A hideously complicated problem:
Anglo-American relations with Austria,
1945-1955

Margaret Denton
University of Wollongong
NOTE

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Chapter 3
'A village with six mayors': the Austrian Government versus the Occupation

Anglo-American perception of Austrian-Soviet relations

1946 saw the beginning of an intense preoccupation by both Britain and the United States with the maintenance of the Socialist-Conservative Coalition. Given British suspicion of Communist subversive methods and American hostility to the Austrian Socialists in the past, why were they so intent on retaining Socialist participation in the Austrian Government even though the SPO was the minority partner? The post-election period also saw a divergence between London and Washington in their assessment of the best way to fulfil the Allies' declared policy of re-establishing an independent Austrian state. The Americans wanted an immediate evacuation of Austria, while the British, seemingly in acknowledgment of the prospect of a lengthy occupation, engaged in cumbersome quadripartite negotiations for a new control agreement. The question is, what motivated the British and why did the Americans, after having warned the Austrians of British designs, gradually adopt the British way of thinking?

Notwithstanding their initial satisfaction over the defeat of the Austrian Communists, an analysis of the election results gave London some cause for concern. Although the conservative OVP - an amalgamation of former Christiansocials and other parties of the right - had gained an absolute majority in the National Assembly, the election results nevertheless represented a decided shift to the left. Whereas at the last free election in 1930 the right-wing coalition had secured 95 seats out of 165, in 1945 this was reduced to 85 seats, the Communist Party gaining four where they had gained none in 1930. This was surprising as several factors were thought to have favoured an increased conservative vote. It was assumed that in the absence of a Nazi party the majority of Nazi sympathisers would vote for the OVP. Even though the Nazis proper had been prevented from voting, their friends and relatives were bound to support the OVP which had campaigned for lenient treatment of the 'small Nazi'. An additional factor was the number of women supporters for the Christiansocials in past elections: with prisoners-of-war still
absent from Austria and substantial numbers of men killed on the battlefields, this, too, was thought to favour the OVP. On the other hand, the diminution of the Jewish vote should adversely have affected mainly the Socialists and the Communists. Thus, while the Foreign Office consoled itself with the thought that at least for the present the election results meant above all a 'truly decisive victory for the West over the East', misgivings remained over the fact that the Communist vote had increased 'by nearly 900%' since 1930. Moreover, there was no telling how the return of prisoners-of-war and the re-admission of ex-Nazis to the franchise would affect the balance between the parties in future.

London's concern with the balance between the parties was dictated by anxiety over internal stability which, in turn, was seen as crucial to the Austrian Government's ability to withstand Soviet pressure. The shadow of the 1934 civil war and the subsequent fall of Austria to the Nazis was ever-present to the observers of the Austrian Coalition Government. Despite the apparent unity of Renner's Provisional Government, the election campaign had provided hints that beneath the 'common persecution' camaraderie old passions might yet erupt unless some overriding necessity pushed party-political fighting into the background. The question was, could the Coalition partners inspire enough confidence in their followers to stop the trend to the left, and, on the other hand, could they be trusted not to succumb to Soviet bullying?

Even before the elections Renner had warned the political advisors of the four high commissioners that Austria's economic and political rehabilitation was suffering under the enormous occupation burden. US Secretary of State Byrnes found himself in agreement with Renner's assessment and recommended to the War Department that immediate steps be taken to reduce the number of troops stationed in Austria. Byrnes' formula was simple: the forces of all four powers should be equalised and limited to the minimum number required for garrison purposes and the fulfilment of Allied Council policies. In December, at an informal meeting of the Foreign Ministers in Moscow,

1 Report on Austrian Elections, FO 371/55219, C1051
2 Ibid.
3 Byrnes to Robert P. Patterson, 24 November 1945, FRUS 1945 III, p.661
Byrnes went a step further. Now that an Austrian government was about to be recognised by the occupying powers, and considering that occupation troops were always unpopular with local inhabitants and problems of disciplining the troops abounded, why not completely withdraw? Washington was eager to get American soldiers home and a withdrawal would also reduce the burden on Austria. The Soviet Foreign Minister was appalled. He thought this suggestion neither feasible nor desirable. In the absence of occupation troops, what was to stop the Austrian Government from attempting to insinuate fascists into the government? Byrnes countered that all remnants of fascism could not be eradicated overnight, but that there were surely other ways than occupation of dealing with this issue. Molotov failed to be convinced by Byrnes' argument. Bevin, too, voiced misgivings at the thought of complete withdrawal. He was concerned at the lack of an adequate police force in Austria and could not agree to a withdrawal of occupation troops until such a force was established.\(^4\) The difference in attitude between Bevin and Byrnes is illuminating. Bevin was no more worried than Byrnes about the persistence of fascism in Austria. However, whereas Byrnes' proposal is a measure of the degree to which Washington did not yet mistrust Moscow, Bevin's objections bore witness to his abiding suspicion of Soviet methods.

