

THE AUSTRIAN STATE TREATY OF 1955 AND THE COLD WAR

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ON MAY 15, 1955, the foreign ministers of the United States, Great Britain, France, and the Soviet Union announced to a cheering crowd gathered outside the baroque Belvedere Palace in Vienna that they had put their signatures to a State Treaty for Austria.¹

For Austrians, the significance of the treaty was that seventeen years of occupation by foreign troops would soon end. Austrians could look forward to complete sovereignty for the first time since mid-March of 1938 when Nazi Germany's war machine lumbered across the Austrian border. For the rest of the world, the significance of the treaty lies elsewhere.

In Austria, as in other regions of central Europe, the Soviet Union and the United States and its allies came into conflict following the second world war. On its face the Austrian conflict concerned a basic disagreement over the terms according to which Austria would be given her independence. The disagreement led to protracted negotiations, and was settled at last through the agreement of the United States, Great Britain, France and the Soviet Union — as well as Austria — to the terms of a treaty. Thus the situation was a conflict which led to protracted negotiations of eight years and approximately four hundred four-power meetings at various levels,² and finally to a peaceful accommodation of the conflict. Such a course of events is not unusual in the world of diplomacy. What is interesting and significant about the Austrian treaty, however, is that negotiations themselves, concerning the specific points at issue, had only slight relevance to the final agreement.

Because of her small geographical size, her relatively small population of seven million, and her limited resources, Austria was not a prize over which the powers would be inclined to fight. Consequently, the four powers could be expected to deal with Austria not within the narrow confines of the Austrian question itself, but in terms of the Austrian question as a part of the whole range of questions dividing the Soviet Union from the three Western powers; that is, in terms of what is called "the cold war" in Europe.

The conflict over Austria is not the only East-West dispute which has been settled peacefully since the cold war began, but it is the only one, between the conclusion of the treaties of peace with the former Axis powers in 1947 and 1959, which resulted in a treaty observed by both the United States and its Western allies and the Soviet Union. Thus, this particular dispute provides a unique study in the peaceful settlement of a cold-war issue. As such, it ought to be studied more carefully to see if the dispute and its resolution provide information helpful to the

¹ Provisions of the treaty are explained in detail in Felix Ermacora's *Dokumente Osterreichs Staatsvertrag und Neutralität* (Berlin, 1957).

² See statement by Secretary of State John Foster Dulles before the Senate Foreign Relations Committee on June 10, 1955, quoted in Paul E. Zinner, *Documents on American Foreign Relations* (New York, 1956), p. 158.

understanding of Soviet policy objectives and techniques. For example, broadly speaking, study of the dispute again raises the question whether Soviet policy gets its direction and motivation from the realities of world politics perhaps more than from communist theory.

This study undertakes to present a brief historical background account of the conflict over the Austrian treaty question and to analyze the significance of that conflict as it was related to over-all East-West conflicts and world politics generally.³

HISTORY: POSTWAR CONTROL OF AUSTRIA

The origins of the Austrian conflict lie in the *Anschluss* — Austria's annexation in 1938 by Germany — and the subsequent participation by Austrians as soldiers in Nazi Germany's armies during the second world war.⁴

Austria occupied a unique position among the victims of Nazi aggression. She was the only nation which was formally annexed in its entirety by Germany. For this reason, from the point of view of the Allies, Austria was a question mark: was Austria during the war an unwilling captive of the Axis, terrified under the circumstances into cooperating with Germany, or was Austria an enthusiastic partner in Hitler's war? Or, perhaps a little of both? The Allies did not know. This postwar indecision had its history.

In April 1938, the United States recognized the annexation of Austria as an accomplished fact to be dealt with only as a fact and not as a cause for action to remedy the injustice done by the annexation. The annexation was regarded as too slight a provocation for war. Only when the United States entered the war in 1941 did her policy begin to shift from one of informal protest to one of action which could result in restoration of Austrian independence. The shift toward a more active policy began in August of 1941 with the Atlantic Charter. President Franklin D. Roosevelt and British Prime Minister Winston S. Churchill concluded their meeting in the Atlantic with a joint declaration that their nations sought no aggrandizement, territorial or otherwise, and that they wished to see no territorial changes which did not accord with the freely expressed wishes of the peoples concerned. They then declared that they "respect the right of all peoples to choose the form of government under which they will live" and that they "wish to see the sovereign right and self-government restored to those who have been forcibly deprived of them."⁵

That Austrians were later correct in interpreting this charter statement to include them is clear from President Roosevelt's radio message of December 9, 1941.⁶ When explaining the necessity for the United States to enter the war, Roosevelt listed Hitler's aggressions, among them, Austria, as justification for United States entry.⁷

³ Lengthy amplification of details is not necessary here since excellent detailed studies are available; see, for example, William Lloyd Stearman, *The Soviet Union and the Occupation of Austria* (Bonn, 1961).

⁴ Hans Kohn, *The Future of Austria* (New York, 1955).

⁵ United States Department of State, *Press Releases*, 18 (April 6, 1938), 624.

⁶ *Red-White-Red Book, Justice for Austria*, First Part (Vienna, 1947), p. 23.

⁷ *Department of State Bulletin*, 5, No. 129 (Washington, 1941), 477.

The United States went only two steps further in clarifying its policy toward Austria during the period prior to early 1945, when it was clear that the war was almost won. The first was a promise in early 1943 to restore seized property, and the second was a joint promise, entered into in the fall of 1943 by the four major Allies, to liberate Austria.

By October 1943, the need for coordinated planning by the major allies for the postwar period had become pressing as the Soviet army was about to liberate Kiev, and the forces of the Western Allies were pushing up the Italian peninsula. The foreign ministers of the United States, the Soviet Union, and Great Britain met in Moscow late in the month, and, at one of the first sessions, Anthony Eden, Cordell Hull, and V. M. Molotov agreed on a declaration on Austria. The declaration did not attempt to determine the future physical form of Austria. It was essentially a compromise. Austria was referred to in the declaration as "the first free country to fall a victim of Hitlerite aggression."⁸ The three governments promised to liberate Austria from German domination; the annexation of Austria was declared null and void; and the Allies stated that they considered themselves in no way bound by any changes effected since the date of the *Anschluss*. The three declared that they wished to see re-established a free and independent Austria. In addition, they indicated it would be necessary to help Austria and her neighboring states regain political and economic security.

