hostile action taken against the Austrian Government. Instead, Portisch alleges, the Kremlin ordered Soviet High Command in Austria to restore calm and security to the overall situation. Local Russian authorities were also to do what was possible to ensure the local Communists did not lose face as a result of the strikes, and shift concentration back to the productivity of USIA factories.

There is no way under existing circumstances to confirm or deny Portisch's reports. But, if accurate, they would explain why Western observers saw the Soviets vacillate between support of the demonstrators on one hand, and surprising caution on the other. Whether or not the industrial disruptions of September and October 1950 represented a planned coup état, as Figl and his Cabinet said they did, it is fairly certain that the KPÖ could have overthrown the government, had the Soviets acted more aggressively. The answer as to why they didn't must await access to protected information in

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<sup>106</sup> Dowling to Secretary of State, Vienna Embassy telegram No 583, 1 October 1950 , RG 59 (1950-1954), 863.062/10-150, p. 2, NARAII.



Moscow. More broadly, one hopes that information currently in closed Soviet archives will help to explain why, on several other occasions, Moscow did not employ their military superiority on the ground in Austria to further the Communist cause.

Muhri's opinion on the motivation behind the strikes should probably be taken seriously: *'War der Oktoberstreik ein "kommunistischer Putschversuch" mit dem weiteren Ziel einer Machtergreifung und Errichtung einer Volksdemokratie? Ich meine, nach sorgfältiger Abwägung aller Für und Wider, nein'*.<sup>107</sup>

Whatever the motives behind the incident, it occurred at a very dangerous stage in the Cold War. It pitted Austrian police against violent demonstrators, and the incident almost triggered an armed confrontation between Soviet and Western military personnel. The incidents also created, in the opinion of Britain's Foreign Office, a direct threat to Austria's future as a democratic society, as was pointed out by Foreign Secretary Herbert Morrison who, while visiting Vienna on 23 May 1951, observed that if the Austrian Government and people, especially the trade unions, had not manfully resisted the Communist general strike attempt, they might have lost their liberties within a few weeks.<sup>108</sup>

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<sup>107</sup> Muhri, *Am Beginn des Kalten Krieges*, p. 198.

<sup>108</sup> *New York Times*, 23 May 1951.

## TRANSITION

On 4 January 1952, Sir Harold Caccia dispatched his annual report on political developments in Austria for the year 1951 to Anthony Eden.<sup>109</sup> Caccia reported that 1951 was a relatively quiet year, certainly in comparison with 1950. Austria had survived yet another year of occupation, 'physically and on the whole morally, in tact' (sic).<sup>110</sup> Unfortunately, Austria's independence was no closer. Indeed, 1951 saw less progress in the direction of a treaty than past years. Relations between the Four Powers had become, if anything, more tense, and the meetings between the Foreign Ministers' Deputies in Paris (March – June 1951) served only to 'emphasise Austria's role as a pawn in the Soviet Union's European strategy, with little hope of its problems being settled'.<sup>111</sup> There were no important changes in Austria's relationships with the rest of the world except perhaps for gradual progress in her relations with Yugoslavia.

The global ideological contest affected Austria in some new ways. Vienna had been designated as the headquarters site for the World Federation of Trade Unions and a number of other Communist activities, including a meeting of the World Peace Council. At the time of Caccia's report, rumour had it that the Cominform was to be added to the number of 'unwelcome guests' in Austria under Soviet protection. Caccia observed that it had

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<sup>109</sup> Caccia to Eden, British Embassy Vienna, 'Austria: Annual Review for 1951,' 4 January 1952, FO 371/98038(CA1011/1), Note that the Foreign Office cover sheet attached to this document, carried the handwritten note that it was to be included in the 1952 CONFIDENTIAL PRINT collection. (FO 465/6).

<sup>110</sup> Ibid., p. 1.

<sup>111</sup> Ibid.

become obvious that Vienna was growing in stature as one of the more attractive 'neutral forums from which to preach Communist internationalism'. The inability of coalition partners to agree on a successor to Dr Renner, who had died at the end of 1950, forced a national election, the result of which was a Socialist victory and a black eye for the ÖVP. The British Embassy's analysis of this election showed that Austria had returned to its pre-war voting patterns, with an extreme Right Wing poll of about fifteen percent, an increase of four percent since 1949, gained at the expense of the ÖVP. Communist support in the second, or run-off election guaranteed the victory of Socialist Dr Theodore Körner to succeed Renner. According to Caccia, the threat to the ÖVP Right had been strengthened by the defection of one reformist group which sought to create a stronger Right Wing to the party in collaboration with the Union of Independents (VdU). Revealing both his sharp wit and disdain for the country's political elite, Caccia observed:

These ominous lessons were not lost on the rank and file of the People's Party, whose first inclination was to look for scapegoats. They were found in their own leaders, in particular the Chancellor, who was also party chairman. Acrimonious debates ended in an interim adjustment which solved nothing.<sup>112</sup>

Julius Raab was made acting Chairman of the party, replacing Felix Hurdes, the former Minister of Education. Raab, who was to lead Austria into independence in May of 1955, set about instilling a new sense of party discipline. The separation of administrative from political responsibility within the ÖVP did, however, cause difficulties within the coalition government.

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<sup>112</sup> Ibid.

Socialists complained that decisions and promises made by former ÖVP ministers were no longer valid and were vulnerable to change. The election drubbing did nothing to enhance the ÖVP's standing in the public arena, where there had been rumours for at least six months predicting the downfall of some ÖVP leaders. To make matters worse, the party's rank and file, particularly the provincial leaders, chose that particular time to press for tougher positions by their leaders in government. The political 'malaise' was, in Caccia's view, aggravated by 'continuous economic difficulties and the cramps of old age from which the coalition of Austrian political parties, now entering its seventh year, is inevitably beginning to suffer'.<sup>113</sup> Still, there were no signs that Austria's coalition government was about to collapse, even if that coalition had become noticeably less efficient, and Caccia predicted that there would probably be no drastic changes of government personalities during the immediate future.

During the second half of the year 1951, the West's steady progress in strengthening Austria's security forces became an increasingly attractive target of Soviet and other Communist propaganda. The local security scene was, however, relatively calm, with no major strikes or demonstrations. Soviet kidnappings, 'of course', continued to occur throughout the year, and the ever-present threat of Soviet reprisals against Austrians who offended them continued to hang over government officials at all levels, such realities being 'inseparable from Soviet occupation'.<sup>114</sup> Still, the Soviet occupation

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<sup>113</sup> Ibid.

<sup>114</sup> Ibid., p. 2.

establishment did not make any overt attempt to destroy the authority of the Austrian Government, and, other than the occasional kidnapping, Caccia knew of no particularly notable effort to intimidate Austrian residents in the Russian Zone.

The new Soviet 'peace' campaign became more intense. A favourite target was the Western program designed to strengthen Austria's internal security through a gradual build-up of police and gendarmerie. Allegations against the Western Powers in the Allied Council and in the Communist press about alleged remilitarisation of the Western zones of occupation were 'initiated on a big scale in September (1951) and rose in crescendo until the beginning of November', when the World Peace Council was presented with a major paper on the subject by the 'local partisans of peace'. The rearmament issues were debated during heated sessions of the Allied Council, but the Russians steadfastly failed to follow through with their demands for a Four Power investigation into the allegedly illegal rearmament activities by the West. Caccia offers no explanation of this Soviet behaviour, but concludes this part of his report by saying the Russians seemed to be diminishing the intensity of their interest in this particular campaign. Perhaps they had, by this time, come to the realisation that the rearmament was in progress and they could do little to stop it. For whatever reason, the Soviets seemed to have shifted into a lower gear. Nonetheless, Soviet occupation authorities continued to inspire alarm and despondence, with the obvious objective of frightening Austrians away from their apparent Western allegiance.<sup>115</sup>

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<sup>115</sup> Ibid., p. 2.

Caccia introduced an issue that was to become increasingly pertinent, right up to the signing of the Austrian State Treaty in May of 1955: 'what "unity" is to Germany "full sovereignty and independence" is to Austria. The price being asked for both is "neutrality"'. The Communists in Austria had held their Party Congress in 1951 concurrently with a meeting of the World Peace Council, and they passed a resolution that an Austrian government of any complexion would be acceptable to the KPÖ only if it remained 'neutral'.

Caccia reminded Eden that this neutrality theme, while featuring prominently in 1951 and 1952 Communist propaganda, was not new. For years, the Communists and crypto-Communists had been harping on the necessity for any independent Austrian Government to be neutral: 'but it does look like as if it is henceforth to occupy a more central position in Communist propaganda and to be tied more explicitly to the question of the treaty'.<sup>116</sup> It was Caccia's view that the broad concept of neutrality appealed to the average Austrian, but this did not mean the average Austrian was inclined to 'fall for it any more than for other Communist blandishments'. By this, he presumably meant the Soviets would not succeed in luring the Austrian public toward Communism, simply by holding out the prospect of a treaty in return for a pledge of neutrality. Caccia continued: 'Communism has accomplished very little, as a political party virtually nothing'.<sup>117</sup>

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<sup>116</sup> Ibid., p. 3.

<sup>117</sup> Ibid., p. 3.

According to Caccia, the Western Powers were able to do very little during 1951 to respond to Austrian exasperation with the continuing occupation. No progress was made toward a treaty, and the increase in the cost of living resulting from the Fourth Wage & Price Agreement had caused them to request increased funds to cover the costs of occupation. Indeed, occupation costs had become quite an issue, being a material symbol of foreign domination. Caccia predicted that demands would increase for a halt to occupation costs, as indeed they eventually did. For that matter, all parties were getting sick of the occupation and of the total stalemate in the many efforts to bring it to an end. Even the Russians were tiring of the occupation and showing signs of frustration over the obvious fact that no strategy had succeeded in breaking through the logjam. Apparently, the Soviet Political Representative had said as much to Caccia before he left for Moscow. The main problem was, Caccia reported, the same ground had been raked over so often and by so many of the same people, and nobody had been able to find any way to generate progress.

Without prejudicing the interests of one side or the other ... there is practically nothing left to be done except recriminate or to air views for propaganda purposes. ... Thus week after week during the year under review the position of virtual deadlock was examined and re-examined to preserve the illusion that Vienna is the only city in the world where Allied administration still works. <sup>118</sup>

The substantive part of Caccia's 1951 report concluded with a summary of economic affairs in Austria, and here Caccia once again revealed what seemed to be a typical British disdain for the country's leaders and their

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<sup>118</sup> Ibid., p. 3.

ability to conduct the affairs of state. This represents a consistent line in British reporting on Austria since at least the end of WW I. British officials in the foreign policy chain of command frequently found it difficult to formulate reports without calling attention to what they regarded as some of the more unfortunate traits inherent in the Austrian character. Austria was the only OEEC member state that did not have to spend anything on defence or rearmament. Yet in 1951, Austria suffered the worst record of any OEEC member state on inflation. A surplus of money, rising wages and prices, rumours of devaluation and a deteriorating balance of payments had been 'symptoms of an Austrian economy which had been present since the end of 1950'. Until they finally took steps to increase the bank rate and restrict credit, the Government dithered with 'half-hearted expedients which have left the main problem more or less untouched'.<sup>119</sup>

The failings to which the Managing Board of E.P.U. drew attention in its report of 8th November are not new. Dual exchange rates, foreign exchange retention quotas, inefficient (and often politically tainted) control of imports and exports, inflated Government expenditure, too loose domestic credit, lack of internal competitive stimulus: all these things that reflect the failure of the Government to substitute for the tangle of expedients, left behind by successive crises, a real policy designed as a cure for the disease rather than as a palliative for the symptoms, are familiar problems with which the E.C.A. administration have wrestled for years. The shock caused by their reinstatement in the O.E.E.C. report is in itself sufficient proof of the past lack of realism shown by the Austrian Government.<sup>120</sup>

Caccia admitted that the Government's excuses for its failures in management were not all frivolous. The desire to pre-empt Communist

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<sup>119</sup> Ibid..

<sup>120</sup> Ibid..



propaganda blasts and the weaknesses inherent in any coalition government added considerably to Austrian difficulties, 'but whatever reasons may be adduced for the Government's lack of courage, its effects have now become too obvious to be ignored'.<sup>121</sup> Caccia pointed out that both Britain and the United States had pressed Austria's 'special case' as far as possible in the world, but if her viability as an independent state remained a goal at some point in the future, then there was no reason why inflation should be allowed to go forward unchecked, or that progress toward self-sufficiency should not proceed faster. Both coalition partners paid lip service to the need for bold action, but each seemed to be waiting for the other to take it. Socialists seemed to be waiting for the People's Party to reconcile conflicting interests of farmers, businessmen and the country as a whole, as a preliminary to any discussion of future policy or of ways to promote a healthier degree of competitive efficiency.

Caccia concluded his report by comparing the state of affairs in Austria with that in other countries, and opined that the Government should have been 'relatively uninhibited in doing its duty'. The need for a viable, long term economic policy was more than evident, and formulating this should have been the goal for both members of the coalition, as the fate of Austria depended in large measure on their zeal and courage in finding that policy.

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<sup>121</sup> Ibid., p. 4.

## THE EFFECT OF THE FAILURE TO CONCLUDE A TREATY

On 24 May 1951, the Foreign Office's Research Department distributed a report describing Foreign Office views on how the failure to conclude a treaty was affecting Austria.

This was really the first comprehensive stock-taking of treaty issues since June 1950, when the West capitulated to virtually all Soviet economic demands. Acting on Bevin's convictions that such generosity would result in Soviet agreement on a treaty, the three Western Deputies granted to the Soviets sixty percent of oil extraction and prospecting areas in Austria, oil refineries with a total annual production capability of 420,000 tons, all of the assets of the Danube Shipping Company (including those located in Hungary, Rumania and Bulgaria), and a lump sum payment of \$150 million, payable over a period of six years in lieu of other so-called German assets held by the Russians in Eastern Austria. Moscow withdrew its support for Yugoslav territorial demands in British-occupied Carinthia and Styria. At that point in time, agreement had been reached on all but four articles in the draft treaty.<sup>122</sup>

To the Foreign Office, none of these four articles was especially important. Agreement on all of them should not have been difficult, given good will on both sides. Beginning in late 1949, however, signs of such good will were few and far between, and 'it became increasingly clear that the Soviet

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<sup>122</sup> These were: Article 16, pertaining to displaced persons and refugees; Article 27, pertaining to the prevention of German rearmament; Article 42(9), regarding compensation to Russia for certain properties; and Article 48, which had to do with the servicing of certain pre-*Anschluß* loans.

Government was not interested in concluding an Austrian treaty in isolation from other international questions at issue between itself and the Western Powers'.<sup>123</sup> An end to the occupation of Austria, the Foreign Office recognised, would not only mean the departure of Soviet troops from Austria, itself, but also, in conformity with the Balkan peace treaties, from Hungary and Rumania, where Russian forces were allowed to remain for the expressed purpose of maintaining supply and communications routes to Soviet occupation forces in Austria.

Accordingly, one pretext after another was used by Soviet delegates to delay the conclusion of the treaty. First the need for bilateral negotiations with the Austrians over Article 48(b) was adduced as a reason for postponing the settlement of the other outstanding articles. Later it was claimed that the Austrian Government had failed to comply with the Allied Council's decisions on denazification and demilitarisation, thus making necessary an amendment to Article 9, which had already been agreed. And, since May 1950, Moscow made a point of obstructing any further discussion of the Austrian Treaty by demanding prior settlement of Trieste, which, Moscow alleged, had been turned into an Anglo-American military base in violation of the clauses of the Italian Peace Treaty.<sup>124</sup>

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<sup>123</sup> Research Department, Foreign Office London, 'The Effect on Austria of the Failure to Conclude a Treaty,' 24 May 1951, FO 371/93603, CA 107, PRO, p. 1.

<sup>124</sup> Ibid., pp.1-2.

The study concluded that no Austrian Treaty would emerge unless it fitted into some broader international agreement between the West and East. What, then, were the consequences of this stalemate for Austria?

First of all, the continuing uncertainty about the country's future had, the study suggested, kept Austria's political life in a state of suspended animation. Despite a number of Western initiatives – appointing civilian high commissioners, combining the post with that of Minister, reducing on the ground staffs, releasing requisitioned property, and so forth – Four Power occupation of Austria would continue 'for as long as the Russians are determined to remain in Austria'.

Among the negative effects of the ongoing occupation on Austria, was the continuing blow to the prestige of government and parliament of having the sovereign power rest in foreign hands, requiring every law and piece of government legislation to be submitted to the Allied Council for approval. Mail censorship was continuing, newspapers could be suspended, no new political parties could be formed without Allied Council approval, radio stations had to carry propaganda messages, and the lack of quadripartite consent meant that the police could not be appropriately equipped to manage strikes and other forms of potentially dangerous street violence. In general, the very existence of the occupation carried with it a suppressive atmosphere.

A new level of absurdity had recently been achieved when a request from the Director General of the Austrian Post and Telegraph Administration for permission to operate a remote-controlled ship model exhibit at the Vienna Spring Fair was solemnly considered first by a Quadripartite Signals Committee, then by the Executive Committee, and the fair was already over while the committees were trying to overcome Soviet objection.<sup>125</sup>

In this paper, one senses the frustrations of not only those British diplomats in the field, and not even just those in policy positions in the Foreign Office, but also among the research staff that was responsible for completing what were essentially academic exercises, removed from any chain of command or negotiating process. While the Western Allies acted on the principle that they should interfere with the Austrians only when absolutely necessary, as infrequently as possible, and would gladly do away with censorship and other restrictions, 'unfortunately, the Soviet attitude is exactly the opposite. ... The Soviet element misses no opportunity of attempting to control, and if possible discredit, the actions of the Austrian Government'. The Soviets were inclined to use every small legal foothold as justification for such interference, harkening back to 'long-outmoded' decisions taken in the Allied Council during the first months of the occupation.

Significantly, for the first time in Austria's history, a general, national election had to be held to choose the new Federal President because the fear of Soviet disapproval was so intimidating that Parliament declined pass a

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<sup>125</sup> Ibid., p.2

constitutional law allowing the election to be held in the two Houses of Parliament. Here, the Research Department paper reminded the reader that, as a result of the Second Control Agreement, Allied Council approval was required before any law could be passed altering the constitution. Ordinary laws took effect after thirty one days unless the Allied Council vetoed them. 'The practical result of this ruling for some time past has been that the three Western elements never join the Soviet element in vetoing an ordinary law, while the Soviet element never joins the others in approving a constitutional law'.<sup>126</sup>

The Research Department study reported that, aside from the annoying administrative requirements, the total cost of the occupation of Austria was high. For the years 1949, 1950 and 1951, occupation costs accounted for 7.27 percent, 4.67 percent and 4.45 percent of the total Austrian budget, respectively. While the US element had, for some years, waived its right to occupation costs, the Soviet element 'took more than its allotted share by the simple device of demanding services and requisitioning property without issuing receipts which may be set against its occupation cost account'. The paper concluded that the most onerous and 'dangerous' effect of the extended occupation was the extent to which Soviet authorities were able to 'undermine the economic life of the country and the control of the government over its own administrative and executive forces'. In support of this statement, the paper mentioned past Research Department reports on the disruptive effects on Austria's economy of the way the Soviets were

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<sup>126</sup> Ibid..

administering the oil and shipping industries in Eastern Austria on an extra-territorial basis. The products from these concerns were being withheld from the Austrian economy, and Russian managers ignored customs duties and taxes. This Soviet behaviour also created an opportunity for a serious leak of strategic materials through the Iron Curtain, and, conversely, created fertile ground for a thriving black market. It was easy to smuggle consumer goods into Austria from Eastern Europe, like cigarettes and clothing, which were then sold at cut-rate prices by Soviet-run establishments. The losses to both individual traders and Austrian national revenue were considerable. Soviet industrial concerns, the USIA network of companies, were also convenient bases for Communist anti-government activities. Whereas not all USIA employees were Communists, the USIA organisations did attract a higher percentage of Communists. Therefore, when the KPÖ wanted to organise one or another form of societal disruption, the USIA facilities were convenient starting points. The report referred to the number of USIA personnel and trucks used to ferry demonstrators from the Soviet Zone to Vienna during the September and October violent strikes of the previous year.

On this same topic, the Research Department observed that, when the Communists tried to 'plunge the country into serious industrial unrest', Soviet attitudes toward the Austrian police were demonstrated most clearly. During the first months of the occupation, when the Soviets were in sole control of Vienna and the police force was totally disrupted, large numbers of Communists were salted throughout police ranks, and in fact the Minister of Interior was, himself, a Communist. Despite Government efforts in the

meanwhile to cleanse the police of Communists, this had proven very difficult in the Russian Zone where the Soviets called the shots on everything. All 'attempts to build up an adequate and efficient police force met with most determined resistance in the quadripartite committees'. So, when the Government called on the police to manage the 1950 demonstrations, some simply failed to perform their duty, while others were deliberately obstructed by Soviet authorities:

The public malaise and nervousness engendered by such Soviet interference with the executive, intervention in the courts, abduction of administrative officials, etc. is one of the worst by-products of the occupation. The Austrians feel that, left to themselves, they can deal with their own Communists, who never manage to gain more than 5 percent of the votes in general elections. It is the protection afforded by their Soviet masters which complicates matters.<sup>127</sup>

The Research Department concluded the 14 May study with the observation that the continuing occupation had two advantages for the UK. First, it allowed the Western Allies to 'hold the ring against Soviet pressure to which Austria's geographical position would undoubtedly expose her'. Second, the presence in Austria of a common enemy was forcing the Socialists and People's Party to get along with each other and work together.

The long experience of coalition government is to a great extent eradicating the violent and irreconcilable extremes of political thought which made any real democracy in Austria impossible between the wars. And if the Austrian parliament chafes at the leading strings which the occupation imposes it presents now a considerably more dignified appearance than in the riotous days of the late twenties and thirties, when insults and inkpots were hurled across the chamber with equal abandon.<sup>128</sup>

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<sup>127</sup> Ibid., p.3.

<sup>128</sup> Ibid., p. 4.



## 1952 – NEW INITIATIVES AND THE ABBREVIATED TREATY

1952 marked yet another year during which no progress was achieved on an Austrian State Treaty. Günter Bischof reports that, by this time, Britain was the only occupying Power that sincerely wanted an Austrian treaty, but he is wrong. Fortunately, he does himself a favour by not attempting to justify this observation.<sup>129</sup> It would have been more accurate had he said that Britain couldn't afford to remain in Austria and was prepared pay the Soviet Union whatever they asked, just to get out. The United States certainly wanted a treaty, but not at any cost. Washington was, from the beginning of the occupation, dedicated to seeing a fully sovereign and independent Austrian state. Had any doubts existed about this objective, these would have been wiped away in 1949 when the President of the United States signed the policy paper ordering that an Austrian State Treaty be signed as soon as possible. Still, Bischof's is an interesting suggestion, given that it was the United States and the Austrian Government who were the only parties to introduce new initiatives in attempts to break the treaty negotiations logjam. The United States introduced the idea of a shortened, or abbreviated, treaty, and, after informing the Western Allies of their intentions, the Austrian Government approached the United Nations in a unilateral plea for help.

Sir Harold Caccia's report to Anthony Eden on political events, together with other Foreign Office documents included in the 1952 Confidential Print

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<sup>129</sup> Bischof, *Austria in the First Cold War*, p. 124. 'Ever since 1948, the British had been the only power interested in concluding an Austrian treaty.'

collection, provides valuable guidelines on what Britain's policy makers considered to be the most important issues of 1952.<sup>130</sup> This collection of twenty three archival documents was declassified only in January 2003, and was therefore particularly helpful to research leading to this thesis.<sup>131</sup>

The year began with the Foreign Secretary's visit to Washington where he held discussions with a variety of senior American officials. In February, the three Western Foreign Ministers met in Lisbon and agreed to forward a proposal for an abbreviated treaty to Moscow. The termination of activities by the International Refugee Organisation left some 357,000 displaced persons in Austria, creating a humanitarian crisis, which had to be dealt with by the occupying forces. Mr Trygve Lie, the Secretary General of the United Nations visited Austria in July, thereby contributing to the international prestige of the Austrian Government, which nonetheless failed to reach agreement on the annual budget, in October, and the Coalition Government was forced to resign. The British High Commissioner gave advice to Austria's Foreign Minister during these confusing days, and this discourse is reported by Caccia to the Foreign Office. The holding of the Austrian Catholic Congress created cause for another report to London from the British High Commissioner, as did the matter of occupation costs and the formation of a new political party with Nazi and German nationalist overtones. But by far the most important issues surrounded the abbreviated treaty initiative and Austria's appeal to the United Nations.