The State Department drew the conclusion that the only way to rid Austria of the occupation was to persuade the other occupation powers to negotiate a treaty with Austria. None of the Allied Powers had been at war with Austria as such and a peace treaty was therefore not required; it was agreed, however, that some sort of treaty was necessary, if only to determine Austria's relations with other states and to emphasise her independence.\(^5\) Not only was the termination of the occupation of primary importance for Austria's independence and economic reconstruction, it would also clarify the border questions which continued to cloud relations between Austria, Italy


and Yugoslavia. It would also deprive the Russians of their excuse for maintaining troops in Eastern Europe to safeguard their supply lines into Austria.  

The composition of the new government gave the Foreign Office some reason for hope. Renner, unanimously elected Federal President by both houses of the Austrian Parliament, had been relegated to a relatively harmless position and his place as chancellor taken by Leopold Figl of the OVP. As Mack put it, he much preferred to deal with Figl. Figl was 'straight and honest and hates the Germans. Renner, as Chancellor, would have required constant watching'. Austria's new Foreign Minister was Karl Gruber - also of the OVP - who had already made a favourable impression on both Mack and the Foreign Office. These two appointments were balanced by Adolf Schaerf as Vice Chancellor and Oskar Helmer as Minister of the Interior. Both were - like Renner - moderate Socialdemocrats, and Renner had emphasised in his inaugural speech that the foundations of the new Austria rested on the co-operation between the Socialists and the OVP. Moreover, Mack felt that the Socialists had accepted the election results 'with the best possible grace' and that the OVP were wise enough not to rub in their victory; in fact, only the Communists were still looking for scapegoats.

Mack, of course, was not a party to the coalition negotiations between the SPO and OVP and thus not aware of any ill-feeling engendered by the distribution of posts. Schaerf, the leader of the Socialist Party, did not feel that the SPO had got a fair deal and was convinced that the OVP had made some sort of secret deal with the KPO at the expense of his party. He was also incensed by Figl's post-election address to the electorate, in which he threatened to dissolve Parliament at once 'as soon as we [the OVP] are of the opinion that the Parties are re-introducing antiquated ideas about parliamentary function'. This, coming from a radical-right peasant leader and supporter of Dollfuss who had dissolved the republican parliament in 1933 to institute the corporate state, was ominous indeed. Schaerf detected other signs of attempts at the erosion of

6 Memorandum by James C.Dunn, 18 January 1946, ibid., p.296
7 Mack to Harvey, 23 January 1946, FO 371/55219, C1133
8 Mack to Bevin, 3 January 1946, FO 371/55231, C380
9 Schaerf, op.cit., pp.81-84
Socialist power. For instance, the OVP insisted on placing a secretary of state in the Socialist Ministry of the Interior, with the express aim of gaining control of Austria's security forces.\textsuperscript{10}

The British were not at first aware of these rumblings of Socialist discontent and saw the real threat as coming from Soviet disillusionment with the electoral defeat of the KPO. The Soviets showed their displeasure at the new state of affairs when they vetoed several candidates for ministerial posts even though these men had been approved by them as members of the Provisional Government. The Coalition partners' decision to create a ministry occupied by a Communist - a decision not justified by electoral performance - did little to appease the Russians, and Ludwig Kleinwaechter, Austria's political representative in Washington, reported widespread apprehension among State Department officials that the Soviets might orchestrate a coup in Vienna, occupying the whole city and setting up a central government of their own choosing.\textsuperscript{11} Mack expressed concern at what he perceived to be the Soviet Government's policy towards Austria:

Austria has to pay not only for what the Moscow declaration described as her responsibility for participation in the war on the side of Hitlerite Germany, but also for her emphatic rejection of communism.\textsuperscript{12}