In order that joint planning of some sort could begin, provision was made at the Moscow Conference for the establishment of the European Advisory Commission. With headquarters in London, the E.A.C. was to undertake the study of European political problems in the postwar world and to make recommendations to the three major Allies.⁹

The Commission began its planning in January 1944 on the basis of Austria's boundaries as they existed prior to the *Anschluss*, for want of any other agreement on Austria.¹⁰ Agreement was not reached on occupation controls and zones until July 1945, three months after Austria had fallen to the Allies. The United States obtained a northwest sector, the Soviet Union a northeast sector, France the southeastern tip, and Great Britain a southwest sector. Soviet amendments gave the Soviet Union that part of Upper Austria north of the Danube and the Styrian section of the province of Burgenland.¹¹ The amendments isolated Czechoslovakia from the West and gave the Soviet Union control of the whole course of the Danube River through Austria and thus from the German border to the Black Sea.

The United States entered into the occupation of Austria late in April with one serious disadvantage. The other three occupation powers were vitally interested, because of their proximity to Germany, in Germany's future, which included Austria's future. Additionally, they were willing to take vigorous action to preserve that vital interest. The United States, on the other hand, obviously viewed its

⁸ *Ibid.*, 9 (1943), 310. The declaration was issued November 1, 1943, at the conclusion of the Moscow Conference and was accepted by the French Committee of National Liberation, the French government in exile, on November 16 in Algiers.

⁹ Philip Moseley, "The Occupation of Germany," *Foreign Affairs*, 28 (July 1950), p. 582.

¹⁰ *Ibid.*

¹¹ Edgar L. Erikson, "The Zoning of Austria," *Annals of the American Academy of Political Science*, 267 (January 1950), 112.

involvement in the occupation of Austria with distaste, as a chore to be completed quickly, as a moral commitment but not a vital interest. As a result, there was not at this time a rigorous analysis of the importance of a free and independent Austria to a stable order in Europe, in which the United States did have a vital interest. On the other hand, Soviet plans were clear. Germany and Austria were to be weakened while Soviet power was to be increased. Thus, the story of the Austrian treaty negotiations is the story, in great part, of the Soviet effort to fulfill those plans and of the efforts of the Western powers to save Austria from becoming the victim of those plans. It must be added that the clear revelation of these plans in the period from 1945 to 1947 brought the United States to the realization that its own national interest was involved in the question of Austria's future.

SOVIET AND ALLIED OCCUPATION

The commander-in-chief of the Soviet troops entering Austria, Marshal F. Tolbukhin, issued a proclamation on April 8, 1945 — the day after his troops had reached the suburbs of Vienna. The proclamation declared that the Austrians had welcomed the Soviet troops as liberators and that the Soviet Union did not intend to appropriate any Austrian territory — that the Soviet Union was in full accord with the Moscow Declaration, and that the Red Army was fighting against German fascism and not against the Austrian people. Finally, he stated that the Red Army had come to Austria as an army of liberation desirous of the independence of Austria.¹²

While the West was reassured by the Tolbukhin declaration, another action of Soviet authorities gave the Western powers cause for alarm. Without consulting its Western Allies and without prior planning in the European Advisory Commission, the Red army undertook to organize a provisional government in Austria.¹³

Western fear that Austria might go the way of other eastern European nations "liberated" by the Soviet Union was increased first by the Soviet unilateral organization of a provisional government and later by the steady Soviet refusal to allow Allied missions to go to Vienna to take up their zones of occupation.¹⁴ Despite the fact that all necessary formal steps had been taken for joint Allied occupation, more than two months elapsed before the work of the Allied Commission began. The common view among the Allies was reported to be that the Russians were delaying Western Allied entry until they could take for themselves whatever they wanted in eastern Austria in the form of machinery and raw and finished materials. In addition, the Red Army was living off the land.¹⁵ After many forced delays, the Allied forces moved into Vienna late in August.¹⁶ Vienna was placed under quadripartite control September 1, 1945, and the Allied Council held its first meeting September 11.

After joint occupation became effective, discussion about the provisional government, headed by Karl Renner, began in London. The British objected to the

¹² *Red-White-Red Book*, p. 201.

¹³ Stearman, *op. cit.*, pp. 20 to 23.

¹⁴ Winston S. Churchill, *The Second World War: Closing the Ring* (Boston, 1951), p. 518.

¹⁵ *New York Times*, July 16, p. 7 and July 18, 1945, p. 4.

¹⁶ *Ibid.*, August 24, 1945, p. 7.

government, saying it represented only eastern Austria and that Communists were overrepresented in the cabinet. In particular, the British objected to having a Communist in charge of the Interior Ministry, which controlled the police and thus could control future elections.¹⁷ The United States was dissatisfied with the regime on the same grounds.¹⁸ Taking note of the Western objections, Chancellor Renner called a conference in Vienna, with the approval of the Allied Council, of political leaders from all of Austria.¹⁹ The conference approved the Renner government while adding several ministers from the western zones. Control of police and elections was taken out of the hands of the Communist Minister of Interior.²⁰

In late October, the Allied Council authorized the extension of the authority of the provisional government throughout Austria, reserving to itself, however, supreme authority. While approving the government, the Council called for free elections,²¹ which were held November 25, 1945, with a resounding defeat of Communist party candidates.

Allied Council recognition of the provisional government came shortly after evidence became available that Soviet authorities were no longer prepared to cooperate at all with the Renner government, following that government's refusal to be drawn into an oil company agreement. The Red Army, therefore, took forcible possession of the Zisterdorf oil fields near Vienna.²² The Soviet Union's excuse for this seizure was the claim that it was entitled to all property which had become German since 1938 as well as that which was German prior to 1938, regardless of how it came to be German.²³ Immediately after taking possession of the oil fields, the Soviet Union seized much of Austria's heavy industry and shipping, as well as her two big commercial banks, the *Creditanstalt* and the *Laenderbank*, whose deposits they had confiscated early in 1945.²⁴ (The banks had been absorbed by German banks shortly after the *Anschluss*.)

