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

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NOTE

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Chapter 5

'Securing liberation from the liberators': Austria caught in the Cold War

Anglo-American attitude to Austrian treaty

In 1947 East-West disagreement over treatment of Germany had led the United States to decide that denying Austria to the Soviet Union was of major importance to US national security. It had also left the Foreign Office wondering whether Britain could afford an Austrian treaty. Nonetheless, at the London Council of Foreign Ministers in November Bevin had succeeded in separating the Austrian treaty from the German question. This, Bevin explained to Cabinet at the beginning of 1948, represented a 'substantial advance'. With the likelihood of a breakdown of the CFM over the German question, Bevin had proposed - and Molotov had agreed - that the Austrian treaty be referred back to the Deputies. As a result, although Austria clearly remained enmeshed in the problems of the general European situation, there was a possibility that, without the animosity over Germany clouding treaty negotiations, an Austrian treaty might be concluded in the near future.

Bevin's hesitant optimism seems surprising in view of the bleak picture painted by his memorandum 'Review of Soviet Policy' presented to Cabinet at the same time. The conclusions drawn from that review were that Soviet policy aimed at the destruction of the Marshall Plan, at discrediting Britain and the United States wherever they had interests at stake, and finally at shifting 'the whole basis of power both in the United Nations and in the world at large'. In this light, Bevin's interpretation of Molotov's gesture assumes an aura of wishful thinking. Yet after re-examining the by now 'familiar dilemma' of whether or not an Austrian treaty would be beneficial to British policy in Europe, London reverted to its initial assessment, namely, that it was in Britain's interest to conclude a treaty as soon as possible. Not only was this line supported by the Chiefs of Staff, who were concerned about the military implications of a possible conflict in Austria, but Cullis warned

1 CAB 129/23, CP(48)9, 4 January 1948
2 CAB 129/23, CP(48)7, 5 January 1948
3 Minute by Cullis, 19 January 1948, FO 371/70411, C242
that the prolonged occupation and division of Austria into zones and, above all, the presence of 'sixty thousand savage and ruthless Russian troops' put Austria's future in jeopardy. Having spent six months in Austria as part of the British team on the Austrian Treaty Commission, Cullis feared that the sense of nationhood which had united the Austrians since 1945 would be undermined by disillusionment and separatism if the occupation continued. The bickering between the Coalition partners and the Communist-inspired disturbances of 1947 pointed dangerously in that direction.4

Moreover, the Foreign Office interpreted Soviet willingness to resume negotiations as a sign of Soviet suspicion that the Western Powers were preparing 'a military springboard in Western Austria'. In these circumstances, it was argued, the Russians would willingly forego the communisation of Austria, unlikely in any event, and would instead prefer to get the Western troops out of Austria altogether, even if it were at the price of a treaty.5 British thinking was guided by an unexpected show of flexibility on the part of the Soviets. Towards the end of 1947 the only promising development in the treaty negotiations had been a suggestion by the Austrians - later presented by the French Deputy, Cherriere - to settle the German assets question on a commercial basis rather than trying to define the principles which should govern assessment. Gruber thought, and the French agreed, that concrete offers should be made to the Soviets and that those assets vital to the Austrian economy should be ransomed with a cash settlement. The Soviets had declared their acceptance in principle of the so-called Cherriere Plan and agreed to study it before the forthcoming Deputies conference in February 1948.

This show of flexibility was reinforced on 24 January when the Soviet Delegation presented a counter-proposal to the Cherriere Plan. The US Political Adviser's opinion of the Soviet offer was that it represented an important substantive concession (it gave up claims to all Austrian industry except oil and shipping) and an apparent desire to reach early settlement. Although the Soviets demanded US $200 million, double the amount envisaged in the Cherriere Plan, in lieu of German assets in the Soviet zone, this only made

4 Ibid.
5 Minute by C.A. Thompson, 21 January 1948, FO 371/70401, C501
the concession all the more important, as the Americans had estimated the value of those assets at $700 million. More importantly, satisfying the Soviet demands would 'create no danger of crippling or undermining the Austrian economy or jeopardising her political sovereignty'.6 This assessment by a US Government representative was of crucial importance. Washington had always insisted that it wanted a treaty for Austria as quickly as possible, provided Austrian economic well-being and political sovereignty were safeguarded. It would seem that in January 1948 the time had come for achieving this proclaimed aim. Erhardt identified the cash settlement - or 'ransom', as it would come to be called - as the crux of the matter: 'American and world opinion will judge Soviet and US aims by their attitudes on this point'. He thought it should be possible to arrive at an agreement 'if both major parties are fundamentally willing'.7 Erhardt's assessment was shared by the CIA, who saw in the Soviet offer a substantial modification of the previous Soviet position and an indication of a genuine desire to effect a settlement.8 And, although Kleinwaechter reported from Washington that the State Department was far less enthusiastic,9 among the Viennese the Soviet proposal caused 'a wave of consummate optimism'.10 That is not to say that the Soviet offer was received with unmitigated joy in Vienna. Leaders of both government parties thought the 'purchase price of sovereignty' excessively high and worried about the effect on prospective Marshall Aid receipts. Nevertheless, the fact that the price of Austria's freedom had been stated was seen as highly significant for the progress of treaty negotiations and there was a general assumption that the United States would, of course, pay the ransom.11 Even Erhardt admitted that the US Congress might well be