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<sup>130</sup> British Embassy Vienna, 'Review of Political Events in Austria for the Year 1952,' 1 January 1953, FO 371/10378, Telegram 1, CA 1011/1/53,

<sup>131</sup> FO 465/6, PRO.

In July 1952, Caccia told Eden that: 'as long as the Occupation lasts, Austria will be threatened with economic crisis and kept alive only by United States aid and a stolid, unexciting coalition government'.<sup>132</sup> In the opening paragraphs of his despatch summarising key political developments for 1952, Caccia observed that Austria had lived through yet another year of occupation with no significant change in her circumstances. The country's coalition government was showing the strains of the continuing occupation and lack of progress toward a treaty. With a national election scheduled for the next year (1953), and a growing sense of unrest and dissatisfaction among the Austrian people, the Austrian Government decided to appeal to world opinion through the United Nations, hoping that this would serve to increase pressure on the Soviet Union to end the occupation and grant Austria her freedom. This initiative was, according to Caccia, the main development in Austrian foreign policy during 1952. He attributed the idea to Foreign Minister Gruber, who thought it might be a good way to 'earn a reputation for activity'. British reaction to Gruber's U.N initiative is perhaps best reflected by Eden's statement to Chancellor Leopold Figl: 'I said I doubted whether anything would be achieved by this'.<sup>133</sup> On 1 January 1953, Caccia assured Eden that: 'no sane person in Austria thought that the ending

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<sup>132</sup> British Embassy Vienna, 'Political Situation in Austria: Situation and Prospects of the Independent "Right-wing" Parties,' 29 July 1952, FO 465/6,

<sup>133</sup> Foreign Office London, 'Conversation Between the Secretary of State and the Austrian Chancellor', 8 May 1952, FO 465/6, PRO, p. 16.

of the occupation had been brought any nearer by this event [referring to U.N. support for Austria]]'.<sup>134</sup>

The final draft of an abbreviated treaty was circulated among the Western Allies on 11 March 1952, and sent by the British Government to the Soviet Ministry of Foreign Affairs on 13 March 1952.<sup>135</sup> Initially, the Foreign Office was not impressed by either the suggestion for an abbreviated treaty or the way in which the Department of State planned to introduce it to Moscow. In a telegram from Washington, Sir Oliver Franks felt compelled to assure a sceptical Foreign Office that the American side, in planning for the short treaty exercise, was sure that the proposal was a 'practical one designed to obtain a treaty on the best possible terms'.<sup>136</sup> But the British in Washington were still dubious, and felt that the Americans had not yet made a convincing case for believing that the proposal would induce the Russians to modify their stance. The British Embassy felt there should be a longer build-up to the introduction of a short treaty. There is a handwritten comment on the Foreign Office cover sheet to this telegram, cautioning: 'Sir Harold Caccia should perhaps be warned that we have not yet decided our attitude to the abbreviated treaty and do not wish to be committed in any way to accepting it at this stage'.<sup>137</sup> By March 1952, however, the only serious disagreement on the short treaty had to do with the British opinion that both it and the long

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<sup>134</sup> 'Review of Political Events in Austria for the Year 1952', p. 1.

<sup>135</sup> Foreign Office London, 'Draft ABBREVIATED TREATY on Austria', 11 March 1952, FO 465/6, p. 27, PRO.

<sup>136</sup> British Embassy Washington, 'State Department's Attitude Toward Austrian Treaty,' 4 October 1951, FO 371/93606(CA1071/92), PRO.

<sup>137</sup> Ibid.

drafts should be left on the negotiating table, giving the Soviets a choice. The Americans felt that the long draft should be withdrawn, leaving only the abbreviated draft on the negotiating table.<sup>138</sup>

The abbreviated treaty consisted of only eight articles, following a preamble that acknowledged the fact of the *Anschluß*, summarised the Moscow Declaration and stressed the desire of the occupying Powers to conclude negotiations on Austria in a way that would grant Austria her full independence and at the same time foster friendly relations. Article 1 stated: 'The Allied and associated Powers recognise that Austria is re-established as a sovereign, independent and democratic State'.<sup>139</sup> Article 2 provided that the Four Powers would recognise Austria's independence and, significantly, 'declare that political or economic union (*Anschluß*) with Germany is prohibited'.<sup>140</sup> Article 3 established that Austria's borders should be the same as they were on 1 January 1938. Article 4 provided that the Control Agreement of 28 June 1946 would terminate at the moment the treaty came into force, that Four Power control of their respective districts in Vienna would also terminate on the same date, and that Four Power control of their respective occupation zones would terminate when all occupation forces had withdrawn from those zones and, in any case, within ninety days from the coming into force of the treaty. Within those ninety days, the occupying Powers would return all unspent currency the Austrian Government had

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<sup>138</sup> Foreign Office London, 'Conversations Between the Secretary of State and Mr. Acheson,' 16 January 1952, FO 465/6, PRO, p. 5.

<sup>139</sup> Foreign Office Telegram No. 621, 4 September 1952, 'Draft ABBREVIATED TREATY on Austria,' FO 465/6 (CA 1071/168), p. 11.

<sup>140</sup> *Ibid.*

made available to support the occupation, and return all requisitioned property still in Allied possession. The language in Article 5 is interesting, because it does not address directly the different ways the Four Powers handled Austria's status during the war. It provided that no reparations would be exacted from Austria 'arising out of the existence of a state of war in Europe after 1 September 1939'.

Article 6 sought to resolve the so-called German assets issues with the simple statement: 'Each of the Allied and Associated Powers shall within the ninety days period specified in Article 4 relinquish to Austria all property – real and personal of whatever description – held or claimed by them as German assets or as war booty in Austria'.<sup>141</sup> Article 7 dealt with accession issues, providing that any member of the United Nations at war with Germany, which held the status of a United Nation on 8 May 1945, and was not a signatory to the proposed abbreviated Treaty, could accede to the Treaty and thereby become an Associated Power for the purposes of the Treaty. The final Article, Article 8, addressed the ratification process and confirmed the authenticity of the English, Russian and French texts. It stipulated that the Treaty would come into force immediately upon deposit of ratification documents by all Four Powers. This Article also stipulated that all articles of ratification would be deposited with the Government of the USSR as quickly as possible.

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<sup>141</sup> Ibid., p. 12.

After the abbreviated treaty was handed formally to Moscow, Gruber did not wait for the rejection, but proceeded with his U.N. initiative. By mid-August, he had secured Brazilian sponsorship for Austria's appeal to the General Assembly. There was virtually no enthusiasm among the Western Powers for this particular gambit, but Gruber persisted and, on 20 December 1952, the U.N. General Assembly adopted a Brazilian motion, by a vote of 48-0, calling for an early conclusion of the Austrian State Treaty.<sup>142</sup> Eden's and Caccia's predictions were correct.

The Soviets rejected the abbreviated treaty proposal on 20 August.<sup>143</sup> By this time, Moscow had launched a massive propaganda campaign harping on the alleged remilitarisation of Austria by the Western Powers, and Austrian 'connivance in United States plans to split Austria in readiness for a world war'. This campaign subsided somewhat in mid-year when the Kremlin seemed to be distracted by other matters, but it resumed with full force toward the end of the summer, with the addition of allegations of unspecified 'undemocratic activities' by the Austrian Government. Throughout the year, various Austrian ministers spoke out to refute Soviet charges, which some were brave enough to call slanders. In April and again October, Parliament was called upon to endorse Government policies 'in two impressive debates against the occupation, particularly insofar as the Soviets were concerned'.<sup>144</sup>

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<sup>142</sup> Stearman, *The Soviet Union and the Occupation of Austria*, p. 144.

<sup>143</sup> 'Review of Political Events in Austria for the Year 1952,' p. 2.

<sup>144</sup> Ibid.

The Western Powers did not withdraw the abbreviated treaty until the fall of 1953, the year which, in Stourzh's words, saw 'years of political winter turn into a thaw'.<sup>145</sup> The abbreviated treaty would, had Moscow accepted it, have resolved the few outstanding difficulties and would have set Austria free – as Anthony Eden's response to the Soviet rejection makes clear. Moscow's attitude had not changed; the Soviets were simply not interested in progress toward an Austrian treaty. In its official note, the Soviet Ministry of Foreign Affairs, deflecting from the core issue at hand, referred to alleged Western misconduct in and about Trieste and to Austria's alleged failure to observe international agreements. The note stated that the abbreviated Treaty was not in accordance with the Potsdam Agreement. It pointed to several provisions in the original, long draft, which were not included in the abbreviated draft, and dismissed the document as not acceptable. Moscow asked if the British Government was prepared to withdraw the abbreviated Treaty. The note ended with a gratuitous and unexplained crack: 'the Government of Austria refuses to recognise the State treaty with Austria.'<sup>146</sup> Moscow demanded the withdrawal of the abbreviated treaty as a precondition to any further negotiations on ending the occupation.

In the 1998 update of his Herculean, 831-page treatise on the Austrian State Treaty, Gerald Stourzh reported that, on 5 September 1952, the Western Allies responded that they were prepared to incorporate four more articles

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<sup>145</sup> Gerald Stourzh, *Um Einheit und Freiheit; Staatsvertrag, Neutralität und das Ende der Ost-West Besetzung Oesterreichs 1945-1955* (Vienna - Cologne - Graz: Boehlau Verlag, 1998b) p. 220.

<sup>146</sup> Soviet Note of 14 August 1952, Official Translation, Ministry of Foreign Affairs of the USSR, No. 39/2E, forwarded from the British Embassy in Moscow to the Foreign Office, Gascoigne to Eden, No. 152, 15 August 1952, CA 1071/171, FO 465/6, pp. 27-29, PRO.



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from the long draft into the abbreviated treaty, in order to accommodate Soviet concerns that these issues had been omitted from the short draft. He wrote that the West invited Moscow to a meeting of the Deputies in London on 29 September. The Soviets did not, as Bischof reported, ignore the abbreviated treaty.<sup>147</sup> On 24 September, Moscow did respond by introducing a new demand. They would be prepared to participate in another Four Power conference on Austria if the issues of remilitarisation and denazification would be 'reviewed'.<sup>148</sup>

Bischof is critical of the Western Powers, especially the United States, for turning to the abbreviated treaty tactic. He describes it as solely and exclusively an American propaganda stunt, and he speculates that, 'they (American officials) were all perfectly aware of the fact (sic) that the Soviets would never accept such a drastically shortened treaty draft'.<sup>149</sup> It is a good bet that not all American diplomats and national security officials were so cynical. In any case, no American official could have known that Soviet rejection was a 'fact' until that rejection had taken place. Bischof adds: 'State Department officials conceded that the advantage of an abbreviated draft was 'purely propaganda'. Perhaps some did, but this is not the language of NSC 38/6, which established official US policy, of which the abbreviated treaty was a major pillar. NSC 38/6 was classified Top Secret, and it was not meant for public consumption. Had propaganda been the sole objective of

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<sup>147</sup> Bischof, *Austria in the First Cold War*, p. 126.

<sup>148</sup> Gerald Stourzh, *Um Einheit und Freiheit: Staatsvertrag, Neutralität und das Ende der Ost-West Besetzung Österreichs 1945-1955* (Vienna - Cologne - Graz: Böhlau Verlag, 1998a), p. 187.

<sup>149</sup> *Ibid.*, p. 126.

the abbreviated treaty, this internal document, carrying the highest classification, would have revealed as much. Instead, the policy document clearly states that it was American policy to see a free, independent and fully sovereign Austria as soon as possible.

Bischof is a prolific writer and an important contributor to Austria's post-war historiography, but he tends to shoot from the hip while ignoring, or perhaps failing to understand, the international environment in which events transpired. One has the impression that he is oblivious to, or disinterested in, political forces that were in play during a given time frame. His sweeping conclusions expose what can only be, at best, a passing familiarity with geo-strategic, policy and military affairs. The British, Bischof writes (without a citation), concluded that only the 'notoriously woolly' State Department officials dealing with Austria could have 'cooked up such a treaty draft which would be 'anathema' to the Soviets'.<sup>150</sup> If Bischof is so interested in facts, then perhaps he should accept the fact that the State Department was only one of several federal agencies and departments that participated in deliberations on US policy toward Austria and that signed off on the National Security Council's policy recommendations to the President. Bischof refers in his book to NSC 38/5, but the 'fact' is that it was NSC 38/6, of 5 May 1950, signed by the President on the same date, declassified only in 1999, which

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<sup>150</sup> Ibid.

established US policy toward Austria until it was superseded by NSC 164/1 on 14 October 1953.<sup>151</sup>

At their 56th meeting, the US National Security Council and the Secretary of the Treasury considered the Executive Secretary's draft report on NSC 38/5, as well as the views of the Joint Chiefs of Staff (JCS). The State Department version of one key paragraph was adopted, instead of the JCS version, and NSC 38/6 was forwarded on 5 May 1950 to the President for adoption.<sup>152</sup> After reiterating that it remained the US policy objective to re-establish Austria's sovereignty and independence, and concluding that recent Soviet actions were designed to delay finalisation of the Austrian State treaty, the document outlined the policy decisions the President should take vis-à-vis Austria. The recommendations included a proposal that the United States should 'continue to participate in the Treaty negotiations and make every effort to bring them to a satisfactory conclusion'.<sup>153</sup> It was also recommended that conversations with Britain and France begin at an early date to decide on future courses of action regarding Austria, including 'the preparation of a draft Four- Power Declaration re-establishing Austrian independence which could be proposed if agreement cannot be reached in the present Treaty negotiations'.<sup>154</sup> Discussions between the three Western Powers did begin

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<sup>151</sup> For confirmation that President Truman signed NSC 38/6 on 5 May 1950, see E-Mail message to author from T. Branigar of the United States National Archives, dated 13 June 2003, hard copy in author's personal files.

<sup>152</sup> See NSC 38/6, 5 May 1950, *Future Courses of US Action With Respect to Austria*, Box 47, Austria (3), 5/5/50. Eisenhower Library, 200 Southeast Fourth Street, Abilene, Kansas 67410.

<sup>153</sup> NSC 38/6, paragraph 15, p. 9.

<sup>154</sup> NSC 38/6, paragraph 20(2), p. 10.

shortly thereafter. The actions outlined in NSC 38/6 reflected official US policy toward Austria until 13 October of 1953, when NSC 38/6 was superseded by NSC 164/1.<sup>155</sup>

NSC 38/6 provisions for such a Declaration led eventually to, and contained language that was quite similar in the abbreviated treaty that was approved by Britain and France. There is nothing in this language that even hints that the proposal was for propaganda purposes. Quite obviously, the propaganda ramifications of all major policy initiatives during the Cold War must have been taken into consideration, but scoring propaganda points was, in all probability, not the primary objective of the abbreviated treaty initiative.

The Confidential Print collection of Foreign Office documents, declassified in January 2003, contains a copy of Eden's instructions to his ambassador in Moscow, dated 4 September 1952. Here we see how the British really responded to both the abbreviated treaty and to the Soviet rejection of it.

The Soviet Government's recent reply suggests the withdrawal of the proposal made on 13 March. This suggestion is based on four objections, namely, that it fails to provide for free elections as specified in article 8 of the long draft of the State Treaty, that it fails to guarantee human rights and basic freedoms as specified in article 7 of the long draft, that it fails to eliminate Nazism as specified in article 9 of the long draft, and that it fails to provide for Austrian Armed Forces.

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<sup>155</sup> I am grateful to Bonita M. Molanax, Mandatory Review Staff, Dwight D. Eisenhower Library, for responding effectively to my request that twelve pages of NSC 164/1 be declassified. Under provisions of Executive Order 12958, the Eisenhower Library did declassify these pages, and on 13 March 2002 Ms. Molanax sent copies to me free of charge. See letter from Molanax to Williams. 13 March 2002, original available in author's personal files.

With reference to the first three of these points, it is the view of Her Majesty's Government that none of these provisions specified in the note of the Soviet Government are required in a simple instrument designed to terminate the prolonged occupation and to re-establish the independence of Austria. These points are all covered in the Austrian constitution or in Austrian legislation now in force.<sup>156</sup>

Eden's language here is too important to paraphrase:

None the less, appreciating the careful consideration given by the USSR during these past five months to the proposal of 13th March, and anxious, as they have been since the Moscow Declaration of 1943, to restore to Austria full independence, Her Majesty's Government therefore proposes that there be added to their proposal of 13th March articles 7, 8 and 9 of the long draft as previously agreed by the four Powers.<sup>157</sup>

Eden further instructed his ambassador that, with reference to the Soviet objection that the abbreviated treaty did not include a provision specifically allowing Austria to have her own armed forces, the right to maintain armed forces belongs inherently to a free and independent nation. Therefore, such a right should not have to be specifically granted to a nation which had never been identified as an enemy. Indeed, the Soviet response on this point would seem to indicate a desire to impose limitations on Austria's right to maintain armed forces for the purposes of national defence. Again, however, given Britain's strong desire to end the occupation, Eden told Gascoigne to offer to include Article 17 from the long draft, if this would mollify the Soviets. With these concessions, Eden wrote, it should be obvious that the British Government was prepared to accept all Soviet suggestions on the only points of Soviet objections to the draft abbreviated treaty. The way was therefore

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<sup>156</sup> Eden to Gascoigne, London, 'Draft Abbreviated Treaty on Austria,' 4 September 1952, FO 465/6 (CA 1071/168),

<sup>157</sup> Ibid.

clear for conclusion of the Austrian problem. Britain stood ready to attend a meeting of the Deputies with the objective of 'initialling the proposal of 13th March amended as above in accordance with the suggestions outlined in the Soviet Government's note'. The Kremlin's outlook on the path toward Austrian freedom was, apparently, not quite so clear.

Gerald Stourzh dismisses the abbreviated treaty as an American ploy, concocted as a public relations exercise designed to place the blame squarely on Moscow's shoulders for the prolonged and unsuccessful negotiations on Austria's independence. Stourzh reports that neither the British nor French were enthusiastic about this new initiative. France was especially critical, labelling the abbreviated treaty as the 'Japanese Treaty', presumably referring to the 8 September 1951 Peace Treaty with Japan, which was signed in San Francisco without Soviet participation. According to Stourzh, the French were concerned about the possibility that the West would somehow insult Moscow and bring about a partitioning of Austria. They believed the Soviets would never accept something that was being shoved down their throats by the Western Powers, especially if that something involved the revoking of concessions that had been given to them in 1949.<sup>158</sup>

Stearman, on the other hand, points out that, by 1952, the Western Powers regarded the original State Treaty draft as 'outdated in many respects'.<sup>159</sup> Every one of the agreed articles had been drafted during the period 1947-

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<sup>158</sup> Stourzh, *Um Einheit und Freiheit; Staatsvertrag, Neutralitaet und das Ende der Ost-West Besetzung Oesterreichs 1945-1955* pp. 184-188.

<sup>159</sup> Stearman, *The Soviet Union and the Occupation of Austria* p. 143.

1949. Between then and 1952, Austria's rejection of Communism and commitment to a democratic form of government rendered some of the more 'tutelary and punitive clauses in this draft redundant, if not offensive'. Of the eight articles, only one was new. Article 6, as described above, relinquished to Austria all German assets and war booty. Stearman suggests there is evidence that this new Western approach to the German assets issue 'took into account the heavy compensation the Soviet Union had already received through seven years' exploitation of Eastern Austria'.<sup>160</sup>

If academics like Stourzh and Bischof are going to continue to dismiss the abbreviated treaty as just another American propaganda stunt and nothing more, then they are going to have to explain the language in now-declassified US policy documents such as NSC 38/6. Here, the abbreviated treaty is described as a serious attempt to introduce an alternative way of solving the Austria problem, given that all past strategies had failed and the Kremlin was refusing to even discuss the long treaty. If they are going to pursue their allegations that the abbreviated treaty was 'cooked up' by 'notoriously woolly State Department experts on Austria', then they are going to have to explain why the full National Security Council approved the abbreviated treaty tactic and recommended it to the White House.<sup>161</sup> They will then have to explain why the President of the United States accepted this recommendation and signed NSC 38/6, thereby confirming that it was official

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<sup>160</sup> Ibid.

<sup>161</sup> Bischof, *Austria in the First Cold War*, p. 123.

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United States policy to introduce an abbreviated treaty and press the Soviets to agree on it. Thus far, they have not done so.

### **DAS TAUWETTER?**

According to Stourzh, 1953 brought the Tauwetter, but in hindsight, there was little sign of any thaw.<sup>162</sup> The year did see major changes in the leadership of those nations most involved in Austria's future. Dwight David Eisenhower took office as the thirty-fourth President of the United States. He appointed John Foster Dulles as his Secretary of State. February's national elections in Austria resulted in seventy four seats for the ÖVP, seventy three for the SPÖ, fourteen for VdU and four for the Communists.<sup>163</sup> The Figl Government stepped down on 25 February and the new government, featuring Julius Raab as Chancellor, took its place on 2 April. The leadership team of Raab, Figl and newcomer Bruno Kreisky were to remain at the country's helm until the Austrian State Treaty was signed in May 1955. He certainly did not know it at the time, but Julius Raab was to become the very first 'real capitalist' with whom Nikita Khrushchev was to negotiate directly.<sup>164</sup>

In February 1953, the Special Deputies held their 259-260th sessions in London (6 and 9 February 1953), again without any signs of progress. The Soviet representative flatly refused to enter into negotiations until the West withdrew the abbreviated treaty. The Western Powers were reluctant to do

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<sup>162</sup> Stourzh, *Um Einheit und Freiheit: Staatsvertrag, Neutralität und das Ende der Ost-West Besetzung Österreichs 1945-1955*, Chapter IV, beginning p. 173.

<sup>163</sup> Stourzh, *Um Einheit und Freiheit: Staatsvertrag, Neutralität und das Ende der Ost-West Besetzung Österreichs 1945-1955*, Zeittafel, p. 786.

<sup>164</sup> William Taubman, *Khrushchev: the Man and his Era* (New York: W.W. Norton, 2003), p. 349.



this as a precondition to further negotiations. In the meantime fate had ushered in another important change in national leadership.

On 4 March 1953, the US National Security Council met for its 135th session to discuss what little was known in Washington about rumours of Josef Stalin's 'illness'. In the midst of this discussion, a message arrived from the State Department, informing the meeting that the Soviet Embassy had called a press conference for later that same day. This news inspired a former American Ambassador to Moscow and then-current Under Secretary of State to exclaim: 'Stalin is dead as hell'.<sup>165</sup> He was almost right.

During the night of 1-2 March 1953, after dining late into the evening with Lavrentiy Beria, Nikolay Bulganin, Georgiy Malenkov and Nikita Khrushchev, Josef Stalin suffered a debilitating stroke.<sup>166</sup> According to Russian military historian Dmitriy Volkogonov, Stalin had retired to his room where he completed reading at least two top-secret files. One informed him that the USSR's gold reserves had risen to 2,049 tons, which must have pleased him. The second file would have been less soothing. It advised Stalin that, 'despite imaginative efforts', the Kremlin's attempt to assassinate Yugoslavia's Josip Broz Tito had failed.<sup>167</sup>

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<sup>165</sup> 'Memorandum of Discussion at the 135th Meeting of the National Security Council, Washington, March 4th, 1953', Document 550, FRUS (1952-1954), Vol. VIII, p. 1091, Eisenhower Library, Whitman File.

<sup>166</sup> Peter S. Deriabin and Joseph C. Evans present a persuasive summary of the theory that Stalin was murdered: See Peter S with Evans Deriabin, Joseph C, *Inside Stalin's Kremlin; an eyewitness account of brutality, duplicity, and intrigue* (Dulles, Virginia: Brassey's Inc., 1998).

<sup>167</sup> The document contained the Russian word *skovyrynut*, which means literally 'rub out.' Dmitrii A. Volkogonov (1928-1995) was a prominent Russian military historian. For many years, he headed the Institute of Military History of the Soviet Army and, from 1991 until his death, chaired a special

Four days later, on 5 March 1953, the Central Committee of the Communist Party of the Soviet Union convened an emergency plenary session to consider 'the unbroken, correct leadership of the country, which in turn requires complete leadership unity and the impermissibility of any kind of division or panic'.<sup>168</sup> It was acknowledged that Stalin's 'serious illness' would probably mean that he would not be available for leadership duties for some time to come. Stalin died at 9:50 p.m., that same night.

