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

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'Keeping Austria on Ice': Anglo-American efforts to prevent treaty negotiations

Berlin aftermath

Two days after the unsuccessful Berlin Conference, London received a report from its Embassy in Belgrade of a statement Molotov had apparently made to a correspondent of the Belgrade newspaper Jez. Asked what he thought of the Western Powers' agreement to accept the Soviet text of the remaining unagreed articles, Molotov had replied: 'It is an imperialist act by which the Western Powers want to get us into a tight corner'. The interview continued:

J: How did you get out of this spot?
M: I proposed that after granting independence to Austria, our troops should remain; that free Austria should not be allowed to conclude alliances with anyone; that the Trieste question be coupled with the Austrian problem, etc.
J: And if they agreed to all these demands?
M: Then we would draw up a 25-year plan for the withdrawal of our troops.
J: And how would things stand with the Austrians after twenty-five years?
M: What Austrians?

While London found this 'imaginative piece of reporting' suitable for a joke column, pessimists could have been forgiven for despairing of Austria's chances of freedom from the occupation. Even among the highest ranks of the Austrian Government opinions differed over future Soviet policy. Raab believed that the Soviets would adopt a 'softer' line in Austria to make the continued occupation more acceptable to the Austrians, and he intended to press for further alleviations. Schaerf, on the other hand, quoting a recent remark by a Soviet official, 'You sided with the Western imperialists at Berlin, so how can you expect favours from us', was less hopeful. Nevertheless, public opinion in Austria demanded that efforts to end the occupation be continued, and the Acting US High Commissioner, Charles Yost, reported a disturbing trend among Austrian

1 British Embassy/Belgrade to FO, 20 February 1954, FO 371/109361, CA1071/194
2 Minute by G.M.Stow, 3 March 1954, ibid.
leaders to talk about bilateral negotiations with the Russians. An aggressive anti-Soviet policy was no longer deemed useful by the Austrians, especially as it might precipitate Austria's partition. Instead, the Austrians intended to negotiate with the Russians on such matters as the restoration to Austrian control of USIA factories, Austrian control of the country's frontiers, abolition of Allied review of Austrian legislation, and troop reductions. Figl and Kreisky also urged the resumption of four-power treaty negotiations, even though they appeared to regard bilateral negotiations as more promising in the existing climate. Yost warned of the dilemma confronting the Western Powers:

Since [the Western Powers] have little more to concede and the Soviets have much, the Austrians are inevitably led to bargain with the Soviets for liberation or alleviation. This bargaining will be bilateral unless the West promptly re-opens five-power treaty negotiations. Such negotiations, if reopened, seem condemned to sterility until the Soviets are ready to withdraw their troops. Bilateral Austro-Soviet negotiations might achieve more immediate partial results but could lead the Austrians to make excessive and dangerous concessions which the West could not wholly prevent.4

As the Austrian Government claimed not to have fully formulated its post-Berlin policy, Yost wanted to wait before making definitive recommendations. One thing was certain, though. The only useful alleviations - troop reductions and a revision of the control agreement - could not be safely accorded by the Western Powers. A reduction of Western troops would compromise the defence of Austria, and tampering with the control agreement might remove the only safeguard Vienna had from disappearing behind the Iron Curtain. Thus, while it seemed prudent for the moment to remain aloof and let the Austrians explore Soviet intentions, this posed the risk that satisfactory progress in Austro-Soviet talks might make both parties unwilling to shift their negotiations to a five-power forum later.5

By the beginning of March Raab made it clear that the Austrian Government wanted five-power negotiations to commence. The Soviet High Commissioner, Ivan Ilyichiev, had assured him that he was ready to resume negotiations by the four Ambassadors in Vienna, as proposed by Molotov on the last day of the Berlin Conference. Raab

4 Yost to State Dept, 27 February 1954, ibid., pp.1950-52
5 Ibid.
simply swept away Yost's reluctance, saying that even informal exploratory talks would be useful to appease Austrian public opinion and to gauge the Soviet attitude. The British were even less enthusiastic than the Americans. Soviet willingness to talk was no doubt another Soviet stratagem to 'entangle us in five-power talks on the future of Austria'. Although the Austrians talked of discussing alleviations, this would inevitably lead on to the substance of the treaty and another attempt to trap the Austrians into committing themselves to enforced neutralisation and indefinite occupation. Having only just escaped these two pitfalls in Berlin, the Western Powers stood 'nothing to gain and everything to lose' by agreeing to renewed negotiations.

The Austrians remained firm. On 24 March the Government informed the Western Powers of its intention to call for a resumption of the treaty talks. The Government did not discount the dangers entailed in bilateral Austro-Soviet negotiations, but insisted that this expedient could not be rejected if the Western Powers refused to co-operate. Kreisky reminded Yost that the Western Foreign Ministers had given an assurance at Berlin that negotiations would continue if the conference failed to result in a treaty. When questioned by Yost, Figl indicated that the Austrian Government did not care whether the West called it 'negotiating for alleviations' or for a treaty. It would in the end amount to much the same: progress towards ending the occupation. Thus Yost suggested to the State Department that 'negotiating for alleviations' might be the only way to indulge 'our earnest desire to forestall bilateral Austrian-Soviet negotiations' without appearing obstructive or mistrustful of Austrian good faith. The State Department was not interested. When Gruber - now Austria's Ambassador in Washington - paid his first official call on the Secretary of State, Dulles told him that the treaty discussions would be resumed 'whenever the Soviets fixed a date for the withdrawal of their troops'.

Perhaps the Americans thought they had reason to be sanguine about Austrian opposition to the occupation. British Embassy staff

6 Yost to State Dept, 4 March 1954, ibid., pp.1953-54
7 Minute by F.A.Warner, 5 March 1954, FO 371/109361, CA1071/196
8 Yost to State Dept, 24 March 1954, FRUS 1952-54 VII, pp.1956-58
9 Memorandum of Conversation between Gruber and Dulles, 25 March 1954, ibid., pp.1958-59
had recently visited the American zone of Austria and had been impressed with the improvement in Austrian-American relations there. Whereas only a year earlier Salzburg, the seat of the US zone command, had teemed with anti-American feeling, the situation had now calmed down owing to a vigorous building programme financed by the Americans and a complete change of personnel from the commander-in-chief down to the public relations officers. Even the problem of illegitimate children fathered by American soldiers was thought to be 'only a drop in the bucket' in a country where the illegitimacy rate had 'always been one of the highest in Europe'. At any rate, the Foreign Office was pleased that, although the Austrians liked to grumble, 'they had the sense to know on which side their bread is buttered'.

If all was quiet on the Western front, the calm was shattered in May by a sharp clash between the Austrian Government and the Soviet authorities. The Austrians were accused of 'hostile and subversive activities' against the Soviet troops and authorities. The Minister of the Interior, Oskar Helmer, who had personally engaged in an 'education campaign' regarding Soviet practices, was especially indicted for tolerating the alleged attacks. The Soviet High Commissioner threatened Raab and Schaerf with 'taking action' if nothing was done to stop these activities. While the Government resolutely refuted the Soviet charge, the US Embassy saw the Soviet action as another step in a 'calculated plan of attack' on the Austrian Government. The Soviets were using the charges of Anschluss activities and remilitarisation as pretexts to weaken the Government's authority and reverse Helmer's process of eliminating Communist influence in the police force. When Yost rushed to offer Helmer 'any support he may need to withstand Soviet pressure', he was surprised to find the Austrian 'not unduly concerned'. Helmer assured him that his government could handle the Soviet attack. It was seen as an essentially local matter caused by a combination of unrest among Soviet troops, the usual pique at Austrian defiance and local Communist stirring. Yost was not completely calmed by Helmer's

10 A.C.E. Malcolm to Eden, 2 April 1954, FO 371/109352, CA10345/1
11 Ilyichev to Raab & Schaerf, 17 May 1955, in Csaky, op.cit., Doc.No.146; Keesing's, 14–21 August 1954, p.13731
confidence, but he conceded that the Austrian Government's show of
independence and 'tendency to ignore the occupying powers', exhib­
ted since the failed Berlin Conference, might well be the main
reason for the Soviet behaviour. However, he still thought that the
Soviets might hope to frighten the French with a vision of 'Austro-
Germany' and so create obstacles to the conclusion of the proposed
European Defence Community.13