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6 Erhardt to Marshall, 21 January 1948, FRUS 1948 II: Germany and Austria (Washington, 1973) p.1452
7 Ibid.
8 CIA Report 5, 12 February 1948, Truman Papers, President's Secretary File, Harry S.Truman Library
9 Kleinwaechter to Gruber, 27 January 1948, AdR, BMAA, K85, 110.240-110.676
10 Gruber, Befreiung, p.183
11 Meeting of SPO and OVP Leaders, 27 January 1948, AdR, BMAA, K85, 110.240-110.686; Meeting of the Central Committee of Parliament, 28 January 1948, K85, 110.240-110.687; Gruber, Befreiung, p.184
willing to spend this kind of money to 'push back the Soviet sphere of influence'.  

In the light of the seemingly obvious political benefits to be gained, why did the Soviet offer not result in quick agreement? The British were not convinced of American willingness to end the occupation. There was a vague feeling in the Foreign Office that the Americans were 'only going through the motions'. The British Legation in Vienna were also concerned about Russian motives. The recent Soviet proposal for settlement of the controversial German assets question could also mean that the Soviets considered an Austria free from occupation troops but linked to the Soviet Union by trade obligations arising from the treaty more amenable to Communist penetration than an Austria protected by the quadripartite machinery of the Allied Council. In view of the all-pervading fear that Soviet-controlled Communism was about to swallowing Europe there seemed not much to choose between one evil or the other. What did matter, of course, was the Austrian attitude. When Bevin met Anton Proksch, the Secretary of the Austrian Federation of Trade Unions, Proksch explained the Austrian position. The Austrian trade unions had become very powerful and were wielding immense influence; the Federation was in fact likened to a shadow government. Having achieved this, they intended now to concentrate on establishing a state economic policy. There was only one obstacle: the continued Allied occupation. As grateful as the Austrians were for all the help they had received from Bevin, what was wanted now was his assistance in 'securing liberation from their liberators'.

Bevin had long sympathetically viewed Austria's desire to be rid of the occupation, vigorously denouncing the Russians for 'this reprehensible torture of Austria', and the Foreign Office were considering a three-power guarantee for Austria, which would 'serve notice on the Russians that any invasion of Austria's independence would result in a general war'.  

12 Erhardt to Marshall, 21 January 1948, FRUS 1948 II, p.1452  
13 Gallman to Marshall, 27 January 1948, ibid., p.1451  
14 Cheetham to Bevin, 29 January 1948, FO 371/70411, C837  
15 Bevin to Cheetham, 9 February 1948, FO 371/70447, C987  
16 House of Commons Debate on Foreign Policy, 22-23 January 1948, Keesing's, 24-31 January 1948, p.9063  
17 Minute by Marjoribanks, 12 February 1948, FO 371/70409, C1546
Secretary at the Foreign Office, discounted concern over the US Government's cautious line regarding a similar guarantee for Germany and forcefully argued the case for such a guarantee:

Austria must be treated as a special case. We clearly cannot stall on the conclusion of an Austrian treaty, even though we might feel that Austria under treaty will be more susceptible to Soviet pressure than under the control of the Commission. We must bear in mind that the case of Austria is unique, since the Allied Powers will have set up a new state in Europe and by doing so will have assumed a special responsibility for seeing that this creation of theirs is enabled to live as an independent entity.

Criticism of the proposed guarantee as merely another 'Polish Treaty' did not amount to much either, Sargent continued. After all, as long as British and American troops were stationed in Western Germany they would have direct access to Austrian territory and thus be able physically to implement their guarantee. Bevin agreed that the matter 'should be gone into'. With the Russians seemingly willing to grant the Austrians' appeal for freedom, the Foreign Ministers Deputies resumed negotiations on 20 February.

**Impact of Czechoslovak coup and Berlin blockade**

The treaty negotiations were barely under way when the Communist coup in Prague added a new urgency to Bevin's concern for Western European security. In a conversation with the Austrian Foreign Minister, Bevin wondered whether it was not worth the price 'to buy the Russians out' of Austria, even though it meant giving in to blackmail. Gruber suggested that the problem of Austria's security could be taken care of by a three-power declaration guaranteeing Austria's independence, and Bevin admitted that this solution had occurred to him. He was anxious, however, lest such a guarantee would be seen as provocative by the Soviet Government, tempting it to retaliate in some way. Perhaps, he added vaguely, Austria could be incorporated in a more general scheme.19

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18 Minute by Sargent and Bevin's comment, 19 February 1948, FO 371/70409, C1546
19 Conversation between Bevin and Gruber, 28 February 1948, AdR, BMAA, K8, OeB London, Mappe 23
It was soon apparent that the treaty talks were making little progress. The very first meeting of the 1948 session of the Deputies gave an indication of the change in position of the Western Powers. In December 1947 the Western negotiators had stated categorically that further discussion of other unagreed articles of the Austrian treaty would be useless until agreement on the German assets question had been reached. On 20 February 1948, in pursuit of tripartite policy worked out in the Foreign Office two days earlier, they reversed this position, stating blandly that no agreement could be reached on German assets until questions of Austria's frontier and military provisions had been solved. Both issues were significant for the light they threw on each party's willingness to compromise. The Russians would agree to an Austrian army, the British would use the frontier question to break off negotiations.