Shocked by these seizures, the Western powers, especially the United States, felt an urgent need to conclude some sort of agreement liberating Austria in order to save it from further Soviet claims. Saying that an elaborate peace treaty was not necessary, the United States, in October of 1946, called for such an agreement, thus initiating negotiations which lasted eight years.²⁵

The Austrian treaty negotiations which went on from 1947 to 1955 followed the general pattern of the cold war. Negotiations began just as it was becoming fully evident that the Soviet Union did not intend to cooperate with the three Western powers, its former allies, in Europe or elsewhere. Negotiations broke down late in 1949 as the Soviet Union began to react strongly to the success in Europe

¹⁷ *Ibid.*, September 11, 1945, p. 11.

¹⁸ *Ibid.*, September 13, 1945, p. 13.

¹⁹ *Ibid.*, September 21, 1945, p. 7 and September 24, 1945, p. 4.

²⁰ *Ibid.*, September 27, 1945, p. 4.

²¹ *Ibid.*, October 21, 1945, p. 6.

²² *Ibid.*, October 8, 1945, p. 3.

²³ See *Department of State Bulletin*, 15 (1946), 123, for the full text of Soviet "Order no. 17" which declared that, in accordance with the Potsdam Conference, any German property located in eastern Austria became the property of the U.S.S.R. as German reparation payment.

²⁴ *New York Times*, October 27, 1945, p. 5.

²⁵ *Ibid.*, November 1, 1946, p. 5.

of the United States policy of containment, as represented by the highly successful Marshall Plan, the Truman Doctrine, and the establishment of a separate but still not sovereign West-German state. The negotiations were in a state of suspension from mid-1950 through 1953, when the cold war was most intense, both in Europe and in the Far East, where the Korean War was in progress.²⁶ Treaty talks were resumed in 1954.

SOVIET MOTIVES FOR SIGNING THE TREATY

By the end of 1954, Germany was well on its way toward rearmament within NATO. This fact plus the related Western European Union, then in the process of being established, promised to strengthen the Western Alliance. Faced with a rearmed West Germany and a stronger Western alliance, the Soviet Union needed to reassess its position especially in view of its commitment, or at least its ostensible commitment, to a policy of seeking accommodation with the West. Agreement to Western terms for German reunification was not possible. Free all-German elections were too great a risk from the Soviet point of view. Such elections might force a Soviet withdrawal from East Germany which conceivably might seriously damage or destroy the Soviet satellite system, an eventuality which would impair the Soviet Union's prestige and security.

Thus, while something might be gained by negotiation on the German question, the U.S.S.R. could gain nothing by agreement to Western terms. Nor could the West be expected to agree to Soviet terms since to do so could be taken as an admission of Western weakness, with resultant damage to Western prestige. As for Austria, agreement by the Soviet Union to Western terms without compensation elsewhere might appear to be a retreat before the developing new Western unity. However, one course the Soviet Union could follow was to refuse further negotiations or continue to be willing to negotiate on all issues but refuse to agree on any. Such action could be justified in terms of the increasingly hostile Western alliance, as evidenced by the signing of the Paris Pacts, and would have two distinct advantages. First, no Soviet withdrawal would be called for anywhere in Europe, and second, the Soviet Union would have an excellent excuse to strengthen its own alliance and military might in view of the Western "threat."

However, this alternative also had a number of disadvantages. It would seriously impair the continuation of the "new look," expressed by Joseph Stalin in the spring of 1952, and might cost the Soviet Union the respect of those nations

²⁶ During this period the Western nations were busily negotiating the European Defence Community, an eventuality which the Soviet government wished to prevent. Russia, therefore, tried to distract German attention from E.D.C. by raising hopes of German reunification and a peace treaty. See *The Memoirs of Sir Anthony Eden: Full Circle* (London, 1960), p. 45. The Soviet press made numerous "promises" of German unification during the E.D.C. negotiations. A good example was the statement by German prisoner Field Marshal Paulus, before leaving the Soviet Union to take up residence in the German Democratic Republic, sent to the U.S.S.R. government: "... The Soviet government's magnanimous decision on August 23 on the war prisoner question is fresh proof that in its policy toward Germany the Soviet government is not guided by a feeling of revenge for the innumerable sufferings we caused the Soviet people as a result of the war we unleashed. On the contrary, by the peaceful policy to which it has once again given expression in the aforementioned decision, it is facilitating the movement of the entire German people on the path of peace toward German unity and therefore toward a happy future." *Pravda*, November 1, 1953, p. 4.

outside Europe which had been encouraged by the "new look" of "coexistence" to believe that the cold war could be alleviated.²⁷ Second, refusal to negotiate might indicate to satellite nations and others that the success of the West in incorporating Western Germany in the Western alliance had been a severe defeat for the Soviet Union. The Soviet Union would thus suffer a serious blow to its prestige both at home and abroad. Third, the Western powers, having had success with Germany, might also undertake to include Austria in the Western military alliance, which, together with German rearmament, could only be understood as a defeat for Soviet policy.²⁸ Finally, German rearmament was not yet accomplished as 1955 opened. That would require much action. A too obviously rigid Soviet policy could only hasten the day when West Germany again would be a mighty power. Soviet threats had proved unsuccessful in keeping West Germany out of the alliance and probably would have no more success in delaying German rearmament or in stopping it altogether.

Soviet consideration of the disadvantages of non-cooperation with the Allied powers apparently led to the rejection of such a policy because it would be both inconsistent with over-all policy lines as well as ineffective in the accomplishment of both short-run specific aims and long-term goals. In the short run, it would probably fail to halt German rearmament and would increase Western pressure on the Soviet Union in Austria. In the long run, it would almost certainly lose the Soviet Union friends won by its "new look" policy and cost it prestige as a result of its failure to bar German integration into the Western alliance.