There followed a period of so-called collective leadership, during which all deliberations and decisions became indelibly linked with the individual political fortunes of Beria, Malenkov, Molotov and Khrushchev. With the benefit of hindsight, and even the small volume of Soviet archival material that has become available in the meanwhile, it is possible to imagine how terribly ferocious was the Kremlin power struggle in the wake of Stalin's death.<sup>169</sup> This was a contest catalysed by a series of astonishing events around the world that eventually forced all of the competing Soviet leaders to

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parliamentary commission overseeing the management of Soviet archives. In the Presidential Archive of the Russian Federation in Moscow, Volkogonov discovered and published a document outlining a series of options to assassinate Tito, with the help of one Iosif Romual'dovich, a Soviet agent who had been earlier involved in plots to kill Trotsky. This information is reported in Cold War International History Project, Woodrow Wilson International Center for Scholars (CWIHP), Volume 10, Bulletin 10, March 1998, p. 137. See also Andrew, Christopher and Mitrokhin, Vasili, *The Mitrokhin Archives* (London: Penguin Press, 1999), chapter 22, pp 462-466.

<sup>168</sup> March 1953 CPSU Plenum documents stored in TsKhSD, f.2, op.1, dd.23-26 translated by CWIHP Bulletin 10, p.3, Additional material is available on Reel 7 of the Volkogonov papers in an article entitled '*Smert Stalina*', Library of Congress, Manuscript Collection, Washington DC.

<sup>169</sup> One enlightening, current source of information on the Kremlin leadership struggle is the CWIHP. Deserving of particular recommendation are the following documents, all available on the CWIHP Internet Web Site <<http://www.cwihp.si.edu>>: Zubok, Vladislav M., 'CPSU Plenums, Leadership Struggles and Soviet Cold War Politics'; Kramer, Mark 'Declassified materials from the CPSU Central Committee Plenums – Sources, Context, Highlights'; Richter, James 'Working paper No. 3 – Re-examining Soviet Policy Towards Germany During the Beria Interregnum'.

accept the need for a new set of priorities in the management of the socialist camp and in their dealings with the West.

Stalin's successors had inherited a nightmare.

The international situation had become so tense that another turn of the screw might have led to disaster. There was a war going on in Korea and another in Indochina; the two superpowers were facing each other with daggers drawn; the arms race was steadily gaining momentum; the German problem hung like a dark cloud over Europe; there was no settlement of the Austrian problem in sight. ... The inevitability of a major new war was still part of the Communist doctrine and this, if taken at face value, would have made any attempts to prevent a new conflict meaningless.<sup>170</sup>

In the midst of this cabal, Nikita Khrushchev emerged with power. It was under Khrushchev's leadership that the Soviet Union reversed its long-standing position and agreed to the Austrian State Treaty. But that was not to come for another two years. On 25 May 1953, the Soviet Ambassador in London, Jakob Malik, refused to participate in a scheduled meeting of the Special Deputies for the Austrian State Treaty, stating that his country planned to pursue the Austria question through normal diplomatic channels from then on. Malik had thus put an end to the diplomatic vehicle of the Special Deputies. On 12 June, the three Western Powers asked the Soviet Government to present a treaty which it would find acceptable. On 30 July 1953, Moscow again demanded withdrawal of the abbreviated treaty as a precondition to further negotiations, and in August the Soviets delivered

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<sup>170</sup> Oleg Troyanovsky, in a paper entitled *Nikita Khrushchev and the Making of Soviet Foreign Policy*, presented to a December 1994 conference at Brown University, Providence, Rhode Island. The paper will appear as part of a volume entitled *Nikita Khrushchev: Fresh Perspectives on the Last Communist*, edited by William Taubman, Sergei Khrushchev and Abbott Gleason. I am indebted to Sergei Khrushchev and Abbott Gleason for providing me with a draft copy of this paper.

another note linking the Austrian treaty with a final settlement on Germany.<sup>171</sup>

On 17 August, the Western Powers agreed to withdraw the abbreviated draft if the Soviets would not introduce further, extraneous issues to the negotiations. Moscow refused to accept this condition.

### **KEY PERSONALITIES**

Every year, the British diplomatic installation in Vienna prepared a communication entitled 'Leading Personalities in Austria'. In 1952, this document was compiled by the deputy chief of mission, Minister G.P. Labouchere, CMG.<sup>172</sup> These reports are significant for several reasons. First, they showed clearly who in Austria the British diplomatic team regarded worthy of mention. Second, they reflected what the British team thought of these people. Under Sir Harold Caccia's rule, it was not uncommon to detect an element of humour and sometimes even sarcasm in these biographical sketches.

### **Raab**

Julius Raab was, of course, among the 105 leading personalities who qualified for mention in Labouchere's 1952 report. Raab was at the time an ÖVP member of the National Assembly. He was acting national Chairman of the party, and President of the Federal Chamber of Commerce. Raab was born in 1893. He became a construction engineer. In 1938, he had been

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<sup>171</sup> Stearman, *The Soviet Union and the Occupation of Austria* p. 144(n), citing Tass reports of 30 July 1953 and 4 August 1953.

<sup>172</sup> British Embassy Vienna, Telegram No. 139 (CA 1012/6), 'Biographical Notes: Leading Personalities in Austria,' 10 July 1952, FO 465/6, PRO. Labouchere to Eden, No. 139, 10 July 1952. CA012/6, FO 465/6, PRO.

Minister for Commerce. Raab had been a member of the Heimwehr, but left to form his own party, the Christliche Landbund, which later merged with the Christian Socialists. When all political activities were suspended in 1938, and after the Nazis confiscated his family's business, Raab went to work for a Viennese construction company. He is reported to have been 'active in resistance', but Labouchere does not expand on this brief sentence. Raab became Minister for Public Works and reconstruction in the first post-war Austrian Government, under Karl Renner. Leopold Figl wanted to bring Raab into his Cabinet, but the Russians vetoed the move, ostensibly because of Raab's activities in the Heimwehr. Labouchere includes an explanatory comment here, to the effect that most people, even Socialist friends, thought that Raab joined the Heimwehr with the intent of luring away the more liberal wing. The British in Vienna saw Raab as a 'tough and humorous Right-winger and firm believer in free enterprise'. He was regarded as the strong man of the People's Party and 'the power behind Ing. Figl's throne'.<sup>173</sup> Following the 1953 elections, Raab apparently felt that his time had come, and he emerged from behind the throne to unseat Figl and assume the reins of government himself.

### Figl

Figl also received prominent mention in Labouchere's 1952 report. He was at the time Federal Chancellor. Figl was born in 1902 'of peasant stock'. He graduated as an agricultural engineer. He had been active for a long time in the Peasants' Association of the Christian Socialist Party, and he became

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<sup>173</sup> Ibid., p. 57.

this party's secretary in 1935. Figl was appointed to organise the abortive plebiscite in 1938, and was immediately arrested by the Nazis when they marched into Vienna. He spent some five and one-half years in various German concentration camps, including Dachau and Mauthausen. In 1945, he was appointed in the Renner Government as Provincial Governor of Lower Austria and Minister without portfolio, a post from which he eventually resigned. He was also made chairman of the National Organisation of the Peoples' Party. He became Federal Chancellor as a result of the 1949 elections. In 1951, he was replaced by Julius Raab as chairman of the ÖVP, but Figl remained as Chancellor. In 1952, Figl paid official visits to London, Paris and Washington.

Small and physically unimpressive, he nonetheless appears none the worse for his long periods of internment, and has shown evidence of considerable strength of character in his dealings both with Austrian officials and with the Allies. Has strengthened both his personal position and his relations with the Socialist members of his Government. Is active, honest and a good administrator. Fond of sport. Speaks no foreign languages.<sup>174</sup>

### Kreisky

Interestingly enough, Bruno Kreisky did not qualify for the British Embassy's list of leading personalities in Austria, at least not in 1952. But he was to become one of Austria's best known political figures, including Federal Chancellor. Raab as Chancellor, Figl as Foreign Minister and Kreisky as Minister of State, were to shepherd Austria through some treacherous diplomatic times and lead her to full sovereignty and independence in May of 1955.

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<sup>174</sup> Ibid., p. 47, PRO.

In his Internet Dossier on Bruno Kreisky in the Wiener Zeitung 'WZonline,' Von Rainer Mayerhofer observed: 'Seine Welt war größer als sein Land'.<sup>175</sup> Thirteen of his twenty six years as a member of the Austrian Government were spent as Federal Chancellor. Kreisky was born on 22 January 1911 to a Viennese Jewish family. He was to become a lawyer and one of Austria's all-time great Socialist leaders. He was, from the time of his youth, a real revolutionary. In 1926, he became active in the Socialist Workers' Youth movement. In 1930, he became chairman of the Lower Austria Workers' Youth organisation for Purkersdorf, Klosterneuburg and Tulln. He was arrested for revolutionary political activities the first time in 1933. In 1934, he joined Franz Olah to inspire Socialist Party's opposition to Dollfuß' declaration of martial law, and in February of that year, he was co-founder of the illegal Revolutionary Socialist Youth (Revolutionäre Sozialistische Jugend). In January 1935, he was arrested, tried and sentenced to one year in prison. Kreisky was to recall in his memoirs that he was probably the first Federal Chancellor to have sat in prison, having been convicted of high treason. He was finally able to conclude his academic studies in 1938, taking his very last examination on 14 March, the day the Nazis were celebrating their march into Vienna. One day later, he once again found himself a guest of the police, this time in Schutzhaft, or protective custody. At the end of the year, he was able to make his way to Sweden, where he lived in exile until his return to Austria in 1946. He was almost immediately dispatched back to Stockholm as the official Austrian Representative, and he stayed there until

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<sup>175</sup> Rainer Meyerhofer, *WZonline*, <http://www.wienerzeitung.at/linkmap/personen/kreisky.htm>, [20 June 2003].

1949. In 1951, he was appointed as a senior official in Renner's Cabinet staff, and in 1953, Kreisky became Secretary of State in the foreign ministry. It was in this capacity that he accompanied Raab and Figl on the successful path to the country's freedom and independence.

There were two other newcomers to the international diplomatic arena who had profound influence on the eventual resolution of post war Austrian issues.

### Eisenhower

Dwight David Eisenhower was born in Texas in 1890, and he grew up in Abilene, Kansas. He was the third of seven sons. He excelled at sports in secondary school and he received an appointment to the United States Military Academy at West point. During his military career, he excelled in various staff positions, serving under some of America's most famous general grade officers, Pershing, MacArthur and Krueger among them. He was selected as Supreme Allied Commander for the invasion of France and the eventual defeat of Germany. Following the Second World War, he became President of Columbia University before returning to uniform and commanding the new NATO forces in Europe. He was persuaded to run for the presidency in 1952 and he did so with success, winning a sweeping election victory. Eisenhower became the thirty-fourth President of the United States, succeeding Harry S. Truman.

### Dulles



It is probably a little known fact that the gravestone in Arlington Cemetery marking John Foster Dulles' final resting place bears this identification: 'John Foster Dulles, Major, United States Army'. He was born in 1888 and fought in World War One. According to his obituary in the *New York Times*:

Mr Dulles was a man of complex character, full of paradoxes. A shrewd and successful corporation lawyer, he was also a moralist and political philosopher. He could marshal his ideas swiftly, fluently and extemporaneously; he coined many phrase, but he was not noted as an originator of new ideas. He was gregarious, but he worked alone, to the despair of his State department staff. Gracious in private, he was often awkward in public. Yet he held news conferences more regularly than any other member of President Eisenhower's Cabinet.<sup>176</sup>

For over six years, Dulles dominated US foreign policy, and presented a formidable adversary to his Soviet counterparts. His New York Times obituary called particular attention to three of Dulles' personality traits. First, he was, reportedly, by far the strongest personality in the Cabinet.<sup>177</sup> He played a leading role in Washington and often in the councils of Europe. Second, 'whatever his qualities as a policy maker, he had few peers as an advocate. No one could equal him as a persuader in the White House councils.' His interaction with the Senate Foreign Relations Committee was frequently testy, but 'he inevitably had his way'. Third, he had exceptional vitality. As Secretary of State, he flew a total of 479,286 miles outside of the United States. He was *TIME* magazine's Man of the Year in 1954. During that particular year, he committed himself to an exhausting campaign 'pour la

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<sup>176</sup> John Foster Dulles Obituary, *The New York Times*, 25 May 1959.

<sup>177</sup> In his memoirs, Bruno Kreisky describes Dulles as '...der ohne Zweifel, der stärkste Mann des westlichen Lagers...' See Bruno Kreisky, *Zwischen den Zeiten: Erinnerungen aus Fuenf Jahrzehnten* (Berlin: Siedler Verlag, 1986), p. 462.

paix', and succeeded in winning over the support in Cold War strategies of even the French. A French diplomat told a TIME magazine reporter:

You know the other day a pamphlet came across my desk. Written in French, it was titled 'Pour La Paix'. My first reaction was that it was just another Communist propaganda tract. But it wasn't. It was John Foster Dulles' recent speech in Chicago. For years now – in Europe at least – the Communists have made 'peace' their private property. Even though people knew what the Communists meant, the idea in their hands helped them and hurt us. It looks now as if your Mr Dulles is going to take peace away from the Communists and restore it to its real meaning.<sup>178</sup>

### Molotov

And of course Molotov remained very much on the scene. Viacheslav Mikhailovich Molotov's true family name was Skryabin. His chosen pseudonym, Molotov, translates as 'hammer'. He joined the Bolshevik wing of Tsarist Russia's Social Democratic Party when he was sixteen years old. At the age of twelve, he helped to found Pravda. He was exiled to Siberia in 1915, but soon escaped and returned to Bolshevik activities. During Russia's civil war, he performed a variety of duties for Bolshevik causes, and in 1921 was elected Secretary of the Central Committee and a candidate for the party's most senior body, the Politburo. Molotov was Lenin's chief of staff and he later became Stalin's deputy secretary when the former was elevated to the General Secretary of the Central Committee. Molotov became a full member of the Politburo in 1926. He participated in the collectivisation of Russia's agriculture and was active in Stalin's purges of political adversaries. In addition to holding several important political party positions, he actually became head of government for a brief period, before being appointed

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<sup>178</sup> Obituary, *The New York Times*, 25 May, 1959.

Commissar for Foreign Affairs in 1939. He remained in this position until 1949 when he was caught up in one of Stalin's reshuffles and sidelined until being brought back into favour and once again assigned responsibility for the Soviet Union's foreign affairs. Molotov participated in the Tehran Conference (1943), Yalta (1945) and Potsdam (1945). He was by far the USSR's most experienced diplomat.

Following Stalin's death, it seems that Molotov was driving Soviet Austria policy almost on his own, in the midst of a complex leadership struggle in the Kremlin. When Stalin was alive, Molotov took a back seat and basically did what Stalin told him to do. Until March 1953 it was Stalin alone who had the last word on foreign policy decisions. He controlled policy with an iron fist, and he exercised this control with the same degree of intimidation and brutality that characterised his command of the country's domestic scene.

Trojanovsky explained:

Exchanges of view did not take place ... his entourage preferred to keep their opinions to themselves when they differed from those of their boss, or *khozain*, as he used to be called.<sup>179</sup>

One exception, apparently, was Austria, where, at least according to Khrushchev, Stalin allowed Molotov considerable freedom. We now have evidence that Molotov drove the Kremlin's Austria policy, and that he remained the single, most significant obstacle to Austrian independence throughout the period 1945-1955. It was his commitment and his personal influence on Austria policy that delayed conclusion of the Austrian State

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<sup>179</sup> Trojanovsky, *Nikita Khrushchev and the Making of Soviet Foreign Policy*, p. 280

Treaty for so long. Khrushchev said that it was against Molotov's strong objections and only as a result of Khrushchev's intervention that the State Treaty was signed in May 1955, following ten years of cantankerous obstructionism.<sup>180</sup> Oleg Troyanovsky explained Khrushchev's position in the Kremlin as follows:

Nikita Khrushchev was the driving force behind the effort to move the world away from the edge of the abyss, where it stood at the beginning of 1953. In this he had the active support of Anastas Mikoyan and up to 1957 of Nikolai Bulganin, whereas his main antagonist was Viacheslav Molotov, particularly on such issues as the Austrian State Treaty and reconciliation with Yugoslavia.<sup>181</sup>

Reports vary regarding the degree of autonomy Molotov enjoyed in the formulation of USSR foreign policy. It appears, however, that he was the only official in the Kremlin who, together with Stalin, exercised control over both policy formulation and implementation. Molotov had ready access to Stalin, and seemed to enjoy Stalin's confidence. He was intelligent enough not to acquire sufficient influence and support to attract the kind of attention Stalin gave to those of his subordinates whom he thought to be too powerful. He shared Stalin's mania for highly centralised diplomacy', his fear being that otherwise Soviet stratagems and tricks would leak to the enemy'.<sup>182</sup>

Molotov did not delegate authority, except when it was absolutely necessary to do so. He used his ambassadors more often as messengers than as

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<sup>180</sup> Concluding words by Nikita Khrushchev to the Central Committee Plenum of the CPSU Ninth Session, 12 July 1955, as translated by CWIHP, < <http://www.cwihp.si.edu> >, [15 August 2003].

<sup>181</sup> Troyanovsky, *Nikita Khrushchev and the Making of Soviet Foreign Policy*, p. 280.

<sup>182</sup> Vladislav Zubok and Constantine Pleshakov, *Inside the Kremlin's Cold War: from Stalin to Khrushchev* (Cambridge, Massachusetts: Harvard University Press, 1996), p. 87.

advisors. Like Stalin, he kept his cards very close to his chest, while manipulating a widespread network of informants so that he could remain well informed on what others were thinking and doing. The very fact that he survived for as long as he did confirms his extraordinary abilities to negotiate the intricate internal political web of the Kremlin, while manipulating with equal success his counterparts in the West. Molotov was to explain later: 'I think it was not easy to fool us. ...Everything was in Stalin's fist, in my fist – we could not act otherwise in that period'.<sup>183</sup>

Molotov was convinced that, without a strong Soviet Union and its Red Army, there was no hope for the worldwide revolution. While he was a realist, Molotov still viewed developments in the international arena from a Marxist perspective:

His understanding of international relations gravitated to the Marxist-Leninist 'theory of imperialism' with its conviction that under the capitalist order selfishness, expansion and war were the key to relations among states, and that class struggle was the driving force of human history. He liked to instruct young diplomats: 'you always have to keep Lenin in the back of your mind, particularly when you are dealing with foreign policy'.<sup>184</sup>

There is no indication that Molotov ever believed that tensions with the West could have been prevented after the war. He was convinced that Western leaders were behaving during the Cold War in the only manner they could -

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<sup>183</sup> Ibid.

<sup>184</sup> Ibid., p. 88, citing N. T. Fedorenko, *Rabota s Molotovym, Novaiia I Noveishiia Istoria*, no. 4, (1991), p. 79.

as enemies of Communism.<sup>185</sup> He never relented, even after Khrushchev was successful in ousting him from the Politburo. He also never abandoned his conviction that Khrushchev was a right wing deviationist'.<sup>186</sup>

### **REDUCTION OF BRITISH FORCES AUSTRIA**

In August 1953, a Top Secret, UK EYES ONLY, War Office Note recorded the British Government's decision to reduce its garrison in Austria from the then-existing three battalions (down two from 1948), with supporting elements, to one battalion with reduced support.<sup>187</sup> It was noted that British troops were stationed in Austria in order to allow Britain to carry out her obligations under the Control Agreement and also to support British policy objectives. Paragraph 2 of this Note states that the Supreme Allied Commander Europe had already been informed of Britain's plans to remove the British garrison from Austria altogether 'if and when the political situation permits'. It is important to note the wording here. This alleged report to the Supreme Allied Commander Europe, European Theatre (SACEUR), only said that Britain might pull their troops from Austria if political circumstances permitted. It did not say that a decision had already been made to withdraw the troops, as, apparently was the case. This is important because, despite later disclaimer memoranda from the War Office, NATO Command was surprised when Britain actually withdrew the two battalions. In spite of plans

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<sup>185</sup> Ibid. 'Cold War' was a term Molotov never liked, as indicated by a quote from Felix Chuev in *'One Hundred and Forty Conversations with Molotov: From the Diary of F. Chuev,'* Moscow, TERRA, 1991, p. 86.

<sup>1b</sup> Ibid., p. 90

<sup>187</sup> Top Secret, UK EYES ONLY War Office Note, 'Proposed Reduction of the British Garrison in Austria', 24 August 1953, p. 1, MO1/P(53)90, WO 32/21399, PRO.

to make sure the move did not come as a surprise, it did, and the War Office was among the first to scurry into a protective mode. A minor and totally unnecessary Anglo-American spat ensued.

Here, an explanation of Allied military structure might be helpful to the understanding of why Britain and the United States ran into this misunderstanding.

The North Atlantic Treaty was signed on 4 April 1949. In mid-December 1950, the North Atlantic Treaty Organization (NATO) member states asked the United States to designate an officer to function as Supreme Allied Commander Europe (SACEUR). It would be this officer's assignment to set up an integrated Allied command for the defence of NATO in Europe. President Truman nominated General Dwight David Eisenhower, who became the very first Supreme Commander Allied Powers Europe. On 2 April 1951, General Eisenhower established the Supreme Headquarters Allied Powers Europe (SHAPE), based in Rocquencourt, France. The first SHAPE organisation consisted of 183 officers from nine of the twelve NATO allies. Portugal and Luxembourg sent staff officers to SHAPE later. Iceland, a NATO member state, had no armed forces. In 1952, Greece and Turkey joined NATO, as did Germany in 1955, bringing total NATO membership in the mid-1950s up to twelve. Eisenhower immediately set out to form a cohesive defence grouping, in which the loyalties of each representative were to NATO, rather than to his respective home country. He told his staff:

Here we know ourselves as a single entity in carrying out the objectives of NATO and in building up a strong defence for the purpose of preserving the peace. Actually, for the purpose of this operation, we shall set aside our individual nationalities.<sup>188</sup>

On the matter of British troops reduction in Austria, both Sir Harold Caccia and Lt. Gen. Winterton had agreed that one battalion would be adequate to allow Britain to meet obligations under the Control Agreement, and that Austrian gendarmerie were capable of dealing with any attempt by local Communists to seize power, provided such an effort was not supported by the Soviet Army.<sup>189</sup> It was also Caccia and Winterton's opinion that such a reduction in the British garrison would not 'seriously undermine Austrian public morale or diminish the will of the Austrian Government to stand up to the Russians'.<sup>190</sup>

In a discussion with Austrian Chancellor Figl on 24 September 1952, Foreign Secretary Eden had admitted that Britain was carrying too heavy a burden in her defence budget, what with eleven divisions overseas apart from the air and naval commitments. The occupation of Austria was costing Britain £2½ million and Trieste was costing some £2 million. The burden of British troops

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<sup>188</sup> Information on SACEUR, SHAPE and NATO is available from the NATO Supreme Headquarters Allied Powers Europe Home Page, <<http://www.nato.int/shape/>>, [3 July 2003].

<sup>189</sup> It proved beyond the capabilities of this researcher to obtain reliable statistics on the actual number of British Troops Austria. Dr Simon Robbins of the Documents Department, Imperial War Museum, however, advises that, in those days, the average British infantry battalion consisted of thirty two officers and 753 men, although most British military units were under strength. Nonetheless, these numbers are probably reliable when estimating total British strength in Austria during the occupation. See E-Mail message from Dr Robbins to author, dated 8 July 2003, copy available in author's personal files.

<sup>190</sup> War Office Note, 24 August 1953, WO 32/21399, paragraph 3, p. 2. PRO.



in both locations was obviously weighing heavily.<sup>191</sup> On 30 July 1953, the Russians said they would stop collecting reimbursement for occupation costs from Austria, and both Britain and France felt obligated to do the same. Britain renounced occupation costs on 19 August 1953, thereby increasing the financial burdens created by a continuing occupation.<sup>192</sup>

The Soviets had also, in July 1953, handed back to Austria the Ybbs-Persenberg vehicle manufacturing facilities, which had been confiscated as a German asset, and in August they had terminated postal censorship in the Soviet Zone. The Soviets also agreed with the Western Allies to end control of electronic and postal communications in the entire country. Hopes that these gestures signalled stronger willingness to end the occupation faded when there were no new Soviet initiatives by August. Also, Moscow did not respond favourably to the Austrian Government's discreet, bilateral communication in June 1953, undertaking to adopt a policy of neutrality in return for conclusion of the treaty.

There were other internal British arguments favouring the withdrawal of troops from Austria, or at least supporting a substantial reduction of that military commitment. First, the Austrian Government had, for domestic political reasons, passed a resolution calling for the complete withdrawal of all occupation troops. The West could not withdraw unless the Soviets did, but some in the Foreign Office felt that some gesture acknowledging the

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<sup>191</sup> Record of a Meeting Between the Secretary of State and the Austrian Federal Chancellor in Vienna on 24<sup>th</sup> September 1952, 24 September 1952, CA 1051/27, FO 465/6, pp. 30-31, PRO.

<sup>192</sup> Stourzh, *Um Einheit und Freiheit...*, p. 787.