What brought about this change of heart among the British? Although the first few days of the negotiations saw the Americans by no means eager to accommodate Russian demands, the US attitude perceptibly hardened with the news of the Communist coup in Czechoslovakia. The US Deputy, Sam Reber, urgently cabled Washington for advice. General Keyes had raised the question whether it was wise to risk the withdrawal of US troops from Austria which formed part of an unbroken line from Italy through Austria and Germany to the North Sea. The Western Deputies began calling the Soviet terms 'inconsistent with the re-establishment of a viable Austria' and the British Deputy, James Marjoribanks, thought that 'the only thing to do is for us to keep pretty silent and refuse to discuss details until he [the Soviet Deputy] shows signs of adopting a more reasonable line'. A few days later, commenting on the possibility that the State Department might want to break off negotiations immediately, Marjoribanks said the time was not yet appropriate for such a move. It was bad tactics, he suggested, to break on the German assets question on which the Russians appeared to have shown willingness to compromise. Austria's frontiers provided a much better pretext for ending the talks when the time was right. As to the risks involved...

20 Report of the CFM Deputies for Austria, 2 December 1947, FRUS 1947 II, p.799
21 Reber to Marshall, 20 February 1948, FRUS 1948 II, p.1467
22 Reber to Marshall, 27 February 1948, ibid., p.1468
23 Marjoribanks to Bevin, 5 March 1948, FO 371/70395, C1878
in keeping the talks going a little longer, he confidently predicted that:

there is no danger that the Russians will accept our present proposals and we are indeed such a long way from agreement that there is ample scope to break off negotiations should the European situation worsen and we then feel that it is inadvisable for us to evacuate our troops from Austria.24

Marjoribanks thought that the Czech experience might perhaps make the Austrians less eager to clamour for their freedom:

there was no harm in letting Austrian public opinion develop towards the realisation that the conclusion of a treaty and the evacuation of Austria do not provide the final solution for Austria's problem.25

In this atmosphere it is no wonder, then, that some delegation members satirised the proceedings.26 By 10 March Reber had his government's answer: the Joint Chiefs of Staff and the Department of Defence did not want a treaty if it meant withdrawal of US troops from Austria.27

The JCS attitude placed the US Government in a very awkward position. Although the Austrian Government, according to the US High Commissioner, was suffering a 'first class attack of jitters' over developments in Czechoslovakia, the internal situation still demanded an end to the occupation.28 As early as January Erhardt had been desperately concerned about the proposed assistance to Austria under the European Recovery Programme. There were fears that food supplies would not reach Austria in time to avoid serious problems for the maintenance of political stability. Erhardt thought the population so volatile that Western occupation forces and their dependents would be physically endangered.29 Reporting again in March on recent disturbances in Vienna, Erhardt warned that the working population appeared to be reaching the end of their patience and that the Communists were exploiting the spread of despair in Austria.30

24 Marjoribanks to Bevin, 10 March 1948, FO 371/70409, C1808
25 Ibid.
26 'Record of 300th Meeting', quoted in Gruber, Befreiung, pp.186-188
27 Marshall to Reber, 10 March 1948, FRUS 1948 II, p.1474
28 Keyes to Marshall, 5 March 1948, ibid., p.1384
29 Erhardt to Marshall, 31 January 1948, ibid., p.1379
30 Erhardt to Marshall, 9 March 1948, ibid., pp.1386-87
While Reber, with reference to the JCS decision, prepared to terminate the negotiations, the Russians upset his carefully-laid plans by making major concessions. On 31 March they reduced their ransom demand to $150 million, giving the Austrians six instead of the original two years to pay, and in April they reduced their demands concerning oil and shipping to an extent which made Reber exclaim in astonishment: 'Today we were hit by a flying saucer'. Conceding that the Russian concessions virtually blocked a break over German assets, Reber asked for advice on the best tactics to be employed to break off negotiations. In consternation he added: 'We should have done so before Easter if we could only have persuaded the French and British to come along'.

The British were becoming less unwilling to break off negotiations than the Americans thought. On 22 March Marjoribanks informed Bevin that deadlock had been reached in the treaty talks and that there was no point going on. The only problem was the Austrian Foreign Minister's fear that a breakdown of the talks might cause a breakdown in the four-power machinery and precipitate Austria's partition. To avoid such serious repercussions Marjoribanks suggested that the Deputies adjourn on some pretext for several weeks. Bevin agreed but warned to postpone the adjournment long enough to allow the bill which would give legislative force to the Marshall Plan to pass through Congress. Thus when Bevin assured the Austrian Vice Chancellor two days later that he was 'not playing for a break in the discussions', he seriously misrepresented current Foreign Office thinking. Foreign Office discussion of the conversation between Bevin and Schaerf shows why Bevin could indulge in such bare-faced deception. The Foreign Office had arrived at a possible solution to the dilemma of giving Austria a treaty yet simultaneously protecting her from being 'sucked under the Iron Curtain'. The answer was to dissociate the treaty negotiations from the question of the withdrawal of troops:

There is no reason why we should not proceed to the conclusion of a satisfactory treaty. The question of when and if we withdraw can be faced when the time arrives. It may well be that

31 Reber to Marshall, 5 April 1948, *ibid.*, p.1488
32 Marjoribanks to Bevin and Bevin's comment, 22 March 1948, FO 371/70396, C2426
33 Bevin to Cheetham, 29 March 1948, FO 371/70396, C2405
the Russians, in their apparent willingness to envisage a treaty, have also reached this conclusion! Thus we can assure the Austrian Socialists quite sincerely that now, as ever, we want to get a treaty.  

When Bevin discussed the Austrian question in Cabinet shortly afterwards, his statement reflected the predicament for British policy in Europe. He had no doubt that democracy in Austria could best be preserved by the early conclusion of a treaty and the end of the occupation. Not only were Soviet troops in Austria a constant danger to the Austrian Government, their presence also allowed Soviet troops to continue to be stationed in Rumania and Hungary in order to safeguard their lines of communication into Austria. The end of the occupation would thus be a considerable improvement in the European situation generally by pushing Soviet forces further east. Despite this, Bevin's memorandum - circulated at the same time - ended with the qualification that even after a treaty had been agreed 'we shall have to consider very carefully whether or not the international situation does indeed permit the withdrawal of the troops of the Western Powers from Austria'.

Washington's position crystallised during April. The United States did not want a treaty; yet for political and propaganda reasons it was imperative that they should continue to appear to want one. If, despite US tactics, the Soviets yielded on all points and conclusion of a treaty seemed inevitable, the matter would have to be referred to the National Security Council. American discomfiture increased acutely when reports from Vienna confirmed that the Soviet High Commissioner had informed the Austrian Government that he agreed to the establishment of an Austrian army before withdrawal of occupation forces. Reber pointed out that it was becoming increasingly difficult to find a reason for not concluding the treaty which would not be 'misunderstood' in Austria.

Moscow's willingness to conclude a treaty was becoming an embarrassment to London and Washington alike. Hand-in-hand with astonishing concessions on the German assets question the Russians

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34 Minute by Cullis, 3 April 1948, FO 371/70396, C2405
35 CAB 128/12, CM(48)27, 8 April 1948
36 CAB 129/26, CP(48)102, 8 April 1948
37 Robert Lovett to Marshall, 10 April 1948, FRUS 1948 II, p.1494
38 Reber to Marshall, 14 April 1948, ibid., pp.1495-96
gradually instituted the blockade of Berlin. At the same time, they imposed travel restrictions on the Western occupation forces between their zones and Vienna. Daily despatches from the new British High Commissioner, General Alexander Galloway, reported the increasing difficulties experienced by military personnel travelling from the British zone to Vienna. He felt that there was 'a direct connection between the Soviet action now taking place in Vienna and their recent action in Berlin'. An attempt by Galloway to obtain an interview with the Soviet High Commissioner was unsuccessful and his letters of protest remained unanswered. In the end he decided to test Soviet intentions by moving convoys of lorries as a 'formed body' from the British zone to Vienna.40

There was no indication from the Soviets whether it was this show of force which made them lift the restrictions a day later, but Galloway reported that 'for the moment, at any rate' the Soviets had ceased their interference with British movements. Nevertheless, the Foreign Office felt that the last word on this issue had not been said and that 'it may not be advisable to be too triumphant'. To the Americans Bevin made it clear what he thought of the situation in Austria. Vienna and Berlin were the two places where 'we are face to face with Russian aggression and where we may expect them to be up to every devilment'. As conditions in Berlin worsened, the British Government tried to assess how much damage a blockade of Vienna could inflict on the Western Powers. The answer was a great deal. The most significant difference between Vienna and Berlin was that none of the Western Powers had an airfield in their own sectors of Vienna. Both airfields were situated in the Soviet zone and were only accessible by main roads leading through Soviet-occupied territory. On the other hand, unless the Russians were ready for another war, it did not appear to be in their interest to try Berlin tactics in Vienna. Several factors favoured this opinion. Unlike the situation in Germany, there existed written, formal agreements between the four powers as to the Western Powers' communication rights.

39 Cheetham to FO, 12 April 1948, FO 371/70440, C2845
40 Cheetham to FO, 13 April 1948, FO 371/70440, C2888
41 Cheetham to FO, 20 April 1948, FO 371/70440, C3103
42 Minute by Thompson, 20 April 1948, FO 371/70441, C3234
43 Bevin to Marshall, 30 April 1948, in A.Bullock, Ernest Bevin: Foreign Secretary, 1945-1951 (OUP, 1985) p.557
between their zones and Vienna. Again unlike Berlin, Vienna had an international sector quadripartitely administered. This sector was immensely important to the maintenance of government in Austria and its existence prevented the clear-cut partitioning, at least legally, of the city. As to attempts at a general interference with freedom of movement in Austria, this would not only be an infringement of the 1946 Control Agreement and a blow to the Western Powers, it would also strike at the Austrian Government. Whilst the Foreign Office thought that the Soviets were not prepared to alienate the Austrians even further by such action, the Minister of State took a less sanguine view: 'It would seem to me logical for the Russians to turn the heat on Vienna and thus divide our resources whose adequacy for supplying Berlin has still to be proved'. As it turned out, the Soviets did indeed 'turn on the heat' in Austria, but in a different way than imagined.