German rearmament probably could not be halted short of war, which would be too costly and destructive of the image the Soviet Union desired to project as peace-loving. However, whatever policy was followed with regard to Europe's problems could perhaps put at least some pressure on the Germans to delay, if not halt completely, rearmament.²⁹

The alternative policy that was in fact chosen was a simple one. A treaty neutralizing and freeing Austria would be negotiated by Soviet and Austrian officials in bilateral discussions and then presented to the three Western powers for

²⁷ Sir Anthony Eden suggests that world sympathy for the Austrian position influenced the Soviets to modify their policies towards Austria since the Russians were anxious to present a "reasonable countenance" to the world. "Its expression could not seem sincere, even to those most ready to smile back, while Austria was occupied by foreign troops and the Western offer to accept the Soviet terms was ignored." *Full Circle*, p. 290.

²⁸ In his report to the Supreme Soviet of the U.S.S.R. on February 8, 1955, Molotov reiterated Russian concern that Western "plans to re-militarize Western Germany signify . . . dangers for Austria." This was why, he continued, the Soviet government must "consider any further delay in the conclusion of a state treaty with Austria unjustified." Only a peace treaty with Austria could "preclude the possibility of Germany carrying out a new Anschluss. . . ." *Soviet News*, February 17, 1955. Numerous press statements during 1954 expressed Soviet fears that Austrian "independence" was being threatened by Western economic and military Anschlusses. See *Pravda*, December 8, 1953, March 3, April 17, May 30, and June 14, 1954.

²⁹ Even after the ratification of the Paris accords, *Pravda* (April 16, 1955, p. 1) was speaking softly to the Germans; "This [the neutrality of Austria] cannot help but be considered by certain other European peoples, primarily the German people who are legitimately demanding that the German problem be settled both in Germany's interests and in the interests of the security of all other European peoples." At a July, 1955, dinner given by the English delegation for the Soviet leaders at the Geneva summit meeting, Bulganin explained to Eden how real were Soviet fears of a German recovery. *Full Circle*, p. 300.

their signatures. The policy resulted in negotiation of the treaty in April and its signature in May of 1955.

There was, in the main, a two-fold propaganda as well as a military advantage in pursuing the policy chosen. The first propaganda advantage concerned the Soviet policy of the new look. The new look, involving a tolerance of neutralism outside the Soviet bloc and a stated willingness to reach accommodation with the Western powers, resulting in lessening of cold war tensions, could be improved upon by Soviet agreement to an Austrian treaty. In Europe, but more especially outside Europe — in Africa, the Middle East, South and Southeast Asia — the Soviet Union could present Austria as a concrete example of Soviet willingness to collaborate with a neutral nation. This policy could have long-term advantages in competition with the Western powers, especially the United States, in terms of the struggles for influence in areas outside Europe. Indeed the new look really had little concrete application in Europe. The most that could be hoped for there would be some weakening of Western resolve and unity, and perhaps a favorable impression upon West Germany, with whom the U.S.S.R. was about to open diplomatic relations.³⁰ At the same time, the Soviet Union could attempt to achieve, through trade with and aid to nations outside Europe, a flexible position which would enable it to penetrate them politically in the hope of a peaceful or violent overthrow of the local government some time in the future. If overthrow could not be brought about, at least a strong pro-Soviet and/or non-Western oriented bloc within individual nations would keep those nations out of the Western alliance.

Additionally, an Austrian treaty would represent Soviet fulfillment of a Western prerequisite for a "summit" meeting. This would increase pressure on the West for such a meeting, add to the desired "peace-loving" image of the Soviet Union, and would allow the Soviet Union a broader stage on which to play out its new role as chief world peace-promoter.³¹ In short, then, this policy would make the new look still more attractive and more credible. It could possibly add to the Soviet empire, or, falling short of that, possibly halt the expansion of the Western alliance in Asia and parts of Africa — areas near Soviet borders. Finally, it might force a summit meeting where the Soviet Union would have new opportunity to present itself to the world in a favorable light.

The second propaganda advantage derived from the bilateral character of the negotiations for the treaty was its "evidence" that the Soviet Union could not reach agreement with a recalcitrant West, despite its best efforts.³² Such propaganda

³⁰ Eden, *op. cit.*, p. 290.

³¹ Official Soviet press editorials emphasized this new role both prior to and after signing the treaty. Typical was this extract from a *Pravda* editorial of May 22, 1955, p. 1: "The peoples of the world have long demanded that the policy-making state figures of the United States, Britain, France, and the U.S.S.R. meet around a table, examine outstanding international problems and make the necessary efforts to settle them. The peoples demand an end to the 'cold war' and the re-establishment of an atmosphere of international faith in which it be possible to eliminate the burdensome arms race, obtain a considerable reduction in armaments and armed forces, ban atomic and hydrogen weapons, create an effective system of collective security, re-establish normal relations and extend peaceful cooperation among peoples in all fields."

³² Already in 1953 Russia was publicly blaming the West for delays in settling the "Austrian question." See the editorial by I. Alexandrov in *Pravda*, December 8, 1953, p. 3.

would be especially opportune in view of the "rigidly anti-Soviet action" of the Western powers in incorporating West Germany into the Western alliance. The Soviet Union would thus acknowledge that it had been defeated by the Western powers in its efforts to keep West Germany out of that alliance, but would attempt to make it clear that the defeat belonged to the "forces of peace." The bilateral action probably also was intended as a lesson to other neutral nations and to Germany that perhaps their interests could be served through bilateral negotiations with the Soviet Union (a preferable policy of Russia in the formation of non-aggression pacts or treaties of neutrality³³), but nothing could be achieved in negotiations between the two blocs.³⁴ At least in Europe the Soviet Union might hope to divide the Western alliance in that way and weaken the resolve of the alliance members to place their faith in combined strength. In addition, as with the first propaganda advantage, neutral nations would be encouraged to remain outside the Western alliance. In short, the policy would attempt to turn a Soviet defeat on Germany into a propaganda triumph while, at the same time, it would point out the value of bilateral negotiations with the Soviet Union, with the consequent dual hope that the Western alliance would be divided and/or kept from expanding.