Characteristically, the Americans tended to associate all So­
viet action with the Soviet Union's supposed aim of expansion into
the rest of Europe. No one thought to suggest that genuine fear of a
Western military threat could be motivating the Kremlin. Since the
Berlin Conference the Soviet Government had made various approaches
to the Western Powers concerning European security. The latest, pro­
posing that the USSR join NATO and that the US, in turn, participate
in the Soviet Union's projected European security treaty, was pub­
licly and formally rejected on 7 May, only ten days before the So­
viet charge against the Austrian Government. Nor were Moscow's
charges entirely without foundation. While agitation for another
Anschluss was mainly the work of a crackpot fringe element and did
not warrant serious consideration either by the Austrian Government
or the Western Powers, the remilitarisation issue was a different
matter, as Eden explained to Cabinet in July. Although Austria would
not be allowed to form an army until after the conclusion of the
 treaty, the four powers had during the early part of the occupation
authorised an ordinary gendarmerie. In the Western-occupied zones
the gendarmerie had been expanded since 1950 and special detachments
equipped with light infantry weapons had been trained secretly to
deal with anticipated Communist insurrection and to provide the
nucleus of the future Austrian army.14

Part of the reasoning behind this early, strictly illegal,
training was the Western conviction that the Soviets would try to
take over Austria during the period between the occupation troops'
withdrawal and before an adequate Austrian army had been created.
The Western Powers had originally insisted on a 90-day period for
withdrawal after ratification of the treaty. They had subsequently
begun to doubt that this would give the Austrians enough time to

13 Yost to State Dept, 18 May 1954, *ibid.*, pp.1962-64
14 Memorandum by Eden, 10 July 1954, CAB 129/69, C(54)229
build an effective army. Hence the early training. With the liber-
avation of Austria receding further since Berlin and the security of
Europe an ever-pressing issue, the US military authorities in Aus-
tria had decided that the secretly-trained special gendarmerie could
be of material assistance to the West in the event of war. This re-
quired the stockpiling of heavier weapons in the Western zones and
the training of the Austrians in the use of these weapons. Eden now
informed the Cabinet that he agreed with these proposals and that he
had authorised the British High Commissioner in Austria to go ahead
with the American scheme. To avoid Soviet allegations, he had stipu-
lated that the training be carried out in secret in the American
zone and that the heavy weapons be kept under Allied guard 'until an
emergency arose'. At the same time, the State Department finally
agreed to the transfer of the US Trieste forces to Austria, asking
the Defence Department to phase them into Austria gradually and
'ostensibly as replacements'.

To what extent the Soviets knew about these activities it is
difficult to say; in the prevailing political climate it seems
reasonable, however, to allow the Soviets the same pre-occupation
with their own security as the West showed with that of Europe. The
US Ambassador in Moscow, Charles Bohlen, saw the Soviet action as
driven by the Kremlin's need to justify its unwillingness to with-
draw troops from Austria, but also as 'typical big power arrogance
in the face of Austrian spirit'. He advised, though, that Western
publicity should be handled very carefully lest it raise prestige
issues which would compel the Soviet Government to intensify its
attacks on the Austrian Government. The real work, Bohlen urged,
should be done in the Allied Council by a firm and united show of
Western support of the Austrians. Accordingly, at the Allied
Council meeting on 28 May Yost, on direct public instructions from
Dulles, denounced Soviet harassment of the Austrian Government in
the strongest terms as 'intimidation of the Government of a free
people' and charged the Soviet Element with usurping the functions
of the Allied Council. The British Government, as a show of

15 Ibid.
16 Dulles to Wilson, 1 July 1954, FRUS 1952-54 VII, p.1969
17 Charles Bohlen to State Dept, 21 May 1954, ibid., p.1967
18 Keesing's, 14-21 August 1954, p.13731
support, invited Chancellor Raab to London in June, where during his 4-day visit he saw the Prime Minister, was received by the Queen and addressed the House of Commons.

On 24 July the Soviet Government approached the Western Powers with a call for a meeting to discuss collective security. When this call was ignored, a second approach was made on 4 August. In their reply on 10 September the Western Governments agreed to a four-power meeting on condition that the Soviet Union first sign the Austrian treaty and agree to free elections throughout Germany. The Austrian Government, in the meantime, undaunted by the State Department's cool response to its pleas, had addressed a formal request to the occupation powers to establish a five-power committee in Vienna to discuss possible alleviations. Moscow embarrassed Washington by countering this request with a proposal to resume treaty talks. The British were doubtful about Soviet intentions. They told the Soviet Ambassador, Yakov Malik, that further meetings seemed pointless since the Soviet attitude on Austria 'had not changed one scrap'. Malik disagreed. He asserted that the Austrian treaty could be signed 'straight away' if the Western Powers agreed not to establish military bases in Austria.

For years the United States Government, notwithstanding their unwillingness to end the occupation, had used treaty negotiations as a convenient platform from which to persuade the Austrians and the world at large that Washington was extending itself on behalf of all nations striving to escape Communist domination. One would think that after the startling Soviet demands at the Berlin Conference the Western Powers would have relished the propaganda advantages of another round of treaty talks. Why, then, were they so reluctant to take up the matter anew?

A progress report on US objectives in Austria affords some insight into why Washington was not yet prepared to engage in treaty discussions. Although it was conceded that the US Government's attitude might soon have to be modified in the face of growing Austrian resentment and possible British and French support for the Austrian position, Washington was determined to maintain the status quo for as long as possible. With an almost grotesque disregard for the

19 Ibid., 11-18 September 1954, p.13784
20 Minute by Selwyn Lloyd, 11 August 1954, FO 371/112998, WR1071/8
manifest Austrian desire to be rid of the occupation, stalling techniques such as placing the Austrian question on the UNGA agenda were justified with the contention that:

aside from its propaganda value ... this action would serve to strengthen Austrian willingness to resist possible Soviet overtures to renew treaty negotiations or to engage in bilateral negotiations.21

At the bottom of the grim determination with which the US Government evaded Soviet attempts to discuss the Austrian treaty and, by implication, European security lay the question of German rearmament. The creation of a European Defence Community was defeated in August by France's failure to ratify the Pleven Plan. Negotiations for an alternative, the Western European Union, were scheduled in London for 28 September. The key provision of the WEU was the integration and rearmament of a fully sovereign West Germany to play its part not only in the defence of Europe but in NATO.22 In the first week of October the success of the London negotiations was announced. Not only did future German rearmament seem an assured fact, but the other frequently cited obstacle to an Austrian treaty - the Trieste issue - was resolved as well. The governments of Italy, Yugoslavia, Britain and the United States had reached an understanding to the effect that Trieste was to be divided between Italy and Yugoslavia, thus removing a contentious issue from East-West relations.

The Austrian Government, congratulating London on its assumption of leadership in the European question, reflected on the irony of the erstwhile enemy of humanity achieving independence while Austria, Hitler's first victim, remained victimised despite the virtuous protestations of the 1943 Moscow Declaration. Understandably, as the new British High Commissioner, Geoffrey Wallinger, reported, the Austrians were engaging in considerable 'crystal gazing' to fathom Soviet reaction to these developments. Two lines of thought seemed to emerge. One was that the Soviets would react by consolidating their own position and that Austria was therefore in for 'a rough time'. An alternative possibility, one that both Figl and Kreisky thought more likely, was that Soviet endeavours would in the first

21 Memorandum by the Operations Coordinating Board, 15 September 1954, FRUS 1952-54 VII, pp.1974-76
instance be directed towards preventing the ratification of the Lon­
don agreements, but that failure to succeed in this aim would change
the nature of Austro-Soviet relations for the better. Wallinger ad­
mitted to being 'stung by the Austrian bug of optimism' and felt the
latter to be the more likely outcome. As justification for his be­
lief he cited his own experience with the Soviet Element since his
arrival in Vienna eight months earlier:

I have been increasingly conscious that our Soviet col­
leagues at this post have been trying to edge their
cautious and somewhat uncouth way toward closer personal
contacts. I do not mean to suggest that the members of
Mr Ilyichev’s staff have ceased in any sense to be the
agents of Communist imperialism, but rather perhaps that
the imperialism of which they are the agents has shown
signs of preferring the path of political rather than
military persuasion.23

Wallinger reported a little later that conversations between his
staff and the Soviet Counsellor suggested that Moscow might be
adjusting its European policy toward greater conciliation.24 The
Foreign Office were dismissive of Wallinger’s optimism. That deal­
ings with the Russians would be easier from the new position of
strength had never been in doubt in London, but that did not amount
to a change in Soviet policy. That policy was seen as being 'roughly
similar' to the British one, namely:

to keep Austria on ice while greater issues are being decided in Germany. But the Soviet position in Austria
is not as comfortable as ours, and they would like to
improve it by reaching agreement to keep their troops
in Austria whilst at the same time ridding themselves
of the odium of obstructing the state treaty. What [the
Soviets] advocate is simply a more seemly way of keeping
Austria on ice, presumably for the duration of the
struggle for Germany.25

These Foreign Office ruminations do not imply that the British Gov­
ernment had changed its policy of wanting to conclude an Austrian
treaty. But they were still under the influence of the permanent-
occupation demand made by the Soviets in February 1954 and they were

23 Geoffrey Wallinger to Eden, 9 October 1954, FO 371/112998,
WR1071/22
24 Wallinger to FO, 19 October 1954, FO 371/112998, WR1071/25
25 Minutes by Stow, R.A.Hibbert and Lord Jellicoe, 28 October 1954,
ibid.
terrified of the possible consequences of bilateral talks between Moscow and Vienna, fearing that any agreement thus reached would entail a continued Soviet presence in Austria.

