The signing of the Austrian State Treaty on May 15, 1955, concluded ten years of arduous negotiations among the Allied Powers. These negotiations illustrate the difficulties involved in dealing with the Soviet Union at the conference table. This study describes Allied efforts between 1945 and 1955 to persuade the Soviets to grant Austria its independence.

In Chapter I Austrian political, economic, and social developments between 1918 and 1955 are reviewed to present the historical background of the negotiations. After the collapse of the Habsburg Empire in 1918, the First Austrian Republic struggled to establish itself as a viable independent state, only to be obliterated by the crushing machinery of the Third Reich. After liberation in 1945, the legally constituted Austrian government worked with the occupying powers to put the shattered republic back on its feet. During ten years of Allied occupation the Austrian people resisted Soviet pressures and were steadfast in their determination to see their country free from foreign occupation.

Chapter II deals with the course of the Allied negotiations from the first wartime pledges to Austria to 1950. In the Moscow Declaration of 1943 the Allied Powers agreed that Austria should be liberated from German domination and reestablished as a free and independent state. With this promise the Austrians expected to be granted their independence soon after the war. All early efforts made during numerous high-level conferences to bring the Soviets to agree to an Austrian State Treaty failed, however, and negotiations broke down completely in 1950.
Chapter III is devoted to the years of stalemate between 1950 and 1953 and the resumption of negotiations at the Berlin Conference of Foreign Ministers early in 1954. The war in Korea and Stalin's sudden death in 1953 seemed to have little effect on the Austrian treaty negotiations. During this period the Western Allies tried by means of an exhaustive exchange of notes with the Soviet government to reopen negotiations on the Austrian question. When the new Soviet regime finally decided to send a delegation to the Berlin Conference, they refused to sign an Austrian treaty until a settlement on Germany had been reached.

Chapter IV climaxes the negotiations with the sudden Soviet decision to conclude an Austrian treaty in 1955. The Soviets ostensibly decided to improve their post-Stalin image by granting Austria her independence. An Austrian delegation returned from Moscow with a Soviet promise to sign the treaty immediately and with very favorable terms on issues that had blocked settlement for ten years. The foreign ministers of the four occupying powers of Austria met in Vienna on May 15, 1955, to sign a treaty which recognized Austria as an independent state. The Austrian State Treaty was the first post-war European problem that the Soviets were willing to negotiate to a conclusion acceptable to the West.
I would like to express my gratitude to my thesis director and advisor, Dr. R. John Rath, for his patient and painstaking criticisms of my thesis and his constant interest in my progress. Also I extend my appreciation to Dr. Gerald M. Straka and Dr. Charles E. Neu, members of my oral committee, who have taken the time to read and criticize my paper. In addition, I want to thank Mr. Walter R. Roberts of the American Embassy in Belgrade for his interest in my topic and his offer to assist me in expanding my subject. I am grateful to Mrs. Marvine Brand of the Inter-Library Loan Service of the Fondren Library, Mrs. Louise Hull of the history and political science department, Miss Leona Hoop and Mrs. Billie June Konzem, my typists, for their efforts on my behalf.

This thesis is dedicated to my father and mother, who not only introduced me to Austrian life, but, most important, always provided me with the love, confidence, and care which have made my work worthwhile. I particularly want to thank my dear friends, W. Robert Houston, for his constant attention, advice, and support throughout the year; and Michael Davis, for his devotion to my needs while writing this paper and his penetrating comments on the content and style of my material.

Rice University
June, 1966

Ruth Helen Tobin
We do not imitate, but are a model.