Although the Austrians had proved during the Renner Administration that they could be firm by resisting Russian demands for a bilateral agreement which would have given the Soviets a virtual monopoly of the Austrian oil industry, both Gruber and Mack thought that the Soviets had then been restrained by the prospect of controlling Austria politically after the elections. Frequent and severe bullying of the new Chancellor pointed to a change in tactics. The Soviets, according to Schaerf, also worked through the KPO. In March a report reached the Foreign Office that joint meetings of the SPO and KPO had taken place, unanimously resolving on a united policy and close co-operation between the two parties. Although Schaerf, when questioned by Mack, had dismissed the meetings as

\textsuperscript{10} Ibid.
\textsuperscript{11} Kleinwaechter to Gruber, 19 February 1946, AdR, BMAA, K5, 110.872-110.872
\textsuperscript{12} Mack to Bevin, 21 February 1946, FO 371/55256, C2150
meaningless and just another instance of Soviet meddling, the Foreign Office was sufficiently alarmed to alert the Cabinet. There was no doubt in their minds that the Russians were 'constantly intervening' on behalf of the KPO.13

Erhardt, too, was apprehensive over this apparently 'new phase' in Soviet policy. It was becoming obvious that the Soviet attitude towards the Figl Government was considerably less favourable than it had been towards the Renner Government, and Soviet policy seemed directed towards making Austria a Soviet satellite. He warned that time was working in favour of Soviet aims.14 General Clark wholeheartedly agreed with Erhardt's assessment. The US policy of establishing a free and independent Austria was daily being frustrated by the Soviet veto in the Allied Council, and Western prestige was diminishing as the Austrian Government recognised the Western Powers' inability to cope with the Russians.15 And when the Acting Secretary of State, Dean Acheson, rebuked the Austrian Government for its campaign to have South Tyrol returned instead of getting on with Austria's reconstruction,16 Erhardt respectfully but firmly pointed out that the only thing wrong with Austria was the occupation. As he saw it, perhaps the only thing preventing the Austrians from reacting with violence to their difficulties were the profound effects of hunger, which had become critical during recent months.17

Meanwhile, General Richard McCreery, the British High Commissioner, professed his conviction that the Soviet authorities thought Austria too important for their own security to relinquish or even relax control in the foreseeable future. Pointing out that the continued British presence in Austria was at least partly dictated by wider considerations than the re-establishment of an independent Austrian state, and that manpower problems were becoming ever more serious, McCreery thought a review of HMG's policy towards Austria

13 Mack to FO, 27 March 1946; Comment by Cullis, 30 March 1946, FO 371/55220, C3581
14 Erhardt to Byrnes, 26 February 1946, FRUS 1946 V, p.309
15 Clark to JCS, 26 February 1946, ibid., p.312
16 Dean Acheson to Erhardt, 16 May 1946, ibid., p.341
17 Erhardt to Byrnes, 3 June 1946, ibid., p.345
There was really no doubt in the Foreign Office about Austria's position:

Austria is so situated as to hold a peculiarly important position in Europe from both the political and economic points of view. If Austria were to fall under Russian domination, the effect would spread far beyond Austrian borders.\(^19\)

This was clearly no time to throw in the towel. HMG would have to give the Austrian Government 'maximum moral support' and take advantage of the present 'fighting mood' of the Americans to lighten the burden for the Austrians, even if, as was likely, 'it may well be a matter of years before we achieve final success. It is a case of who can last out the longer, the Western Powers or the Russians'.\(^20\) The Chiefs of Staff concurred. A Soviet-dominated Austria would be dangerous to France, whose preservation from Russian influence was essential to Western European security; the American zone of Germany would be exposed to Soviet influence; Western influence in Czechoslovakia would be even further curtailed; and the Mediterranean itself would be endangered by Soviet proximity to Italy. It was thus of 'considerable strategic importance' to Britain to prevent Austria from falling under Soviet domination.\(^21\)

At this stage, cracks in the Coalition facade were becoming obvious, compounding the problem of Soviet interference. There had been rumours that the Austrian Government was seriously considering its resignation, part of the reason being the difficulty of reconciling the demands of the occupying powers with the maintenance of an efficient administration.\(^22\) The alarm bells rang long and hard in the Foreign Office: '... it would be disastrous if the Coalition Government were to resign at this time - or indeed in the foreseeable future'.\(^23\) Mack was instructed to impress upon the Austrian Government the necessity of sticking together, lest Austria should be partitioned along the Soviet zone boundary. When Mack raised the issue with the Vice Chancellor, Schaerf was evasive. He merely

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\(^{18}\) General Richard McCreery to John Hynd, 14 March 1946, FO 371/55256, C2981

\(^{19}\) FO Memorandum, 5 April 1946, FO 371/55257, C4097

\(^{20}\) Ibid.