Austrian Chancellor's resolution should be made. Besides, the Chiefs of Staff concluded that the British presence in Austria in 1953 was larger than necessary for occupation duties and much too small to be considered an effective fighting force. It was 'imperative to cut down overseas commitments anyway' and the troops in Austria could be withdrawn easily.<sup>193</sup>

There were arguments against Britain taking the unilateral action to pull out her troops. First, all NATO plans for the defence of Southern Austria would have to be revised. The British contribution to NATO, in the event of war, would be reduced by two battalions, and this would have a negative effect on NATO's overall military capability. Such a British action might be seen as an excuse for smaller NATO members to reduce their contribution to the NATO force, and in any case 'the proposal is likely to be badly received in the United States'.<sup>194</sup>

Under the existing 1953 plan, based on the full British Troops Austria (BTA) garrison of three battalions plus supporting elements, British troops were to cover the evacuation of families from Austria and then withdraw to a Brigade position in Villach. This position was to be held for as long as possible to facilitate Italian mobilisation and movement to hold the Tarvisio Pass. At that point, according to the plans, BTA forces were to withdraw through the Italians to a concentration area at Tolmezzo. US and French troops were to fight a delaying action along the axis line Linz – Salzburg – Innsbruck, and

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<sup>193</sup> War Office Note, 24 August 1953, paragraph 4, WO 32/21399, p. 2., PRO.

<sup>194</sup> Ibid.,

eventually withdraw to the Italian border. American, French and Italian forces were to hold the Austro-Italian frontier, with the French holding the Resia Pass and Americans the Brenner Pass. British and American forces in Trieste were to cover evacuation of dependents and then withdraw to an area south of Udine.<sup>195</sup>

Obviously, these plans had to be revised when the British presence in Austria was cut by two-thirds. At about the same time, France announced her intentions to withdraw troops from the area, and both Britain and the United States were pulling out of Trieste. War planning was put on hold all around, while NATO adjusted to the new situation.

Britain was also withdrawing three battalions from Trieste, but had informed SACEUR that these units would remain committed to SACEUR. Still, the War Office recognised that, unless additional forces were made available to SACEUR, or Italian mobilisation plans were expedited considerably, NATO would have insufficient strength to defend the Italian border. At the eastern end, the Yugoslav left flank could be exposed.

One possibility to compensate for the British and French troops reductions was to call more heavily upon Austrian auxiliaries. The War Office warned that any discussion with the Americans about using Austrians should be verbal, so long as it concentrated on the use of Austrians before conclusion

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<sup>195</sup> War Office Note, 2 December 1953, Part II: 'Operational Implications of the Reduction of the British Garrison in Austria and the Withdrawal of the British Garrison from Trieste', MO1/P(53)112, WO 32/21399, p. 3, PRO.

of an Austrian treaty, but any such discourse should definitely not be recorded in writing.<sup>196</sup> The War Office saw Austrian auxiliaries as falling into four categories.<sup>197</sup>

The category 'Specialist Personnel' applied to drivers, interpreters and other Austrians currently working for the occupation authorities. The services of these people could be called upon in time of war. 'Ordinary Gendarmerie' encompassed the gendarmerie, who was policing Austria's rural areas. There were approximately 2,000 such people in the British Zone and, while they were not trained soldiers and they were not destined to become a military force in time of war, real emergency situations could necessitate the enlistment of the gendarmerie. The category of 'Special Gendarmerie' applied to six battalions; essentially paramilitary forces the three Western Powers had agreed to form. In December 1953, only two such battalions existed in the British Zone. The US was suggesting that Britain create a third to compensate in part for the withdrawing two British battalions.

There was a fourth category of Austrian auxiliaries identified by the War Department: the so-called Additional Austrian Auxiliaries. Britain, France and the United States had drawn up lists of Austrians in their respective zones, who had previous military training and experience. In late 1953, these lists totalled some 100,000 men, including those who were or who were destined

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<sup>196</sup> Ibid., paragraphs 8-9, p. 4.

<sup>197</sup> Ibid., Appendix, 'Note on Austrian Auxiliaries'.

to serve with the Special Gendarmerie. The idea was to call upon at least some of these people to supplement Western ranks, should a war break out. Completing the assessment of this new situation, the War Office observed:

It will be seen from the above that there are strong NATO military objections to the proposed course of action. On the other hand, it must be admitted that our present garrison in AUSTRIA, being without artillery and badly balanced in its composition, would have the greatest difficulty in carrying out the tasks assigned to it and could not be expected to make more than a small initial contribution to the fighting. The lost fighting power occasioned by the reduction to one battalion is not, therefore, likely to be of any considerable influence on the course of the fighting. In these circumstances, the advantages enumerated above would appear to out-weigh the disadvantages, and it is urged that the proposal for a reduction should be adopted.<sup>198</sup>

In addressing the way Britain might best go about implementing the decision to reduce troop strength in Austria, the War Office recommended that Eisenhower be notified directly by The Standing Committee, which would explain that the action reflected Britain's desire to see the conclusion of an Austrian treaty. Also, Britain's National Military Representative (NMR) at SHAPE would personally tell Eisenhower of the British plans. The Foreign Office would notify the US, France, Italy and Yugoslavia formally and only then would anything be said to the Austrian Government. The War Office felt the withdrawal should take place as quickly as possible, and because the relocating battalions would need three months notice, a hard and fast decision would have to be made before the end of August.

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<sup>198</sup> War Office Note, 24 August 1953, paragraph 6, WO 32/21399, p.3, PRO.

Another War Office Note, dated 2 December 1953, summarised the way British plans for the troops reduction went askew, and also sought to explain why this was not the War Office's fault.<sup>199</sup>

The British were aware, as late as June 1953, that NATO Command fully expected the British garrisons in Austria and Trieste to remain available to Commander in Chief South (CINCSOUTH) even if those troops were relocated for political reasons. On 19 June, the Chiefs of Staff instructed the UK NMR to tell SHAPE that Britain 'intended to withdraw British forces from Southern EUROPE when political considerations permitted'.<sup>200</sup> In a huge logical leap, from reporting what the Military Representative had been instructed to do to the assumption that SHAPE understood Britain actually intended to withdraw troops from Austria, the Note records: 'This information produced no reaction from SACEUR.' Worded in the way the War Office says it was, the report probably did not even catch SACEUR attention.

On 27 July 1953 the Foreign Office informed the War Office that it was politically possible to reduce the British garrison in Austria. On 27 August, the Chiefs of Staff approved the reduction from three to one battalion. They also ordered that the following procedure would be followed to inform NATO. First, the Chiefs of Staff would inform the Standing Group who would, in turn, inform SACEUR. At the same time, the Chiefs of Staff would 'give SACEUR private information of our intention through the UK NMR at SHAPE'. These

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<sup>199</sup> War Office Note, 'Record of Events Leading Up To the Reduction of the British Garrison in Austria', 2 December 1953, MO1/P(53)112, WO 32/21399, PRO.

<sup>200</sup> Ibid., paragraph 1, p. 1.

instructions were sent to Washington and the British NMR at SHAPE on 2 September 1953. The Foreign Office notified appropriate foreign governments.<sup>201</sup>

The 2 December Note then observes: 'the Standing Group did not in fact inform SACEUR as they had been asked, and did not inform us (the War Office) that they had not done so until 8 September'. In the meantime, on 6 September and without warning the Chiefs of Staff or the War Office, the Foreign Office issued a public announcement of the decision to reduce British Troops in Austria. The BBC reported the announcement in its news bulletins. The Supreme Commander Allied Powers Europe was less than thrilled to hear about this significant news on the radio.

On 7 September, SACEUR informed the British Chiefs of Staff of a concern that the forces already available for Southern Austria were inadequate, and asked that the withdrawal of British troops be postponed.<sup>202</sup> On 9 September, the Chiefs of Staff apologised to SACEUR for the manner in which the news of the troop withdrawal from Austria had reached him, but also confirmed the decision to implement troop reduction. Shortly thereafter, the American State Department asked the Foreign Office about the decision, and the Chiefs of Staff once again confirmed that the troop reduction would proceed as ordered. On 28 October, American Secretary of State Dulles dispatched a communication to the Foreign Office, in which he suggested that the

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<sup>201</sup> Ibid., paragraph 4, p. 1.

<sup>202</sup> Ibid., paragraph 6, p. .2.

'implications of the withdrawals would still warrant military discussions prior to implementation of the decision'. Once again, the Chiefs of Staff confirmed the troop withdrawal, but agreed to enter into discussions with the US, providing the US 'defined the problem they wished to raise.' A meeting was scheduled in Paris.

The 2 December Note acknowledges that it was 'unfortunate' that news of the troop reduction in Austria only reached NATO Headquarters through the NMR and not the Standing Committee – which had obviously failed in their duties. It was also unfortunate that the Foreign Office chose to issue a public announcement 'before the ground had been properly prepared'. It was the War Office's view, however, that neither the Standing Group nor SHAPE could complain that they had not been warned about the action.<sup>203</sup>

The Foreign Secretary was later to inform the Cabinet that: 'The United States Government had expressed surprise that we had not consulted them before deciding in 1953 to reduce the strength of the British forces in Austria to one battalion'. After discussing this matter and the American suggestion that Britain send an additional battalion to Austria, the Cabinet concluded that the Foreign Office should reject this suggestion.<sup>204</sup> The Cabinet also advised that the reply to the United States Government should point out that Britain had only recently accepted the obligation of stationing four divisions on the

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<sup>203</sup> Ibid., paragraphs 10-11, p. 2.

<sup>204</sup> Cabinet Minute, C.C.(54) 73d Conclusions, Minute 2, 5.11.54, PREM 11/818, PRO.



European Continent. If NATO wanted a larger force in Austria, NATO should transfer some units from Germany.

### **UPDATED ASSESSMENT OF THE SOVIET THREAT**

One can place this lengthy and at times cranky dialogue over two battalions of British ground forces into perspective by glancing briefly at US and British intelligence estimates of Soviet strength. The Top Secret US National Intelligence Estimate, NIE-87, published by the Central Intelligence Agency on 28 May 1953 and declassified on 14 March 1995, Appendix A, reveals that, as of April 1953, Soviet forces stationed on the ground in the European Soviet Satellite states were estimated to number 538,000 men organised into no fewer than twenty eight divisions.<sup>205</sup> In addition to Soviet forces, Satellite ground forces were estimated to number 1,317,000 men organised into seventy four divisions.<sup>206</sup>

This estimate was updated in August 1954, at which time the CIA observed that 'the emergence of a new leadership in Moscow has not weakened Soviet control over the Satellites. ... Soviet control of the Satellites has in effect moved the Soviet frontier into Central Europe.'<sup>207</sup> Total Soviet strength in Europe was revised to 531,000 Soviet troops and 24,000 security troops,

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<sup>205</sup> Central Intelligence Agency NIE-87, 'Probable Developments Within the European Satellites, Through Mid-1955', 28 May 1953, Appendix A, NARA II. Note: for the purposes of NIE-87, the term 'European Satellite' describes East Germany, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria and Albania. A full index of National Intelligence Estimates can be found on the Home page of the Center for the Study of Intelligence, <<http://www.odci.gov/csi/index.html>>, [4 May 2001].

<sup>206</sup> Ibid., p. 2.

<sup>207</sup> Central Intelligence Agency National Intelligence Estimate, 12-54, 24 August 1954, 'Probable Developments in the European Satellites through mid-1956', pp. 1 - 12, NARA II.

with approximately 415,000 (twenty two line divisions) posted in East Germany. The remaining 140,000 (eight line divisions) were located in Austria, Hungary, Poland and Rumania. Soviet air units based in the Satellites and the Soviet occupation Zone of Austria consisted of some 2,200 aircraft and 1,800 men. NIE 12-54 continues to report:

The Satellite ground forces have become a substantial element in the balance of military power in Europe. Their present strength is estimated at 1,115,000 men organised in 82 line divisions of which 6 are armoured and 13 mechanized. The Satellite ground forces, with the exception of the East German, have probably reached nearly the desired peacetime strength level.<sup>208</sup>

British Intelligence was still relying on a fundamental assessment of the Soviet threat completed by the Joint Intelligence Committee and Chiefs of Staff in April 1952. While British and American intelligence agencies exchanged information and analyses rather liberally, their conclusions sometimes differed. How significant this was remains debatable. There was no all-out war and therefore no real test as to whose information was more precise. Operationally and strategically, the United States was calling the shots. The British military retained freedom to act as they and their civilian superiors saw fit, but their overall capabilities were such that Britain depended on American military might and on US leadership in NATO. All of this makes the unilateral British decision to downgrade military presence in Austria without consulting the US even stranger. One wonders what the Chiefs of Staff hoped to gain by simply pulling two battalions out of Austria

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<sup>208</sup> Ibid., p. 13.

without allowing the US and NATO some time to factor this troop reduction into their overall planning.

Soviet Army strength as of 1 December 1951 was estimated at 2.8 million men (excluding security troops) organised into 178 line divisions, plus thirty seven artillery and anti-aircraft divisions. Twenty two divisions were posted in East Germany and 8 throughout the rest of occupied Europe. Eighty five divisions were in the Western part of the USSR, excluding the Urals; eighteen divisions were in the Caucasus; thirteen in East Siberia, Southern Urals and Turkestan; thirty two divisions were in Transbaikal, the Far West, Western Siberia, maritime areas and Manchuria. It was estimated that the European Satellite countries had seventy one line divisions, but that the majority of these could not immediately be deployed to the front lines.<sup>209</sup> This report estimated that some 11,500,000 reservists with military experience would be available to the Soviet army on the day mobilisation for war was ordered. Another 15,000,000 men would be available from industry and agriculture. Thus, the total available manpower, including those already serving, was estimated to be 19,000,000 men.<sup>210</sup> The Soviet Tactical Air Force consisted of fifteen Tactical Air Armies.<sup>211</sup> The Fighter Defence Force would consist entirely of jet aircraft by 1955, and the Long-Range Air Force consisted of three Air Armies, one in the Far East and two in the West.<sup>212</sup> In

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<sup>209</sup> Chiefs of Staff Committee and Joint Intelligence Committee Top Secret Report, 'Soviet and Satellite War Potential, 1952-55,' Ministry of Defence, 22 April 1952, J.I.C.(51) 117 Final, CAB 158/13, p. 9, PRO.

<sup>210</sup> Ibid., p. 10.

<sup>211</sup> Ibid., p. 13.

<sup>212</sup> Ibid.

Austria, the Soviet Army maintained some 26,500 men in two line divisions, along with 1,500 security troops.<sup>213</sup>

Prior to the British withdrawal, the West had, in total, some 15,000 troops in Austria.<sup>214</sup> Given this NATO-Warsaw Pact match up, an Anglo-American spat over two infantry battalions hardly seems worth the effort.

### **CONCLUSIONS**

During the period covered by this chapter, no progress was made in negotiations toward an Austrian State Treaty or toward an end of the occupation, despite new initiatives introduced by the United States and backed by Britain and France. A unanimous resolution by the United Nations General Assembly calling for an end to the occupation also did not result in any significant change in Austria's status. The Soviet Union continued to block progress in Four Power negotiations, even though the West agreed to meet all of the Kremlin's economic demands in return for a signature on a treaty. It seems that Stalin's attention beginning in 1949 turned from Europe to the Far East where Chinese Communists had won a civil war and introduced the world to the People's Republic of China, and where Korea's Communist leader sought and received Moscow's support for an invasion of the South.

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<sup>213</sup> Ibid., p. 19.

<sup>214</sup> US High Commissioner's Top Secret Report, 'Position of Austria in Western Europe', 5 February 1951, RG 59 (Records of the US Department of State Relating to the Internal Affairs of Austria,) 1950-1954, 763.00/2-551, Microfilm Reel LM 133, p. 13, NARA II.

The outbreak of war in the Pacific served to heighten tensions between East and West in Europe; however, Vienna remained one of the few places in the world where British and American representatives continued meeting with their Soviet counterparts, even while soldiers from the respective countries confronted each other on the battlefield in Korea. Initial Communist gains in that war worried Austrians who, by this time, assumed their continued wellbeing depended to a large extent on Britain and America's ability to protect them. British diplomatic and military reporting from Austria included, for the first time, acknowledgement that many Austrians did not, in fact, wish to see an early end of the occupation, despite what political leaders were saying for public consumption. There was an honest fear of the consequences, should Soviet forces remain on the ground after the West had left the country. The continuing rape of Austria's industrial and natural resources by Soviet occupation forces, along with the kidnapping campaign described in earlier chapters, did nothing to ease these fears.

Communist inspired violent strikes in 1950 also did not help to relieve Austrian concerns about the future, especially given the fate of Hungary and Czechoslovakia, Austria's neighbours. There is still a controversy over the nature of these strikes, with some arguing they represented a concerted, planned attempt by Communists to overthrow the coalition Government. It would be irresponsible to discount the overwhelming evidence of active Soviet support for the Austrian Communist Party during these violent demonstrations, as this chapter has demonstrated. Soviet trucks carried demonstrators from the Soviet occupation Zone to Vienna – police officers

recorded license numbers as evidence – and Soviet field commanders refused to allow Austrian police to respond to the orders of their commanding officers to move swiftly to Vienna in support of their colleagues confronting violent demonstrators on the streets. In other incidents, Soviet officers interfered with police attempting to expel Communist demonstrators from public buildings they had occupied. Then again, one must note the comments of a prominent KPÖ leader who claimed Moscow had specifically told him that the Soviet Union did not want undue trouble in Austria at that time – the Kremlin had enough to do in Korea. Franz Olah, the Socialist labour leader who is credited with doing much to neutralise the violent Communist gangs, expressed the opinion that there was no planned putsch, but rather an attempt by the Communists to increase their influence in the unions and over the coalition government, something they had been unable to do through democratic elections. Probably the most persuasive evidence against the putsch theory is the fact there was no successful putsch. Why would a Communist coup not succeed with the whole Soviet occupation army behind it and Western forces badly outnumbered, unwilling to intervene? One reasonable explanation is that there was no plan, but the KPÖ saw an unexpected opportunity to increase its position and influence, but did not act with sufficient resolve and commitment to succeed in doing so. There is also some reason to conclude that the Soviet military was not sure what it should do. Certainly, there was direct intervention by Soviet military personnel, but it seemed to be sporadic and without an overall plan of action. The controversy will not be resolved beyond doubt until more KPÖ files are available to the public and, most importantly, Russian archives are opened to the

international community. In the meantime, the important point is that the KPÖ did not enjoy expanded influence as a result of these strikes, nor did they ever succeed in winning more than about five percent support from the Austrian people.

The March 1952 attempt by the Western Allies to break through the negotiations logjam with an abbreviated treaty was, whatever else it may have been, a sign of desperation. Everybody was sick and tired of the occupation, with absolutely no indication of any kind that a treaty would be forthcoming at any point in the future. The idea was to abandon the longer draft that was holding up progress, and concentrate on a shorter document consisting of only eight articles, one of which sought to resolve the sticky German assets issue with a straightforward statement. If this could be signed, everybody could go home. Again, the Soviets balked. Some Austrian academics continue to dismiss this initiative with the cynical allegation that it was nothing more than an American propaganda stunt. Hopefully, this chapter has posed certain questions for these people, and it will be interesting to see if there is an honest attempt to reconcile the propaganda allegation with the language actually in the policy document signed by the President of the United States, which stated specifically what the intent behind the short treaty was. The comments by Anthony Eden in support of the abbreviated treaty should also be noted seriously. Stearman has reminded us that, when the abbreviated treaty was submitted, all of the agreed draft articles were long out of date. A lot had happened between 1949 and 1952, and it made sense to update the whole treaty exercise. Whatever

the intent behind it, the strategy failed and the Soviets continued refusing to even discuss an Austrian State Treaty.

Stalin's death during this period marked a major turning point in East-West relations, but it took almost two years before the ensuing situation resulted in a direct effect on Austria, as the next and final chapter will tell. In the meantime, Britain made the unilateral decision to reduce her occupation force by two-thirds, without giving advanced notice to the other Western Allies. This did not really make a great difference, because only two battalions were involved and the West never had planned to hold Austria in the event of war, anyway. Some signs of progress began to appear when the Western Allies appointed civilian High Commissioners, reduced occupation costs and some control measures, such as censorship and travel restrictions, began to be relaxed. And the Austrian Government was, at the end of this period, in the hands of Chancellor Julius Raab, who was to guide his country through the surprising, final days of foreign occupation. But nobody could sense that this was in the cards in March 1953.



## **CHAPTER FIVE: END GAME**

The post-Stalin era brought significant change in the way Soviet occupation authorities managed Austrian affairs. In 1953, a civilian Soviet High Commissioner was appointed. The three Western Powers had made this change in 1950. Censorship stopped and zone controls were relaxed. If the Soviets still held any hopes of a strengthening Communist movement in Austria, these must have been shattered by the 1953 elections, in which the KPÖ won just above five percent of the votes which, as Bader points out, was also what they were able to achieve in Lower Austria and Burgenland, both in the Soviet Occupation Zone. Not one Communist delegate from Burgenland was elected to parliament.<sup>1</sup> Still, the Soviets gave no sign of any willingness to end the occupation. As became obvious at the Berlin conference of foreign ministers, the Kremlin - or at least Molotov - was no longer attempting to conceal his objective to link settlement of the Austria problem with Germany.

This final chapter recovers the historical narrative from the point where the British Foreign Office was preparing for a Four Power meeting, possibly to be held in Switzerland. This conference never took place, but the preparations were not in vain because the Soviet Union agreed to a conference of foreign ministers in Berlin somewhat later. In the meantime, two policy speeches, delivered by President Dwight Eisenhower and his secretary of State, John Foster Dulles, respectively, attracted serious attention in the Kremlin and put the Soviets somewhat off-balance. The narrative moves swiftly on to the end

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<sup>1</sup> William B. Bader, *Austria Between East and West, 1945-1955*, (Stanford: Stanford University Press, 1966) p. 199.

of 1953 and the Tripartite talks on Germany and Austria in Paris (21 October - 2 November 1953), and further to the Berlin Conference of Foreign Ministers, the first meeting of the Four Power foreign ministers since June 1949. It was in Berlin that the issue of Austria's eventual neutrality became more serious in considerations connected with an end to the occupation.

A main focus of the chapter is on early 1955 when the Austrian Chancellor was invited to Moscow for bilateral discussions with the Soviet Union, and when Moscow finally agreed to sign the Austrian State Treaty. Here, reference is made to certain disagreements in the historiography over how the Western Powers reacted to Moscow's invitation to Raab, and also the explanation as to why Moscow abruptly terminated opposition to the Austrian State Treaty. Some historians have sought to establish that Britain and the United States went to great lengths to prevent Raab from visiting Moscow. These accounts are erroneous, as is demonstrated in the following paragraphs.

Most of the discussion at this juncture is on strategy rather than policy. Events moved swiftly and a series of important strategic decisions had to be made quickly when the Kremlin suddenly shifted tactics and showed signs that they wanted to end the occupation of Austria. British policy remained essentially the same, although Anthony Eden had withdrawn somewhat from Bevin's headlong rush to end the occupation at any cost. As he showed in Berlin, Eden was prepared to continue voluntary concessions to Moscow, but with a touch more balance than his predecessors had been able to muster.

Britain's refined Austria policy was spelled out in very useful fashion in a secret report prepared in the Office of the Prime Minister toward the end of 1953, following Tripartite talks in Paris. Interest had grown in the possibility of Austrian neutrality, and so the Foreign Office had to look anew at the various options the prospect of a neutral Austria created, but there was minimal difficulty and virtually no controversy surrounding these deliberations. Nor did the final position on neutrality differ from analyses that had been more or less accepted all along.

Some of this chapter is based on US archival material. Readers should accept that Britain and the United States remained in very close liaison, despite the occasional spat, and most if not all communications from the West to Moscow were agreed in advance by the three Western Powers. But at this point in time, it was the United States and the Soviet Union who were calling the shots, and any presentation narrowly focused on British policy, to the exclusion of this reality, would be very brief indeed. Important events occurred during this period, and it is necessary to refer to them in the interest of perspective and continuity.

### **THE WINDS OF CHANGE**

Audrey Cronin referred to the period 1953-1954 as bringing 'Signs of Change'.<sup>2</sup> There certainly were major changes in the world at large, as dramatic Cold War events continued to unfold, with the advent of thermonuclear weapons and introduction of the strategic concepts of Massive Retaliation and Mutual Assured Destruction. But progress toward an Austrian

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<sup>2</sup> Audrey Kurth Cronin, *Great Power Politics and the Struggle Over Austria*, (Ithica, New York: Cornell University Press, 1986), p. 120.