With London and Washington equally determined to prevent the resumption of treaty talks, Dulles tried to persuade Eden to agree to the redeployment of the British Trieste troops. British and French reductions of their forces in Austria in 1953 had not been fully compensated by the build-up of the special gendarmerie, and the Americans were concerned about their ability to maintain the US position in Austria if the Soviets attacked. The obvious short-term solution, it seemed, was the transfer of British and American troops from Trieste to Austria. During a North Atlantic Council meeting at Paris Dulles and General Gruenther, the Supreme Allied Commander in Europe, repeatedly put this proposition to Eden and his Minister of Defence, Harold Macmillan. After three days Dulles had to inform the State Department that the British were stubbornly refusing to commit themselves. The Defence Department remained persistent about increasing Western troops in Austria and urged the State Department to make a 'final effort' to persuade the British to play their part. But the Cabinet endorsed Eden's and Macmillan's contention that the American proposal should be rejected. Not only would it be an unwise move politically - the Austrian Government would certainly not welcome an increase in occupation troops - but it was also unsound from a military point of view.

In their continuing efforts to keep the Austrians on ice, the State Department decided that an official visit by the Austrian Chancellor was the panacea for Austrian ills. Trying to assess the US Government's motives, the British High Commissioner found proof that the visit was merely a means of assuaging the Austrians in the fact that no Socialist was to accompany Raab. Thus when Raab arrived in Washington he was handed from Eisenhower to Dulles to various Government officials, all assuring him of their continued

26 Memorandum by the Operations Coordinating Board, 15 September 1954, FRUS 1952-54 VII, pp.1974-76
27 Dulles to State Dept, 21 & 23 October 1954, ibid., pp.1976-78
29 Wallinger to W.H.Young, 11 November 1954, FO 371/112996, WR10345/1
interest in Austria's welfare. Dulles hoped that Raab understood how 'extremely eager' the US Government was to obtain an Austrian treaty:

If from our actions it appears that we are stubborn and unyielding, it is a matter of tactics - one of the nations on the Western side needs to be that way to offset Soviet stubbornness.

The Western Powers could not afford to enter into discussions of any sort with the Soviets until the London and Paris accords on Germany had been ratified. Once ratification was assured, a 'useful' conference on Austria 'would be possible'. Raab was noticeably unimpressed with American professions of goodwill. He drily remarked that there was considerable inclination among Austrians henceforth to declare the anniversary of Austria's liberation a national day of mourning.30

Austro-Soviet bilateral negotiations

On 8 February 1955 Molotov, in an extensive review of Soviet foreign policy, ignited what the British High Commissioner called a 'big bang'.31 Regarding Austria, Molotov repeated that well-worn phrase of the occupation powers about attaching great importance to the restoration of the independence of Austria and to the rapid conclusion of the Austrian treaty. Referring to the 'serious danger' of another Anschluss if Germany rearmed, he demanded that Austria undertake not to join 'coalitions or military alliances' against any of her liberators, and that Austria not allow the establishment of foreign military bases on her territory.32 There was nothing exceptional in these demands. What made the reference to Austria so important was Molotov's abandonment of his position at the Berlin Conference of the previous year, that Austria had to remain occupied until a German peace treaty was signed. He was now saying that, provided a solution precluding an Anschluss were found, the occupation of Austria could end before resolution of the German question.

30 Memorandum of Conversation between Dulles and Raab, 22 November 1954, FRUS 1952-54 VII, pp.1981-84
31 Wallinger to Harrison, 11 February 1955, FO 371/117785, RR1071/8
32 Keesing's, 19-26 February 1955, p.14060
There was manifestly a new element present in Molotov’s pronouncements, yet reactions were universally sceptical. Wallinger reported the Austrian Foreign Minister’s belief that the speech was mere propaganda and that the neutralisation of Germany continued to be the pre-condition for an Austrian treaty. London saw the Soviet attitude on Austria as ‘more intransigent than ever’. Washington considered Molotov’s offer unacceptable, interpreting it as a demand for German neutrality, and advocated discouraging any ‘wishful thinking’ on the part of the Austrians. Despite these initial reactions, the Austrian Government was not prepared to sit back and do nothing. Public opinion was not as convinced as the Western Powers that Molotov’s speech did not mean a change in policy, and the Austrian Communist press charged the Government with subservience to Washington for making no effort to grasp at the proffered straw. This charge was repeated by the Soviet High Commissioner who countered Austrian requests for elucidation with expressions of surprise at the Austrians’ lack of initiative.

The apparent slowness with which the Austrian Government responded was partly an effect of the American attitude. Figl informed the Western Embassies that some gesture on the part of their governments was needed. He suggested a public statement to the effect that the West was willing to sign the treaty regardless of what was happening in Germany. Wallinger offered to recommend the planting of a parliamentary question, but Dulles was not happy with this suggestion. He feared that any allusion to Germany at this sensitive stage in the ratification debate might yet see the agreements on Germany suffer the same fate as the European Defence Community. Molotov was more forthcoming. He summoned the Austrian Ambassador in Moscow, Norbert Bischoff, and told him that agreement over Germany was definitely not a pre-condition for the conclusion of the treaty. What was essential to the termination of the occupation was an effective means of preventing an Anschluss ‘now or in the future’. The US High

33 Wallinger to FO, 10 February 1955, FO 371/117785, RR1071/5
34 Minute by Harrison, 10 February 1955, FO 371/117785, RR1071/7
36 Wallinger to FO, 23 February 1955, FO 371/117785, RR1071/15
37 James Penfield to State Dept, 23 February 1955; State Dept to Vienna, 25 February 1955, FRUS 1955-57 V, pp.2-3
Commissioner interpreted Molotov's overture as a way of 'softening up' the Austrians, so that they would support a Soviet initiative for four-power discussions.38

Another round of talks between Bischoff and Molotov on 2 March was beginning to make Washington nervous. Molotov was proposing preliminary negotiations and 'private talks' between the Soviet and Austrian leaders. Bischoff, on his government's instructions, was telling Molotov that any guarantee against Anschluss could not be solely a matter for Austro-Soviet considerations but had to be put on a four-power basis.39 The Austrians were thus easing Anglo-American fears of being excluded from treaty negotiations. Yet Molotov's emphatic agreement with Bischoff's reference to four-power discussions once again threatened to initiate a propaganda battle over German rearmament. Thompson warned the State Department that the situation was sliding uncomfortably fast towards some Austrian action. Figl had told him of the Government's concern that the Soviets might publicise the recent talks and thereby show the Government up for dragging its feet.40 Thompson suggested that the only way to avoid precipitate action by the Austrians might be to stall proceedings by directing an enquiry to Moscow asking for yet another clarification.41

Thompson's suggestion tied the State Department even more in knots. Sending notes to the Soviets would surely be seen as a Western approach to bring about a conference. The best thing was to keep the Austrians quiet. Even if the Soviets pretended to limit a conference to the Austrian issue, they would no doubt sneak in the 'entire German question' via the Anschluss guarantee.42 The Western Department of the Foreign Office concurred with that view. The Soviet initiative was 'nothing more than a facet of the campaign to prevent the entry into force of the Paris Agreements'.43 Bischoff did not

38 Thompson to State Dept, 26 February 1955, ibid., p.4; Wallinger to FO, 26 February 1955, FO 371/117785, RR1071/18
39 Keesing's, 16-23 April 1955, p.14154; Herbert Hoover to Thompson, 3 March 1955, FRUS 1955-57 V, pp.4-5
41 Thompson to State Dept, 5 March 1955, FRUS 1955-57 V, pp.5-7
42 Hoover to Thompson, 5 March 1955, ibid., p.7
43 Minute by P.Wright, 15 March 1955, FO 371/117786, RR1071/34
agree with this assessment, neither did the US Ambassador in Moscow. Bischoff thought that it was more a case of Moscow wanting to keep the door open for contacts with the West. In view of the almost inevitable ratification of the agreements over Germany the Austrian question presented perhaps the only possibility for doing so. Bohlen believed this to be a reasonable assumption but went a step further. He thought, presciently, that Moscow might genuinely desire to resolve the Austrian issue as part of Soviet plans for an East European security pact which would emerge after ratification.44