\(^{21}\) J.P.(46)81, 'Long-term Policy towards Austria: Strategic Implications', 17 June 1946, FO 371/55258, C7116

\(^{22}\) Mack to FO, 20 March 1946, FO 371/55256, C3203

\(^{23}\) Comment by Cullis, 22 March 1946, ibid.
stated that the Socialist Party would find it increasingly difficult to remain in a government which still 'looked to the past and retained Fascist ideas'. He would not be drawn to elaborate on this charge. Mack thought that a more concrete reason for the Coalition's troubles lay possibly in disunity within the SPO itself. He thought that the left wing of the SPO was putting pressure on the moderate Socialists in the Cabinet, forcing Schaerf into attacks on the OVP.24

Mack's assessment was essentially correct. Although in the preliminaries to the 1945 elections the left wing of the SPO had reluctantly accepted the leadership's argument that participation in a coalition government was a necessary evil which had to be endured for the short transition period of occupation, they had derisively characterised such a government as the 'Trinity fog' designed to mask the social antagonism between the workers and the bourgeoisie, and claimed that this questionable truce would in the long run merely benefit the bourgeois element in Austria.25 To make matters worse, in the light of the election results the SPO seemed to take a further step to the right. Schaerf and Helmer reasoned that the OVP's victory was a direct result of its image as the most reliable anti-communist force in Austria, whereas the KPO's link to the Red Army and the Soviet Union was deemed to have been its downfall. Therefore, if the SPO was to regain its lead over the OVP, it had to be seen as the most consistent anti-communist and anti-Russian party.26

This policy was given an extra twist by the return of Oscar Pollak from exile in London. As a member of the executive committee of the SPO and editor-in-chief of the Party's newspaper Arbeiter-Zeitung, he proved a frequent embarrassment to left wing and right wing alike. After the civil war in 1934 he had been prominent in the establishment of the illegal, radical-left Revolutionary Socialists. However, on his return to Vienna in September 1945 he purported to bring a message from the British Labour Party: popular-front politics of the south-east European states were not acceptable for

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24 Mack to Harvey, 27 March 1946, FO 371/55220, C3651
26 Ibid., p.37
Austria, a coalition between SPO and OVP was wanted. Strange enough, this extreme doctrinaire left-winger, of whom Richard Crossman — for whom Pollak worked during the war — said that trying to influence him would be merely a 'waste of breath', took to the anti-communist, anti-Russian line with considerable enthusiasm. His pronouncements in the Arbeiter-Zeitung had the Russians 'gunning for him' in the Allied Council. This was small comfort to London, though, as he attacked the OVP with equal fervour. Thus, with the leadership of the SPO seemingly content to play co-conspirator in the bourgeois-capitalist revival, the Left saw its dream of a proletarian revolution slip away. The only solution appeared to be the forced resignation of the Coalition Government followed by new elections which might do away with the OVP's 1945 lead.

Schaerf's non-committal stance in his talk with Mack caused considerable concern: history looked like repeating itself. London was determined to 'stop this rot' immediately. The Vice Chancellor was about to visit London, and under-secretaries, heads of departments and the Minister of State were all enlisted 'to speak sternly' to Schaerf on the importance of not playing the Communist game. Finally, Bevin delivered the ultimate warning. It was vital that OVP and SPO 'hang together if they did not want to hang separately'.