Pericles
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>PREFACE</td>
<td>iii</td>
</tr>
<tr>
<td>TABLE OF CONTENTS</td>
<td>iv</td>
</tr>
<tr>
<td>CHAPTER I: BACKGROUND AND SETTING (1918-1955)</td>
<td>1</td>
</tr>
<tr>
<td>CHAPTER II: WARTIME PLEDGES AND EARLY NEGOTIATIONS (1940-1950)</td>
<td>18</td>
</tr>
<tr>
<td>CHAPTER IV: FINAL NEGOTIATIONS (1954-1955)</td>
<td>52</td>
</tr>
<tr>
<td>APPENDIX I: CHRONOLOGY OF AUSTRIAN TREATY NEGOTIATIONS</td>
<td>71</td>
</tr>
<tr>
<td>APPENDIX II: MOSCOW MEMORANDUM OF APRIL 15, 1955</td>
<td>73</td>
</tr>
<tr>
<td>APPENDIX III: SUMMARY OF AUSTRIAN STATE TREATY</td>
<td>77</td>
</tr>
<tr>
<td>BIBLIOGRAPHY</td>
<td>85</td>
</tr>
</tbody>
</table>
CHAPTER I: BACKGROUND AND SETTING

On May 15, 1955, thousands of exuberant citizens pressed toward Vienna's lovely Belvedere Palace. Motorcycle policemen in green and white uniforms, high black boots, and sleek helmets, urged the crowds off the cobblestones and onto the narrow sidewalks. The Austrians were waiting to catch sight of a cavalcade of limousines. It would carry with it the fulfillment of ten years of hope.

When the streets were finally cleared, a hurried procession of vehicles made its way toward the palace gates. Onlookers gazed at the Russian motorcade as it zoomed by with the French, British, and American delegates lagging far behind. Occasionally one could catch a glimpse of a bobbing head or flapping arm as it was extended out of a window to acknowledge the crowds.¹

A short time later, the U.S., British, French, and Russian foreign ministers and ambassadors to Austria, Austrian statesmen, aids, and diplomatic officials emerged from the Marble Chamber of the Upper Belvedere. They stepped onto a large balcony which provided them with a breathtaking view of the Vienna rooftops. Leopold Figl, foreign minister of Austria, raised an open volume high above his head in which impressive wax seals lined one gleaming white page. The members of the crowd below moved forward and waved happily.²

¹Author's personal observations in Vienna on May 15, 1955.

On that page of Figl's leather-bound volume were the sprawling signatures of the foreign ministers and the ambassadors of the United States, U. S. S. R., United Kingdom, and France, and of the foreign minister of Austria, who had just signed the Austrian State Treaty of 1955. This document guaranteed a beautiful little country her freedom and independence.

The signing of the Austrian State Treaty was a memorable event, for it concluded the story of Austria's diplomatic struggle to obtain de jure as well as de facto independence. The treaty was signed only after long years of international negotiations. It served as a reminder of the tension of those years and came to represent a series of frustrating and tedious meetings, a game of diplomatic hop-scotch from one capital to another, and an exercise in delay, obstruction, and stalling, compromise, patience, and determination.

The negotiations for an Austrian State Treaty which dragged on from 1945 to 1955 have taught a number of significant lessons. Among other things, they illustrate the great difficulties of "Cold War" diplomacy in general. But, most important of all, they constitute a vivid record of the difficulties involved in dealing with the Soviet Union. This study deals with the tortuous Allied and Austrian efforts to attain a satisfactory agreement on Austria between 1945 and 1955. Hopefully it will throw a little additional light on our knowledge of Communist methods of negotiation during the Cold War era.

In Chapter I, Austrian political, economic, and social developments between 1918 and 1955 are reviewed in order to delineate the historical background of and to set the stage for the negotiations. Chapter II deals with the course of the deliberations from the first war-time pledges
of the Allies to Austria to the year 1950. Chapter III is devoted to the years of stalemate between 1950 and 1953 and the resumption of effective discussions in 1954 and 1955. In Chapter IV the negotiations are brought to a close with a description of the final meetings in Moscow and Vienna.

Even though the Austrians did not participate in the actual negotiations with the Allies before 1954, the story of the negotiations is part of Austria's story, and will be treated so in this study. Postwar European politics and world developments will be referred to only when they had a direct effect on the course of the negotiations. This essay must, of necessity, be limited in scope and in attention. A satisfactory treatment of why the treaty was finally signed is a subject for a more comprehensive paper than this one.