The treaty talks had not survived the early attempts at blockading Vienna and on 6 May Marjoribanks—using Soviet support for Yugoslav claims to Austrian territory as a pretext—had managed to have the 110th meeting of the Deputies adjourned. The issue for the pretext was well chosen. For some time the Soviet Government had supported Yugoslav claims for rectification of the Yugoslav-Austrian border. The Austrian Government had made it perfectly clear that it would in no circumstances yield any of its territory to Yugoslavia. The British, who were in occupation of the disputed territory and well aware of the Austrian position, asked the Soviet Deputy whether he still supported Yugoslav claims. Moscow having not yet broken with Tito, and in the absence of new instructions from his government, the Soviet Deputy replied in the affirmative, whereupon Marjoribanks said he had to consult his government as to the advisability of continuing negotiations in the face of Soviet intransigence, and Reber, as next chairman, suspended the meeting. Reber and Marjoribanks then agreed among themselves that they 'should take no initiative in urging the Soviets to submit new proposals'.

44 Marjoribanks to Strang, 17 July 1948, FO 371/70411, C6802
45 Minute by Hector McNeil, 11 August 1948, ibid.
46 Marjoribanks to E.A.Paton Smith, 7 May 1948, FO 371/70397, C3644
47 Reber to Marshall, 6 May 1948, FRUS 1948 II, p.1502
48 Reber to Marshall, 8 May 1948, ibid., p.1503
Interestingly enough, the Austrian Foreign Minister had his first indication of a rift between Yugoslavia and the USSR precisely over this issue. When the Yugoslav Delegate to the Deputies became somewhat heated in his demands of territorial cession, a Russian delegate, conspicuously fixing him with a stare, indicated his disapproval by derisively tapping his forehead.49 Indeed, Yugoslav territorial claims against Austria would find no Soviet support after the Tito-Stalin break, but in May 1948 neither the British nor the Americans were interested in further Soviet concessions. Shocked by the Communist coup in Prague— a city west of Vienna—and faced with overt Soviet encroachment on their position in Germany, they reasoned that this was not the time to surrender Austria. Regardless of London’s initial willingness to underwrite a guarantee of Austria’s integrity, in 1948 no such guarantee could mean anything without American support. Austria, for the time being, would have to be protected by the physical presence of the Western occupation forces.

Austrian attitude to continued occupation

Why did the Austrians not approve of this self-appointed role of their Western occupiers? At the beginning of the year the Austrian Chancellor, Leopold Figl, derided the treaty negotiations as a case of ‘the mighty squabbling over a beggar’s garments’.50 But President Renner warned that the conduct of the talks signified much more than that. A dangerous war-psychosis appeared to be engulfing the world and threatened to make the last war merely one in a chain of wars punctuated by precipitate, untenable peace treaties. He admonished the statesmen on whom the future peace of the world depended to remember that the only so-called advantage for the victors of a devastating war such as the last one was the privilege and duty to raise up the vanquished and enable them to live in dignity, allowing them to contribute their share to the world’s recovery. If

49 Gruber, Befreiung, p.189
50 New Year’s Speech, 1 January 1948, L.Figl, Reden fuer Oesterreich (Vienna, 1965)
this principle were made the basis of treaty negotiations, Austria would soon be ready to play her part in a peaceful Europe.\footnote{Karl Renner, 'Kriegspsychose und Friedensziel', Wiener Zeitung, 14 December 1947}

On a less general level, there was the day-to-day friction between the Austrians and the occupation troops. About to relinquish his post as HM Minister in Vienna, Mack sent home some observations on the political situation in Austria and on the relations between the occupation forces and the people. Perhaps the most noteworthy development concerning Austria's survival as a state was the degree of co-operation between the two main parties, the OVP and SPO. The Austrian President, himself a Socialist, had assured him that cooperation between the Socialists and Conservatives had become 'dogma' in Austrian political life. Both parties had their extremists well under control or, in the case of the SPO, had disowned them. The only Communist member in the Government had recently left, freeing Cabinet of 'Soviet spies' and making its discussions at last useful. Thus, as far as the domestic political scene was concerned, Austria looked healthy indeed. Relations between the occupation forces and Austrians presented a more mixed picture. British prestige, Mack felt, had recovered from the low of the previous year, when it had been eclipsed by American relief measures, and the British troops were causing 'practically no trouble'. Austrian attitudes to the Americans could be gauged from a remark made by the Chancellor: 'If you and I were cut off in the trenches with no supplies, no water and no rations, would you refuse food and water from anyone who brought it up?' American generosity with supplies - they had contributed some $300 million in relief programmes since 1945\footnote{A. Einwitschlaeger, Amerikanische Wirtschaftspolitik in Oesterreich, 1945-1949 (Vienna, 1986) p.99} - could not always compensate for their lack of sensitivity, something which was not surprising in view of the Americans' 'unfortunate habit of doing the right thing in the wrong way'. The French were looked down upon for their collaboration in 1940 and the Vichy Government's attitude during the war. They were also resented for the economic depredations in their zone. The Soviets, according to Mack, were of course the real villains of the piece. Although Soviet soldiers were not doing as much raping and looting as they used
to, the Soviet authorities made up for this by seizing so-called German assets, indiscriminate requisitioning, refusal to open their zone, kidnapping of Austrian officials and refusal to accept Austrian police officers.53