State treaty did not feature among the gifts the period 1953-1954 brought to the world. Neither did British policy regarding Austria change all that much. Britain continued to press for an Austrian State Treaty - a matter of increasing importance at the time, in part because the cessation of Marshall Aid in 1952 placed greater economic burdens on Great Britain. She also maintained her long-standing willingness to pay whatever bribes Moscow demanded in return for a Russian signature on that treaty, although Eden was less intrigued by this prospect than was Bevin.

Both Britain and the United States were less worried about Austria's capability to protect her internal security than they were during the late 1940s, given progress that had been achieved in training and equipping the gendarmerie, and few in the West really envisioned tiny Austria as an important participant in NATO. Austria's geographic location was, however, of interest and the West did not want to see her absorbed into the Soviet Bloc. As it turned out, these concerns were legitimate, and Austria's eventual policy of perpetual neutrality did, in fact, become a matter of some inconvenience to NATO. Senior American diplomat Wolfgang J. Lehman observes:

From the strategic and military standpoint a neutralized Austria next to a neutralized Switzerland across the Alps was more advantageous to the Soviet Union and Warsaw Pact than an occupied Austria whose western zones were for all practical purposes a part of NATO as long as the country was occupied...From the perspective of one of my later assignments as Political Advisor (to) the US European Command from 1970 to early 1973, I can tell you that Austrian neutrality under the State treaty did cause serious problems for NATO defense planning. Not only that, but it complicated our ability to deal with other contingencies not directly related to the NATO -

Warsaw pact confrontation, such as military overflights from Germany to the Middle East.<sup>3</sup>

By the end of 1954, the issue of Austria's neutrality had been conceded in both London and Washington. From Vienna, the Austrian Chancellor had written to the Soviets promising that Austria would never align itself with any military block. In Berlin, Foreign Minister Figl repeated this pledge. The British had given their blessings to Austrian neutrality and the American Secretary of State had formally acknowledged that, in the eyes of the USA, neutrality was an honourable status for a nation - providing that it was not imposed by others. In Moscow, Chancellor Raab once again confirmed that Austria would not join any military alliances or allow foreign bases on Austrian soil. The fact that the Western Powers recognised the potential problems a neutral Austria could pose did not prevent the neutrality argument from holding the day. America's military leaders in Washington objected to neutrality for understandable strategic reasons, but they did not dominate foreign policy and their views on this issue were not accepted. Austria was going to be neutral. Only the Soviets - and specifically Molotov - appeared hard to convince.

The Soviets did not want to see Austria become a Western military base, nor did they want Austria to affiliate with a Western European security alliance. These concerns were evident in all Kremlin negotiations on Austrian issues. However, it seems that Molotov's main objective was to use Austria and the West's desire for her independence as bargaining leverage in the overall effort to prevent Germany from re-arming and, later, from acceding to NATO.

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<sup>3</sup> Wolfgang J. Lehman personal letter to author, 12 April 1999, p. 1, original in author's personal files.

Perhaps he thought that, by demonstrating Soviet willingness to grant independence to Austria in return for a guarantee of neutrality and a promise that Austria would not join any European military alliance, the West would see that the USSR was prepared to resolve the more important German issue in the same way. This was the American Government's assessment of Molotov's hard stance on the Austrian treaty. On 30 October 1953, the Secretary of Defence wrote to the Secretary of State: 'There is the further important consideration of the effect of an Austrian treaty on the final settlement of the German problem'.<sup>4</sup> Also, US National Intelligence Estimate No. 95, approved on 22 September 1953, stated:

It is also unlikely that the Kremlin will consent to an Austrian treaty so long as the German question remains unresolved. The Kremlin might become willing to accept an Austrian treaty which it believed would serve as a precedent for a German settlement advantageous to the USSR.<sup>5</sup>

Stalin must have approved Molotov's negotiating positions on these issues. But Khrushchev did not seem to be so interested in connecting the two issues, at least according to what he says he told Molotov: 'the Austrians and Germans are nations [natsii] close to one another. ...Why should we stick our noses into that matter?'<sup>6</sup> Whether or not Khrushchev was inclined to separate the Austrian and German questions, thereby departing from Stalin's strategy, it remained fairly clear from Soviet behaviour that the Kremlin wanted to prevent the rearmament of Germany and Germany's accession to NATO. It

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<sup>4</sup> Enclosure, letter from Secretary of Defence to Secretary of State, 30 October 1953, 'US Position With respect to Austria', p. 2, RG 59, file 663.001/10-3053, NARA.

<sup>5</sup> US National Intelligence Estimate No. 95, 'Probable Soviet Courses of Action Through Mid-1955', approved 22 September 1953, RG 263, NARA.

<sup>6</sup> Concluding Words by N.S. Khrushchev to the CC CCSU, CWIHP Bulletin No. 10, p. 43.

was also clear in the post-Stalinist era that Molotov thought he could use Austria as leverage in pursuing these objectives.

### **BRITISH POLICY TOWARD AUSTRIA IN THE POST-STALIN ERA**

The frenetic pace with which Ernest Bevin had pursued an end to the occupation, at almost any cost, had been reduced to a spry quick-step by the end of 1953. No longer was Britain pressing the United States to pay the Russians whatever they asked in return for a Kremlin signature on an Austrian treaty. British policy had been reduced to a simple and straightforward objective: 'to conclude an Austrian Treaty which will ensure the political and economic independence of Austria,' and 'In the event of Soviet obstruction, make it clear that the latter alone is responsible for failure to agree on a treaty'.<sup>7</sup>

A comprehensive policy paper prepared in the Office of the Prime Minister in the wake of a Tripartite meeting in Paris, 21 October - 2 November 1953, and designed to prepare the British team for a possible ministerial meeting (in Lugano) with the Soviets, set forth these policy objectives and, at the same time, described what the British Government saw as probable Soviet objectives regarding Austria: 'To obstruct the conclusion of any Austrian Treaty until the German problem has been settled in a manner satisfactory to the Soviet Union.'<sup>8</sup> This paper is useful because it gives a detailed summary of British policy toward Austria.

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<sup>7</sup> Office of the Prime Minister Report, 'Tripartite Official Talks on Germany and Austria, Paris October 21 - November 2, 1953', 2 November 1953, PREM 11/419 (Records of the Prime Minister's Office, Office Papers, Correspondence and Papers 1951-1964, Foreign Policy), p. 4, PRO.

<sup>8</sup> Ibid.

The British Government was hardly optimistic about the outcome of another meeting with the Soviets, either about Austria or the larger problem, Germany:

Before the usual wrangle on the agenda, the Conference should begin with a general discussion, in which Ministers could present a broad outline of their views on Germany and Austria and on the problem of security, and could set out the principle objections to the proposals advanced by the Soviet Union during the past few years. ... If we are to achieve our basic objectives, we must avoid a breakdown of the Conference on the establishment of an agenda, particularly on the problem of the order in which the various points should be discussed (i.e. whether free elections or a peace treaty should come first, or whether the Austria problem should be dealt with before the German problem).<sup>9</sup>

If the Soviets tried to relegate Austria issues to routine diplomatic channels, rather than the special machinery set up to deal exclusively with Austria, Britain's representatives planned to object and argue strongly that, while diplomatic channels should always be kept open, the Austrian Treaty issues must be discussed at the Conference, and discussed while the ministers were still assembled. However, if the Soviets wanted to refer Austria back to the Deputies, Britain should agree, but insist that the Deputies be instructed specifically to solve the problem before the Conference ended. Discussions on Austria should follow, not precede Germany in the discussion. The Soviets should be told in no uncertain terms that Britain did not 'link the Austrian Treaty in any way with a German settlement', and that Britain wanted a prompt conclusion of the Austrian Treaty. Should the Soviets refuse to discuss Austria because of the Abbreviated Treaty, they should be told

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<sup>9</sup> Ibid.



that the West had already withdrawn the Short Treaty and was prepared to continue discussions on the long draft.

It was essential that the Lugano discussions not permit the Soviets to evade their responsibility for the non-conclusion of a treaty. The three Western Ministers were to indicate at the outset that they were ready to negotiate on the basis of the long treaty. To go beyond this draft on any point was to be out of the question and incompatible with the Commitment of the Four Powers to re-establish the independence and sovereignty of Austria.<sup>10</sup>

According to the briefing paper, Article 35 of the draft treaty, providing for final disposition of the German asset issues, still remained the most controversial and difficult treaty issue. It was Britain's policy objective to ease the burden this article imposed on Austria and to restrict the extra-territorial position which the Soviets had claimed to date and might continue to claim in post-treaty Austria unless the wording of Article 35 was amended.

British representatives were instructed to refuse to discuss Trieste, should the topic arise, because it had nothing to do with the Austrian State Treaty. Also, any attempt by the Soviets to discuss denazification in Austria should be avoided on the grounds that the issues had already been resolved. If the Soviets attempted to attack the West because of support for the Austrian gendarmerie, they should be reminded that there were no legal bars preventing Austria from taking steps to protect its own internal security. The West should press for a general exchange of views by Ministers, in which

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<sup>10</sup> Ibid., p. 10.

they would examine the question of participation by the Austrian Government and, if possible, would agree on an Austrian Treaty. 'We could, however ... recommend that the question be referred to the Deputies. We should naturally refuse to establish any link between the Austrian question and the German question.'<sup>11</sup>

### **THE BERLIN CONFERENCE**

On 26 November 1953, Leopold Figl replaced Karl Gruber as Austria's Foreign Minister. On the same date, the Soviet Government called for a meeting of the Four Power foreign ministers in Berlin, and Figl had an immediate opportunity to brush up his diplomatic skills. Austria was invited to meet with the four foreign ministers for the very first time under these formal circumstances, and an official Austrian delegation went to Berlin. The delegation consisted of: Foreign Minister Leopold Figl; State Secretary Bruno Kreisky; Dr Gordan Freiherr von Gudenus, who went on to complete a distinguished career in Austria's diplomatic service; Figl's loyal and trusted Secretary, Lukas Beroldingen; and the delegation's interpreter, Anton Bundschuh.<sup>12</sup> From the Austrian and Western perspectives, it was hoped that this Soviet initiative signalled a change in attitude toward Austria, and that the conference would lead to conclusion of the state treaty. Alas, these hopes were once again to be dashed by a surprisingly obstinate Moscow.

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<sup>11</sup> Ibid., p. 5.

<sup>12</sup> Bruno Kreisky, *Zwischen den Zeiten: Erinnerungen aus Fünf Jahrzehnten*, (Berlin: Siedler Verlag, 1986), p. 459. Biographical information on Beroldingen from *Landtag vom Niederösterreich, Tagung 2002/03. der XV Periode, Festsitzung vom 1 Oktober 2002*, p. 13, „Sitzungsbericht: Festaktes Landtages Niederösterreich, aus Anlaß ,100 Geburtstag von Leopold Figl,' Dienstag den 1. Oktober 2002. Listed information on Gudenus from *The Complete Peerage: A Genealogical Survey of the Peerage of Britain as Well as the Royal Families of Europe*, Name Index 60, <<http://www.hostultra.com/~thepeerage/i60.htm#7704>>, [18 July 2003].

The Four Power Ministers met from 25 January to 18 February 1954, but the discussion on Austria was placed last on the agenda, beginning only on 12 February, so the Austrian delegation was left to cool its heels in Berlin for more than two weeks. For the very first time, the Soviet delegation revealed that Kremlin policy toward Germany might have changed. This was to be confirmed over the next year. Soviet German policy was now based on an acceptance that there would be two independent German states (the so-called Two States Theory).<sup>13</sup> When the topic of Austria did come up, Soviet Foreign Minister Molotov began the discussion by suggesting an Austrian treaty in which the Allied Commission would be dissolved but occupation troops would remain in Austria (not Vienna) until the German peace treaty was concluded. Also, Austria would have to undertake not to enter into any military alliance or permit foreign military bases on Austrian territory.<sup>14</sup> Finally, Molotov said the treaty would have to provide for the redemption of German assets in goods, not currency. He demanded a revival of the discussion on Trieste.<sup>15</sup>

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<sup>13</sup> Gerhard Wettig, 'Die Beginnende Umorientierung der Sowjetischen Deutschlandpolitik im Frühjahr und Sommer 1953', *Deutschland Archiv*, 28 (1995), [495-507,] pp. 495-507.

<sup>14</sup> In his memoirs, Kreisky describes a luncheon conversation he and Figl had with Molotov at the Soviet Embassy (sic) in East Berlin on 16 February 1954. He says Molotov specifically told them that the Soviet Union would agree to a treaty in return for agreement to keep 5,000 Soviet troops in Austria after the treaty was signed and until the German treaty was signed. Kreisky writes that he and Figl were very clear that Austria could never accept such an arrangement, but he does not report what the Austrians actually said to Molotov on that luncheon occasion. Kreisky says, correctly, that Molotov then raised this prospect in the actual meetings, but he does not pursue this development in the memoirs. He must have had his dates mixed up. See Kreisky, *Zwischen den Zeiten: Erinnerungen aus Fünf Jahrzehnten*, pp. 460-462.

<sup>15</sup> Department of State Publication Number 5399, 'Foreign Ministers Meeting, Berlin Discussions, January 25 - February 18, 1954,' Washington: United States Government Printing Office, 1954, pp. 233-234.

British delegates had prepared well for this occasion, as the 2 November 1953 policy paper confirms. Her representatives, backed by the other two Western foreign ministers, stuck to their guns and summarily rejected Molotov's idea of having occupation troops remain in the country after an Austrian treaty was signed. The West also took a formal position on the issue of Austria's neutrality - a subject that had grown in importance since the last foreign ministers' meeting. It was all right with London for Austria to adopt a foreign policy of neutrality, but this should not be imposed from outside. Rather, it should be left to the first free and sovereign Austrian Government to declare the country's neutrality after the treaty was signed and ratified, if this is what they wanted to do. The United States agreed and, on 16 February 1953, Secretary Dulles made the following statement:

A neutral status is an honourable status if it is voluntarily chosen by a nation. Under the Austrian State Treaty as heretofore drafted, Austria would be free to choose for herself to be a neutral nation. Certainly, the United States would fully respect Austria's choice in this respect.<sup>16</sup>

Two days into the discussion of Austria, the United States attempted to press the Soviet Union toward decisive action. Dulles volunteered that Washington was prepared to accept Moscow's draft on the five articles of the Austrian treaty still under contention, if the treaty would be signed within four days. Molotov rejected this offer and introduced, yet again, the absurd issue of dried peas and the post-treaty status of Trieste - neither of which had anything to do with the Austrian State Treaty. Molotov also introduced new Soviet language preventing another *Anschluß*, even though this departed

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<sup>16</sup> Ibid., pp. 188-208. See also William L Stearman, *The Soviet Union and the Occupation of Austria*, (Bonn, Vienna, Zurich: Siegler & Co, 1962) p. 145.

from draft Article 4, which had already been agreed by the Four Powers. It was obvious to Western representatives that the Soviet Union was not going to agree to an Austrian treaty.<sup>17</sup>

The first to respond to Molotov's presentation in Berlin was Figl, who said Austria would accept any condition in the present draft treaty, but could not, under any circumstances, accept the prospect of a continuing occupation by foreign troops. Secretary Dulles responded to Molotov strongly, dismissing the possibility of a discussion on Trieste, and calling for a discussion on the five draft treaty articles still not agreed. He said that acceptance of Molotov's new proposals would require a total re-write of the draft treaty, to eliminate all references to independence and removal of occupation troops. The treaty, Dulles said, would thus become not a treaty for liberation of Austria, but a treaty for the subjugation of Austria. Molotov stuck with his initial demands and blamed lack of progress in treaty negotiations on the alleged failure by the Western Powers to meet commitments on Trieste and the Italian peace treaty. He said the Soviet Union considered inclusion of specific wording forbidding a second *Anschluss* necessary because of the ongoing efforts by the West to construct a European defence community. For all practical purposes, he ignored French and British offers to accept a new article on the *Anschluss* question, once again demonstrating that his primary objective at the conference was to obstruct progress.

The United States Information Agency reported from Berlin:

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<sup>17</sup> Ibid., pp. 145-146.

The real issues in the Austrian question were brought out strongly today in the best parliamentary drama of the conference. ... Only new point we have from today's session is that Molotov is hard pressed to keep from admitting to the world that he is unwilling to accept a draft treaty that he proposed in 1949. This crystal clear evidence that the Soviet came here unwilling to do anything to improve the condition of the German or Austrian people, to relieve them of any burden of Soviet occupation and exploitation, and unwilling to do anything to give security to Western Europe and relax tensions. The Soviet Union is panicky with fear of how it can continue to hold onto ill-gotten and ill-digested spoils of war and postwar confusion.<sup>18</sup>

On the last day of the Berlin Conference, Foreign Minister Figl told Molotov that Austria would agree to allow occupation troops to remain in Austria for longer than the (already agreed) ninety days after a treaty was signed, if this concession would allow for conclusion of the treaty there and then, in Berlin. Molotov brushed this gesture aside, and the Conference ended in yet another failure.

#### **AFTERMATH OF THE BERLIN CONFERENCE**

Stearman describes how, in the wake of the Berlin Conference, the Soviet 'new course' in Austria began to adopt a much harsher tone. The increase in Soviet occupation abuses was met with more frequent appeals by the Austrian Government to ease the burdens of the occupation. On 22 July 1954, the Austrians proposed a meeting between the four Allied ambassadors and the Austrian Government to discuss the occupation. Moscow responded by suggesting that such a meeting be for the purposes of discussing the Austrian State Treaty. Two months later, on 12 October, the Western Powers responded positively to this Soviet note, but pointed out that this kind of meeting would have to be convened by the Allied Council, and

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<sup>18</sup> United States Information Agency Priority telegram TOUSIA 191, 13 February 1953, p. 1, RG 59, DF 1950-1954, 663.001/2-1354, NARA II.

that the West would not be prepared to accept a treaty unless it called for the withdrawal of all occupation troops. In between these two notes, the Trieste situation was resolved, permitting the evacuation of Western troops from that territory. It is reasonable to assume that the Western Powers waited until Trieste was resolved before replying to the Soviet note, thereby depriving Molotov of one of his favourite obstacles in Austrian treaty negotiations.

We now know that the Kremlin had been surprised by a speech delivered by American President Eisenhower in which he specifically identified the Austrian State Treaty as an issue of major importance to the United States. According to Oleg Troyanovsky, a distinguished diplomat and senior foreign policy advisor to Khrushchev, the latter was impressed by this speech, given before the American Society of Newspaper Editors on 16 April 1953. Eisenhower called upon the Soviet leadership to 'seize the opportunity for peace' by departing from its war of words and taking four concrete actions.<sup>19</sup> He set forth four conditions which the Soviet Union should fulfil as proof of her good intentions: truce in Korea, the Austrian State treaty, return of German and Japanese prisoners of war, and positive steps toward disarmament. Troyanovsky confirms that 'these points remained firmly imprinted in Nikita Khrushchev's memory. In the ensuing years, I heard him refer several times to Eisenhower's April 16 speech.'<sup>20</sup>

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<sup>19</sup> Eisenhower speech before the American Society of Newspaper Editors, 16 April 1953, full text in US State Department Bulletin 17, [27 April 1953,] Vol. XXVII, No. 722, 27 April 1953, as published in *Dwight D Eisenhower: Public Messages, Bulletins and Speeches*, Vol 1.

<sup>20</sup> Oleg Troyanovsky, *Nikita Khrushchev: Fresh Perspectives on the Last Communist*, Presentation by Troyanovsky - (trans.) David Gehrenbeck, Eileen Kane and Alla Bashenko, (Providence: 1998), 43 , p. 282.

The fact that the Kremlin was thrown off-balance by a more hostile speech given just days later by US Secretary of State, Allen Dulles, is not so important. It was Eisenhower's speech that Khrushchev remembered, that made such an impression, and that remained influential to Khrushchev's thinking regarding the Kremlin's interaction with the United States on Austria.<sup>21</sup>

As interested as he may have been in the American President's remarks on Austria, it took Khrushchev some time to react. After the Berlin Conference, Soviet behaviour in Austria became even more obstreperous. In March 1954, the Soviets arrested several Austrian policemen and gendarmerie when they refused to remove posters protesting the Soviet obstructionism in Berlin.<sup>22</sup> In April, the Soviet Information Service announced that the '634' Austrian prisoners still in the USSR would be regarded as war criminals and that they would have to serve their full sentences. The Austrian Government protested vociferously, stating that Austria had evidence there were some 1,500 Austrian prisoners in the Soviet Union, of whom 900 were civilians arrested since the end of the war.<sup>23</sup> In May, the Soviet High Commissioner summoned Chancellor Raab and Vice Chancellor Schärff and accused the Austrian Government of conducting hostile and subversive activities against the Soviet Union. May and June saw increased Soviet attacks on the Austrian press, the re-instatement of Soviet spot checks on traffic crossing the Soviet Zone

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<sup>21</sup> Dulles speech entitled 'The First 90 Days' delivered to the American Society of Newspaper Editors, 18 April 1953, as published in US State Department Bulletin, Vol. XXVII, No. 722, 27 April 1953.

<sup>22</sup> Stearman, *The Soviet Union and the Occupation of Austria*, p. 146, citing United Press, Vienna, 25 March 1954.

<sup>23</sup> *Ibid.*, p. 146n.



borders, and reintroduction of film controls.<sup>24</sup> The post-Stalin Russian peace offensive seemed to be having little effect on Austria.

In December 1954, the Soviets launched a vicious, multi-faceted propaganda campaign against the West in Austria. The general thrust of this assault was that ratification of the October Paris Agreement would spell lasting trouble for the Austrian State Treaty. This was seen as the Kremlin's last desperate attempt to head off Germany's accession to NATO. Late in the afternoon of 20 December, Soviet High Commissioner Ilyishev, who was at the time Chairman of the Allied Council, convened the first special meeting that body had ever held in its nine-year history. He did not announce the reason for this unprecedented action and so, not surprisingly, rumours began flowing in Western circles, with some preaching optimism and predicting a major change in Soviet attitude. After all, there had to be some important reason Ilyishev broke precedent in the way he did. Once again the Kremlin disappointed. Ilyishev introduced a series of entirely new demands, including the withdrawal from the French occupation Zone of some 300 American troops who were there to man supply depots linking Italian ports with US Forces Austria. These troops had been in the same location for more than eight years without Soviet complaint, and it was more than obvious that the Soviets were once again scraping the barrel for any pretext, however implausible, to cause difficulty. Ilyishev told the Allied Council that further negotiations on Austrian independence would be 'hopeless and useless,' especially if the Paris Agreements integrating West Germany into the

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<sup>24</sup> Ibid., p. 146n, citing *Wiener Zeitung*, 18 May 1954.

Western European security alliance were ratified. This became a prime sound bite in the Kremlin's worldwide propaganda machine.<sup>25</sup>

None of the Kremlin's previous antics astonished the West more than the feat of diplomatic prestidigitation performed by Viacheslav Mikhailovich Molotov in February 1955. After delivering an 8 February speech before the Supreme Soviet warning that ratification of the Paris Agreements would sound the death knell of Austrian independence and after orchestrating a vicious anti-West propaganda campaign that ran from the time the Paris Agreements were signed in October of 1954. Molotov then proceeded to announce that ratification of the Paris Agreements would necessitate early agreement on an Austrian State Treaty! In other words, suddenly it was Molotov who was chasing the Austrian State Treaty. There were more ominous warnings in this speech about the potential dangers of ratification of the Paris Agreements providing for Germany's accession to NATO, but Molotov's U-turn on the Austrian treaty was clear and unmistakable.

The West had no way of knowing at the time that Khrushchev had instructed Molotov to settle the Austrian issue and conclude a treaty, and so a sense of bewilderment accompanied an otherwise delighted reaction by the Foreign Office and in Washington. In the same speech, Molotov announced that foreign troops could be withdrawn from Austria before a German peace treaty was signed, providing there was some guarantee that there would be no second *Anschluß*. He summoned Austrian Ambassador Norbert Bischoff for

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<sup>25</sup> Stearman, *The Soviet Union and the Occupation of Austria*, pp. 146-147.

discussions on 25 February and 2 March 1955, and actually asked for Austria's reaction to the statements he had been making before the Supreme Soviet.<sup>26</sup> On 14 March 1955, the Austrian Government submitted a formal Note responding to Molotov's request, saying basically that Austria welcomed any and all guarantees against another *Anschluß*, and that Austria committed itself not to join any military alliance. On 24 March, bypassing the Four Power arrangement for negotiating the Austrian treaty, Molotov invited the Austrian Chancellor to visit Moscow for bilateral discussions. Events moved rapidly and, within two months, the Austrian State Treaty was being celebrated in Vienna. But it is necessary to pause here briefly.