The third advantage foreseen by the Soviet Union was that a treaty neutralizing as well as freeing Austria would obviously mean that Austria could not be rearmed within the Western alliance.³⁵ On the other hand, without a treaty, the Soviet Union could not be sure that Austria would not eventually join the Western military alliance. A treaty merely freeing Austria would run the risk that all Austria might eventually be rearmed by the West.³⁶ A neutralized Austria, on the other hand, would eliminate the danger of Western rearmament of that state. (This advantage apparently had been foreseen at the time of the Berlin Conference in 1954, when the Soviet Union had first insisted on a neutralized Austria.) Thus, while the Soviet Union would be required to withdraw her troops from Austria, there would be no concomitant Western advance and consequent threat to the Soviet satellite system from such an advance. Rather there would be a Western withdrawal which would have an additional advantage in that it would interrupt Western lines of communication and transportation from Western Germany to Italy through Austria. Also to be considered was the probability that a neutralized

³³ Jan F. Triska and Robert M. Slusser, *The Theory, Law, and Policy of Soviet Treaties* (Stanford, 1962), chapter 17.

³⁴ Pravda's New York correspondent E. Litoshko's report in *Soviet News*, April 19, 1955, p. 4, refers to the *Christian Science Monitor* "openly" saying that the example of Austria "will undoubtedly increase the already numerous ranks of Germans who are loudly demanding the re-unification of their country and peace with the Soviet Union, and who are ready, in exchange, to agree to neutrality and demilitarisation."

³⁵ Even before the Berlin Conference the Soviet Union had spoken of the dangers of a rearmed Austria either within the Western alliance or as part of a rearmed Germany. These remonstrations continued throughout 1954. See *New York Times*, January 25, 1954, p. 3; January 27, p. 9; February 19, p. 2; November 28, p. 5; December 10, p. 6; and December 30, p. 11.

³⁶ This eventuality was a real fear of the Russians. In fact, at the regular meeting of the Allied Council (May 28, 1954), Ilyichev, the Soviet High Commissioner in Austria, stated that soldiers' associations led by active Nazis and "Hitlerite" generals had been established in the Western zone of Austria and were increasing their activity, and that the High Commissioners should adopt "appropriate measures" for banning the activity of fascist and military organizations. Reported in *Pravda*, May 30, 1954, p. 6.

Austria would be much less a threat than an Austria still occupied and chafing under a Soviet rule, which it, like no other nation under Soviet rule, was able to criticize freely because of its peculiar position.³⁷ In short, a neutralized Austria would end once and for all the possibility that Austria would become committed militarily to the West, would end Austrian criticism of the unpopular Soviet occupation, and could be represented as a victory for the Soviet Union since Western forces were driven out of Austria and their lines of communication cut.

Although German rearmament was probably regarded as something the Soviet Union could not hope to stop without paying too high a price, there was certainly at least a hope — however slight — that the lessons of the Soviet policy with regard to the Austrian treaty would not be lost on Germany. The least the Soviet Union could offer in this regard was to lend support to those interests in Western Germany urging neutrality as the only feasible course to obtain German unity. The most that could be hoped for would be a delay in Western Germany's rearmament. If followed through logically in Germany, this policy would have meant a Soviet willingness to reunify all Germany on something like the Austrian model. This the Soviet Union was clearly unwilling to do since the loss of East Germany would be too great a blow in terms of Soviet prestige and Soviet material advantage, but probably most of all in terms of its effect on the other satellites.

This last point leads to consideration of the chief disadvantage, or of the costs and risks involved in the policy. Probably, the most important risk for the new look was its effect on the Soviet bloc in Europe and its concrete exemplification in Austria. If Austria could be neutralized and freed of Soviet control, why could not the same policy be applied to other members of the Soviet bloc, especially in view of the fact that Soviet troops were in Hungary and Rumania only because of the necessity of maintaining Red Army supply lines to Austria?³⁸ Once the occupation of Austria was over, what reason was there for the continued presence of Soviet troops?

From the point of view of the people of satellite nations, restless under Soviet-communist rule, this argument would seem logical, especially in view of the new look which stated Soviet approval of neutrality as one way to reduce cold war tensions. From the Soviet point of view, however, things looked different. The new look applied in Europe only to Austria — for various reasons which will be discussed shortly — and not other European nations, satellite or otherwise. In Europe, outside the Soviet bloc, the battle had been lost. However, loss of the satellites, which could result from the application of the new look to them, could be disastrous to Soviet power, security, and prestige. In part, the questions raised by the satellite nations were answered by Soviet references to Western hostility in Europe, necessitating a strong communist front against the West.³⁹ However, there was a

³⁷ Philip E. Mosely suggests that already in 1949, the U.S.S.R. had adopted a more "conciliatory position" on the Austrian problem because of "the grim attachment to the western concept of democracy which was displayed by the Austrian electorate and parties." See p. 234 of his "The Treaty With Austria," *International Organization*, Vol. IV., 1950.

³⁸ Cary T. Grayson, Jr., *Austria's International Position, 1938-1953* (Geneva, 1953), pp. 242-43.

³⁹ After the Paris Agreements were signed in October, 1955, Russia invited the United States and European countries to a European Security Conference at Moscow to discuss the

risk that this answer would not satisfy the satellites if Austria were granted freedom. There was also the risk that concessions on the Austrian question might really be regarded as a Soviet defeat in the fact of the newly achieved Western unity, which, in turn, might result in a loss of Soviet prestige and might make neutrals outside Europe desire cooperation not with the Soviet Union but with a Western alliance considered more powerful in view of the Soviet "defeat."

Finally, there were the material costs involved in withdrawal of Soviet forces from Austria. Those apparently were very slight, and consequently can be discounted, leaving only two possible risks. First, the Soviet satellite empire would be shaken by the example of Austria's liberation, and, second, this liberation might, despite Soviet propaganda to the contrary, be regarded as a Soviet defeat, resulting in loss of prestige.