**Austrian perception of occupying powers**

Years of Nazi oppression and war had caused the Austrians to greet the promised liberation with great relief. Why did this initial relief turn so quickly to disillusionment? While the British worried about dogfights between the SPO and OVP, lest they gave the Soviets an excuse for partitioning the country, the Austrians felt heavily imposed upon by the occupation. There is no doubt that after the national conference the Provisional Government reassessed its originally acquiescent attitude towards the occupation. As far as the Renner Government was concerned, the conference had confirmed

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27 Ibid., p. 38
28 Mack to Harvey, 27 February 1946; Minute by Cullis, 19 March 1946, FO 371/55290, C3006
30 Minutes by Cullis, Burrows, Troutbeck and Harvey, 2–17 April 1946, FO 371/55220, C3651
its authority and had given it a mandate to speed Austria on the way to true independence, and it was now time for the Austrians to assert themselves. Following a heated Cabinet meeting on occupation costs, the Renner Government demanded a reduction in occupation troops, basing its demand on the fact that neither the internal security situation nor the process of denazification any longer justified the inordinate number of occupation troops for which Austria was expected to pay.\textsuperscript{31} In a letter to the Allied Council Renner expressed the Austrians' indignation:

The number of occupation troops has evidently not been settled according to the security requirements of Austria but rather according to reasons of military balance of the Allied Powers. It is obvious that peaceful and liberated Austria in comparison to the number of its population is occupied by far greater military forces than an average area in Germany. Austria cannot be held responsible for the cost of this occupation, an occupation which cannot be considered as justified by the demand for security within this state.\textsuperscript{32}

Renner had on other, more private, occasions let the Americans know what specifically the Austrians were worried about. In September he had told Clark that Austria needed an 'objective friend' such as the United States to counteract the 'political tug-of-war' between Britain and the USSR.\textsuperscript{33} A month later he again expressed his concern over the conflict between Britain and the Soviet Union taking place in Austria.\textsuperscript{34}

If the Americans had privately shown some sympathy with Austria's plight, they nevertheless shared the general outrage in the Allied Council over Renner's blunt assessment of Allied motives.

Swiftly, a slap on the wrist was dealt to Austria:

The Allied Council declares that the question of the strength of the forces of occupation is one which falls within the exclusive competence of the Governments of the Occupying Powers. The Allied Council emphasises that Austria, having taken part in the war on the side of Germany, cannot by its own action divest itself of the obligation to meet the costs of occupation fixed by the Allies.\textsuperscript{35}

\textsuperscript{31} Conversation between Renner and E.D.Kiselev, 24 November 1945, AdR, BMAA, K8, 1754-2086
\textsuperscript{32} Renner to AC, 29 November 1945, FRUS 1945 III, p.686
\textsuperscript{33} Conversation between Clark and Renner, 29 September 1945, ibid., p.616
\textsuperscript{34} Erhardt to Byrnes, 26 October 1945, ibid., p.643
\textsuperscript{35} AC to Renner, 30 November 1945, ibid., p.685
The reminder of Austria's participation in the war was merely camouflageing the fact that the original justification for the occupation of Austria had already given way to a power-struggle between the occupying powers. At this stage the conflict was between Britain and the Soviet Union; as time progressed the antagonists would change. Indeed, barely five months later Kleinwaechter reported the changing attitude in Washington towards Russia and why the US was bound to become a key player in this conflict. Europeans, Kleinwaechter claimed, who saw US foreign policy as 'inconsistent, fickle, thoroughly inexplicable', misunderstood the two basic factors underlying that policy. One was the paramount concern with domestic political consequences, that is, with winning the next election; the second was an abiding determination to ensure the continued existence of the British Empire as part of the preservation of Anglo-Saxon world hegemony. American intervention in the two world wars was ample proof of this. Now that Soviet Russia was emerging as a threat to Britain, the attitude in leading American circles towards Moscow had become noticeably 'sharper, indeed, aggressive' since his arrival in Washington three months earlier. To reconcile the two often inherently contradictory elements of the policy-shaping process, the Government was forced to engage in extraordinary posturing to gain its objectives, hence making it appear erratic. Notwithstanding appearances, one should make no mistake about the importance of the second factor: 'Ultimately, American foreign policy remains *mutatis mutandis* British foreign policy!' The implications of this for Austria were that if a conflict arose between Austrian interests and those of Britain, Washington would support Britain; more so, as one State Department official ruefully conceded, because there were 'unfortunately so few Austrian voters' in the USA.36

Following the recognition of the new government by the occupation powers on 4 January 1946, Renner gave full vent to the frustration felt by the Austrians. According to official Allied justification for the occupation, the criteria for the cessation of that occupation had been fulfilled. Austria had been separated from Germany and demilitarised and a democratically elected government