#### **BRITISH REACTION TO THE RAAB MOSCOW DELEGATION**

On 25 March 1955, the British High Commissioner in Vienna, Sir G. Wallinger, sent a telegram to the Foreign Office discussing Molotov's invitation to Raab to visit Moscow and enter into bilateral discussions on the Austrian treaty. He had conferred with his French and American counterparts, and the three reached agreement on how the Western Allies should respond to this surprising development. First, it was agreed that Raab could not refuse this invitation and therefore the Western representatives should not attempt to dissuade him from going to Moscow.<sup>27</sup> At the same time, the dangers of sending the inexperienced Raab into a one-on-one confrontation with Molotov were recognised, and it was agreed to move Moscow's desire for pointed discussions on an Austrian treaty onto a Four Power stage as soon as possible: 'The Austrians are already slipping, and

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<sup>26</sup> Ibid., p. 148.

<sup>27</sup> British Embassy Vienna, Telegram No. 56, 25 March 1955, FO 371/117787, R 1071/61, PRO.

should no longer be left exposed alone to Soviet pressures and enticements'.<sup>28</sup> Wallinger suggested that a 'tripartite public declaration' be communicated to the Soviet and Austrian governments as quickly as possible in order to 'give Raab some protection against Soviet pressure for concessions which we may be unwilling to endorse'. A Foreign Office cover sheet attached to this incoming telegram confirms that it was read by and discussed with Eden and that the Foreign Office agreed the negotiations would have to be brought back into proper channels as soon as possible. At no time did the Foreign Office undertake efforts to block Chancellor Raab from going to Moscow.

On 26 March, Eden sent an 'Immediate' telegram to Vienna, Paris and Moscow, conveying his concern over this development: 'Herr Raab will clearly find himself under intense pressure to agree to concessions and we may find ourselves faced with bi-lateral commitments ... which would place on us the onus for delaying the treaty and evacuation of troops.'<sup>29</sup> Eden said he would much prefer for Raab not to go to Moscow 'just now', but he must reluctantly accept that the Chancellor would have to accept Molotov's invitation or suffer severe consequences at home for having refused it. He instructed his ambassadors in Washington, Paris and Vienna to confirm that their host governments agree that no attempt should be made to stop the Raab delegation from proceeding to Russia. He also reported that he, Eden, was considering ways the Western Powers might strengthen Raab's hand

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<sup>28</sup> Ibid., p. 1

<sup>29</sup> Foreign Office London, Telegram No. 412, 26 March 1955, FO 371/117787, PRO.

during the forthcoming discussions with the Russians.<sup>30</sup> Eden had studied the correspondence exchanged between Austrian Ambassador Bischoff and Molotov in Moscow, and he concluded, correctly as it turned out, that the Russians 'may now have certain clarifications to offer regarding their policy towards Austria'. If so, he favoured convening an early meeting of the Four Power ambassadors in Vienna, with Austrian presence, to discuss what appeared to be new opportunities for an Austrian State treaty.

Meanwhile I think it is urgent that we should inform Herr Raab of our attitude. I suggest that the three Western Ambassadors in Vienna should speak to him on Monday on the following lines. We have been considering the situation created by Mr Molotov's invitation to Herr Raab to visit Moscow. As Herr Raab knows, we welcome any action designed to lend to the conclusion of a Treaty which would ensure Austrian freedom and independence. We can understand that internal pressure in Austria may make it impossible for him to refuse Mr Molotov's invitation. At the same time we are sure that he is as conscious as anyone of the dangers of a tête-à-tête with Mr Molotov at which he would be under powerful pressure to make concessions. With ratification of the Paris Agreements in the final phase, we are turning our attention to ways and means of re-engaging in talks with the Russians and in such talks Austria is likely to figure at the head of the programme. We would urge Herr Raab, if he goes to Moscow, to avoid entering into any bi-lateral commitments which the Western Powers might find it impossible to endorse. Meanwhile we are considering whether there is any action we can usefully take to strengthen his hand in Moscow.<sup>31</sup>

It is interesting that none of the substantive diplomatic reporting about Raab's forthcoming trip to Moscow devoted much space to Molotov's public reference to the necessity of Austria's adopting a policy of neutrality. In fact, this neutrality issue was presented with what appeared to be equal

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<sup>30</sup> Ibid., p. 1.

<sup>31</sup> Ibid., pp. 2-3.

importance with all other issues mentioned by Molotov as he announced

Moscow's invitation to Raab. On 25 March 1955, *The Times* reported:

The Soviet statement said Russia, in accordance with the wishes of the Austrian Government, was prepared to discuss the form of a statement in which Austria could give guarantees that she would refrain from participating in military alliances and from permitting the establishment of military bases on her territory. The Soviet Government considered it necessary that the Governments of the United States, Britain, France and the Soviet Union should take corresponding obligations on themselves.<sup>32</sup>

On 26 April 1955, the same month in which he was appointed Foreign Secretary, Harold Macmillan delivered a lengthy presentation to the Cabinet on the subject of Austria. After reviewing recent events associated with the treaty negotiations, including the recent Soviet initiative of starting talks with the Austrian ambassador in Moscow, the Secretary said he agreed with the Austrian Government's assessment that Moscow seemed, at last, ready to sign a treaty:

Soviet motives are no doubt mixed. They may have been embarrassed by the bad international posture in which they found themselves on the Austrian question; they may wish to demonstrate their willingness to settle this outstanding question as a preliminary to wider Great Power negotiations; they may feel that, by the further condition regarding neutrality which they have imposed on the Austrian Ministers, they will have been successful in preventing the absorption of Austria into the Western defence system. But I have little doubt that their main purpose is to unsettle opinion in Western Germany by holding out the prospect of the re-unification of Germany on conditions of neutralisation.<sup>33</sup>

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<sup>32</sup> *Reuters*, 'Soviet Move on Austria', *The Times*, 25 March, 1955, Issue 53199, p. 5, col. G. See University of Wales Swansea, Library and Information Services, The Times Digital Archives 1785-1985.

<sup>33</sup> Cabinet Office London, 26 April 1955, PREM 11/818, C.P.(55) 12, PRO.

After briefing the cabinet on how the Foreign Office assessed Austrian and Soviet positions on the matter of neutrality, and revealing that Britain had agreed to a meeting of ambassadors in Vienna as a possible prelude to a Conference of Foreign Ministers with the objective of actually signing a treaty, the Secretary asked the Cabinet for two decisions. On the first question - should Britain recognise an Austrian declaration of neutrality of the type practised by Switzerland - the Cabinet accepted Macmillan's recommendation that Britain should. It also approved his recommendation that Britain agree to participate in a Four Power guarantee of Austria's declaration of neutrality, but he continued to feel strongly that the Foreign office should insist on seeing the language of the declaration before extending any such guarantee of it.<sup>34</sup> This was, indeed, the position that Macmillan took at the Vienna meeting of Foreign Ministers (2-13 May 1955).

### **MOSCOW MEMORANDUM**

The Austrian delegation arrived in Moscow on 12 April 1955 and within three days, 15 April, had signed the so-called Moscow Agreement, a four-page document confirming bilateral agreement on all outstanding issues obstructing the conclusion of the Austrian State Treaty. Gerald Stourzh published the entire document in his epic history of the Austrian treaty, and he has also published the stenographic transcription of the meetings that took place between the Raab delegation and the Molotov team.<sup>35</sup>

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<sup>34</sup> Ibid., p. 3.

<sup>35</sup> Gerald Stourzh, *Um Einheit und Freiheit; Staatsvertrag, Neutralitaet und das Ende der Ost-West Besetzung Österreichs 1945-1955*, (Vienna - Cologne - Graz: Boehlau Verlag, 1998), pp. 667-670 for the Moscow Agreement. See pp. 614-666 for the meeting minutes.

Essentially, Austria agreed not to enter any military alliances or permit foreign bases on Austrian soil. She also agreed to pursue a policy of 'independence' vis-à-vis other nations. Both sides agreed that occupation troops should be withdrawn by 31 December 1955. Austria agreed to pay the Soviet Union US\$150 million for the German assets confiscated by the Soviets during the occupation, with certain specific exceptions. Austria would pay some \$2 million for Danube Shipping Company assets, and one million tons of crude oil per year for each of ten years in return for oil properties and rights held by the USSR. Trade relations would be normalised and all Austrian citizens still held in the Soviet Union would be returned before occupation forces left Austrian soil.

On 14 April 1955, Raab transmitted a telegram from Moscow to Vienna reporting: 'Österreich wird frei. Wir bekommen unseren Heimatboden in seiner Ganzer zurück. ...'<sup>36</sup> On 15 April, the Raab delegation returned to Vienna and to national acclaim. Kreisky concluded his memoirs with the following report:

Unterschrieben haben wir am nächsten Morgen in folgender Reihenfolge: Raab, Schärf, Figl, Kreisky. Alles was sehr feierlich, trotz des vollen Tageslichts. Als die Zeremonie zu Ende war, sagte Molotov lächelnd: 'Aber die Wiener haben das schon Heute in der Früh in den Zeitungen gelesen.' Schärf hat gelächelt, Raab etwas gebrummt, und die Russen haben geschmunzelt.

Zu Mittag flogen wir nach Hause. Dort wurden wir mit ungeheurem Jubel empfangen. Tausende säumten die Straßen vom Flughafen bad Vöslau nach Wien. Dieser 15. April 1955 was der größte Tag meines politischen Lebens. Nie wieder, so schien es mir, würde ich ähnliches erleben. Und so ist es bis Heute geblieben.<sup>37</sup>

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<sup>36</sup> *Wiener Zeitung*, 15 April 1955.

<sup>37</sup> Kreisky, *Zwischen den Zeiten: Erinnerungen aus Fünf Jahrzehnten*, p. 476.



The British Embassy in Moscow followed the Austro-Soviet discussions during Raab's visit carefully. There was interaction between the visiting Austrians and the Western ambassadors, and of course the latter made attempts to keep an open dialogue with Austrian Ambassador Norbert Bischoff. Western representatives never had a particularly favourable opinion of Bischoff, who was considered by most to be overly close to the Russians, and his performance during this critical period of time did not improve. In a scathing telegram to the Foreign Office, Sir William Hayter reported on a strange interaction with Bischoff at the Austrian Embassy.<sup>38</sup> Reportedly, Bischoff had summoned the Western ambassadors to the embassy for discussions with Figl. Figl, however, did not turn up for the meeting and, according to Hayter, Bischoff 'was in a mood unusually confused and odd, even for him'. Hayter did collect some substantive information during the chat, but concluded his report with the observation:

This interview made a frankly deplorable impression on my colleagues and myself, and we were far from certain that the Austrian Ambassador was not concealing something from us. But it may be all merely a reflection of his notorious idiosyncrasies.<sup>39</sup>

### **SOVIET LARGESSE?**

The decision by the Soviet Union to agree to an Austrian treaty has attracted attention from politicians and scholars representing the broad spectrum of ideological leanings. To some, it was the first time the Soviets voluntarily gave up territory taken and occupied by the Red Army – Moscow's first step backwards in the Cold War. To America's Director of Central Intelligence,

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<sup>38</sup> British Embassy Moscow, Telegram 353, 14 April 1955, PREM 11/818, PRO.

<sup>39</sup> Ibid.,

Allen Dulles, Russian agreement to the treaty was 'the most significant action since the end of World War II'.<sup>40</sup> To his brother, the American Secretary of State, Moscow's concession opened the door for other Soviet-occupied territories to throw off the yoke of Soviet oppression:

And furthermore this, this joy at their freedom which was so manifest by the Austrian people, that is going to be contagious and it's going to spread surely to the neighbouring states – Czechoslovakia – for the first time there will be an open door to freedom on the part of Hungary. ...The Soviets are accepting those consequences. Why they are doing it, we're not quite sure, except we can be quite certain that the policies of strength and firmness that we're adopting in partnership with the other free countries of Europe are beginning to pay off.<sup>41</sup>

As we have seen, some historians have strained over the years to draw equation between East and West, suggesting that the United States was to blame – or at least equally to blame – for an unnecessarily long occupation and for triggering a seemingly unending series of unnecessary and dangerous Cold War confrontations, frightening and inconveniencing the poor Austrian people. In order to further this argument, revisionists and other careless scholars have had to obscure the fact that ending the occupation would not necessarily have resulted in freedom and independence. A premature departure of Western military forces would almost certainly have left the Austrian people at the mercy of the Soviet Union. It was naive to suggest that ending the occupation under any circumstances would have led necessarily to Austrian independence. American diplomat Halvor Ekern observes:

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<sup>40</sup> Günter Bischof, *Austria in the First Cold War, 1945-1955; The Leverage of the Weak*, (New York: St. Martin's Press, Inc., 1999), p. 152.

<sup>41</sup> John Foster Dulles, *New York Times*, 18 May 1955

I am generally aware that politically correct historians, and the media, have distorted history to the benefit of Marxists. It is practically hopeless to engage them in discourse. It is incomprehensible to me that any scholar with an ounce of integrity and objectivity could read the minutes of the Four-Power meetings in Austria, whether it be the Council of Foreign Ministers or the local Allied Council, and come away with anything but the conclusion that the US, British and French sought else but the immediate restoration of Austria's freedom. It is utterly plain. And furthermore, it was in our own interests.<sup>42</sup>

Austrians who have chosen to study this phase in their country's history, perhaps understandably, have gone to similarly agonising efforts to perpetuate the myth that Austrians were responsible for their own independence because Chancellor Raab took the bit in his teeth, ignored British and American obstructionism, and flew to Moscow where his 'legendary Moscow diplomacy' won the day.<sup>43</sup> Such flights into fantasy are probably harmless and can perhaps be excused. It was certainly true that, for the first time in her history, post-war Austria was drifting in the direction of a fully sovereign democracy. In the process, her scholars and other thinkers apparently recognised the value of building some kind of reliable societal foundation for a participatory form of government. At this point in her history, Austria's experience with democracy was shaky to say the least. There is no doubt that some Austrian historians and political scientists have tried to contribute to the formation of a historical foundation, seeking to strengthen - or, more accurately, establish democratic traditions. While the tale that Austria shrugged off tutelage from the Western powers and single-handedly won her own independence may not be accurate, the Austrians did succeed

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<sup>42</sup> Ekern letter to author, Part II, 10 March 2002, p. 2, original in author's personal files.

<sup>43</sup> Bischof, *Austria in the First Cold War, 1945-1955; The Leverage of the Weak*, p. 153.

in building one of Europe's most successful democracies - but only after they were handed their independence by the occupying powers.

One of the more stirring renditions of the Austrian 'legendary Moscow diplomacy' theme is that of Günter Bischof, who in a fit of national pride observed:

The West could no longer stop the train of bilateral Austro-Soviet negotiations from picking up speed. Western crisis management found itself relegated to the sidelines of merely observing this vigorous bilateral diplomacy, reduced to the unsavoury task of trying to strictly proscribe the Vienna Ballhausplatz's diplomatic manoeuvring space.<sup>44</sup>

And in case this assertion did not adequately put the Western Powers in their place, Bischof proceeded to lecture his readers that Austria, ideologically, became a showcase for a new Soviet policy of peaceful coexistence and a new element of flexibility in Russian diplomacy. Apparently choosing to ignore the American Secretary of State's flat statement that the Austrian treaty signalled an optimistic future for all of Eastern Europe, Bischof spins the tale that the powerless Americans and their British puppets were sidelined by a superior thrust of legendary Austrian diplomacy combined with Soviet largesse: 'the new Kremlin masters were making a major diplomatic concession to the West by signing the Austrian treaty.'<sup>45</sup> For some reason, however, perhaps because he found difficulty making up his own mind, Bischof quickly flips the coin over and concludes:

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<sup>44</sup> Ibid., p. 144.

<sup>45</sup> Ibid., p. 151.

Unfortunately, many Austrians have forgotten that their post war security rested on American support and their prosperity owed much to the generosity of the American people. ... American economic aid and Austria's participation in the Marshall Plan became crucial in integrating the country into Western Europe. ...Without the persistent support of Western diplomacy a unified Austria might not have been attained.<sup>46</sup>

One can dispense quickly with the suggestion that British and American authorities attempted to prevent the Raab delegation from accepting Moscow's invitation for bilateral talks in Moscow, as the diplomatic traffic from both Washington and London clearly prove. This myth was invented in Austria, presumably by some who wished to strengthen the image of the new Chancellor and his policy team by contrasting him with Western Powers who were the bad guys and who wanted to prevent the Austrian delegation from going to Moscow for discussions with the Soviets. According to Bischof, 'the legendary Moscow diplomacy of the Raab delegation was not only a milestone in East-West diplomacy but the high point of Austrian diplomacy in the entire Cold War'.<sup>47</sup>

Halvor O. Ekern was an American diplomat intimately involved in the affairs of the Allied Council for a period in excess of nine years. He was head of the US Element Political Directorate of the Allied Council for the better part of the period 1947 - 1950. From 1950 until 1956 when he was transferred back to the State Department in Washington, Ekern was also Director of the US Element Quadripartite Secretariat, and in this capacity he participated in virtually all important Allied Council activities. As an indication of his seniority,

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<sup>46</sup> Ibid., pp. 154-155.

<sup>47</sup> Ibid., p. 153.

he was promoted in November 1955 to the rank of FSO - 3, equivalent to the military rank of full colonel.<sup>48</sup> Ekern recalls:

Neither the US nor, to my knowledge, the British opposed the (Raab) trip -- but we were apprehensive. To send a man untutored in diplomacy or the guile of Molotov into the lion's den! I believe our Ambassador, and maybe the British Ambassador, did make a call on Raab but only to reassure him that we stood by him, and to be sure that he understood the magnitude of the Soviet threat, and the issues at play. No, we did not oppose his going; in fact we saw the chance of a breakthrough.<sup>49</sup>

Diplomatic correspondence shows that Dulles warned the Austrians that Moscow was 'a dangerous place to go alone' - a catchy quotation popular with Austrian historians. It is less often reported, however, that this is only half of what Dulles actually said - a classic case of selective quotation. Dulles finished his thought in the same breath by expressing the hope that something constructive would result from the exercise and, in any event, it might be difficult for the Austrian Chancellor to decline Molotov's invitation to Moscow.<sup>50</sup> Reference has already been made to Eden's conclusion that Raab had to accept Molotov's invitation, and to Eden's desire to do whatever was possible at the time to strengthen Raab's negotiating position vis-à-vis Molotov.

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<sup>48</sup> 25 September 2003 E-Mail message to author from William L. Stearman, quoting the official 1971 State Department Foreign Service Biographic Register entry for Halvor O. Ekern. Hard copy in author's personal files.

<sup>49</sup> Ekern personal letter to author, Part II, 10 March 2002, p. 2, original available in author's personal files.

<sup>50</sup> US Department of State Telegram No. 2658 from Secretary of State John Foster Dulles to Ambassador Llewellyn Thompson in Vienna, 25 March 1955, RG 59, DF 1955-1959, 663.001/3-2355, NARA II. See also Department of State Memorandum of Conversation, 25 March 1955, 'Austrian Treaty Problem,' RG 59, DF 1955-1959, 663.001/3-2555, NARA II. See also US Vienna Embassy telegram No. 2122, 25 March 1955, from Ambassador Llewellyn Thompson to Secretary of State Dulles, RG 59, DF 1955-1959, 663.001/3-2555, NARA II: 'We do not believe that Raab can refuse Soviet invitation ... we therefore believe it would be useless and unwise for us to attempt to prevent Raab's acceptance.'

Behind all speculation regarding Molotov's invitation to the Austrians and the Chancellor's subsequent trip to Moscow for bilateral discussions with the Kremlin, hangs one irrefutable fact: no Austrian bilateral agreement with the Kremlin would have been valid without the Western Allies' approval, and everybody involved knew it.

### **FINAL DIPLOMACY**

On 19 April 1955, the Soviets proposed a meeting of foreign ministers in Vienna, including Austrian participation, to sign the Austrian State Treaty. Moscow accepted a counter-proposal that the high commissioners meet first to settle any remaining issues and to facilitate a problem-free foreign ministers conference. Under the chairmanship of American Ambassador Llewellyn Thompson, this meeting began on 2 May 1955, as scheduled, in the same room in which the Allied Council had met for all the years of the occupation. The ambassadors continued discussions until 13 May.

On the second day of meetings, the Soviets opposed Western proposals that Articles 16 and 17 be eliminated from the final treaty draft. Article 16 provided for voluntary repatriation of displaced persons and refugees. Article 17 limited the size of the Austrian army.<sup>51</sup> The Soviets also wanted a significant change in the language of Article 33 providing for withdrawal of occupation forces. On the third day of meetings, Soviet Ambassador Ilyishev astounded everybody by agreeing, without argument, to drop both articles from the

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<sup>51</sup> The West was concerned that the Soviets would use the Displaced Persons article as an excuse to force refugees to return to their home countries against their will. The West also took the position that no free and independent country, especially a neutral one, should have external limitations placed on the size of their defence forces.

treaty. Given that no Soviet ambassador would have deemed to make such concessions on his own, it was obvious that he was acting on overnight instructions from Molotov.

By 6 May, the following articles had been eliminated from the draft treaty, by agreement of all four ambassadors:<sup>52</sup>

Article 6: Naturalization and Residence of Germans in Austria.

Article 11: War Criminals.

Article 13: Liquidation of League of Nations.

Article 14: Bilateral Treaties.

Article 15: Restoration of Archives.

Article 16: Displaced Persons.

Article 16-bis: Transfer of persons of German Origin.

Article 17: Limitation of Austrian Armed Forces.

Article 19: Prohibition of Military Training.

Article 21: Prohibition of Special Weapons.

Article 36: Restitution by Austria.

Article 48-bis: Debts.

In addition, Article 18, dealing with service in Austrian armed forces of former Nazis and members of certain other organisations, was altered with unanimous agreement. Ilyishev objected to Article 33 calling for withdrawal of all occupation forces within ninety days of conclusion of the treaty, and he rejected a recommended compromise by the French. Both East and West

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<sup>52</sup> US State Department briefing memorandum, 11 May 1955, RG 59, DF 1955-1959, CF 446A-CF 450, CF 449, NARA.



were sticking to their guns on this article, which the Soviets demanded be considered as still under discussion.

Only two other articles remained under contest and, not surprisingly, one was Article 35, dealing with German assets. The other was Article 42, addressing the matter of the restitution of United Nations property in Austria. The British Government, and to an equal extent the United States, were concerned about the latter Article because they wanted guarantees for the restitution to their national oil companies of properties in Austria which they were forced to sell to the Nazi Government. Moscow was opposed to the inclusion of such guarantees, maintaining that the guarantees would contradict that part of the 15 April bilateral agreement in which the Austrian Government agreed not to transfer to foreign citizens any property returned by the Soviet Union. On 10 May, the United Kingdom signed a Memorandum of Understanding with the United States and Austria, providing for the transfer to Austria of British and American assets. Britain, for example, confirmed that all married family quarters constructed at British expense would be handed over to Austrian authorities 'in a manner advantageous to Austria'.<sup>53</sup>

The main impediment to conclusion of a treaty, however, was Western concern about the economic concessions Austria had made to the Soviet Union. Moscow had demanded, and been promised, a hefty bribe, and this bothered many in the West, especially those who questioned Austria's ability to deliver on its economic promises, as well as those who suspected the

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<sup>53</sup> Memorandum, 'Results of the Conversation Between the Members of the Austrian Federal Government and the Ambassadors of the United Kingdom and the United States of America', American Embassy Vienna Air Pouch 1297, 10 May 1955, RG 59, DF 1955-1959, CF 446A-CF 450, CF 449, NARA II.

Soviets might not be prepared to deliver on theirs. Stearman correctly reported that the 'deadlock over Article 35 gave rise to considerable pessimism and a delay in signing the treaty appeared to be a real possibility'.<sup>54</sup>

On 10 May, US Ambassador Thompson notified the Soviets that American Secretary of State Dulles, who was in Paris preparing to travel to Vienna for the foreign Ministers meeting and signing of the Austrian State Treaty, was 'unwilling to come (to) Vienna until these points (were) resolved'.<sup>55</sup> Reports were circulating in Vienna that British Foreign Secretary Macmillan had made the same decision.<sup>56</sup> Despite the new and more amiable environment surrounding the treaty talks since 8 February, the sceptics on both sides still had reason to worry. The path to the Austrian State Treaty was not yet completely clear.

Halvor Ekern provides a fascinating eye witness account of these thrilling, final moments of the treaty negotiations:

At the final meeting of the four negotiating Ambassadors and the Austrian Foreign Minister, the Soviets continued to hold out for extra-territorial rights regarding Austrian payment of reparations to the USSR - such rights would have meant leaving a Soviet authority within Austria with powers over the Austrian Government, a potential Fifth Column. We had assumed from earlier Soviet assurances that they would drop this ten year-old demand. But they didn't. It was suggested by our Ambassador Llewellyn Thompson ... that the plenipotentiaries repair to a smaller room, with only one plus one (each with only one advisor).