Mack's assessment of relations between the occupation forces and the Austrian people seems strangely sanguine when compared to the daily reports by the Ministry of the Interior. In a typical month, of some thirty incidents, British soldiers by far outdid French and Soviet troops in fighting in public, rampaging through streets and pubs, assaulting Austrian civilians and policemen and commandeering public transport under threat of violence. Most of the incidents were perpetrated by groups of five and more soldiers. Although American soldiers came a close second, their specialty was robbery and poaching. In addition, the reports regularly cite fatal car accidents caused by drunken or careless Allied soldiers, assaults and thefts by unidentified soldiers and, on a less violent level, cases of Austrians being cleared from their cinema and theatre seats because soldiers wanted to occupy the seats.54

Nor were the British authorities nearly as popular as Mack imagined. While they found it convenient to blame the 'sixty thousand savage and ruthless Russian troops' for Austria's disaffection with Allied control, some members of the Foreign Office and the Legation in Vienna adopted a more balanced view. As early as August 1947 the head of the economic division of the British Element in Vienna had written to the Foreign Office complaining of the difficulties caused by the 'military crust'. Two years after the cessation of hostilities the soldiers in the British Element still seemed to be fighting the war. Deputy High Commissioner General Winterton indulged in 'government by insult' whenever his ulcer troubled him and most of the officers were insensitive when it came to anything other than military campaigns.55

London had taken these criticisms seriously and had discussed the possibility of replacing the military administration in Austria with a civilian one. HM Minister was to replace the Commander-in-

53 Mack to Bevin, 14 January 1948, FO 371/70408, C516
54 Tagesberichte des Bundesministerium fuer Inneres, January 1948, AdR, BMAA, K91
55 A.W.Southam to Gilmour Jenkins, 22 August 1947, FO 371/64035, C11598
Chief as High Commissioner and, at the same time, become Commander-in-Chief himself. The British Element would thus be fully under the control of the Foreign Office. Predictably, General Galloway and his Deputy, General Winterton, objected. Their views sharply contrasted with that of the political arm of the British Element. As Marjoribanks pointed out, the Military Government's view was sadly behind the times in its appreciation of the purpose of the British presence in Austria:

The constructive possibilities of quadripartite action have largely been eliminated and the main field of our activity should now lie, not in the parochial duties assigned to us in the Control Agreement, but in the building up of the political and economic independence of Austria as an outpost of the Western system.

It was important to eradicate the old idea of a conquering army and transform the occupation into a 'protection' of Austria.

What stung the British most was being unfavourably compared to the Americans. President Renner was reportedly impressed by the Americans appearing to take 'a much more intelligent interest' in Austria's political problems and seeming to understand the psychological state of Austrians better than the British, and the Socialist Party's foreign affairs spokesman found that:

The difference between the British and the Americans at the top level is rather striking and at the same time paradoxical. They both seem to be exiles from their own countries, but whereas the American officials are progressive exiles from a reactionary country, the British colony seem largely to consist of reactionary exiles from a progressive country.

Given the existence of these sentiments, it is understandable that the Austrian Minister in London, when told by Cullis of the Foreign Office idea that henceforth the role of British occupation be one of 'protection' of Austria, promptly retorted that this 'sounded like a new set of excuses for British officials to remain in the country!' Accordingly, when Gruber in a speech to the Austrian Parliament on 5 March examined the implications of the Communist coup in Prague for Austria's policy concerning the treaty, he was adamant.

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56 Minute by Marjoribanks, 3 February 1948, FO 371/70389, C1163
57 Ibid.
58 Ernest Davies to McNeil, 13 February 1948, FO 371/70447, C1770
59 Minute by Cullis, 19 January 1948, FO 371/70411, C242
that nothing but complete political freedom in foreign affairs and the withdrawal of occupation troops would do. So far, he said, after nearly three weeks of negotiations the discussions were merely reminiscent of the humbug of the now defunct Treaty Commission. It was time to remind the Big Powers of their responsibility to come to an agreement over Austria.60

Increasingly, though, it became clear that there existed little willingness among the Western Powers to evacuate Austria. This brought - for the occupation powers - disturbing reactions from the Austrian leaders. Gruber claimed that, strictly speaking, Austria needed no treaty at all. The occupation was not based on international law and it was therefore only necessary for the Powers to agree to leave Austria. The German assets question had no place in Austrian affairs, it should be dealt with in the German peace treaty which, in turn, should declare Germany's acts of economic penetration in Austria as null and void.61 Schaerf, on the other hand, seemed to be 'rather badly bitten' by the idea of Austria as a neutral country, a conception which made the Foreign Office bristle: 'Any Austrian who thinks his country can ever become a Switzerland is crazy'. Although Austria could obviously not yet apply for membership in the Western Union, this was 'not the time to talk of neutrality'. If Austrians seriously played with that idea they would find themselves 'ending up in the wrong camp'.62