The statement that material costs of Soviet withdrawal were very slight needs further explanation. Indeed, this point leads to considerations which explain in great part why the Soviet Union was able to adopt the policy it did in 1955. The fact that Soviet need for Austrian oil by 1955 was so marginal that it would easily be met in other ways accounts in large part for the ability of the Soviet Union to use Austria in 1955 to make more credible and more attractive its "new look." Soviet oil production in 1953 was approximately double that of 1947.⁴⁰ The 1955 level was almost three times that of 1947.⁴¹ In addition, apparently the Soviet Union was losing money on the other assets it had seized in Austria.⁴² So, no serious material loss was likely if the Soviet Union should withdraw, particularly if it obtained recognition of its right to the oil and the payment by Austria in goods and oil for returned assets. And, since there were no substantial communist elements within the government or among the Austrian people, no possible political loss within Austria would be sustained. Thus, materially and politically, Austria, in itself, had no great positive value to the Soviet Union by 1955. The Soviet Union could feel free to use Austria for political or other advantages outside Austria. This freedom of action due to Austria's unique position — between East and West, but part of neither — coincided in time with the development of the Soviet Union's policy of promoting itself as a chief advocate of world peace.⁴³ Together these factors made possible the new Soviet policy toward Austria and explained why the new look could apply there and not elsewhere in Europe.

In the West, the United States and its allies had a simpler policy. No further discussions on Austria were to take place until the Paris Pacts had been completely

Agreements. Only Soviet Bloc countries attended the Conference at which it was decided to form a formal Eastern counterpart to NATO. See *TASS*, December 2, 1955.

⁴⁰ United States Bureau of Mines, Economic and Statistical Branch, *International Petroleum Trade*, XVII, 216 (for 1946-47) and XXV, 105 (for 1953).

⁴¹ *Ibid.*, XVII (1948), 216 and XXV (1956), 105.

⁴² *New York Times*, January 10, 1955, p. 5 and April 17, 1955, p. 7.

⁴³ The Soviet press was filled with "peace" propaganda as early as 1952. *Pravda* (October 6, 1952) reported the following peaceful words of Georgi Malenkov, five months before the death of Stalin, in a speech before the 19th Soviet Communist Party Congress: "The Soviet policy of peace and security for nations is based on the premise that peaceful coexistence of capitalism and Communism and cooperation are quite possible."

ratified.⁴⁴ Any negotiations before that time would perhaps lead, so the United States feared, to a reduction within the Western alliance of the will to continue and to strengthen the alliance.

THE TREATY AND SOVIET STRATEGY

The first indication of a serious change in Soviet policy with regard to Austria came in a foreign policy speech by Soviet Foreign Minister V. M. Molotov on February 8, 1955. He stated that the withdrawal of the armed forces of the four powers from Austria could be achieved without awaiting conclusion of a peace treaty with Germany. This was a complete reversal of the Soviet position at Berlin in 1954. Molotov proposed a four-power conference to meet immediately to discuss the German and Austrian questions.⁴⁵ In early March, Molotov asked the Austrian government for its views on the proposals. Austria's answer was swift and favorable. The Austrian government stated that it favored a four-power conference, that it did not intend to join any alliances, allow any foreign bases on Austrian soil or seek any *Anschluss*, and that it was willing to give whatever formal guarantees of these assurances the Soviet Union considered necessary.⁴⁶

The Soviet Union's response was electrifying. On March 24 — the same day on which Germany completed ratification of the Paris Pacts — Foreign Minister Molotov invited the Austrian Chancellor, Julius Raab, to Moscow to discuss an Austrian treaty. (The West would not be included because it was held responsible for the situation which required guarantees of neutrality.) The Austrians accepted the Russian invitation, and negotiations began on a bilateral basis April 12, 1955, and ended April 15 in complete agreement on treaty terms.⁴⁷ The West's surprise indicated that the full implications of Soviet willingness to negotiate a treaty had not been understood by the West.

The concessions offered by the Soviet Union were indeed considerable in view of its previous terms for a treaty. Every Soviet economic privilege within Austria envisaged in the earlier treaty draft was eliminated. The Soviet Union agreed: (1) to accept 150 million dollars in Austrian goods for "German assets," the goods to be delivered to the Soviet Union at the rate of 25 million dollars a year for six years; (2) that Austria would receive the oil fields and oil exploration rights and refineries held by the Soviet Union, and would, in return, deliver crude oil to the extent of ten million tons — one million tons annually for 10 years; (3) to accept two million dollars in payment for all properties of the Danube Shipping Company in Eastern Austria. Once the transfers were made, Austria was to be bound not to allow the former Soviet properties to come into foreign possession. The final economic clause was (4) an agreement to conclude a trade treaty between the Soviet Union and Austria for a period of five years. With regard to guarantees of Austrian neutrality, the Soviet Union agreed (5) to accept a declaration by the

⁴⁴ See the statement by Secretary of State Dulles before the Senate Foreign Relations Committee, June 10, 1955, in Paul E. Zinner, *Documents on American Foreign Relations 1955* (New York, 1956), p. 158.

⁴⁵ *New York Times*, February 9, 1955, p. 1.

⁴⁶ *Ibid.*, March 17, 1955, p. 3.

⁴⁷ *Ibid.*, March 25, 1955, p. 2, and April 16, 1955, p. 4.

Austrian federal government "in a form which will obligate Austria internationally to practice in perpetuity a neutrality of the type maintained by Switzerland." Austria was to seek to obtain international recognition of the declaration after it was confirmed by the Austrian parliament, and would "welcome a guarantee by the four powers of the inviolability and integrity of the Austrian state territory." The Soviet Union further agreed (6) that all occupation troops should be withdrawn from Austria no later December 31, 1955. Finally, the Soviet Union stated its willingness (7) to agree without delay to sign the Austrian State Treaty.⁴⁸

The Western powers generally credited two circumstances for the Soviet agreement to these terms. United States and Western policy-makers rather generally assumed Germany alone to be the object of the Soviet Union's generous terms.⁴⁹ Confirmation of this view came quickly in the form of editorials in two Soviet newspapers, *Pravda* and *Izvestia*, suggesting that Germany might find it advantageous to adopt a neutral position like Austria's.⁵⁰ The second circumstance credited for the agreement was the steadfastness of the Austrian people who refused to succumb to Soviet pressures and had time and again rejected communism. There is at least some truth in both. However, as stated above, in all probability Germany was a side issue in Soviet calculations. As for Austrian courage, certainly it was a factor in both Soviet and Western calculations. But more about this later.