A further discussion between Molotov and Bischoff on 14 March, after the Austrian Ambassador handed Molotov a memorandum from the Austrian Government, convinced the Austrians that something of great importance for their country was afoot. The memorandum made the following points. The Government welcomed 'every effective guarantee of Austria's independence' and had 'repeatedly and unequivocally' declared that Austria did not intend to enter into military alliances of any sort or permit military bases on Austrian territory. The Government was quite willing to discuss the form of a renewed declaration on these matters. Once these points had been clarified, a conference between the four occupation powers and Austria, dealing with Austria as a problem independent of the German question, was the only way to reach a final solution.45 Molotov could see no impediment between his and the Austrians' views and advocated that they both think about the type of guarantee that would satisfy Austria's yearning for independence. Kreisky, informing the Western High Commissioners of the Moscow discussions, thought it significant that Molotov himself had been conducting them. The matter could not simply be dismissed as a propaganda manoeuvre or as primarily directed against ratification of the Paris accords. His government was determined to continue the exchange and the Austrian ambassadors in Washington, London, Paris and Moscow were being recalled for consultation. Asked whether the Western Powers would agree to a conference on Austria, Thompson said that he did not think his government would be prepared to attend merely on the basis of the Soviet Foreign

44 Bohlen to State Dept, 5 March 1955, FRUS 1955-57 V, pp.8-10
45 Note by the Austrian Government, 14 May 1955, Csaky, op.cit., Doc.No.155
Minister's pronouncements. As to the question of providing guarantees, Thompson thought this a proposal full of pitfalls.\textsuperscript{46}

In an agreed analysis of the situation, Thompson and Wallinger continued to think that the Kremlin's objective was, first, to use a conference on Austria to reopen negotiations on Germany and, secondly, to create a belt of neutral states consisting of Sweden, Germany, Austria and Yugoslavia. They believed that continued bilateral discussions between the Austrians and Moscow were dangerous and that the Austrian Government was moving towards acceptance of neutralisation in exchange for the treaty.\textsuperscript{47} Indeed, only persistent Western unwillingness to accept the long-stated Austrian determination to tread a middle path could account for their futile endeavour to halt this development. Raab was determined that both East and West would get the message. On 20 March he publicly reiterated what the Government had said to Molotov privately: that Austria had no intention of allowing foreign troops or bases on its territory and that she would not enter into military alliances.\textsuperscript{48}

When Molotov on 24 March issued an invitation to the Austrian Chancellor to come to Moscow 'in the nearest future' to discuss the Austrian treaty, Eden was assailed by visions of another Berchtesgaden and insisted that Raab be warned against such a visit. He might have added that Raab not carry an umbrella. But Harrison explained that HMG would find itself isolated by adopting this attitude. The proposed journey would not be parallel to Schuschnigg's notorious visit to Hitler, and various factors - not the least being Austrian public opinion - made a rejection of the invitation virtually impossible.\textsuperscript{49}

The State Department agreed that it would be difficult for Raab to refuse to go to Moscow. Dulles warned Gruber, however, that Moscow was 'a dangerous place to go alone' and that the Chancellor had better not commit the US Government to anything. He reminded Gruber that while the Western Powers had renewed their offer to sign

\begin{itemize}
\item Thompson to State Dept, 21 March 1955, \textit{FRUS 1955-57 V}, pp.11-12; \textit{Keesing's}, 16-23 April 1955, p.14154
\item Thompson to State Dept, 23 March 1955, \textit{ibid.}, pp.13-14
\item Broadcast by Chancellor Raab, 20 March 1955, Csaky, \textit{op.cit.}, Doc.No.156
\item Minutes by Eden and Harrison, 25 March 1955, FO 371/117787, RR1071/72
\end{itemize}
the draft treaty in November 1954, Moscow had not accepted it then and that the passage of time made the Western concessions even more undesirable. On the subject of guarantees Dulles had his doubts too. The Soviets were likely to use a guarantee as an excuse for intervening in Austria's internal affairs. This could lead to 'communist domination of the entire life of Austria'. As far as a conference was concerned, all the US Government was prepared to accept was a meeting of ambassadors - the four High Commissioners - at Vienna. The ambassadors' lack of competence on other matters would thwart Soviet attempts to introduce the German question. Dulles also suggested that the Austrian Government move slowly regarding the timing of Raab's visit, so that it would not interfere with events relating to the Western European Union. He expected that issue to be settled over the next few weeks and the chances for a 'useful' visit to Moscow might improve after that. As if to reinforce the State Department's discouraging attitude, Ambassador Bohlen also had second thoughts about Austria's future. He now believed that the Soviet Government might connect the prospect of German rearmament with some form of covert involvement of the Western zones of Austria in NATO. If the Soviets took this to be a real danger, their recent moves could mean more than simply aiming for the neutralisation of Austria: they could, in fact, serve as a 'propaganda preparation' for the partition of Austria.

The British, as well, were becoming increasingly anxious over Soviet and Austrian moves. Wallinger suspected that the Austrians were not telling all to the Western High Commissioners and found them 'jumpy and wishful'. He was spending his time 'begging all responsible Austrians to keep their feet on the ground', but felt that this was not enough. He urged that the Austrian Ambassador in London be ' sternly' spoken to before his departure for Vienna. Nor was Wallinger any easier after consulting with his French and American colleagues. The three High Commissioners agreed that it was essential that the Western Governments intervene before Raab went to

50 Memorandum of Conversation between Dulles and Gruber, 25 March 1955, FRUS 1955-57 V, pp.16-19
51 Bohlen to State Dept, 25 March 1955, ibid., pp.14-16
52 Wallinger to FO, 25 March 1955, FO 371/117787, RR1071/59
Moscow. It was as if they were trying to prevent Little Red Riding Hood from entering the forest:

The Austrians are already slipping and should no longer be left exposed alone to Soviet pressures and enticements. The danger is that we may be faced with bilateral commitments which we could only reject at the cost of assuming the onus of delaying the treaty and the evacuation of Austria.53

London could offer little comfort. Until such time as an agreed plan of campaign had been worked out with the State Department and the Quai d'Orsay, no intervention in Moscow was practical. The only thing for the moment was 'to go on dinning into Austrian ministers the dangers inherent in bilateral talks with the Russians and the slipperiness of the slope on which they are perched'. And Eden despondently noted of Austrian susceptibility to Soviet wiles: 'I hope we shall not wake up some morning soon and find Raab in Moscow'.54

Four days later the Austrian Government announced the Austrian Cabinet's decision to accept the Soviet invitation and that Chancellor Raab, Vice Chancellor Schaerf, Foreign Minister Figl, Secretary of State Kreisky and the Chief of the Foreign Ministry's Legal Department would all go to Moscow on 11 April. The composition of the delegation was decided upon after Raab and Kreisky reminded the Cabinet of previous experiences with dictators. Should Moscow make unacceptable demands, the delegation was strong enough to say no on the spot; on the other hand, should some genuine bargaining ensue, the delegation had to be able to make binding decisions there and then. The Austrians did not intend to stay more than five days - they believed that everything that needed saying could be said in that time.55

Thompson drew Washington's attention to the fact that Kreisky had considerable and increasing influence on the shaping of Austrian foreign policy. He immediately set about 'reorienting' Kreisky's thinking. The trouble with Kreisky, Thompson explained, was that he

53 Wallinger to FO, 25 March 1955, FO 371/117787, RR1071/61
54 Harrison to Wallinger, 25 March 1955; Comment by Eden, 26 March 1955, FO 371/117787, RR1071/74
55 Thompson to State Dept, 29 March 1955, FRUS 1955-57 V, p.22; Kreisky, Zwischen den Zeiten, p.458
had been influenced by his long years in Swedish exile and was 'naturally intrigued by the possibility of protecting Austria from being squeezed to death in a great power struggle'. Kreisky, in conversation with Thompson, had not held back his opinion that the Western Powers had reneged on their duty to keep seeking a solution to the Austrian problem. To think at this late stage of 'exploratory' talks, as the Americans intended, was hardly adequate. The Austrians themselves would be doing the exploring in Moscow. They expected to be discussing such items as the guarantee by the four powers of Austria's independence, the return to Austria of Soviet-managed oil fields, the relinquishing by the Soviets of their oil concessions, and an Austrian guarantee not to turn over to the Germans industrial properties classified as German assets. Thompson reiterated Dulles' warning to Gruber that guarantees could be a two-edged sword. He stressed that if the Austrians conducted the Moscow talks on the assumption that they could accept neutralisation because the Western Powers would guarantee their independence, they might find the Western Powers blocking the treaty. Whereupon Kreisky blandly recounted information received from various sources that the US military were 'intensely preoccupied' with their communication lines through Austria. He wondered whether this was 'dominating' US policy. Although Kreisky professed himself 'fully satisfied' with the High Commissioner's rebuttal of these charges, Thompson thought it 'most dangerous' to let him go to Moscow with 'serious misconceptions' about US objectives. Thompson was equally worried about the Chancellor: 'Raab has ambitions to be the man who got the Russians out of Austria and believes that even if he has to pay too high a price, he can later renege on his agreements'.