In mid-year, then, Austria found herself not only without hope of an early liberation, but with the prospect of having to raise a special tax to finance the occupation.63 At the same time, as Oskar Helmer, the Minister of the Interior, recalls, a ruthless propaganda war was being fought between the occupation powers. Austrian radio became an 'embittered battlefield of the Cold War'. Austrians were constantly bombarded with placards, literature, films and newspapers whose sole purpose was the vilification of the 'other' occupation power. The Communists demonstrated 'for peace', the Westerners sent thousands of balloons loaded with political pamphlets towards the

60 AdR, BMAA, K73, 111.581-111.743
Karl Gruber, 'Austria Holds On', Foreign Affairs, Vol.26, April 1948
61 Minutes by Cullis and Marjoribanks, 25 May 1948, FO 371/70460A, C4159
62 Arbeiter-Zeitung, 30 June 1948
East. When, as happened often enough, the wind shifted and they unloaded over Austrian soil, the Russians used the Austrian police to pick them up — one by one — and surrender them to the Soviet authorities. And behind the scenes both East and West established tight espionage networks. 64

The propaganda activities had more nuisance value than anything else as far as the Austrians were concerned; the espionage industry was a different matter entirely. The appalling consequences of this activity were demonstrated by the arrest of Dr Marek, the senior investigator of the security section of the Ministry of the Interior. When it became obvious that for the time being there would be no negotiations for an Austrian treaty and thus no end in sight to the occupation, the Austrian Government instituted a campaign of public condemnation of the occupation powers. While the British preferred to see criticism directed against them as merely a clever device by the Austrians for avoiding charges of singling out the Soviets for attack, the Soviets took the view that the attacks against them were inspired by the Western secret services and decided to 'excavate' the Ministry of the Interior. 65 Marek's disappearance on 17 June was not the first case of an Austrian official being kidnapped by the Russians. But the subsequent admission by the Soviets that they were holding him on charges of organising espionage against them was seen by London as an action of great significance. It appeared that the Soviets had launched a major effort to regain the initiative in Austria. By menacing the Austrian Government and its public servants they might achieve by intimidation what they could not achieve politically, that is, Austria's submission to the USSR. 66

The Austrians were outraged. In a long, elaborately argued letter to the Allied Council the Chancellor railed against the absurd notion that an Austrian civil servant acting on behalf of the Austrian Government on Austrian territory could be accused of espionage against an occupying power. Unless the Soviets were actively engaged in undermining the political system of the Austrian state,

65 B. Jerram to FO, 22 June 1948, FO 371/70457, C4887
66 Jerram to FO; Minute by Thompson, 21 June 1948, FO 371/70460A, C4842
they could not possibly be affected by investigations conducted by
the Austrian Government into subversive activities.67 There was no
reprieve for the Austrians, though. Whilst Helmer angrily warned the
occupation powers off, asserting that Austria was not colonial ter-
ritory and that the arrest of Austrians by an occupation power was a
violation of Austrian sovereignty, London gloomily remarked that
there was no way around the provision of Article 5 of the 1946 Con-
trol Agreement which entitled a High Commissioner to take such ac-
tion as he deemed fit for the protection and security of his
troops.68 To a lengthy document analysing Soviet kidnappings ofAus-
trian officials and the meagre success of the campaign conducted by
the Austrian press against the 'Wild East', the Foreign Office could
only remark that: 'There is little that can be done to prevent these
kidnappings - by now Austrians should know better than to respond to
Soviet invitations to interviews'.69 The Austrians responded by
pressing for the resumption of treaty negotiations.

The question of resuming treaty negotiations

In June the Austrian Government was alerted to the fact that
London had intercepted instructions from Moscow to the Soviet
Deputy, Nikolai Koktomov, to the effect that he was to modify sub-
stantially his support for Yugoslav claims.70 The Foreign Office was
also considering whether resumption of the talks would not be more
useful to British policy than keeping them in abeyance. One major
consideration was the thought that the talks would lessen the possi-
bility of a Soviet blockade of Vienna. As against that advantage
there was the problem of whether, once a treaty had been concluded,
HMG could delay ratification for more than a few months. With the
general tension between the Western Powers and the Soviet Union
steadily increasing and the treaty calling for the evacuation of oc-
cupation forces within ninety days of ratification, this was a seri-
ous problem in London's view.71 Bevin could not easily decide and

67 Jerram to FO, 23 June 1948, FO 371/70457, C4925
68 Jerram to FO, 24 June 1948, FO 371/70457, C4994; Minute by
Thompson, 25 June 1948, FO 371/70457, C4925
69 Minute by Thompson, 25 August 1948, FO 371/70402, C6913
70 Walter Wodak to Gruber, 15 June 1948, AdR, BMAA, K2, OeB London
71 Marjoribanks to Bevin, 6 July 1948, FO 371/70398, C5834
wanted to think about it for a week. But when he looked at it again he could still only postpone action.\textsuperscript{72}