Since the Soviet terms were so generous, the Western powers could scarcely refuse to negotiate, and, for the same reason, could scarcely refuse to agree to a treaty. Four-power negotiations began May 2, 1955, in Vienna, following acceptance by the Western powers of a Soviet invitation to preliminary talks aimed at determining whether agreement to a treaty was possible. At the same time, the United States and its allies hastened action on the Paris Pacts. All ratifications were accomplished and Germany was made sovereign by May 1955. Assurances were quickly obtained from the West German government that the Austrian example would have no effect on Germany, and that neutralism or a desire for neutralism was not rampant in West Germany.⁵¹ The West clearly intended that any agreement on Austria should not impair Western defenses.

Several obstacles to agreement arose in the course of nearly two weeks of discussions by the ambassadors of the four occupation powers in Vienna. However, they were quickly disposed of.⁵² Chief among the obstacles was Soviet reluctance to include the Austro-Soviet agreement on "German assets" as part of the treaty. The West feared the Soviet Union might at some future date renounce the treaty and reoccupy Austria. Following strong Western insistence that the agreement be

⁴⁸ *Ibid.*, April 16, 1955, p. 5; April 18, 1955, p. 5; and April 29, 1955, p. 8 and United States Department of State, *The Austrian State Treaty*, translation of the memorandum "Concerning Results of the Conversations Between the Government Delegations of the Republic of Austria and The Government Delegations of the Soviet Union," pp. 79-82. Also, Robert M. Slusser and Jan F. Triska, *A Calendar of Soviet Treaties: 1917-1957* (Stanford, 1959).

⁴⁹ *New York Times*, April 16, p. 3; April 18, p. 5; April 27, p. 6; April 28, p. 6 and April 29, p. 4 (all of 1955).

⁵⁰ See footnote no. 34.

⁵¹ *New York Times*, April 30, 1955, p. 1.

⁵² *Ibid.*, April 26, p. 4; April 30, p. 4; May 1, p. 3; May 3, p. 7; and May 4, p. 6 (all of 1955).

included, the Soviet Union finally consented.⁵³ Thus the treaty both awarded the assets to Russia, on the Soviet Union's terms, and returned them to Austria for payments — payments made possible by American aid which had made Austria sufficiently strong economically to undertake to make the payments.

The ambassadors then completed the draft and notified their governments that their work was done. The Soviet Union had given in on nearly every disputed point. She no doubt felt that once the decision had been made to secure the treaty, action must be completed unless Western demands were totally unacceptable. Clearly Western demands restricted Soviet freedom of action in Austria more than the Soviet Union desired, but the restrictions were not crucial to Soviet security.

On May 13, the ambassadors held their last meeting, and on the same day the four foreign ministers arrived at Vienna. Following a brief meeting during which they agreed to the Austrian request for deletion of a paragraph in the Preamble concerning Austria's war guilt — something the Soviet Union had insisted on for ten years — the final text of the treaty was signed May 15, 1955.⁵⁴ In a matter of a little more than two months, the treaty was ratified by the five signatories and entered into force on July 27, 1955. The last occupation troops were withdrawn from Austria on October 25, 1955.⁵⁵

Three events just prior to the treaty signing were to aid the Soviet Union in implementing the policy outlined above. The first of these was a meeting in Warsaw of Soviet bloc members who laid the foundation of what came to be called the Warsaw Pact and was termed by the Pact members "a defensive alliance."⁵⁶ The excuse for the Pact obviously was the rearmament of West Germany by the Western allies. It indicated to Soviet satellites in Europe that the "new look" meant very little there, that no relaxation was planned in Europe because of Western hostility, and that consequently the satellites were not to think that Soviet tolerance of neutrality and non-alignment in Austria's case or elsewhere applied to the Soviet Union's European satellites. Given the Austrian Treaty, the Warsaw Pact was a propaganda necessity for Russia.⁵⁷ It could be expected to provide a legal excuse for the continuing presence of Soviet troops in Hungary and Rumania, where, according to the Potsdam agreement, Soviet troops were to remain only so long as necessary to provide supply routes to the Soviet zone of Austria.

The second event which later aided the Soviet Union was Egypt's announcement that it had entered into barter trade agreements with the Soviet Union and Rumania.⁵⁸ Thirdly, on the day before they met in Vienna to sign the treaty, the four foreign ministers agreed to a heads of government meeting in July. Pressure on the United States and on the Western allies for such a meeting was great both from within the alliance and from the so-called "uncommitted" or neutralist

⁵³ *Ibid.*, May 13, 1955, p. 4.

⁵⁴ *Ibid.*, May 15, 1955, p. 1 and May 16, 1955, p. 1.

⁵⁵ *Ibid.*, October 26, 1955, p. 6.

⁵⁶ See footnote no. 39.

⁵⁷ As Stearman points out (*op. cit.*, p. 161), this pact had little significance since Russia was already in de facto control of satellite armed forces, and by March 1948 had concluded bilateral military pacts with Czechoslovakia, Poland, Bulgaria, Hungary and Rumania.

⁵⁸ William Reitzel, Morton A. Kaplan, and Constance G. Goblentz, *United States Foreign Policy, 1945-1955* (Washington, 1956), p. 408.

nations. The signature of the Austrian State Treaty had increased the pressure on the West, as the Soviet Union had hoped it would, because it was viewed both as a sign of increased Soviet willingness to make an accommodation with the West and as a "deed" rather than "words" by which the West could judge the "sincerity" of Soviet desires for peace.