Notwithstanding the American High Commissioner's trepidation, Gruber, returning to Washington after consultation with his government, assured the State Department that the Austrian Cabinet were agreed that no commitments would be made in Moscow. The Austrian delegation would return to Vienna to discuss the situation within the Austrian Government and with the Western Powers. If the Soviets

56 Kreisky, a Jew and a Socialist, had fled Austria in September 1938 after being selected for transportation to Dachau concentration camp
57 Thompson to State Dept, 30 March 1955, FRUS 1955-57 V, pp.22-25
58 Thompson to State Dept, 2 April 1955, ibid., pp.28-29
asked for Austrian proposals, Raab would state that any Austrian proposal would have to be submitted to all four powers simultaneously and that nothing could be negotiated or agreed bilaterally. Gruber did nevertheless warn that the Austrians needed to be convinced that the West still wanted a treaty. There were some doubts on this point, especially since US military officers in Salzburg were giving the impression that the Americans did not really want to leave Austria. On the following day, the Western Powers issued a joint statement, stressing their own 'ceaseless efforts' to bring about the Austrian treaty and trusting that the forthcoming Soviet-Austrian talks would result in 'useful clarification'. The statement emphasised that Austrian treaty questions concerned all four powers and that the appropriate forum for further discussions was Vienna. There the four Ambassadors would examine any Soviet proposal which held 'clear promise' of Austrian independence. The Austrian Government officially expressed satisfaction with the declaration. The Soviet news agency Tass branded it as an attempt at impeding positive results.

On 9 April Washington arrived at a preliminary view of what might be in store for Austria. Believing much more firmly than its embassy in Moscow that the objective behind the recent Soviet moves was the prevention of German rearmament, the State Department agreed with Thompson that the choice seemed no longer one between a treaty and the status quo, but that the Soviets could be preparing the partition of Austria and incorporation of the eastern zone into an Eastern military bloc if they failed to achieve their aim regarding Germany. Nonetheless, should Moscow despite American expectations convince the Austrians that a treaty was possible at this stage, the State Department was tentatively thinking along lines defined as the 'maximum US position'. Provided Austria were permitted to form an army and obtain arms without restrictions, the US Government would consider dealing with the neutrality and Anschluss questions by a four-power declaration 'promising to respect Austrian neutrality and integrity'. Soviet operation of Austrian oil and shipping would have to be eliminated, a demand for re-entry rights refused and Austrian

59 Memorandum of Conversation between Gruber and J.W. Jones, Richard Freund and Edgar Allen, 4 April 1955, ibid., pp.30-32
60 Keesing's, 16-23 April 1955, p.14154
freedom to join multilateral economic and political organisations guaranteed. Dulles admitted that the proposed declaration added little to Articles 2 and 4 of the draft treaty, but that was as far as Washington was prepared to go. Austria would have to be admitted to the United Nations immediately and the only enforcement provisions would be those of the UN Charter. If these conditions were satisfied, a date for the withdrawal of troops could be fixed no later than two years from ratification, with occupation zones and control machinery remaining intact until evacuation.61

On Easter Monday, 11 April, two Soviet aircraft flew the Austrian delegation to Moscow. Raab's secretary saw in the size and importance of the Soviet welcoming party an 'unmistakably good omen', and Raab's personal interpreter went to bed that night with the conviction that 'all would be well with Austria'.62 The Vice Chancellor was more sceptical. Ever suspicious of communists, he thought that the programme handed to the Delegation on the first afternoon indicated that no serious negotiations were to take place and that all the pomp and ceremony served some other purpose.63 Two days later the first indication of what was going on in Moscow came from a meeting of the Austrian delegation with the Western Ambassadors in Moscow. Bohlen reported to Washington that the Soviets were willing to withdraw in a relatively short time after ratification, that oil properties and Danube shipping assets would be returned to Austria for some delivery of oil and a relatively small lump-sum payment, that a number of treaty articles could be dropped if they proved no longer relevant, that the $150m ransom could be paid in goods and over a longer period than originally stipulated, and that a neutrality declaration should come after ratification of the treaty, so that it might come from a sovereign government. Many of these proposals needed further clarification, but the Austrians were confident that agreement on details could be reached. Bohlen also thought it of 'considerable interest' that the Soviet Premier, Nikolai Bulganin, had stated at a dinner at the Austrian Embassy that the

61 Dulles to Thompson, 9 April 1955, FRUS 1955-57 V, pp.33-34
62 R.Stean (ed), Neue Fakten zu Staatsvertrag und Neutralitaet (Vienna, 1980) p.16; W.Kindermann, Flug nach Moskau (Vienna, 1955) p.20
63 Schaerf's shorthand notes of 11-15 April 1955, in K.Stadler, Adolf Schaerf, pp.437-449
Soviet Government saw no reason for further delaying the Austrian treaty now that it was clear that linking the Austrian and German questions had not led to a solution of the German problem.\textsuperscript{64}

That the US Ambassador was able to report these points in considerable detail had been a matter for dispute within the Austrian delegation. Following Austrian protestations that no secret deals would be struck at Moscow, the Western Ambassadors had called on Bischoff in Moscow, saying that their governments expected to be regularly informed of proceedings by the Austrian delegation. Bischoff and Raab did not approve of this. Raab insisted that the Austrian delegation had to be able to act independently of the West. He was not prepared to give the Soviets the impression that the Austrians were receiving instructions. It would be time enough to brief the High Commissioners afterwards in Vienna. Schaerf and Kreisky, on the other hand, voiced their opinion that now was not the time to show bad faith. The Russians would at any rate not believe that no information was passed to the West, it might thus as well be done in an open and frank manner. Although Raab reluctantly succumbed to this argument and daily conferences with the Western Ambassadors - Bohlen, Hayter and Joxe - ensued, Kreisky usually had to supplement Figl's extremely succinct information with details.\textsuperscript{65}

How necessary Kreisky's contribution was became evident on the fourth day when both he and Figl were unable to attend the briefing of the Western Ambassadors. Bohlen could hardly contain his frustration at Bischoff's 'vagueness'. On the issue of most interest to the West, that of neutrality and guarantee, Bischoff was even more obscure than usual and Bohlen urged that the High Commissioners pounce on the Austrians the moment they arrived back in Vienna.\textsuperscript{66}

Kreisky's notes\textsuperscript{67} show that Molotov indicated from the very beginning of the talks that the question of neutrality was indeed the central issue. Only when this issue was resolved by a satisfactory Austrian reply, could all other questions concerning the treaty

\textsuperscript{64} Bohlen to State Dept, 13 April 1955, \textit{FRUS 1955-57 V}, pp.35-38

\textsuperscript{65} Schaerf's shorthand notes of 11-15 April 1955, in K.Stadler, \textit{Adolf Schaerf}, pp.437-449

\textsuperscript{66} Bohlen to State Dept, 14 April 1955, \textit{FRUS 1955-57 V}, pp.38-39

\textsuperscript{67} Kreisky's notes form part of Schaerf's shorthand record and were inserted at Schaerf's request to complement his own account, Stadler, \textit{Adolf Schaerf}, p.416
be agreed. The Soviets could not understand Austrian reluctance to use the term 'neutrality'. Molotov pointed out after the first day's discussion that the Austrians were offering what amounted in practice to neutrality; why, then, not use the word? The answer to this lay in another disagreement among the Austrian delegation. Raab, the businessman, was of the opinion that if the Soviets wanted 'neutrality' they should have it. Schaerf and Kreisky, both lawyers, demurred. Not only was the term imprecise and thus subject to dangerous interpretations, but the Western Powers' inevitable opposition had to be met with an exact circumscription of what Austria's future status should be. But Raab won this argument and the Austrian delegation agreed to incorporate the term 'neutrality' in their proposed declaration. 68

An idea of the nature of the neutrality to be adopted by Austria had emerged in March during a dinner given by Kreisky and attended by the Soviet Deputy High Commissioner, Semyon Kudriavtsev. Kreisky suggested that something along the lines of Switzerland's permanent neutrality might allay Soviet fears of another Anschluss. Kudriavtsev conceded that Kreisky's approach could form the basis for further discussion on the subject. 69 In early April an article appeared in the Socialist Arbeiter-Zeitung throwing more light on the question. Swiss neutrality had developed from its original purpose of containing the pugnacious Swiss to a concept of 'dynamic activity in the interests of international co-operation'. 70 Such an interpretation would allow the Austrians to play a role of their own choosing in international relations. The Austrians would have to consider two cardinal elements in determining the final formulation of the declaration. Moscow insisted that Austria remain free of foreign military bases and alliances, Washington that she vigorously defend her independence against Communist encroachment. A constitutional law promulgated on 4 November 1955 took account of both factors. 71 While the law itself was a bare statement of the essential

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68 Schaerf's shorthand notes of 11-15 April 1955, in K.Stadler, Adolf Schaerf, pp.437-449
69 Kreisky, Zwischen den Zeiten, pp.470-71
71 Bundesverfassungsgesetz ueber die Neutralitaet Oesterreichs, in Csaky, op.cit., Doc.No.187
elements, explanatory observations accompanied the introduction of the bill in July, after the treaty had been ratified by the four occupation powers. Austrian neutrality would above all mean 'armed neutrality'. The Austrian state was determined to defend its independence and its territorial integrity. Permanent neutrality was, however, deemed compatible with membership of international organisations, provided they were not of a military character. Thus Austria's neutrality would not be a bar to relations with other states in economic, social, cultural and humanitarian matters, nor to Austrian membership of the United Nations. Most importantly, the neutrality declaration would bind the Austrian state but not its citizens. There was no question of 'ideological neutrality'. The intellectual and political liberty of the individual - 'especially the freedom of the press and of speech' - would not be touched by Austria's new status. Austria's voluntary declaration meant that Austria would be 'neutral, but not neutralised'.