In late August London at last approached the State Department to obtain their view on the situation. The US authorities in Austria had already recommended that, to pacify the Austrians and to avoid a Soviet 'squeeze' in Vienna, the negotiations be resumed. The row between Tito and the Cominform, too, might be used to advantage. The State Department felt, however, that it would be best to wait until after the Berlin blockade had been lifted. Illogically, the British Government found itself 'in complete agreement' with this view.\textsuperscript{73}

The benefits of lessening the tension in Austria were ignored and a policy of 'wait-and-see' preferred. To the Austrian Government's request to resume negotiations before the Berlin situation worsened and relations between the Western Powers and Russia deteriorated further, London cautiously replied:

\begin{quote}
The Secretary of State took the view that our policy should be in principle to conclude an Austrian treaty at the earliest possible moment. Whether this was the best time at which to try and resume negotiations and on what basis ... required some thought.\textsuperscript{74}
\end{quote}

The Austrian Government's resolve to have the talks resumed was further strengthened when the Soviet Political Representative in Vienna informed Gruber that the Soviet Government was willing to continue negotiations and that an alteration of Austria's frontiers in favour of Yugoslavia was not an indispensable condition.\textsuperscript{75} Attending a United Nations General Assembly session at Paris, Bevin used the opportunity to call a tripartite meeting to ascertain American and French attitudes to reopening the treaty talks. The French Foreign Minister, Robert Schuman, did not know what to think, even though the French Government 'did not want to go on occupying Austria indefinitely', Marshall thought it all depended on 'whether a treaty must mean withdrawing our troops', and Bevin concluded lamely that 'matters should be left as they were'.\textsuperscript{76} Ten days later

\textsuperscript{72} Ibid.
\textsuperscript{73} Marjoribanks to Bevin and Bevin's comment, 7 September 1948, FO 371/70398, C7478
\textsuperscript{74} Minute by Kirkpatrick, 24 September 1948, FO 371/70398, C7959
\textsuperscript{75} Minute by Marjoribanks, 29 September 1948, FO 371/70398, C7953
\textsuperscript{76} Record of Tripartite Meeting, 4 October 1948, FO 371/70398, C8291
Washington let it be known that they did not believe at all in Russian willingness to negotiate. The testimony of the Austrian Minister in Moscow, who repeatedly informed his government that the Soviets were indeed willing to deal, was discounted. According to Francis Williamson of the State Department, he was merely 'an old ass' who believed that the only barrier to agreement between East and West was a linguistic one. To alleviate the anxieties of the US authorities in Vienna, who were first in line if trouble should erupt, Washington sent a 'deliberately cryptic and non-committal' statement, namely, that the US Government would 'not wish to oppose the renewal of treaty negotiations once the Berlin situation has been clarified'.

Austrian demands could not indefinitely be ignored if the Western Powers wished the Austrians to remain friendly to their aim in Europe, and Mack's successor in Vienna, Bertrand Jerram, advised that the sooner the talks were resumed the better. From his vantage point in Vienna he thought that developments in Germany could make things only more difficult and that the German question should remain separate from the Austrian. In the end, both the American and British Governments reluctantly agreed that they would sympathetically consider a formal request by the Austrian Government to reopen treaty negotiations. On receipt of the Austrian request the US Deputy, as next chairman, would propose a meeting early in the new year 'with the view to discovering whether there was any basis on which talks could be resumed'.

That this basis would be exceedingly difficult to find was made clear by the Joint Chiefs of Staff in November. Referring to US military occupation commitments in Austria, the JCS stated that there were no early prospects of any reduction in US troops because 'current cold warfare with the USSR can extend at any time to global warfare'. The National Security Council, reporting on Soviet threats to US security, warned of allowing a 'false sense of security' to develop just because the Soviet Union seemed prepared to

77 British Embassy/Washington to FO, 14 October 1948, FO 371/70399, C8577
78 Jerram to Kirkpatrick, 22 October 1948, FO 371/70399, C8892
79 Minute by Cullis, 11 November 1948, FO 371/70399, C9188
make concessions. The chief goal of the USSR was still the political conquest of western Europe and changed Soviet tactics were merely a ruse designed to further that goal.\textsuperscript{81} Not only must Austria be protected from Soviet influence at all cost, US security requirements demanded that the Austrian Government also remain friendly to the US, something which was becoming increasingly uncertain. Thus, when the Socialists in the Austrian Government, following the breakdown of negotiations in May, had openly flirted with the notion of Austrian neutrality, the members of the American Legation had wasted no time impressing upon them the 'obvious hazards' of such a policy.\textsuperscript{82}

Considering that in 1948 most members of the OVP were strongly in favour of political association with the West, and that in 1955 the price of Soviet withdrawal from Austria would be Austrian neutrality, the Western Powers might have fared better by making the most of Russian willingness to compromise.

\textsuperscript{81} NSC 20/4, 23 November 1948, \textit{ibid.}, pp.662-669
\textsuperscript{82} Erhardt to Marshall, 3 June 1948, \textit{FRUS 1948 II}, p.1403