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<sup>54</sup> Stearman, *The Soviet Union and the Occupation of Austria*, p. 152.

<sup>55</sup> State Department Washington, 11 May 1955, RG 59 1955-1959, DF 446A-450, CF 449, NARA II.

<sup>56</sup> Stearman, *The Soviet Union and the Occupation of Austria*, p. 152.

Thompson chose Ekern, and the reduced assembly, now numbering ten, faced the moment of truth. The Foreign ministers - Dulles, Macmillan, the Frenchman and Molotov - were scheduled to meet in Vienna the next morning for the formal signature of the Treaty. The world was holding its breath for this lovely spring day. Final positions were asked for: the Soviet Ambassador held fast, the French Ambassador passed. Leopold Figl, the Austrian Foreign Minister was white-faced--he knew that if he had to go out and announce that the Treaty talks were a failure, and the hated ten year-old Occupation would continue, he could probably be lynched. The British Ambassador sat silent. He, too, was undoubtedly weighing the consequences for the Macmillan Government of diplomatic failure. Ambassador Thompson called the Soviet bluff: he said. 'I will advise my Foreign minister (sic) not to come' (Dulles being still in Paris). The meeting broke up in silence. For once, we did not have the support of the British.

Footnote: On the way out, Thompson instructed me to go directly to the airport and get on the first plane to Paris--and to explain to Dulles what had happened, not knowing what Washington's reaction might be. It so happened, as Thompson had guessed, that while the plane was still in the air, the Soviets folded--they withdrew their demands for a post-Treaty extraterritorial presence. I grabbed the Secretary of State's plane the next morning, and briefed him on our way to Vienna.<sup>57</sup>

On 12 May 1955, the Soviets removed the final obstacle to agreement on Article 35 by accepting resolution in the form of an annex to the Austrian State treaty stating that this Article was amended by the terms of the Austro-Soviet Agreement of 15 April. Dispute over the withdrawal date for occupation forces was ended by the agreement that all troops would be out of the country ninety days after ratification of the treaty, but no later than 31 December. The West agreed to settle oil company claims with Austria after the treaty was signed. The four ambassadors had totally eliminated eleven articles and three annexes from the final treaty draft, and had agreed on

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<sup>57</sup> Ekern personal letter to author, 6 March 2002, Part I, p. 3, original in author's personal files.

significant modification of three others.<sup>58</sup> The way was then clear to the Conference of Foreign ministers.

On 14 May 1955, at 5:00 p.m., Messrs. V. M. Molotov representing the USSR, Sir Harold Macmillan representing the United Kingdom, Anton Pinay representing France and John Foster Dulles representing the United States of America met together in Vienna. They were joined by Dr Leopold Figl and Dr Bruno Kreisky of the Austrian Government. Secretary Dulles opened the discussions by proposing that Mr Molotov preside at the meeting. Mr Molotov responded: 'I accept the honor and propose that we get down to work.'<sup>59</sup> M. Pinay stated that he had nothing to say. Mr Dulles proposed that the text of the treaty 'prepared for us' be accepted, and Mr Molotov responded: 'The proposal made by Mr Dulles does not contradict the one I have in mind, because I had the same idea in mind. Can we accept that proposal then?' Messrs. Dulles and Pinay signified yes. Sir Harold Macmillan signified yes. Dr Figl asked for a minor amendment in the preamble to the treaty, and there was unanimous approval.

Molotov said he wanted to draw the Western representatives' attention to the first five paragraphs of the Agreement signed in Moscow between the USSR and Austria pertaining to the country's perpetual neutrality, and he proceeded to read those paragraphs. Mr Dulles said he understood the text and that the United States 'finds no objection to Austria following the course laid down in

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<sup>58</sup> Stearman, *The Soviet Union and the Occupation of Austria*, , p. 153, and State Department Briefing Memorandum, 11 May 1955.

<sup>59</sup> Department of State 14 May 1955, RG 59, DF 1955-1959, CF 446A-450, CF 445, NARA II.

that memorandum'.<sup>60</sup> Pinay, at somewhat greater length, assured the participants that France accepted that, 'if the Austrian Government wishes to make such a declaration in the field of national politics, it is the right enjoyed by any independent and sovereign government.' Sir Harold Macmillan said:

The Government of the United Kingdom has no objection in principle to the Austrian Government following the course it has proposed. Naturally, however, if the Government of the United Kingdom is to consider taking some action which would appear to follow, then it would wish to know the terms of any declaration and it would be really very willing to consider with other governments the ways and means of taking part in any four-power guarantee.<sup>61</sup>

Molotov then read a proposed text of a Four Power statement guaranteeing Austria's neutrality. Dulles suggested that any Four Power guarantee of Austria's neutrality await the finalisation of the Austrian Government's actual declaration of neutrality. In principle, he had no difficulty with the text just read out by Molotov. The French Foreign Minister then launched into a lengthy lecture, essentially agreeing with Dulles and saying the Austrian Government should issue a unilateral declaration confirming its neutrality after the treaty was signed and ratified. Appropriately, the minutes of this meeting concluded the transcript of M. Pinay's comments with the notation: 'One sentence garbled'. Probably with some relief, Molotov asked him: 'are you finished. ..?' Unfortunately, M. Pinay was not, and for some reason felt compelled to repeat that he thought the Soviet statement on neutrality was 'somewhat misplaced'. Macmillan confirmed that Britain would want to see the actual Austrian declaration before guaranteeing it. The matter was settled when Figl assured the group that the Austrian Government would, on the

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<sup>60</sup> Ibid., p. 2.

<sup>61</sup> Ibid.

same day, provide the foreign ministers with a 'provisional draft of the declaration', which, it was agreed, would be issued formally when Austria was, in fact, a sovereign nation.

Following a brief discussion on what type of statements each foreign minister would make at the next day's signing ceremony - Dulles suggesting statements not to exceed two minutes and Molotov suggesting twenty minutes - M. Pinay said he agreed with both Mr Dulles and Mr Molotov. Sir Harold Macmillan concluded the United Kingdom's participation in this historic meeting of the foreign ministers with the statement: 'I agree with everybody.'<sup>62</sup>

At precisely 6:15 p.m. on 14 May 1955, V. M. Molotov adjourned the Conference of Foreign Ministers with the statement: 'Then allow me to close the meeting.' And so he did.

### EIN TAG WIE KEIN ANDER<sup>63</sup>

A day like none other, indeed! Hugo Portisch describes in colourful, appropriately emotional language, how the Viennese worked feverishly during the last days before the treaty signing ceremony to spruce up the city and make certain that all of its monuments and buildings were clean and gleaming:

Fieberhaft hatte man in den letzten Tagen die beiden schönsten Schlösser Wiens auf Hochglanz gebracht: das Schloß Schönbrunn

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<sup>62</sup> Ibid., p. 4.

<sup>60</sup> Hugo Portisch, *Der Lange Weg zur Freiheit*, (Vienna: Verlag Kreymayr & Scheriau, 1986), p. 492.

und das Schloß Belvedere. Im Belvedere sollte der Staatsvertrag unterzeichnet werden, in Schönbrunn wollte man das Ereignis am Abend gebührend feiern, mit all dem Glanz, zu dem die Zweite Republik nun schon wieder fähig war.<sup>64</sup>

The 15 May treaty signing ceremony was orchestrated with precision and strict diplomatic protocol. Austria's leaders were at the Belvedere Palace, in the Great Marble Hall (*Großen Marmorsaal*), awaiting their foreign guests. The Russians arrived at eleven o'clock a.m. Seven minutes later, the British delegation arrived. Precisely seven minutes after that, the Americans arrived, and yet seven minutes later, the French limousine stopped at the Palace entrance. The arrivals were planned this way to allow the Austrian hosts enough time to greet each delegation with appropriate courtesy. Dr Figl then invited everybody to take their places and prepare to sign the Austrian State Treaty.

The 300-page treaty was bound in green Moroccan leather, and the British, American, French and Russian Foreign Minister each had a version translated into his native language. There was also a German language version, prepared so that future generations of Austrians would know that the instrument was not only a treaty about Austria, but also a treaty with Austria.<sup>65</sup>

Following the signing ceremony, each of the foreign ministers made a speech. Molotov, the first to speak, did so at some length. His remarks

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<sup>64</sup> Ibid., p. 491.

<sup>65</sup> Salvatore J. Rizza, *Austrian Stamps Homepage*, 'The Signing of the Austrian State Treaty by One Who Was There,' for a description and photo of the bound Austrian State Treaty: <http://www.kitzbuehl.demon.co.uk/austamps/sjr01/>, [8 August 2003].

reminded everybody that the Red Army had conquered Austria's capital city, Vienna, after hard fighting, thereby making it possible for the victorious powers to implement the provisions of the Moscow Declaration. Molotov's speech stressed the importance of Austrian neutrality, referring to the country's obligations of neutrality no less than six times. He reminded his audience that, whereas the Austrian issues had been resolved by the Four Powers, the German problem had not. Before wishing the Austrian people well, Molotov referred to recent Soviet proposals for arms reduction, including limits for nuclear and thermonuclear weapons, and stressed his country's commitment to world peace and desire to resolve the German question. It was a speech more of propaganda and a little substance, rather than ceremony.<sup>66</sup>

Sir Harold Macmillan's speech was much shorter, and designed simply to assure the Austrian people that they could always depend on the true friendship of the British people. Fortunately, it did not occur to him to remind the Austrians how their British friends reacted in March of 1938 when last an Austrian Chancellor had turned to London for help.

Secretary Dulles said Austria's seventeen year 'thorny path' during which they lacked freedom never caused the Austrian people to lose their hope for a free and independent Austria. The Austrians, he said, had every reason to celebrate, not because of what had been given to them, but because of what they had achieved. M. Pinay said France had no doubts that the Austrian people would protect and defend their new freedom and independence,

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<sup>66</sup> American Embassy Vienna, Despatch 1515, 14 May 1955, RG 59, DF 1955-1959, CF 446A-450, CF 445, NARA II.



thereby providing the cue line for Austria's Foreign Minister Leopold Figl, who said exactly what the assembled Austrians wanted most to hear: '...wir haben zehn Jahre auf diesen Tag gewartet. ... Heute ist der Tag gekommen.'<sup>67</sup>

### **CLEANING UP**

And so the big day came and went, but British, American, French and Russian troops were still on Austrian soil. None of the Allied Commission machinery had been dismantled, and there were huge challenges facing the Four Powers, to say nothing of the tasks confronting the now-independent Austrian Government. According to Article 20 of the Treaty, the occupation forces retained all rights, immunities and facilities until 25 October, the end of the specified ninety-day period marking the deadline for total withdrawal of foreign troops. From the perspective of British policy toward Austria, though, the game was over and only house cleaning tasks were left to be done. Stearman provides a useful overview of some of the more important things that had to be accomplished, as the occupying powers prepared to leave the country.<sup>68</sup> Mandatory identification cards, for example, were rendered unnecessary. The Allied newspapers stopped publishing. The Allied Council was reduced from thirteen directorates to five. Restrictions, for example on civil aviation, were lifted. The popular, American-run radio station 'Rot-Weiss-Rot', went off the air. Slowly, the Austrian Government began taking over the Soviet-owned USIA and SMV facilities - an activity that did not proceed without problem, as the Government looked forward to 31 August when the USSR would be paid the first instalment provided for by the treaty - some \$2

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<sup>67</sup> Figl's remarks are quoted in virtually every history of the Austrian State Treaty. For one source, see: Portisch, *Der Lange Weg zur Freiheit*, p. 493.

<sup>68</sup> Stearman, *The Soviet Union and the Occupation of Austria*, pp. 154-157.

million for the Danube Shipping Company properties. This, observed Stearman, '(brought) home to the Austrian people in a graphic manner the price they had paid for freedom.<sup>69</sup>

One other sign of Austria's freedom - and at the same time a reminder of not so pleasant things of the past - was the return by the Soviet Union of Austrians who had been arrested or otherwise abducted during the occupation. The celebrated cases of Police Inspector Anton Marek and Dr Ottillinger were resolved when both were returned to Austria, Ottillinger on a stretcher.<sup>70</sup>

On 27 July 1955, the last of the five governments to deposit its ratification of the Austrian State Treaty, France, did so with the Foreign Ministry in Moscow. Also on 27 July, the Allied Council met for its 249<sup>th</sup> meeting for the purpose of terminating the Allied Commission, following which the national flags of the four occupying powers were lowered in a ceremony witnessed by a large Austrian audience. The Four Power Control over Austria was thereby ended. With the departure of the last Allied soldier on 21 October 1955, an American in Salzburg, the occupation of Austria was over.

### **SOVIET MOTIVES**

In 1996, a close personal friend and respected former superior began encouraging this author to undertake PhD level research. The objective, he suggested, should be to provide for the first time a legitimate and reliable

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<sup>69</sup> Ibid., p.156.

<sup>70</sup> Ibid., citing *Die Presse*, 21, 26 and 28 June 1955.

explanation as to why the Soviet Union agreed to sign the Austrian State Treaty after ten years of obstinate obstructionism. Perhaps with an excessive degree of presumptuousness, the research was begun - and swiftly abandoned. The failure of Russian authorities to declassify the most important source documents and to deny open access to Russian archives quickly led to the conclusion that the completion of such a project was, at that point in time, beyond the realms of possibility. Yet an intense personal interest in the occupation of Austria had been awakened, and the work was redirected toward British policy - also a subject nobody had researched and written about in depth.

While it is not possible to offer an airtight explanation of the frequently baffling and erratic Soviet behaviour in and about Austria, it would be irresponsible not to put forward at least a calculated guess as to why the Kremlin abruptly changed gears in February 1955, and then triggered a mad dash to the treaty. While the subject of this thesis is British policy, some evaluation of Soviet behaviour is a necessary part of the research because it was the Soviet Union which presented the most formidable obstacle to an earlier end to the occupation and an earlier conclusion of the Austrian State Treaty. Britain's policy formulation, by necessity, had to accommodate Soviet initiatives. Source documents still locked away in Moscow's archives may eventually allow scholars to reach a solid conclusion on this issue. Then again, such documents might not exist at all. As has already been observed here, the keeping of written records by contestants in the Kremlin was not always the safest thing to do. There are some things we do know.

Thanks to the Cold War International History Project (CWIHP) and the multi-lingual scholars who have contributed to CWIHP publications, we have fairly persuasive evidence of Molotov's role in Soviet management of the Austria problem, and of the reason why he suddenly changed his tune on the Austrian State Treaty in early 1955. Taken at face value, this evidence could be considered conclusive. Given the complex political forces at play between the Kremlin's leadership contenders, however, an appropriate degree of scepticism should accompany any presentation of this otherwise impressive material.

In his concluding remarks to the Central Committee Plenum of the Communist Party of the Soviet Union, Ninth Session, 12 July 1955, Nikita Khrushchev placed the blame for Austria's prolonged occupation squarely on Molotov's shoulders. After drawing laughter from the hall with an anecdote on Yugoslavia and Tito, Khrushchev said: 'Now on Austria. This is a very important issue.' He went on to say:<sup>71</sup>

I remember how Stalin, about a year before his death, said several times:

- Why don't we conclude a treaty with Austria?

But this matter kept being postponed: it was said we would resolve it after Trieste. When the Trieste matter got cleared up, comrade Stalin again asked:

- Why aren't we concluding a treaty with Austria?

After Stalin's death, somehow com. Malenkov and I began talking with com. Molotov about Austria. He told us that the Austrian issue was a very complex one which we needed very much [i.e. to keep on

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<sup>71</sup> The entirety of Khrushchev's 12 July 1955 remarks to the Central Committee Plenum, Ninth Session, in Moscow is taken from the official minutes of these meetings, TsKHSD fond 2, delo 176, ll. 282-95, (trans.) Benjamin Aldrich-Moodie, CWIHP Bulletin, Issue 10, March 1998, 'Leadership Transition in a Fractured Bloc', pp. 42-43.

the agenda without resolving it], [and] that its resolution had to be delayed.

Here at the plenum, I will frankly say that I believed Molotov's word on everything, [and] like many of us, thought that he was a great and experienced diplomat.

Sometimes you'd look and then reason and think:

- Damn it [chert voz' mi], maybe I am missing something! After all, that is what it means to be a diplomat - he sees and I don't see anything (laughter in the hall). I'm telling you all this in sincerity.

Some time passed, and I still wanted to find out what Molotov saw in the Austrian issue and [why] he was fighting to drag out its resolution, but I can't see [it].

Khrushchev continued:

I came to the conclusion that there was no reason for us to drag out this matter, since time was beginning to work against us. In Austria we are losing our good position by dragging out a resolution to the issue of a peace treaty with the country. I then say to com. Bulganin:

- You know what I think, Comrad Nikolai Aleksandrovich? The Austrian issue as Molotov understands it is reminiscent of an egg which has gone bad. Soon you will have to throw it in the garbage because everything will change and there will be no value in resolving it positively. And that is really so.

But if we had gone halfway [vyshli navstrechu] with a resolution of the Austria issue when the events connected with the conclusion of the Paris agreement had just ripened, after all, then the issue of these agreements could have arisen in a different way.

At this point, two voices drifted from the audience in the gigantic hall, one simply shouting 'correct,' and the other suggesting that 'the Paris Agreements would not have come about'. Khrushchev continued by reporting that the Austrian issues were then discussed in a meeting of the Central Committee Presidium:

I said to com. Molotov: Listen Viacheslav Mikhailovich, you understand this issue. But some comrades and I do not understand why we should delay the conclusion of a treaty with Austria. Explain

to us how you understand it. Perhaps I will begin to understand it differently; after all, we aren't fools. And when I understand it, I will support you; after all, right now I don't see anything complicated in it. I see only stupidity on our side, which consists of the fact that we are dragging out the conclusion of a peace treaty with Austria for no apparent reason.

We discussed the issue and came to the conclusion that we should conclude a peace treaty with Austria, [and] make sure that Austria became a neutral state. When we came to such a decision, Molotov said: - it is good that it was decided this way. After all, I did not object to such a decision.

At this point, Khrushchev became extremely critical of Molotov, pointing out that a number of the Presidium Members had talked with him often about the Austria question, asking Molotov why it was necessary for the Soviet Union to remain in Austria when it was obvious the tide of international opinion was turning against them. When Molotov tried to defend himself by saying he agreed that an Austrian treaty should be concluded, Khrushchev laughed at him, and pointed out that it was only Molotov who had been rigidly holding out and obstructing resolution of the Austria question. Khrushchev went on to tell the assembled members:

During the discussion I ask[ed] com. Molotov:

- Tell me, please, are you for or against war?

- no, he says, I am against war.

Then what are you achieving by having our troops sit in Vienna? If you stand for war, then it would be correct to stay in Austria. It is a beach-head [platsdarm] and only a fool would give up such a beach-head if he planned to make war now. If [you are] not for war, then we have to leave. In our country, communists do not understand you; the Austrian communists do not understand, and Austrian workers begin to see our troops as occupiers. Communists abroad also do not understand us. Why are we sitting in Austria? What are we waiting for there?

Khrushchev then said Molotov had been sent away to prepare a draft treaty, which is a bit strange, since a draft treaty had been in existence since the early days after WW II, and all but five of its articles had been agreed by 1949. But, Molotov returned with a draft that contained, among the rest of the treaty provisions, a stipulation that the USSR reserved the right to 'lead our troops into Austria', should there be another *Anschluß* with Germany. This, according to Khrushchev, had angered him:

There was a lot of nonsense in the draft. ... I said to com. Molotov:

Listen, we have to look at things realistically and concretely. Let's assume that we conclude a treaty in which this is said. Imagine that they prepare an *anschluss*. After that, after we find out about it, everything will be ready for an *anschluss* - artillery will be deployed where they should be, and troops will be assembled. After all, they are not fools, and know that if there is an *anschluss*, we can oppose the *anschluss* and, probably, repulse it. So, in such a situation, would you start a war?

You have to keep in mind that the Austrians and Germans are nations [natsii] close to one another. If someone set us such conditions: to separate the Russians from the Ukrainians or Belorussians, what would we say? We would say, without pausing for thought:

You take your proposals to God's mother[k' bozh'ei materi].

Why should we stick our noses into that matter?

Khrushchev's explanation as to why Molotov took his abrupt U-turn on the Austrian treaty seems clear - perhaps even beyond question: 'And so when we all bore down on him, [navalilis na nego], he couldn't do anything other than to say, I agree, we have to submit whatever draft you propose.'

And so they did.

## **CONCLUSIONS**

During the post-Stalin period, when the leadership of the Soviet Union was undergoing dramatic turmoil, it became clear that the Kremlin was linking resolution of the Austria problem to resolution of the German problem, and also that, at least in Molotov's mind, there was a chance that the people of West Germany could be persuaded that their freedom and independence was quite possible, if they were prepared to adopt a policy of neutrality, along the lines of the Swiss model. Hence, one saw Molotov focus on the issue of neutrality for Austria during the 1954 Berlin Conference and during Chancellor Raab's visit in Moscow in early 1955. In his thinking, a posture of neutrality would not only pre-empt Austria's joining a Western defence alliance or allowing foreign military bases on Austrian soil, it would also set an example for Germany.

British policy regarding Austria during the post-Stalin period remained essentially the same, although the Foreign Office backed away somewhat from Bevin's headlong dash to get a treaty signed regardless of the size and nature of the bribe the West would have to pay Moscow in return for a signature. Britain had to fight for an end to the occupation, if for no other reason than that they couldn't afford to keep British troops in Austria

The Office of the Prime Minister Report of November 1953 provides useful insight into Foreign Office thinking at the time regarding Austria. Among other things, this report demonstrates that British policy toward Austria had remained fairly consistent, and the foreign policy makers were by that point



more concerned with diplomatic strategy. It was recognised that the Soviets had linked Austria with the Germany problem, and it was equally obvious that London had decided to fight hard to interrupt this link in interactions with Moscow.

By far the most dramatic development during this period of time, at least regarding the occupation of Austria, was the sudden and unexpected invitation to Chancellor Raab to visit Moscow for bilateral discussions on the Austrian State Treaty. Some Austrian historians, supported by a few others, for example the American, Carafano, have reported correctly that Britain and the United States were concerned about the obvious dangers of sending the relatively inexperienced Julius Raab into face-to-face negotiations with the wily Molotov in the latter's back yard. They were not correct, however, in perpetuating the suggestion that this concern led the Western Powers to attempt to prevent Herr Raab from accepting the Kremlin invitation. It is clear from the diplomatic correspondence and other archival material now available that they did not. In any event, students of the Four Power occupation of Austria should know that any agreement on the conclusion of the Austrian State Treaty would have had to enjoy the support of all four occupying Powers, and hence any bilateral agreement struck by Raab in Moscow would have been invalid in the absence of this unanimous approval.

The 1954 Berlin Conference marked the first time Austria's leaders were invited to sit with the Four Powers in such an esteemed forum, but it didn't do them much good. Molotov's abuse of the Austrian leaders and his summary dismissal of Chancellor Raab's repeated assurances that Austria would

adopt a policy of neutrality in the Cold War left everybody with the clear impression that Moscow had no intention of ending Austria's occupation and agreeing to an Austrian State Treaty, under any circumstances. Molotov's revival of the irrelevant Trieste and dried peas issues sent a clear signal to this effect.

Macmillan's briefing to the Cabinet in April 1955 provides enlightening insight into the thinking of this new Foreign Secretary, and it confirms for the first time that London was prepared to accept a neutral Austria. The briefing papers also demonstrate that Macmillan believed that Molotov was motivated to press the neutrality issue forcefully in order to unsettle the West Germans and plant the suggestion that they, too, could have their freedom in return for a pledge of military neutrality.

It is debatable whether or not one can accept Khrushchev's public condemnation of Molotov as the sole caretaker of the Kremlin's Austria policy. It would not be the only instance where senior Kremlin leaders looked for scapegoats and sought to place blame on others' shoulders. The concept that V. M. Molotov could have kept the Soviet Army on the ground in Austria all by himself is a bit of a stretch. And of course Stalin is no longer around to confirm or deny Khrushchev's account of their conversations on Molotov and on Austria. Thanks to William Taubman and his important new book on Khrushchev, we are advised that Molotov later objected strenuously to being identified as an opponent to the Austrian State Treaty.<sup>72</sup> So, what we have are first-hand statements by the principals, offering their reports and

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<sup>72</sup> William Taubman, *Khrushchev : the Man and his Era*, (New York: W.W. Norton, 2003), p. 368.

describing their opinions. We still lack all but a few archival copies of in-house Kremlin memoranda and diplomatic correspondence that had to be exchanged between Moscow and various embassies abroad, as the Austrian State Treaty developments unfolded.