Meanwhile, Bohlen was able to report to Washington that the dinner given by the Soviets on the eve of the Austrian delegation's departure from Moscow was an 'extremely amiable' affair, that for once the customary speeches attacking the West were absent, and that Molotov had repeatedly declared that the Austrian treaty concerned all four powers. The British Ambassador acknowledged that the Soviet Government 'genuinely wish for early four-power agreement' on the basis of complete evacuation of all occupation troops and Austrian neutrality.

The most striking feature of Anglo-American reaction to the results of the Moscow talks was the noticeable absence of any sign of pleasure or satisfaction at the prospect of early Austrian independence. Even Wallinger sounded less phlegmatic than usual when he summed up what seemed to him the salient points of the Western Ambassadors' reports: 'The Austrian delegation has been sold hook, line and sinker on Molotov's proposals ... and, if we do not like these proposals, we may find ourselves fighting them without much Austrian aid'. Concerned over Soviet motives for suddenly adopting

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74 William Hayter to FO, 15 April 1955, FO 371/117789, RR1071/134
'so new a position', he opined that 'present-bearing Russians can only be sinister' and added darkly that Moscow's turn-about certainly had 'nothing to do with any sudden tenderness for Austria'. When informed by Figl and Kreisky that both Soviets and Austrians had signed a confidential memorandum of the Moscow talks and that the Austrian delegation had undertaken to obtain approval from the Austrian Parliament and the Western Powers for the positions taken at Moscow, the British and Americans were equally dismayed. Although London admitted that the Soviet terms appeared 'remarkably generous', it deplored the fact that the Austrian delegation had gone 'well beyond the fact-finding scope' at Moscow. The US High Commissioner was more outspoken:

I must confess to a strong feeling of resentment at Austrian action in Moscow. Figl's protestations that the Delegation committed themselves as individuals is pure sophistry in view of the fact that Raab and Schaerf are the leaders not only of the government but also of the coalition parties. I believe it would be impossible for us to refuse to sign a treaty which will be so much better than the one we were prepared to conclude at Berlin.

As to Austria's proposed neutrality declaration, this was now truly out of Washington's hands, since the declaration would be made after ratification by a sovereign Austria. The only consolation in the whole affair was that Austria would undoubtedly remain friendly to the West and that Moscow's 'callous disregard' for their Austrian supporters would weaken the Austrian Communist Party even further. And, in an ironic and no doubt unintended admission, Thompson found comfort in the Austrian Government's past behaviour. He thought that, having shown themselves 'assertive of their rights' in the face of close control by occupation troops, they were not likely to succumb to Soviet pressure with that force gone.

It now remained for London and Washington to appear at least gracious over recent events. Dulles cautioned that Western attitudes and actions should allow no impression that the West was unwilling to sign the treaty. He suggested that the Western Powers might

75 Wallinger to Harrison, 15 April 1955, FO 371/117790, RR1071/182
76 Minute by G.A.Crossley, 17 April 1955, FO 371/117789, RR1071/133
77 Thompson to State Dept, 18 April 1955, FRUS 1955-57 V, pp.45-46
78 Ibid.
regain the initiative by announcing their plans for tripartite consideration of the Moscow results. They could then issue an invitation to the Soviets and Austrians for an ambassadorial conference at Vienna to resume negotiations for an Austrian treaty. The High Commissioners should meanwhile do their best to stop Raab and Schaerf from making any more over-optimistic public statements. Those statements were limiting the West's freedom of action and would make negotiations even more difficult than expected. London found the need to appear gracious a little less onerous. Harold Macmillan, the newly appointed Foreign Secretary, remarked on the 'unusually forthcoming attitude' of the Soviets and suggested that no time be lost responding to the Soviet offer. Commenting on Washington's manner of representing Moscow's turn-about as a reward for the policy of 'patient firmness' exercised by the Western Powers, Macmillan rather thought that the Russians might still mean to offer independence to a united Germany on the Austrian model. Two days later, presented with a statement by Molotov regarding the Austro-Soviet agreements and a Soviet call for a Foreign Ministers meeting to conclude the treaty, the State Department angrily denounced Raab's conduct of treaty matters:

Raab seems bent on exercising independence before Austria receives it and therefore to have completely abandoned traditional co-operation with the West at a time when it may prove necessary.

Thompson was urged to emphasise 'in the strongest terms' the difficulties thereby engendered.

**Signing the treaty**

From as early as 1948 Washington had never been hesitant about adjusting its tactics in order to prevent the conclusion of the Austrian treaty. Austrian aspirations, British reasoning and, indeed, Soviet concessions had not been allowed to deflect the Americans.
from their path. Yet in 1955 the United States Government consented to sign the treaty. What brought about this change of heart?

On 21 April the National Security Council discussed the latest developments in the light of the crucial provision of the NSC policy statement regarding Austria, namely, that the US Government 'vigorously resist the neutralization of Austria as contrary to the US interest'. The Defence Department's representative pleaded for more time to allow the Joint Chiefs of Staff a thorough assessment of the military implications of an Austrian treaty, but the State Department pointed out that time was the very commodity lacking in the current situation. What Washington had always sought to prevent had finally happened. Austro-Soviet negotiations had removed the Austrian treaty temporarily from US control and, the whole issue being 'unquestionably a crash area', Dulles needed more authority to conduct the forthcoming negotiations than granted by the existing policy decision. This document has been censored and it is thus difficult to assess fully the NSC's thought processes. One consideration, however, is plain: politically, the United States 'could not afford to place itself in the position of alone blocking conclusion of an Austrian State Treaty'. The Secretary of State was therefore empowered to depart from the long draft treaty and resistance to neutralisation 'as he deems necessary to avoid placing the US in the position of blocking a treaty'. On the question of guaranteeing Austria's independence and territorial integrity the Council agreed to meet again to consider the 'wisdom' of such a guarantee.

Wider considerations than those quoted above undoubtedly played an important part in the American change of policy. With the advent of the Eisenhower-Dulles Administration in January 1953 US foreign policy had undergone a profound reorientation. McCarthyism had forced the State Department's attention to dwell on Asia, because the repercussions of allowing Chinese Communism to operate unfettered in the Far East were not to be countenanced. As Dulles pointed out to the NATO Foreign Ministers at Paris not long before

83 245th Meeting of the NSC, 21 April 1955, ibid., pp.52-54
84 Ibid.
the signing of the Austrian treaty, if the Communists were successful in Asia:

the world ratio as between Communist dominated peoples and free peoples would change from a ratio of two-to-one in favour of freedom to a ratio of one-to-three against freedom. That would be an almost intolerable ratio given the industrialised nature of the Atlantic Community and its dependence upon broad markets and access to raw materials.86

Nationalist revolts against colonial powers, such as the one led by Ho Chi Minh in Vietnam, were reinterpreted as communist-versus-free world conflicts, obliging the United States - with its greater resources - to supplant France in the struggle.

In Europe, on the other hand, the East-West conflict could be said to have reached a condition of stasis after 1954. The Western European Union was established and the rearmament and integration into NATO of West Germany assured. Austria would be relatively safe from attempts at Soviet-assisted Communist subversion: Austrians were emphatically anti-Communist and, even if 'military neutrality' had to be accepted as the price of independence, adequate internal security forces trained and equipped by Americans would come into existence after the treaty's signature and would be able to cope with internal unrest. While this would not save Austria in the event of an actual Soviet invasion, to go on 'protecting' the country by the presence of American troops presented another problem for the US Government. The Eisenhower Administration's passion for a balanced budget had necessitated substantial cuts in defence spending, shifting the emphasis from dependence on US troops to dependence on tactical nuclear weapons.87 As Eisenhower explained to the Joint Chiefs of Staff in December 1954:

... I had no intention of allowing Europe to be overrun, as it had been in 1940. But we knew that the Soviets maintained something in the neighbourhood of 175 divisions active in Europe at all times. The United States had twenty divisions, only five of which were in Europe. ... it seemed clear that only by the interposition of our nuclear weapons could we promptly stop a major Communist aggression in that area.88

86 Quoted in ibid., p.175
88 Ibid., p.453
Nuclear weapons, in the view of the US Government, were becoming almost as conventional as other weapons, Eisenhower told a press conference in early 1955: '... in any combat where these things can be used on strictly military targets and for strictly military purposes, I see no reason why they shouldn’t be used just exactly as you would use a bullet or anything else'. It is reasonable to assume therefore that these factors, combined with the Austrian resentment over the continued occupation and the knowledge that the British and French were not prepared to keep their troops indefinitely on Austrian soil, influenced the US Government’s reluctant turn-about.