The Austrian empire, once the greatest multinational state in Europe, collapsed at the close of World War I. On November 11, 1918, the luckless Emperor Charles resigned all his royal prerogatives, although he never formally abdicated. His desperate last-minute efforts to preserve the Habsburg empire as a federation of national states failed. The former subject peoples of the monarchy grouped themselves into more or less ethnically separate states. The German-speaking Austrians, however, refused to be incorporated into any of these succession states and claimed the right to be united with Germany.

---


Austrian sentiment for union with Germany grew out of the Pan-German movement which existed in the empire. The new little state was also in an almost hopeless economic condition. As a result, on November 12, 1918, the Provisional National Assembly of German-Austria proclaimed the new nation a democratic republic and an integral part of the German Republic. Subsequently, Otto Bauer, the new minister for foreign affairs, and the German foreign minister, drafted a treaty stipulating the terms of union. Such an agreement could not be made, however, without the consent of the victorious Allied powers.

Karl Renner, the chancellor of the new republic, took an Austrian delegation to St. Germain-en-Laye, a suburb of Paris, on May 14, 1919. Amidst confusion, the Paris negotiations for an Austrian treaty dragged on while Chancellor Renner and his party waited in St. Germain. Not until July 20 was the completed Treaty of St. Germain presented to the Austrian delegation. On September 10, 1919, after the Provisional National Assembly approved it, Chancellor Renner signed a treaty which was resentfully looked upon by the Austrians as a dictated peace.

The Treaty of St. Germain confirmed the dissolution of the Habsburg

---


empire. German-Austria was required formally to recognize the independence of the succession states of the old monarchy. The territory that remained was to be called the Austrian Republic. Union with Germany was forbidden by the Allies without the consent of the League of Nations. As delineated by the treaty, the new Austria, which had a population of about 7 million people, was to be comprised of seven historic provinces of the old empire: Vorarlberg, Styria, Tyrol, Carinthia, Salzburg, Lower Austria, and Upper Austria. The Hungarian Burgenland was incorporated after a plebiscite in 1922. The capital city of Vienna was made a separate province in the same year. 9

With statehood thrust upon it, Austria was plagued with many economic and political problems. Inflation, unemployment, and economic chaos were results of the war and of the shift from monarchy to republic. Austrians starved because the nation lacked an adequate food and coal supply. Chancellor Ignaz Seipel met the crises heroically in the 1920's by seeking financial aid from abroad under League of Nations supervision. A new national bank was created; the traditional Krone (imperial currency) was replaced with the Schilling, which soon became one of the most stable currencies in Europe. 10 Further economic distress in the 1930's led to an attempted customs union with Germany, a project which was interpreted by the International Court of Justice as a violation of the Treaty of St. Germain. 11 But the Lausanne Agreement, which provided Austria with fur-

9Grayson, Austria's International Position, pp. 2-3 and 5-6.


11 Bullock, Austria 1918-1938, p. 211.
other international loans, followed closely after the failure to bring about an economic union with Germany.\textsuperscript{12} As a result, the economic situation improved considerably, demonstrating that Austria was capable of standing on her own feet.

Austria completely lacked a democratic political tradition or a sense of national purpose. After much party bickering, a political balance was finally established between the Marxist Social Democrats in Vienna and the conservative Christian Socials in the provinces. Differences between the two parties, however, continued to be an irritant to Austria's political life. Propaganda sifted into Austria from the rising totalitarian regimes of Germany and Italy. Internal strife between the parties, each supported by a private army, broke out into open conflict approaching civil war in 1934.