36 Kleinwaechter to Gruber, 23 April 1946, AdR, BMAA, K5, 110.850-111.192
with an admirable administrative record was in existence. Although the occupation powers differed among themselves as to the efficacy of Austrian denazification measures, Russian agitation in that regard was seen as politically motivated and merely designed to keep Austria subdued. As far as London was concerned, denazification was 'emphatically not a rock on which we want the Austrian ship of state to risk floundering'. Although the Austrians hardly expected that the occupation would cease immediately after the installation of the elected government, they had certainly expected that the troops would be reduced to garrison level and would keep firmly to themselves. The Government expected to be in full command of at least internal legislation and administration and to have at its disposal the economic assets of the country in order to allow economic planning and reconstruction to proceed. Instead, the military forces considered themselves the real rulers of the country and acted as such. Each occupation zone was administered according to the whim of the local commander, making a systematic approach to reconstruction impossible. The situation was patently absurd. Tiny Austria, with a population of less than seven million, had six separate governments: the Allied Council, four different military governments, and the Austrian Government. And each hindered the other: Austria was like 'a village with six mayors'.

When the British Government was presented with the Austrian President's complaints, reactions were mixed. Although conceding the truth of this picture, the Austrians were thought of as 'rather ridiculous people'. Not only were they not always sufficiently receptive to British advice, they had preposterous notions of conferring honours on members of the Allied armies and 'they go on pretending that they never fought against us at all'. At any rate, the country would collapse in chaos and famine if Austria were given full independence. The Austrians could not have disagreed more. While they were well aware that Allied food supplies and other aid were imperative to Austria's immediate survival, what was really needed was a clear definition of the resources available to the

37 Minute by Cullis, 22 March 1946, FO 371/55256, C3203
38 Renner to Walter Wodak, 8 February 1946, in W.Wodak, Diplomatie zwischen Ost und West (Graz, 1976) p.210
39 Minutes by Cullis, Troutbeck and Harvey, 8-10 April 1946, FO 371/55220, C3900
Austrian Government to plan the country's economic reconstruction. Most important of all was the need to get rid of the occupation troops who were harassing the population and using up precious resources. In that respect there seemed to be little difference between the four powers. Even the Foreign Office admitted that there was a 'marked resemblance' between French and Russian economic policy. Both were stripping the country, the French causing real political damage to the image of the Western Powers.⁴⁰ The Americans did not fare much better. Not only had they an 'incurable propensity for looting' and a large thug element who did their 'full share of bullying and beating up the population', but their failure to provide work for the people, and their inefficient administration coupled with low food rations made the people think that 'they could stand another four years of war but certainly not another year of liberation'.⁴¹

Another continuing source of trouble was the matter of the Austrian Constitution. On 13 May 1945 the Provisional Government had decreed a return to the 1929 Constitution. The 1929 Constitution had been a compromise between Socialdemocrats and Christiansocials, tending toward centralism rather than disruptive federalism. It was seen as preventing problems between OVP and SPO which negotiations for a new constitution might spark. More importantly, it rescinded at once all Fascist and Nazi constitutional measures instituted since the 1930s, and - having been agreed to by the KPO and approved by the Allied Council - Parliament would not later have to waste time with protracted negotiations which would have given the Allies great scope for interference.⁴² After the November elections the new Parliament approved the Constitution permanently, although the Communist members tried to introduce amendments when they realised that under the Constitution their number was too small to allow them any real say in Parliament.

On 30 March 1946 the Austrian Government received a letter from the Allied Council, disapproving the Constitution and ordering

⁴⁰ John Cheetham to Bevin, 28 October 1946, FO 371/55308, C13632
⁴¹ Mack to Patrick Dean, 23 July 1946, FO 371/55222, C8656; Report by E.A. Berthoud, 24 February 1946, FO 371/55219, C2962; British Consulate-General in Zuerich to FO, 9 May 1946, FO 371/55308, C5250
⁴² Schaerf, op.cit., pp.19-51
the Government to submit a new draft by 1 July.\textsuperscript{43} Incensed, the Government instructed its representatives in London, Washington and Paris to make it clear to the respective governments that it had no intention of altering this democratic constitution at the behest of the Allied Council, but would instead provoke a 'persistence resolution' in Parliament.\textsuperscript{44} This duly took place on 12 April when, in a heated debate, even the Communist leader Ernst Fischer deplored the limitation of Austrian sovereignty implied by the Allied Council's demand. The Vice Chancellor's motion, which Mack called 'not complimentary' to the Allied Council, requested the Government to inform the Allied Council of Parliament's affirmation of its decision of 19 December 1945 to adopt the 1929 Constitution permanently.\textsuperscript{45}