Macmillan placed the issue of Austria’s proposed neutrality and a four-power guarantee before the Cabinet, explaining the situation thus: the Soviet offer to Austria was undoubtedly designed to unsettle opinion in West Germany by appearing to offer reunification in exchange for neutralisation. It was evident that the Austrian people were prepared to accept military neutralisation as part of the price of their freedom. They had in fact formally given that assurance at Moscow. The Western Powers had thus little choice but to accept the Austrians’ will. From a military and strategic point of view, however, the Chiefs of Staff Committee had stated that a neutral Austria would be acceptable only if it were a ‘really effective and adequately guaranteed’ neutrality. This presented a problem. Under Article 17 of the draft treaty the limitations on Austrian armed forces were such that Austria was virtually defenceless against external aggression once the Western occupation forces were withdrawn. Although a guarantee and the commitments it entailed were sensitive issues, failure to participate in such a guarantee might result in separate Austro-Soviet arrangements which would give the Soviets an excuse for intervening in Austrian affairs as they saw fit. Given these considerations, Macmillan recommended that HMG be prepared in principle to recognise an Austrian declaration of military neutrality and to consider participating in a four-power guarantee of

89 Quoted in McGeorge Bundy, *Danger and Survival: Choices About the Bomb in the First Fifty Years* (New York, 1990) p.255
Austrian territorial integrity and inviolability. To this the Cabinet assented.\textsuperscript{90}

The Western Powers, meanwhile, agreed to the Soviet proposal for a meeting of the Foreign Ministers in order to sign the treaty, provided that an ambassadorial conference were held beginning on 2 May to achieve an agreed text. Moscow saw this as an unnecessary delaying manoeuvre, but agreed to participate.\textsuperscript{91} With only a week to go before the Ambassadors Conference, a tripartite working group set about getting the Austrians to agree to joint Western-Austrian positions on various outstanding questions. This brought renewed anxiety among the High Commissioners. Wallinger found it all rather 'nerve-racking'. Things were moving 'fast and furious' in Vienna, yet the High Commissioners suffered from a lack of clarity about their governments' ultimate policies. They were frustrated by a 'particularly acute attack of unreliability' on the part of the Austrian leaders who were 'euphoric' about bringing their people the good news and had little inclination to share the High Commissioners' anxiety.\textsuperscript{92} Wallinger was especially 'alarmed and apprehensive' about the Austrian Government's conviction that their intended neutrality could make 'no possible difference' to Anglo-American attitudes to the treaty: 'They have been hypnotised, by the prospect of getting their treaty, into blind reliance upon vague promises made to them by Muscovite leaders'.\textsuperscript{93} As the NSC and Cabinet discussions show, the Austrians were right in their assumption that neither the British nor the Americans would dare to hold up the treaty once again. Thompson was no less disgusted than Wallinger with the Austrians' 'fuzzy' thinking and was 'appalled' at the Austrian leaders' failure to perceive the difficulties ahead.\textsuperscript{94}

The Austrian leaders believed, of course, that all their difficulties had been solved during the recently-completed Austro-Soviet talks. On the very morning of Wallinger's and Thompson's complaints Raab addressed a joint session of Parliament - convened to commemorate the tenth anniversary of the proclamation of Austria's

\textsuperscript{90} CAB 129/75, CP(55)12, 26 April 1955; CAB 128/29, CM(55)7, 27 April 1955
\textsuperscript{91} FO Comment, 26 April 1955, FO 371/117791, RR1071/203
\textsuperscript{92} Wallinger to Harrison, 28 April 1955, FO 371/117792, RR1071/238
\textsuperscript{93} Wallinger to FO, 27 April 1955, FO 371/117791, RR1071/219
\textsuperscript{94} Thompson to State Dept, 27 April 1955, \textit{FRUS} 1955-57 V, pp.57-58
independence — and reported point-by-point on the Moscow negotiations and their results, which he, with customary understatement, termed 'very acceptable'. Judging by the sustained ovation from the packed House and galleries, Raab was not the only Austrian confident of imminent freedom.95

Amid increasingly tedious negotiations between the High Commissioners and Austrian leaders the Ambassadors Conference opened on 2 May. Wallinger, perhaps not unreasonably, expected the conference to be no less difficult. The four Ambassadors — in their capacity as High Commissioners — were, after all, still engaged in regular battles in the Allied Council, and Wallinger had deduced from hints dropped by Soviet staff that the Russians intended to avoid serious discussion until the Foreign Ministers convened.96 That this conference was going to be different from any the four powers had previously attended on the question of Austria became immediately clear, however, when procedures were 'rapidly' agreed upon and several draft articles, which had become irrelevant over the years, eliminated at Figl's request. The first disagreement arose over Article 16 (Displaced Persons and Refugees). The Soviets had demanded unrestricted access to DP camps and the Western Powers had been equally determined to prevent what they saw as forced repatriation of Eastern European refugees. Figl asked for the deletion of this article on the grounds that it had become obsolete, that its provisions counteracted refugee conventions and that it was incompatible with Austria's proposed neutral status.97 Two days later the Soviet Ambassador agreed not only to the deletion of Article 16, but also to that of Articles 17, 19 and 25, the three latter dealing with the limitation of Austrian armed forces, military training and the prohibition of surplus war material, thus removing one of the major fears of the Western Powers, that of a defenceless Austria.98

These startling developments left four major issues to be resolved: a timetable for the withdrawal of occupation troops, Western economic interests in eastern Austria, the relationship of the Austro-Soviet bilateral agreements to the treaty, and the question

95 Csaky, *op.cit.*, Doc.No.165
96 Wallinger to Harrison, 28 April 1955, FO 371/117792, RR1071/238
98 Wallinger to FO, 4 May 1955, FO 371/117794, RR1071/233
of neutrality-and guarantee. The issue of the withdrawal of troops, which had only a year earlier caused such a sensation at the Berlin Conference, had basically been resolved at the Austro-Soviet talks in Moscow. Raab, no doubt remembering the indefinite period proposed at Berlin, had insisted on a fixed date for troop withdrawal and had named 31 December 1955. Molotov's proposal of a six-month period after ratification had been refused by Schaerf as an unacceptable change for the worse of an agreed treaty article. Although Molotov had given no firm undertaking at first, Kreisky had afterwards been told that the Russians accepted Schaerf's argument and that there would be 'no problems' regarding withdrawal. Thus, after Wallinger raised some doubts about the desirability of a fixed date which might clash with an early or late ratification, the Ambassadors agreed on a compromise, retaining the 90-day period after ratification but designating 31 December 1955 the latest date for withdrawal.

The settling of the Anglo-American economic interests proved more difficult. Part of the Austro-Soviet agreements of April, embodied in the so-called Moscow Memorandum, stipulated that the Austrian Government take measures to preclude the transfer of German assets, after their release to the Austrian Government, to non-Austrian nationals. This stipulation had been part of the Soviet version of the disputed Article 42 and, being directed primarily against Anglo-American oil interests, had for many years formed the core of Western attempts to force the Austrian Government into secret bilateral agreements in order to safeguard these interests. What London and Washington did not know at first was that Schaerf had urged Molotov at Moscow to link the transfer of the German assets with a demand that they remain under Austrian ownership. The Soviets were happy to oblige and, whereas in 1946 they had seen the Austrian Government's nationalisation scheme as directed against their own interests and had reacted accordingly, they now applauded

Schaerf's suggestion.\textsuperscript{102} When the confidential conditions attached to the return of German assets were inadvertently revealed by the Vice Chancellor after his return, London was furious. Accusing him of manipulating British interests for party-political reasons, Thompson and Wallinger warned Schaerf that Western interests must be satisfied one way or another:

Prior satisfaction of our just request for assurances on these matters was germane not only to our attitude to the conclusion of the treaty itself but to the whole future of Austria's post-treaty relations with us. We certainly would not abandon our rights.\textsuperscript{103}

Schaerf was not easily persuaded and asked Wallinger to consider what the Soviet reaction might be if they had reason to suspect that the Austrians, by making bilateral agreements with the Western Powers, were evading the undertakings given in Moscow. Nevertheless, after more 'bitter' discussions between Schaerf, Kreisky and the Western High Commissioners, the Western Powers received their secret assurances and the Ambassadors dropped their opposition to the Soviet version of Article 42.\textsuperscript{104}

If the question of Western interests created much ill-will between Austria and the Western Powers, the Anglo-American attitude to the Austro-Soviet economic agreements threatened once again to break up negotiations. On Western insistence that the Austro-Soviet agreements concerning the return of German assets be linked with Article 35 of the treaty, Figl raised the question on the second day of the Conference. Ilyichev responded by reading a prepared statement asserting that Article 35 was an agreed article and that the bilateral agreements between Vienna and Moscow were none of the West's business.\textsuperscript{105} This response merely confirmed American opinion that the bilateral agreements would leave Austria prey to Soviet exploitation and intervention. When repeated efforts to find a solution failed, Thompson told Ilyichev that Dulles would be unlikely to leave Paris.