By 1934 the Nazi movement in Austria had gained considerable strength.\textsuperscript{13} Chancellor Engelbert Dollfuss, who established a dictatorship on the Italian model, was killed during a Nazi Putsch in that year. Following his death, an interim regime under Kurt von Schuschnigg attempted to avert the rapid growth of the movement.\textsuperscript{14} But Hitler soon replaced the chancellor with his own puppet, Arthur Seyss-Inquart. Shortly thereafter, Austrian Nazis welcomed German troops into Austria as they marched triumphantly across the border. Austria was declared to be a province of the German Reich.\textsuperscript{15}

\textsuperscript{12}Ibid., p. 219.
\textsuperscript{13}Ibid., p. 36.
Nazi policy in Austria was aimed at eliminating all vestiges of Austrian central authority and replacing it with a German administrative system. The Austrian Republic was, in fact, wiped off the map from 1938 to 1945. Austria became the Ostmark or Eastern March of the German Reich, but eventually even this official name ceased to be used. Its nine provinces were reorganized into eight Gaue (regions or districts), of which the city of Vienna was one. Similarly, Austria's judicial organs and political bodies were abolished and replaced by German institutions. The German Mark took the place of the Austrian Schilling.

Austrian industry, as well as natural and financial resources, was very useful to the German war effort. By the closing years of the war Germany had taken over all of Austria's important financial, commercial, and industrial institutions. In many respects, exploitation of Austrian industry by the Germans greatly increased the republic's productive capacity and prepared the way for post-war development. Employment and production were up to their fullest capacity, and Austria became the second largest oil producer in Europe when the Germans began developing the oil resources of Zistersdorf. The Nazis also took advantage of Austria's hydroelectric power resources, and Hitler capitalized on her geographic position for his economic penetration of the Balkans and the Middle East. 16

Austria was thus plunged into the German war effort. Despite the wartime boost in her productive potential, however, the liabilities of war alongside Germany overshadowed the benefits of Anschluss. Austria emerged from the Second World War shorn and bleeding. Although the little nation was far less damaged than Germany, the eastern provinces and

16 Grayson, Austria's International Position, pp. 30-32.
several industrial areas were heavily bombed. Vienna, Wiener Neustadt, Linz, and Innsbruck\textsuperscript{17} were in flames and rubble. Displaced persons and refugees roamed the country, picking at garbage cans and staring hopelessly at the devastated homes and shattered lives around them. Austria's manpower potential was reduced by one-half million as a result of the war,\textsuperscript{18} industrial production was cut to about one-third that of 1937, and Austria could produce only about forty per cent of her own food supply.\textsuperscript{19}

On March 29, 1945, the Soviet army marched triumphantly across the Hungarian border into Austria. Shortly thereafter, the Americans and French advanced from the west and north, the British from the south. With little difficulty, the Allies forced the Nazi army to surrender.\textsuperscript{20} Thoroughly disillusioned with German ambitions, the Austrian people welcomed the Allied armies with a sense of relief.

It was generally understood by the Allies and by the Austrians that the post-war occupation of Austria would not be a prolonged one. The three Western powers were eager to establish Austria's independence and to withdraw their forces as soon as possible.\textsuperscript{21} It seems, however, that the Soviets intended to take over Austria and to turn it into a Russian satellite.\textsuperscript{22} This plan was reflected in their efforts to establish an

\textsuperscript{17}Winifred N. Hadsel, "Austria Under Allied Occupation," \textit{Foreign Policy Reports} (November 1, 1948), p. 135.

\textsuperscript{18}Grayson, \textit{Austria's International Position}, p. 32.

\textsuperscript{19}Hadsel, "Austria Under Allied Occupation," p. 136.

\textsuperscript{20}Hiscocks, \textit{The Rebirth of Austria}, pp. 10-16.


administration for the occupation and an Austrian government that would serve their interests.

To discuss the Allied administration of Austria, one must refer back briefly to the wartime period. As early as the Moscow Conference of 1943 a European Advisory Commission was established to deal with post-war problems. In mid-January, 1944, the commission met in London to discuss zoning arrangements for the Allied occupation of Germany and Austria. After much consultation, the Soviet, American, and British representatives tentatively agreed upon a tripartite occupation proposal.

Negotiations on zoning continued in 1945. France was accorded equal participation in the European Advisory Commission, and it was agreed that the French army would occupy an additional zone in Austria. After this decision, tension arose over the proposed occupation of Vienna. The Soviets insisted that the city, as it existed before the Anschluss, be divided into four equal sectors. This arrangement put the entire inner city, as well as the single airfield serving Vienna, into the Soviet sector.