Amid these battles over such fundamental issues there was no doubt that, between additional annoyances such as the humiliating delousing process Austrian Ministers had to endure when entering the US zone and 'irresponsible references to resistance by people who had not themselves experienced the full fury of Fascist oppression' (Renner), the Allies were fast taking the place of the Fascists as 'the villains of the piece'.\textsuperscript{46}

\textit{Anglo-American response to Austrian grievances}

Despite participating in the Allied Council's sharp rebuke to the Austrian Government over its demand for a reduction of occupation troops, the Americans were determined to bring an end to the occupation by negotiating a treaty. It was not long, though, before it became apparent that the prospects for a treaty were not as bright as envisaged by Washington. On 20 April 1946 the US Government first informed Moscow that they wished to discuss a treaty concerning Austria at the forthcoming meeting of the Council of Foreign Ministers (CFM). This body had replaced the European Advisory Commission since the Potsdam Conference of 1945 and consisted of the foreign ministers of the United States, Britain, the Soviet Union, France and China. Its aim was to carry out preparatory work for the post-war peace settlements. Molotov's blunt refusal two days after

\textsuperscript{43} \textit{Ibid.}, p.96  
\textsuperscript{44} 1 April 1946, AdR, BMAA, K5, 110.850-110.850  
\textsuperscript{45} Mack to Bevin, 24 April 1946, FO 371/55221, C4579  
\textsuperscript{46} Nicholls to Bevin, 11 June 1946, FO 371/55222, C6853
Byrnes' approach set the stage for many unsuccessful attempts by the Americans to have the Austrian Treaty discussed at the CFM. When the Russians finally did agree to place the Austrian question on the agenda, it was only to link it with the controversial problems of 'displaced persons' and 'German assets in Austria', thereby effectively precluding four-power agreement for the moment. The only glimmer of hope was an agreement reached at the CFM in December to discuss treaties for Austria and Germany at the next CFM in Moscow in 1947.

British attempts to gain a new control agreement were more fruitful. While London was frequently piqued over Austrian attacks on the occupation, the strategic importance of Austria to British European policy and the basic goodwill of people such as Bevin and Hynd towards the Austrian Socialists combined to make them look for ways of easing the burden and thus keeping the Coalition Government in being by means other than bullying. With a satisfactory Austrian Government installed, Hynd thought it was time to re-assess Allied control over Austria. The initial draft of the new control agreement contained far-reaching provisions, examining some of the more important grievances of the Austrian Government even before these had been enunciated by the Austrians. Occupation troops were to be reduced to 25,000 in each zone, cutting the total figure by some 250,000. Restrictions on movements of trade and persons between the zones were to be removed, allowing the Austrian Government to exercise proper authority in the Provinces and begin organising an integrated economy. As well, Austrian legislation, including international agreements, should no longer be subject to positive approval by the Allied Council, but merely to a unanimous veto. This veto, Hynd suggested, would in practice be difficult to secure. There was, of course, a risk in allowing the Austrians this measure of latitude. They might well yield to Russian pressure and make agreements with them 'which would not be to the general advantage'. The Austrian Government had proved, however, that they could be tough with the Soviets and Austrian ideas on economic reconstruction were thought to coincide with British ideas. At any rate, the alternative to allowing Austria the proposed latitude would mean 'indefinite
control of all Austrian activities in an attempt to protect Austria from herself.47

Seemingly, the new control agreement would give the Austrian Government a considerable measure of freedom to manage the State's affairs. The catch was contained in Articles 2(c) and 5. These two articles, Bevin informed the Cabinet, enabled the occupying powers to assert their control where it really mattered. Article 2(c) empowered the Allied Commission to act directly without reference to the Austrian Government or Austrian authorities to restore law and order and in situations where the Austrian Government or authorities failed to carry out directions received from the Allied Commission. Article 5 empowered the Allied Commission to act directly on the following matters:

- demilitarisation and disarmament
- the protection and security of the Allied forces in Austria and the fulfilment of their military needs
- the protection, care and restitution of property belonging to the governments of the United Nations or their nationals
- the disposal of German property
- the care and evacuation of prisoners-of-war and displaced persons
- the control of travel into and out of Austria.48