\textsuperscript{102} Schaerf's shorthand notes of 11-15 April 1955, in K.Stadler, \textit{Adolf Schaerf}, pp.437-449
\textsuperscript{103} Wallinger to FO, 19 April 1955, FO 371/117790, RR1071/165; Wallinger to FO, 30 April 1955, FO 371/117793, RR1071/247
\textsuperscript{105} Thompson to State Dept, 3 May 1955, \textit{FRUS 1955-57 V}, pp.68-70
for Vienna if this issue were not resolved. Once more the Austrians looked like being crushed between the conflicting demands of their occupiers. At Moscow the Austrian delegation had agreed that their arrangements with the Soviet Government would remain bilateral. Only American insistence had persuaded them to try to link the bilateral agreements to the treaty. Schaerf and Raab pleaded with the Western Ambassadors to make their governments see reason. Surely Washington and London must see that the Soviet concessions made at Moscow represented a considerable improvement over the draft which the Western Governments had been ready to sign at Berlin. The Austrian Government were convinced that the Soviet Government would carry out their part of the agreement, and Schaerf and Raab were not prepared to lose the treaty to satisfy US demands on that point. But Dulles remained unmoved. Unless a compromise was found which allowed the United States to intervene against a Soviet breach of the bilateral agreements, he would not come to Vienna.

On the following day Thompson reported that although Ilyichev had not budged, he had indicated that he would seek new instructions from his government. Thompson thought that in view of Soviet concessions on other articles, the Austrian attitude and Macmillan's agreement to attend a Foreign Ministers conference and the signing of the treaty on 14 and 15 May, the US Government would be placed in an extremely difficult position before world opinion if the treaty were once again delayed because of Dulles' refusal to come to Vienna. He suggested that Dulles appeal to Molotov personally to change his mind. On the evening of 12 May Dulles cabled Eisenhower:

The Soviets are very sticky and following their usual tactics of holding out to the last. I had planned to go to Austria this p.m., but cancelled that out in order to preserve the uncertainty as to whether I would go ...

He had decided to go to Vienna after all, but planned on using 'the device of a reservation' at the moment of signing the treaty and

106 Dulles and Macmillan were in Paris attending a North Atlantic Council meeting
107 Thompson to Dulles, 9 May 1955, FRUS 1955-57 V, pp.93-94
108 Thompson to Dulles, 10 May 1955, ibid., p.96
109 Dulles to Thompson, 10 May 1955, ibid., p.97
110 Thompson to Merchant, 11 May 1955, ibid., pp.103-104
thus placing the onus of whether or not to sign on the Soviets.\textsuperscript{111} Fortunately, Dulles' ploy proved unnecessary. That afternoon at a restricted session Ilyichev accepted an American compromise proposal. The economic agreements of the Moscow Memorandum were appended to the treaty and a paragraph referring to the annex added to Article 35, thus effectively annulling most of the controversial provisions of the German assets article.\textsuperscript{112}

The issue of Austria's neutrality and a four-power guarantee were first raised by the Western Ambassadors on the fourth day of the Conference. Ilyichev immediately countered by stating that these were questions outside the Ambassadors' competence and had to await ministerial consideration. Thompson was not satisfied with this answer. Virtuously claiming that Austrian neutrality 'posed no difficulty' for the United States, he added that guaranteeing that neutrality was a different matter. If the Soviets demanded a guarantee as a condition of signing the treaty, Thompson could promise that the treaty would be blocked. Wallinger concurred with Thompson. His government, too, would need to know what sort of commitment they were asked to undertake before they would sign. To Thompson's 'purposely blunt' representations Ilyichev calmly replied that to the best of his knowledge his government had never posed such a condition.\textsuperscript{113}

The Western Powers' predicament over this issue evolved mainly from the speed with which events were bustling them towards a decision over Austria. Dulles faced an unwilling military and a hostile Congress, Macmillan was involved in an election campaign\textsuperscript{114} and, after years of futile wrangling, neither was prepared for the eagerness with which the Soviet Government embraced the Austrian cause. But what they feared as much as domestic opposition to over-commitment was the possibility of a unilateral Soviet guarantee of Austria's neutrality.\textsuperscript{115} When Dulles arrived in Vienna on the afternoon of 13 May, his first concern was to warn Schaerf and Raab of what

\textsuperscript{111} Dulles to Eisenhower, 12 May 1955, \textit{ibid.}, p.107
\textsuperscript{112} Thompson to State Dept, 12 May 1955, \textit{ibid.}, p.108; Stourzh, \textit{op.cit.}, pp.164-65, 264-276
\textsuperscript{113} Thompson to State Dept, 5 May 1955, \textit{FRUS 1955-57 V}, pp.83-84
\textsuperscript{114} British elections were scheduled for 26 May
was expected of them. Dulles was convinced that the Soviets would use the first opportunity to march back into Austria. If the Austrians expected Congress to ratify the treaty, he had to be able to assure Congress that the Austrian Government's declaration of neutrality would not signify an abandonment of their determination to resist Soviet encroachment. The Soviets could not be trusted and there would be no ratification unless Austria gave an assurance of armed neutrality and backed that assurance with the maintenance of national unity, so that Austria's will to resist would not be weakened by internal dissension. Raab, in turn, reminded Dulles that Austria's long border with its Communist neighbours Czechoslovakia and Hungary was not likely to lead to complacence among Austrians.

To Dulles' admonition that the free world would continue to count on the Austrian people's 'love of freedom and steadfastness' Raab smiled his assent. The world could rest easy, Austria would remain 'faithful to Western culture'.

On Saturday, 14 May, the Foreign Ministers met to accept the treaty text prepared by the Ambassadors. The only alteration was the deletion of paragraph 3 of the preamble, the irksome war guilt clause. Figl had made an impassioned plea for its removal on the last day of the Ambassadors Conference, but Ilyichev had declared himself not authorised to discuss it. When Figl raised the question again at the Foreign Ministers Conference, the clause was dropped without further discussion. On the question of Austria's neutrality the Western Foreign Ministers said they had no objections to the course proposed by Austria, but had to reserve their position on a guarantee until the Austrian Parliament's resolution on neutrality could be studied. The meeting then agreed to Figl's proposal that the treaty should be signed on the following day.

On 19 May Dulles reported to the National Security Council on the Ambassadors Conference and the signing of the treaty. He praised the American effort, denounced Moscow's 'characteristic trickery' and railed at having had to listen to a 'propaganda' speech by Molotov at the signing ceremony. Molotov's imputation, that the United States had 'completely accepted' the proclamation of Austrian

116 Memorandum of Conversation between Raab, Schaerf, Dulles and Thompson, 13 May 1955, ibid., pp.109-112
neutrality, was of course untrue, the US having only agreed 'in principle' to such a proclamation.118 Notwithstanding these grievances, the US Senate ratified the treaty on 17 June, after Austria and the Soviet Union had done so a week earlier. British and French ratification followed soon after and on 27 July the Allied Council at its last meeting dissolved the Allied Commission for Austria, re-establishing Austrian sovereignty. The date for withdrawal of the occupation forces was set for 25 October. The French and Soviet troops were gone by 19 September, the Americans by mid-October, the last British contingent evacuating Austria on the morning of 25 October.119

A bill declaring Austria's voluntary and permanent neutrality was approved by the Austrian Parliament on 26 October 1955. Britain, France, the Soviet Union and the United States formally recognised Austria's new status on 6 December and a few days later Austria became a member of the United Nations. The most fitting characterisation of the reaction in Austria to these events came from the British Ambassador:

Austria's evident prosperity, the people's traditional over-confidence in dealing with all Slavs, including the Russians - which has, if anything, been strengthened by the Government's natural pride in their successful resistance at the local level to Russian intimidation during the occupation - have for the moment convinced many, including some members of the Government, that Austria holds the secret of successful existence in a divided world.120

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118 Editorial Note, FRUS 1955-57 V, p.116
119 Stourzh, op.cit., pp.169-70
120 Wallinger to Selwyn Lloyd, 18 January 1956, FO 371/124080, RR1011/1