The Western Allies, on the other hand, proposed that the division of Vienna be based on the wider city limits, or Vienna Gau, established by Hitler. They also suggested that the inner city be occupied jointly, under the control of an Inter-Allied Council, and that each sector be provided with an airfield. The Soviets accused the United States of supporting fascism in advocating the maintenance of the city limits established by the Nazis. They also attempted to delay the discussion of the

---

23 The Moscow Conference will be discussed in greater detail in Chapter II.


25 Stearman, The Soviet Union and the Occupation, p. 16.

26 Grayson, Austria's International Position, pp. 72-74.
sectoring of Vienna until after a formal agreement had been signed on zoning of the provinces.27

The agreement on the occupation was not signed, however, until the Vienna issue was settled. After effective compromise was reached, the European Advisory Commission Agreement on Zones of Occupation in Austria and the Administration of the City of Vienna was signed on July 9, 1945.28 By the terms of this accord, Austria was divided into four zones. The Soviet zone was comprised of the provinces of Lower Austria in the north and Burgenland in the east; the French zone was made up of Tyrol and Vorarlberg in the far west; the American army moved into Salzburg in the west and Upper Austria in the northwest; and the British settled in Styria, Carinthia, and East Tyrol in the south. Vienna, as it existed before the Anschluss, was divided into four sectors, with the inner city under joint occupation and administered by an Allied Commission. Provisions also were made in the agreement for the quartering of troops in Vienna and for other related matters.29

Five days before the conclusion of the zoning agreement, the Agreement on Control Machinery in Austria30 was signed. This document estab-

---


28 Ibid., p. 266 n.


30 Mosely, "The Treaty with Austria," in The Kremlin and World Politics, p. 266 n.
lished "an Allied Commission to exercise supreme authority until the establishment of a freely elected Austrian government recognized by the four powers." The commission was to preside over the military government of Austria, supervise denazification and demilitarization, aid in the establishment of a central Austrian government, and prepare for free elections. The commission met for the first time on September 11, 1945.

The most important task confronting the Allied Commission and the Austrian people was forming a civilian government. The Russians had already succeeded in complicating this enterprise. As the first of the Allied powers to enter Austria, the Soviet liberators had established a government that they hoped would be responsive to their own interests. To head this regime, they selected Karl Renner, a Socialist whom they believed sufficiently pliable to serve their purposes. Although the members of the Austrian Socialist Party proved that they had no intention of working with the Austrian Communist Party, the Soviets remained confident that the Communist Party would be successful in any future

---

31 Quoted in ibid., p. 266.


elections. As a result, the Soviet government recognized Dr. Renner's provisional government on April 27, 1945, on condition that a free election be held within the year. In practice, however, the authority of this government was confined to the Soviet-occupied areas and did not extend throughout the country.36

The Western Allies, unsure of Renner's reliability, withheld formal recognition of his government on the ground that they had not been consulted.37 When the members of the Allied Commission met for the first time on September 11, 1945, they examined the matter of extending the authority of the Renner government throughout Austria and announced that they would help to prepare the way for it. While the Allies worked toward this end, Chancellor Renner made vigorous efforts to render his government acceptable to the Western Allies. After six months he succeeded in convincing them that Communist influence in Austria was no longer dangerous and that the free and honest elections which were to be held in the fall would make this evident. As a result, on October 20, 1945, the Allied Commission authorized the extension of the authority of Renner's provisional government throughout Austria's nine provinces.38 Its power was to be limited only by the rights of the occupying powers as established by the Agreement on Control Machinery in Austria. The Western Three subsequently recognized the existence of the provisional government.