Hynd warned the Cabinet, though, that it was unlikely that the other powers would accept all the proposals in the British draft and it was agreed that reasonable modifications might be considered if necessary.49

Hynd had at first thought that the Russians' dislike of the Figl Government would make them unwilling to consider modifying Allied control, yet at the first discussion of the new draft agreement in the Allied Council the British were struck by the 'extremely conciliatory' attitude of the Soviets. Nevertheless, after several discussions, disagreement over the British draft focused on the notion that bilateral agreements between the Austrian Government and any of the occupying powers need not be submitted to the Allied Council for approval. Both the French and the Americans objected to this clause, worrying over the possibility of far-reaching and exclusive economic

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47 Memorandum by Hynd, ORC(46)14, 26 January 1946, FO 371/55143, C1058
48 Ibid.; CAB 129/6, CP(46)34, 31 January 1946
49 CAB 128/5, CM(46)11, 4 February 1946
pacts between the Austrians and the USSR. There was an ironic aspect to the American objection: it was precisely this clause which would allow Austria and the United States to sign a relief agreement in 1947 and the Marshall Aid agreement in 1948 over strenuous Soviet resistance. Another problem arose over the power each commander-in-chief could exercise in his zone, the French and Americans wanting to limit this power, the Russians disagreeing. As far as the reduction of troops was concerned, the Russians would not even discuss it. By the end of the discussions in May intensive lobbying had brought both French and Americans round to the British view on the 'positive approval versus veto' question, so that the Western Allies were ranged against the Soviets on this issue. The continued Soviet refusal to consider troop reductions, coupled with their insistence on giving their high commissioner extensive powers independent of the Allied Commission, made the British have second thoughts about the wisdom of revising the control agreement at all. As Bernard Burrows of the Foreign Office explained, when the idea of a more liberal control agreement was first discussed it had been taken for granted that the Austrian Government's policies would be in line with British ideas and thus pose no danger to British policy in Europe. If, however, the present disproportion between the military strengths of the occupying powers were to persist, it would not be in HMG's interest to give more power to the Austrians who, as the French feared all along, would doubtlessly be subject to severe pressure from the Russians. It was, therefore, essential to insist on the reduction of troops.

Shortly afterwards, owing to bungled communications between Hynd's Control Office and the British Element in Vienna, the Foreign Office found to its dismay that agreement - subject to the approval of governments - had been reached in Vienna on 24 May. The British Element, ignorant of Foreign Office determination to insist on the troop reduction clause and confronted with a sudden Soviet approval of the veto question, did not feel that they should be the only ones holding up an otherwise satisfactory agreement. Although the end result of the British endeavours was not at all what London had

50 Memorandum by Cullis, 19 April 1946, FO 371/55145, C1383
51 Nicholls to Troutbeck, 10 April 1946, FO 371/55145, C4182
52 Memorandum by Burrows, 24 May 1946, FO 371/55145, C5608
envisioned, it was felt that the agreement was still a step in the right direction and that the Russians, who seemed to have gained by it the power of acting unilaterally in their zone to the detriment of the Austrian Government, would act so in any case. In the circumstances, both the Foreign Office and the Control Office recommended acceptance of the agreement.  

On 13 June, only one day before the new control agreement was to be signed, Washington let it be known that they were not prepared to sign after all. In view of the forthcoming Council of Foreign Ministers at Paris, the Americans argued that the Soviets might use the new control agreement to justify their refusal to discuss an Austrian treaty. Bevin was distressed. He could not agree with what the Foreign Office called the 'highly dubious tactics' of the US Government. He urged Byrnes to be realistic and not make the Austrians wait too long for an improvement in their situation:

... with the best will in the world it will surely be impossible to do more than have a treaty referred for study to the Deputies ... and, as we know, deliberations are only too likely to be prolonged. The Austrians will be sorely in need of some encouragement to prevent their feeling that their present moderate policy of co-operation with the Allies is of no avail to them and that they might as well seek to gain some temporary advantage from more extreme courses. ...

Bevin's plea proved effective. The new control agreement was signed four days later and hailed by the beleaguered Austrian Government as 'proof of Allies' friendship'.

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53 Minutes by Troutbeck and Burrows, 27-28 May 1946, FO 371/55145, C5914
54 Bevin to Byrnes, 22 June 1946, FO 371/55146, C7165
55 Mack to FO, 30 June 1946, FO 371/55146, C7417