At Vienna the Soviet Foreign Minister encouraged this pressure on the West by stating that the treaty proved that possibilities exist for settling other current international problems. Also, he wasted no time in making clear that the Austrian solution was regarded by the Soviet Union as a desirable one for other nations. In so many words, he stated: "Allow me to express the conviction that other states also will follow the pattern of Austria's position of honest neutrality." Germany was specifically mentioned, but the solution was not one which would be limited to Germany.⁵⁹

Thus far the Soviet policy had met with success. The treaty had been signed, its lesson had been stated in clear terms, and the possibility of repercussions in the satellites had been, the Soviets hoped, lessened if not eliminated by the Warsaw Pact beginnings and by emphasis on the dangers in Europe of German militarism.⁶⁰

The Soviet campaign to establish its image of peace-seeker was continued when, immediately after the Austrian treaty was signed, the two highest Soviet officials paid a visit to Yugoslavia in an effort to restore relations with Tito. They returned to Moscow with a declaration of friendship and a pledge of collaboration.⁶¹ And, following the July Geneva meeting, the Soviet Union encouraged the popular reaction to the conference which was well expressed by a journalist's phrase, "the Geneva spirit." The phrase expressed the illusions which the Western powers feared might lead to divisions in the Western alliance, precisely the result that the Soviet Union had hoped for.

Thereafter, the Soviet Union moved to sell its *modus vivendi* policy of neutralism through a series of actions; there were many visits by Soviet leaders to neutralist states and a continuous stream of statements emphasizing the Soviet position on neutralism. Perhaps the key to the new policy was an assertion by Nikita S. Khrushchev, then first secretary of the Communist party, repeated several times and in various contexts, that the Soviet Union would triumph over capitalism without war.⁶² The conclusion apparently had been reached by the Soviet leaders that, because of the existence of the tremendous destructive power of both the Soviet Union and the West, war as an instrument of achieving Soviet short-range, if not long-range, goals was of very little and perhaps no utility. The alternative method of seeking realization of goals consisted in great part of an effort to convince the non-Western, non-Soviet world that only in cooperation with the Soviet Union could peace be realized.

To make the original example of a neutralized Austria still more attractive, in the summer of 1958 the Soviet Union renounced its rights to half of the remain-

⁵⁹ *New York Times*, May 16, 1955, p. 5.

⁶⁰ The Soviet press made frequent mention of signs in the West of fear of German militarism. See *Pravda* of June 14, 1954, p. 4, and *Soviet News* of February 21, 1955, p. 4.

⁶¹ They arrived May 19, 1955, in Belgrade. See *New York Times*, May 20, 1955, p. 5.

⁶² *New York Times*, September 13, 1955, p. 11, and February 5, 1956, p. 9.

ing oil deliveries from Austria.⁶⁸ At the same time, trade and cultural relations were to be extended. The reduction of the oil quota and the deliberate refusal to push for conditions or advantages within Austria, other than the trade agreement, were the logical steps in a policy aimed at making neutralism attractive elsewhere. In part, also, the reduction was an effort to remove the stain on the Soviet Union which had resulted from Soviet action in quelling so bloodily the Hungarian revolt in the fall of 1956.

If prior to October 1956 the Soviet Union had reaped only gains from its "new look" policy, it suffered certain losses in late 1956 because of the effects of actions on its satellites in Eastern Europe, and particularly in Hungary and Poland. The Soviet Union discovered that its "new look" had resulted in a threat to the solidity of its Eastern European satellite empire, and that it had been exposed exactly for what it was — a policy aimed at wooing neutralist nations while maintaining an iron grip on the satellite nations, through violence when necessary.

Adding to the cost within the satellites was the non-violent revolt in Poland. The situation there was stabilized in part by an agreement to allow Poland more liberty in determining national policies, but such an agreement was tantamount to an admission of weakness, something which the Soviet Union quite clearly disliked.

Despite these serious reversals, however, the "new look" was not, from the Soviet point of view, a total loss or a serious mistake. The crucial point for nations outside the Soviet bloc apparently was not so much how the peoples within the Soviet bloc were treated by the government but rather how the Soviet Union planned to treat the nations outside the Soviet bloc. No major changes appeared in Soviet behavior toward these nations, and, while there was some uneasiness over and condemnation of the Soviet actions of 1956, other later Soviet actions in extending further aid and making additional trade agreements seemed to reduce this uneasiness and criticism. The renunciation of half the promised Austrian oil deliveries was an action of this sort. Thus, Soviet gains in neutralist nations remained on the whole intact; the policy of appealing to neutrals by presenting the image of chief peace-makers was largely a success despite the cost of this policy in the satellites.

Austria's part in the execution of this Soviet policy, as stated above, was that of a shining example of Soviet willingness to cooperate with neutralists. The Soviet Union would attempt to win the struggle with the West and capitalism not through violent attack on the West but through a policy aimed at showing that the Western nations were incapable of surviving peaceful competition with the Soviet Union and communism. The Soviet Union would "bury" the West not after the violent death of the West, but after the West succumbed to its own internal weaknesses, which the Soviet Union would expose and, by exposure, intensify, thus hastening the day of Western collapse. The future lay with the Soviet Union, and Austro-Soviet relations were the prime example of what the future would be like.

Obviously the Soviet decision to neutralize Austria was little more than a propaganda tactic which conveniently supplemented the Soviet prime strategic

⁶⁸ *Ibid.*, July 25, 1958, p. 5. Austria had agreed in the Austro-Soviet agreement to deliver one million tons of oil a year for 10 years. By July, 1958, three million tons had been delivered. The remaining requirement — seven million tons — was cut in half.

need to clearly delineate her sphere of influence in Eastern Europe in the face of a challenging remilitarized Western Europe. Communist ideology and strategy and the realities of Western politics dictated that world conquest could not proceed until its means — defense of the Soviet base — was secured.

It is, of course, never possible to identify positively the motivations and proximate goals of Soviet policy, but it seems clear that the U.S.S.R. promoted the Austrian State Treaty because, based on her assessment of the strengths and weaknesses of both the Communist and “Capitalist” camps, neutralization of Austria and other nations was the immediate prerequisite of Soviet strategy. The Kremlin’s acceptance of Austrian neutrality seems to have been the result of sober calculations by Soviet leaders and their belief in the necessity of adjusting to the changed world conditions occasioned by such things as new weapons and communications.⁶⁴ The treaty explains and epitomizes Soviet foreign policy as a balance of national and revolutionary interests. In terms of Communist dialectics, “neutralization,” like “coexistence,” meant that the cold war had become no less a war — only colder.

⁶⁴ Sven Allard, *Diplomat in Wien* (Cologne, 1965).