When the Austrians held their first postwar election on November 25, 1945, the outcome was a disappointment to the Soviets. The majority

---

37 Siegler, Austria: Problems and Achievements, p. 7.
38 For details on Renner's campaign for unification and recognition, see Houston, "Karl Renner and Austria in 1945," pp. 134-141. For Renner's own account of this period, see Karl Renner, Österreich von der Ersten
of the votes were divided between the Peoples' Party (the more liberal, less clerical heir of the Christian Social Party of the First Republic) and the Austrian Socialist Party (the less anti-clerical, Austro-Marxist heir of the Social Democrats). The former won 1,602,227 votes and 85 seats in parliament; the latter 1,434,898 votes and 76 seats. The Communist Party received only 174,257 votes and 4 seats. 39

The leaders of the two major parties, remembering the ferocity of party warfare that wracked the First Republic, decided to suppress their differences and form a coalition government. The new members of parliament elected the Socialist Karl Renner as president. Dr. Renner, in turn, appointed Leopold Figl, a member of the Austrian Peoples' Party as chancellor and Adolf Schärf, a Socialist, as vice-chancellor. Chancellor Figl and Vice-Chancellor Schärf were instructed to form a coalition which would extend to all branches of government. 40

The Allies imposed rigid controls on the new government during the first year of the Second Republic. Along with numerous other restrictions, the Austrian government could not pass a law or make an international agreement without the unanimous approval of the Allied Council. 41 This meant that any one member had full veto power over Austrian legislation. After continued complaints from the Austrians, the Allies signed a New Control Agreement on June 28, 1946. Although the Austrians still pro-
fessed dissatisfaction with this new settlement, it, nonetheless greatly increased their government's authority. According to the new arrangement, almost all laws and international agreements were to go into effect automatically within thirty days after being submitted to the Allied Council; only constitutional laws were subject to the unanimous approval of the council. The modification of the original agreement on control machinery prevented the Soviets from taking advantage of their veto power.

With the conclusion of the New Control Agreement of 1946, the terms of the occupation of Austria were established once and for all. Although by no means ideal from the Austrian point of view, they proved to be wise and lasting. Relations among the commissioners of the Allied Council remained fairly good throughout the occupation. The New Control Agreement however, was the last major document on which all four powers could agree until the conclusion of the State Treaty of 1955.

In contrast to her economic development, Austria's political structure changed little over the next nine years. General elections were held every four years, but electoral opinion remained fairly constant. In the general elections of 1949 a new party, the League of Independents, polled about 490,000 votes and gained 16 seats in parliament. Otherwise, in the elections of 1949 and 1953, the electoral balance between

\[45\] In the 1959 election the Communists lost all three seats in parliament, having given up their single cabinet seat in 1947. Austria: Facts and Figures, p. 12; and Siegler, Austria: Problems and Achievements, p. 101.
the two major parties varied only slightly and the Communist Party continued to hold no more than five seats in parliament. The resulting coalition government came to be one of the most stable in Europe.

New men moved into the government as the years progressed. After the general election of 1949 Figl and Schärf appointed Karl Gruber, a prominent Tyrolean politician, as foreign minister. When President Renner died in 1950, Theodore Körner, the distinguished Socialist mayor of Vienna, replaced him. Rather than being elected by the National Assembly, however, Körner was elected by direct suffrage. After the 1953 election Julius Raab, the leader of the Peoples' Party and a more partisan figure than his predecessor, became the new chancellor, and Leopold Figl stepped down from the chancellorship to become the new foreign minister. These men, holding highest positions of government in the postwar decade, worked closely with the Allied Commission in governing Austria, and actively contributed to making the Austrian State Treaty possible.

Once the government was formed in 1945, the Austrians, with the aid of the occupying powers, devoted themselves to Austria's economic recovery. The people were in dire need of acquiring food and coal, stemming unemployment, seeking economic relief, and reforming the currency. Economic difficulties of the postwar era were enhanced by the seizure of German assets by the Soviet government shortly after the Potsdam Conference. By assuming control of those properties which they regarded

---

46 The author met President Körner shortly after he took office. She was impressed by his distinguished bearing and kindly manner.