What Khrushchev told the Presidium members makes sense, however, in that it would offer a rational explanation for the Kremlin's abrupt policy shift in March 1955. This shift and indeed Khrushchev's apparent decision to uncouple the Austria and Germany issues could have resulted from his recognition that Germany was going to rearm and there was nothing the Soviet Union could do about it. Austria was probably marginal in Soviet military thinking, and by agreeing to a deal, Khrushchev may have believed he could extract a heavy bribe and gain credit on the international stage. He may also have thought that settlement of the Austria problem would contribute to his new vision of international diplomacy and alert the capitalist world that Moscow was sincerely interested in improving relations and reducing tensions. After all, what he did was precisely one of the actions President Eisenhower said the USSR had to take in order to prove its good intentions. Taubman tells us:

The centrepiece of Khrushchev's new diplomacy was a campaign for what a later era labelled *détente*. As he saw it, reducing tensions could undermine Western resistance to Communist gains, tempt capitalists to increase East-West trade, and project a more friendly image in the Third World.<sup>73</sup>

These are issues that will, no doubt, be debated long into the future and until Russia's leaders decide to open their most precious guarded archives - if

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<sup>73</sup> Ibid., p. 348.

they ever do – and if those archives actually contain hard documents that will resolve the many debates on what motivated Soviet behaviour in the international arena after comrade Stalin departed the scene.

## **CONCLUSIONS**

This thesis has described British interests and policies regarding Austria during the ten years following World War Two. Its narrative has paused from time to time to analyse particularly important events and issues, such as the Moscow Declaration, the European Advisory Commission, Yugoslav mischief at the end of the War and key meetings of the Council of Foreign Ministers. It has described other milestones in the Austrian State Treaty negotiations, the Marshall Plan as it affected Austria, the violent strikes of 1950, the Soviet kidnapping campaign and the Raab delegation to Moscow in 1955. And it has examined selected reports from British representatives in Austria that influenced the formulation of British policy.

The thesis has addressed Britain's policy formulation process and the specific policies, strategies and concerns that emerged from them. Based on a close examination of secondary sources and original material, some of which has not been adequately exploited to date, and some of which has only recently been released, this thesis took into serious consideration, and tried to differentiate between, policy recommendations, policy decisions and strategies designed to implement those decisions. It did so with the recognition of how difficult it sometimes is to evaluate old documents and arrive at an intelligent assessment of their actual impact on policy decisions. In the historiography of post-war Austria, one occasionally sees signs that researchers may not have understood that recommendations do not always translate into official policy. There are also indications throughout the historiography that researchers have concocted theories about military and

other security issues in the absence of understanding or recognition that these issues existed during a time of war, albeit a 'Cold' War. Issues affecting a nation's security are always given quite different attention in times of war, both by those who submit recommendations for policy and strategy and those who make decisions. Other contributors to historiography have suggested that an unfounded perception of Soviet threat existed, and that this misperception led to unwise policy. Carafano, for example, predicted that 'post-revisionist' historians would be 'upset' with his conclusion that the American military 'militarised' American foreign policy, implying that the military establishment dreamed up the presence of a non-existent threat to Western security and sold this story to the country's allies and policy makers.<sup>1</sup> He was right in one regard. Objective historians should be upset by such nonsense. To those of us who fought in the front lines of the Cold War, it was very much a war and the Soviet threat was very real.

Not surprisingly, this narrative has also brought to the surface certain questions, the answers to which are important to an understanding of Britain's behaviour vis-à-vis Austria during this turbulent decade.

### **BRITISH POLICY TO AUSTRIA**

The first major question has, of course, to do with whether Britain accomplished her main policy objectives in Austria during the period 1945-1955. British policy on Austria gelled in December 1943 with the Moscow Declaration. Britain honoured her agreement to treat Austria as a victim of

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<sup>1</sup> James Jay Carafano, *Waltzing into the Cold War: the Struggle for Occupied Austria* (College Station: Texas A&M University Press, 2002), p. 37.

Nazi Germany and a country to be liberated rather than conquered, despite a host of initial problems that arose when administration of the occupation had to be handled by front line combat troops at a time when the Yugoslavs, French and Russians were being difficult. Britain's main policy objective toward Austria remained essentially the same between 1945 and May 1955; namely, to maintain order and help Austria recover to the point where she was capable of governing herself. This objective was shared by the United States and France, and was very much in the best interests of the Western Powers as they confronted the Communist Bloc in Europe during what became the Cold War.

Although British resolve in pursuing this objective began to weaken toward the end of 1947, Britain's behaviour overall during these ten years was honourable and worthy of commendation. Despite severe economic constraints at home – a situation that certainly added to the already heavy burdens of an exhausted military force responsible for rehabilitating another war-torn nation – Britain fulfilled her responsibilities as an occupying Power. She administered the British Occupation Zone with competence and sensitivity. Britain also fulfilled her responsibilities in the Allied Commission, where she stood shoulder-to-shoulder with her stronger ally, the United States, through many difficult years and in the face of more than one dangerous challenge. Britain was an important member of the Western Alliance.

The conclusion, therefore, is that Britain did indeed accomplish her main policy objectives in Austria. Armed confrontation with the Communists was avoided. Austria was not incorporated into the Communist Bloc. The occupation ended peacefully, and foreign troops withdrew voluntarily. Austria recovered her sovereignty and went on to become one of Europe's success stories.

How much of this success can be attributed to British initiatives and to the effectiveness with which Britain's statesmen implemented the nation's foreign policy? Britain's participation as an influential member of the Anglo-American alliance remained a positive factor throughout the occupation. It was Churchill who persuaded Franklin Roosevelt to accept an occupation zone in Austria. It was Churchill who began the process of convincing influential people in Washington that the Soviet Union represented a threat and not a reliable post-war ally. It was Britain that brought centuries of experience in diplomacy to the alliance and thereby strengthened the effectiveness of some American initiatives that were launched with good will but not always accompanied by the sophistication and worldliness essential to success. Britain was very much the junior partner in the Anglo-American relationship, but her representatives fought well above their weight, and the net impact Britain had on the outcome of most controversial Austrian issues was extraordinary, especially given the limited resources Britain had available to support her policy positions.



## **BRITAIN AND THE STATE TREATY**

Although co-operation between the British and Americans in Austria was generally good, there were also underlying differences of approach that sometimes led to tensions. It is clear that both Britain and the United States wanted an end to the occupation. However, whereas both were committed to a free, independent and fully sovereign Austria, Britain placed less value on Austria's future status than did Washington. The two differed in their respective assessments of the relationship between an end of the occupation and real independence for Austria. To the British, especially Ernest Bevin, an end to the occupation meant freedom for Austria – and, not incidentally, tremendous financial relief for the British Treasury. To the US, a premature end to the occupation meant abandoning Austria to the Communist Bloc or, at the very least, leaving a militarily weak Austria to the mercies of a Communist coup.

This Anglo-American disagreement reached a peak in 1948, at the same time that the polarisation of power between Moscow and the West became acute. By the end of 1947, negotiations with the Soviets had reached stalemate, after eighty-five sessions of the Austria Treaty Commission, when Soviet economic goals and the disposition of German assets in Austria remained the most contentious issues between East and West. The gloomy outlook for a treaty, combined with Britain's domestic financial pressures, contributed to Ernest Bevin's eventual conclusion that the West would benefit by caving in to the excessive demands made by Moscow in return for a

Russian signature on an Austrian treaty. The US thought Bevin was wrong and disagreed that capitulation to Moscow's demands represented a reliable way to ensure Austria's independence after Western troops withdrew from the country. To Americans, the actual results of any agreement were more important than words on a piece of paper – no matter how well intended those words might be.

Ernest Bevin was surely wrong in his assessment that an end to the occupation equated with freedom for Austria. To assume differently would be to remain oblivious to the way the Soviets conducted themselves since entering Vienna in 1945. The USSR began her occupation by appointing a provisional government, unilaterally and without consulting the Western Allies. Soviet troops engaged in atrocious behaviour, looting and raping to such an extent that the Russians lost the loyalties of all but a small group of Communist fanatics. Partially as a result of this Soviet barbarism, Austrian Communists were never able to achieve a position of influence in the subsequent Austrian governments. The Soviets proceeded to seize all natural and industrial resources which were of interest to them, even some in the British Zone, and they engaged in a massive program of transferrals, ripping out machinery and other equipment for shipment back to the Soviet Union. They set up a Soviet administration to manage confiscated assets and refused to pay Austrian taxes or to observe other Austrian laws which in any way inconvenienced them – including the constitutional law that should have had the effect of stripping Moscow of her veto power in the Allied Council. The Soviet economic rape of the country became one of the most

contentious and unpleasant issues causing trouble in the Allied Commission and obstructing an earlier end to the occupation. This, combined with the massive Soviet campaign of kidnappings and other acts of lawless intimidation, did nothing to improve the atmosphere surrounding Allied Commission deliberations or to reassure the Austrian people of a safe or even acceptable future. Early in the discussions on an Austrian treaty, Moscow let it be known that her preference was for Western forces to withdraw from Austria, leaving Soviets in continuing control of the country's resources and still with a military presence on the ground. Even here, these 'concessions' would not be delivered unless the West paid Moscow a huge bribe in the form of an impressive amount of US dollars. Given this background of Soviet duplicity, brutality and economic exploitation, it is hard to believe that the Western Powers would have done Austria a favour by pulling out before the Soviets were prepared to do the same and before Austria possessed sufficient military and police strength to protect her own internal security.

Bevin also demonstrated a surprising lack of diplomatic adroitness in 1948 by launching a passionate campaign to persuade his American counterpart to accept all of Moscow's demands and pay Moscow whatever she was asking in return for a Russian signature on the Austrian State Treaty. Here, Bevin's behaviour is baffling. He was a seasoned negotiator. There was no stronger advocate of the Atlantic Alliance in Europe. He understood and accepted the vital importance to Britain of this Alliance and of the necessity to strengthen it wherever possible. Yet his initiatives vis-à-vis his American counterpart

regarding the Austrian treaty were ill-timed. Given the anti-Communist atmosphere in the United States, and given the pressures being brought to bear on Acheson and indeed on the whole Truman administration for being soft on Communism, Bevin should have recognised that there was no way Acheson and his State Department could have argued for such a large concession to the Russians in the public forum. He also appeared not to recognise the furious battles underway in Washington in the wake of the 1947 National Security Act. While these had mostly to do with how a new US federal budget was to be carved up and how American armed forces were to be organised, they contributed significantly to a highly charged atmosphere which was hardly receptive to suggestions that the American taxpayer pay Moscow one hundred and fifty million dollars just to sign a piece of paper regarding a country which was, at best, of secondary or tertiary importance in the Cold War confrontation between East and West. Ironically, Acheson needed little lobbying. Basically, he agreed with Bevin. But he also realised that conditions in Washington were, to say the least, not conducive to the kind of capitulation Bevin was suggesting at the time he was suggesting it.

The final question raised by the British approach to the State Treaty is perhaps the most interesting one. Obstreperous, irritable negotiations on the Austrian State Treaty went on for more than eight years. Why, then, did the Western Allies subject themselves to this painful process? After it became more than obvious that the Soviet Union was not going to sign an Austrian State Treaty – that Moscow was going to use treaty negotiations as a channel for causing trouble and delaying an end to the occupation – why did

Britain insist that one treaty was essential to the resolution of all Austrian issues?

Neither Britain nor the United States had declared war on Austria. The Moscow Declaration had, for all practical purposes, rendered the *Anschluß* null and void. Instead of regarding each issue as an article in one overall agreement, why didn't they simply agree on and dispatch each issue individually, thereby neutralising the ability of Moscow to keep dragging up articles that had already been agreed? In one of his very first public comments on the Austria issues, Harold Macmillan asked essentially this same question.

One can only speculate on the explanations for this behaviour. Perhaps the answer lies in the obsession of the British Foreign Office with the traditional ways of diplomacy – with the traditional process for resolving international issues. Without much thought, the Austrian State treaty process was initially modelled on the peace treaties with Germany's other allies, even though a peace treaty with Austria was not necessary. Once having embarked on this particular process, it seems the British Foreign Office and its overseas representatives simply assumed that this process, once put into motion, would have to be completed. Americans displayed more flexibility and imagination. They suggested, for example, that the Four Powers withdraw their military forces from Austria and the Austrian Government deal with the Soviets. But the Allies rejected this proposal, even after the Austrian Government itself had made the same suggestion.

For some reason, there was a predisposition that a treaty had to be concluded. The much-maligned Abbreviated Treaty would have reduced outstanding issues to a total of six and accepted agreement on all others in the longer draft. Whether or not some historians still elect to describe this initiative as a propaganda stunt, the text of the National Security Council in its recommendation to the President makes it clear that policy makers in Washington thought it was a serious venture, and it was a new and fairly imaginative attempt to break through the treaty logjam.

There is reason to believe that Bevin's (and the Foreign Office's) faith that one treaty could resolve all outstanding quadripartite issues was misplaced. It is difficult to imagine how the Western Powers could have avoided confrontation with the Soviet Union in Austria, but one can still see how at least some of the problems plaguing quadripartite interaction could have been pre-empted or possibly even resolved without such singular focus on the potential value of one hugely complex document. Here, one must also ask whether Ernest Bevin's obsession with one treaty served to prolong the occupation and cause unnecessary difficulties between the victorious powers, and also whether the importance Britain attached to the successful conclusion of a treaty did not create some powerful negotiating leverage for the Soviets. It probably did. And one fact remained clear to all – the occupation was not going to end until Moscow was ready to end it.

## **HISTORIOGRAPHICAL RAMIFICATIONS**

Hopefully, this thesis has contributed constructively to – and perhaps even expanded – the historiography of Cold War Austria, while describing issues and events from the perspective of British policy. This historiography, especially on British policy during this period, is fairly thin. For example, a 20 December 2003 search of the British Library catalogue using the key words 'Britain' and 'Austria' produced 477 hits. Judging from the titles and from personal knowledge of the historiography, only three of these references were on policy issues during the occupation and only one on British policy – excepting the official documents such as copies of treaties and agreements, some commentaries on trade and cultural exchanges and a few on Jewish concerns.

Most Austrian and foreign historians of the Cold War have, as described in the Introduction and listed in the bibliography of this thesis, chosen to concentrate on larger issues in more important places, with Austria playing only a supporting role. Austria was a Cold War battlefield but certainly not the most important, and there is sound reason to believe that, in attempting to manage issues in and about Austria, the competing world Powers always had Germany and the rest of Europe in mind. Also, Britain was not the dominant power in Europe's post-war decade. Arguably, it was US and Soviet policies that drove events. Still, Britain's influence on Western policies was not inconsequential.

### **CURRENT HISTORIOGRAPHY ON BRITISH POLICY**

This is an appropriate section in which to revisit the existing English language literature on British policy during the Austrian occupation to see how it fares in light of these conclusions and observations. Alice Hills' book, written in 2000, is precisely on British occupation planning and policy. This is a useful, straightforward account of how that planning process was formed and managed, as well as the identification of the various people and organisations involved. As a reference book for authors needing specifics on the pre-armistice planning process, it is valuable. Hills based this book on the doctoral thesis she wrote under a different name in 1975 and, unfortunately, chose not to consider any new material that had become available in the meantime. Still, the Hills book has not been invalidated by the research conducted for this thesis and remains an important part of the historiography of British policy regarding Austria.

Robert Knight has probably written more about Austria and British interests there than any other non-Austrian historian, and his 1986 doctoral thesis was on British policy from the end of World War Two through the deceptively encouraging moments of 1949, up to 1950, with a few concluding observations of the period from 1950-1955 when the treaty was signed. Knight chose to concentrate on what happened in Austria with only an occasional foray into the field of explanation – why these things happened. Knight's reporting on the failure of the occupying powers to conclude a treaty were fairly sound, however, and especially interesting if one considers that



the author had little if any practical experience other than as a young man in an academic environment when he wrote his thesis. Knight was correct in describing the ebbs and flows of treaty negotiations up through 1949 when British representatives were deceived into thinking Moscow was ready to end the occupation and when Washington had become so suspicious of Soviet motives that few actually thought the Soviets were capable of negotiating in good faith. His credibility drifts, however, when he attempts to describe US initiatives and motives, and certainly goes astray with his allegation that America's commitment to Austria declined after 1949, at the same time that Austrians' fear of the Soviet Union and of the Communist threat subsided. One must wonder if he would not want, now seventeen years later, to re-evaluate his conclusion that American policy toward Austria was 'misconceived'. Austrians' fear of the Soviet Union and doubts about their future skyrocketed with the advent of the Korean War and the ensuing escalation of friction between East and West. Western policy toward Austria was, after all, successful and both Britain and the United States achieved policy objectives. Knight's thesis remains one of the most important elements of the historiography of post-war Austria and should be involved, still today, in debates on the occupation era. His subsequent works include helpful summaries of how others have contributed, but despite occasional references to British policy he does not address the question directly.

### **CONCOCTIONS**

The contribution of Austrian historians to the historiography of the Cold War has been both positive and mischievous. This historiography is cluttered with

a number of contributions that were obviously written by academics who, in an effort to make names for themselves, stretched the facts more than a little in order to present some different and 'original' slant. This tendency in academia is probably not unique, given the requirement to contribute knowledge in order to qualify for advanced degrees and given that element of human behaviour that permits different people to examine the same body of evidence and come away with different conclusions. The concocted theory of militarisation is a good example of this type of creative writing. Another is the allegation that Britain and the United States were frightened by Molotov's invitation to Chancellor Raab and did their best to stop Raab from making the trip to Moscow. Some have also dreamed up a vision that Austrian leaders ignored the Western Powers and negotiated their own independence.

The first of these allegations is simply not credible. Had, as Bischof, Carafano and even Stourzh suggested, one American general-grade officer seized control of and began dictating American foreign policy, it is safe to say he would not have lasted long in his position. Two strong, competent successive American ambassadors and one very tough American President would hardly have stood by and watched a three-star general in the field call policy shots. The British would have been among the first to object, just as they did when a number of American initiatives – and even rumours – reached Foreign Office ears during the Korean War – when, by the way, the same American President fired a five-star general for challenging civilian control over America's foreign policy. There is not one indication in British diplomatic or military correspondence during the period of the occupation that

conveys a British concern over attempts to 'militarise' the military occupation of Austria. Nobody should be surprised or alarmed, however, to find evidence that a competent military commander behaved like a military commander and forwarded recommendations to his higher headquarters that he felt, if accepted, would strengthen his ability to accomplish those missions assigned to his command. This does not mean his recommendations were approved, and there is a big difference between recommendations and policy. Even Carafano acknowledges that American Lieutenant General Keyes' policy recommendations were not always approved in Washington. And someone much closer to events, Halvor Ekern, remembers that Keyes' had such a spat with his State Department advisor, Erhardt, that the General retired and Erhardt was transferred out of Vienna. Despite frequent disagreements and very different inclinations, career military officers and diplomats of the same country are expected to know how to get along with each other. In Austria, this was not a major problem. The military occupation of Austria was never 'militarised'. On policy matters, both the diplomatic and military establishments expressed views which were taken into consideration in Washington. The US National Security Council made recommendations to the President of the United States, who decided policy. Information collected by both military and civilian intelligence organisations contributed to the body of data studies in this process. US military Intelligence did not, as Carafano suggested, dominate American foreign policy considerations.

Britain and the United States were caught off guard when Molotov invited Austrian Chancellor Raab to Moscow for bilateral discussions on the Austrian

treaty. It is understandable why the West might have been concerned over the prospect of sending the inexperienced Raab into what they regarded as enemy territory without close support from the other occupying powers. Both British and American diplomatic correspondence reflects these concerns, and there was a debate between professionals as to how the West might best manage this new development. The correspondence cited in this thesis shows clearly that, while they were not particularly happy about the prospect, decision makers in both London and Washington recognised that it would be improper and unwise to attempt to interfere with the Raab delegation. Perhaps the most enlightening commentary on this pending visit came from Anthony Eden, as he is quoted here in chapter five, and from the American Secretary of State who said that he hoped something good would come of the trip.

It has been in the interests of historians who for whatever reasons do not wish the United States well and who perhaps lament the outcome of the Cold War to establish that the West did not want the occupation to end and, with this in mind, did their best to prevent Raab from striking a deal with Moscow. Half truths and partial quotations have been used to support this contention. Hopefully, this revisionist viewpoint has been sufficiently discredited, and hopefully this thesis has contributed to that end. There is one underlying and incontestable fact that will serve to demolish any lingering suspicions in the revisionist school on the matter of Raab's trip to Moscow in March 1955. Any agreement on the eventual fate of Austria and the Austrian people would have required agreement by all of the Four Powers. No bilateral accord

between Austria and any one of the occupying powers would have been valid in the absence of this unanimous agreement, and everybody involved knew it.

### **PLUCKY LITTLE AUSTRIA**

One can perhaps understand why Austrian historians sometimes extend their imagination in an effort to establish that Austria's political leaders tired of the Four Power wrangling took the bit in their teeth and then flew off to Moscow and negotiated their own freedom. Austria owes her political leaders much and, as has already been observed here, their capability to keep a difficult coalition government together and functioning throughout a turbulent decade has to be commended. This highly creative, exciting vision has inspired some of Austria's most vocal spokesmen toward colourful accounts of the dumb-founded Western Allies standing helplessly on the sideline, their crisis management in tatters, while witnessing what Bischof termed Raab's 'legendary Moscow diplomacy'. Essentially, there is nothing nefarious about these accounts and it is good that the Austrians have found something to feel proud of. Every successful society needs favourable images of itself and the impression of a plucky little Austria outwitting the Four Powers and winning its own freedom is certainly a healthy one. It is also almost certainly incorrect. Hopefully, one contribution this thesis has made to the historiography of occupied Austria is to place these claims in perspective. There is no slight intended here. Austrians will look far and wide for a man who carries more affection for them as a successful democracy and as a lovable people than this author.

### TRADITIONALISTS AND REVISIONISTS

It is not the intent of this thesis to engage in the wider debate on the underlying causes of the Cold War. This ongoing dispute must be acknowledged, however, because what happened in Austria was dictated or at least highly influenced by the events of the broader Cold War. Austria was in many respects both an important battlefield and a pawn in that war. The traditionalists accept the clear understanding that the Soviet Union was to blame for most if not all of the confrontational issues that made up the Cold War. In the 1970s, so-called revisionists came along with suggestions that the West was equally to blame, and these spokesmen have had ample time and space to present their case. They have also seen their Soviet champions crumble and disappear.

This author makes no secret of his view that the Soviet Union and her client states were responsible for triggering the post-war confrontation and for perpetuating a Cold War the West did not want. As far as Austria's role in that war is concerned, the facts speak for themselves. It is extremely difficult to imagine that any researcher claiming any degree of objectivity could study the interaction between East and West in any international forum of the time and come away with any conclusion other than that Britain, France and the United States worked diligently for a free and independent Austria, while the Soviet Union acted consistently to obstruct progress toward that objective.

It is interesting that the analysis of William L. Stearman (1962), William Bader (1966) and Audrey Cronin (1986) have held up so well over the years – despite, one should add, Bischof's condescending criticism of American historians because of their alleged lack of linguistic ability and cultural sensitivity. While none of these authors concentrated solely on the British role in Austria's occupation years, all of them described that role as constructive and essential to the Western coalition that, in the end, won the day. The Austrian people should be most grateful that Britain and the United States chose to protect them to the extent they did from Soviet domination. Both British and Austrians should be glad that the Marshall Plan responded to both their economic and strategic needs and, at the same time, to US national security interests. Austrians also have every right to take pride in their national leaders who at times demonstrated remarkable foresight and courage to opt for the Western way of life, sometimes in the face of dangerous Soviet intimidation.

At the same time, the British people have every right to be proud of their political leaders and policy makers during this phase of the Cold War. The Anglo-American coalition was instrumental in creating a situation in which it was possible for Austria to regain her sovereignty and to build sufficient strength to protect against real and potential threats to that sovereignty. But, while a number of Cold War issues are yet to be resolved, an argument can be made that the Austrian State Treaty was signed in May 1955 not as a result of a plucky little Austria which dispatched her courageous leaders to Moscow to win freedom, not directly because of the effectiveness of Anglo-

American diplomacy during the decade of the occupation, but because of decisions made in the Kremlin. Why did Khrushchev show such disdain for the Stalin-Molotov posture vis-à-vis Austria and issue a direct order to Molotov to sign the Austrian treaty and pull the Soviet Army out of Austria? We have had a quick look at how Khrushchev answered this question, but the full explanation is yet to be found. What we do know with reasonable reliability is that Molotov was ordered to end the occupation of Austria. And so he did.



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