47 The troublesome problem of German assets will be considered at some length later in this paper, since it was a principal bone of contention between the Soviets and the Western Allies during the Austrian State Treaty negotiations.
as rightfully belonging to them, the Soviets relieved Austria of about 300 industrial complexes, 247,000 acres of arable land, all of her oil-fields, including her most valuable Zistersdorf assets, and the equipment and shipping rights of the Danube Shipping Company, thereby depriving the Austrians of their access to the sea.\textsuperscript{48}

With Austria thus isolated from European markets and her people on the point of starvation, the government sought relief from the Allied Powers. Austria was offered temporary assistance in the summer and autumn of 1945. UNRRA relief followed in 1946, and in 1947 aid was received from British societies working with the British and Irish Red Cross and from certain American charities.\textsuperscript{49}

Most important, Austria accepted an invitation to take part in the Marshall Aid Program, which went into effect on April 3, 1948.\textsuperscript{50} The benefits of this program were direct financial aid from the United States to cover the cost of imports, funds given by the United States to other countries which sold goods to Austria, and money paid in Austrial Schillings for Allied goods and put into a special account with the new Austrian National Bank for investment purposes and for the stabilization of the newly-revived Schilling. The Marshall Plan thus allowed for capital investment in almost all areas of the economy and greatly accelerated Austrian reconstruction.\textsuperscript{51} At first, it was the task of the economic division of the Allied Commission to supervise the flow of funds, food, and

\textsuperscript{48}Austria, Facts and Figures, p. 11.
\textsuperscript{49}Michael Balfour and John Mair, Four Power Control in Germany and Austria, In Survey of International Affairs, 1939-1946 (London: Oxford University Press, 1956), p. 337.
\textsuperscript{50}Hiscocks, The Rebirth of Austria, p. 95.
supplies into Austria. Gradually, however, the Austrian government began to assume greater responsibility and to take a more decisive role in managing Austria's economic recovery. A consistent policy of economic reform led to an unprecedented boom by 1955.

Despite the numerous economic and political problems of the postwar decade, the Austrian people took great interest in the revival of their cultural life. Austria's theater companies and orchestras were active again almost as soon as the war ended. The Austrians concentrated upon restoring their lovely historical monuments, theaters, academic and cultural institutions, churches, and parks. They succeeded in building their country into a glorious living museum visited by thousands of tourists each year. Ten years after the war, the Vienna State Opera Company was again able to perform in the magnificent State Opera House that had been almost completely destroyed by the war.

It must not be forgotten, however, that throughout this period of political, economic, and cultural revival, the Austrians thought first and foremost of their liberation. This was the guiding star for all their policies and of all their hopes. As soon as the Allies promised them independence late in the war the desire for a state treaty never left their minds.

\[^{52}\text{Ibid.}, \text{pp. } 72-74.\]
CHAPTER II: WARTIME PROMISES AND EARLY NEGOTIATIONS

Negotiations for an Austrian State Treaty did not formally begin until 1947. The Allied Powers, however, expressed concern for Austria's future long before that time. This interest took the form of occasional wartime promises and formal declarations which gave the Austrians reason to believe they would be granted a treaty soon after the war. The purpose of this chapter is first, to discuss the Allied pledges which gave the Austrians many hopes, and, second, to describe the early years of negotiations to show how these hopes were largely frustrated.

Prime Minister Churchill was the first to speak of Austria during the course of war. At the inauguration of the new Lord Mayor of London at the Mansion House on November 9, 1940, he said: "Great Britain . . . defends the cause of all nations for whom she has drawn her sword, namely for Austria, Czechoslovakia, Poland, Norway, Holland, Belgium; and the greatest of all, France and the last of all, Greece. Great Britain would fight until the final victory and with it the liberation of all the nations . . . . ."\(^1\) The prime minister spoke again in the House of Commons on August 24, 1941. He referred to his meeting with President Roosevelt before the signing of the Atlantic Charter, where the two leaders expressed a desire that the English-speaking nations make no territorial changes contrary to the freely expressed wishes of the people concerned. "The whole of Europe," he exclaimed, "is ruined and shattered by the mechanized armies and the fury of National Socialism . . . . The Austrians, Czechs, Poles, Norwegians, Belgians, Dutchmen, Greeks, Croats, Serbs; and above all, the great French nation have been defeated and gaged."\(^2\) in a

\(^2\)Ibid.
speech in London on February 18, 1942, Churchill praised Austria and offered the following words of comfort:

With the victory of the Allies, liberated Austria will again take up her place of honour. The British people will never leave the cause of the liberty of Austria in the lurch. We will fight for her liberation from the Prussian yoke. We on our island shall never forget that Austria was the first victim of Nazi aggression. We know what a happy life millions of the people in Central Europe might have lived. We remember the magic, the beauty and the glamour of historic Vienna, the grace of her life, her attitude and all the ties which bound us in the past to Austria and Vienna.

Later in the year Allied leaders expressed their attitude toward the Austrian Anschluss with Germany. On July 28, 1942, United States Secretary of State Cordell Hill declared that the United States had never recognized the Anschluss. Although Great Britain, France, and the U.S.S.R. had recognized the legality of the Anschluss upon making agreements with the German Reich in 1938 and 1939, Foreign Minister Anthony Eden on September 10, 1942, explained Britain's subsequent position toward the Anschluss. In response to a question in the House of Commons, he explained that the British government did not recognize the Anschluss and considered Austria to be a country "to whom the Allied Victory will bring liberation."

The next year, on January 5, 1943, the United States, sixteen of the other Allied Powers, and the French National Committee issued the "London Declaration." The nations concerned declared that they had the right to declare as invalid any transfers of "property, rights, and interests" in formerly Nazi occupied territory which had been taken over by the Nazi
government. It was the seizure from Austria of just such properties by the Soviet government that gave birth to the serious problem of "German assets" which was to plague Austria and the treaty negotiators for many years.

The Soviet Union also expressed an interest in Austria during the war. In 1938 the Soviet government had condemned the Anschluss as an act of "violence" because it threatened Czechoslovakia. But after the German-Soviet rapprochement the Soviets ceased to speak of Austria. Once at war with Germany, however, Stalin suggested to Foreign Minister Anthony Eden that Austrian independence be restored.

The sporadic promises described above were brought together by the Moscow Conference of 1943. From October 19 to 30, 1943, Foreign Minister Anthony Eden of the United Kingdom and United States Secretary of State Cordell Hull met in Moscow to discuss the coordination of political planning in dealing with expected postwar problems in occupied countries. At the conference several important measures were agreed

8 Quoted in Stearman, The Soviet Union and the Occupation, p. 11.
9 Quoted in Edward R. Stettinius, Roosevelt and the Russians (London: J. Cape, 1950), p. 9. Stearman maintains that Stalin's interest in Austria was linked to a desire to dismember Germany, for at the same time Stalin proposed that Bavaria and the Rhineland be detached from Germany and made into independent states and that East Prussia be transferred to Poland. Stearman, The Soviet Union and the Occupation, p. 11.
10 Siegler, Austria: Problems and Achievements, p. 5.
11 Grayson, Austria's International Position, p. 53.
upon. A European Advisory Commission was established to make recommendations to the governments of the three Western Powers on questions related to the surrender of the defeated European powers. The members of this body later decided that an Allied Commission should be established to serve as the major organ of the military government of Austria. Of primary importance to Austria, however, was the "Declaration on Austria," which was issued on November 1, 1943. It read:

The Governments of the United Kingdom, the Soviet Union and the United States of America are agreed that Austria, the first free country to fall victim to Hitlerite aggression, shall be liberated from German domination.

They regard the annexation imposed upon Austria by Germany on March 15th 1938, as null and void. They consider themselves as in no way bound by any changes effected in Austria since that date. They declare that they wish to see reestablished a free and independent Austria, and thereby to open the way for the Austrian people themselves, as well as those neighboring states which will be faced with similar problems, to find that political and economic security which is the only basis for lasting peace.

Austria is reminded, however, that she has a responsibility which she cannot evade for participation in the war on the side of Hitlerite Germany, and that in the final settlement account will inevitably be taken of her own contribution to her liberation.

The final paragraph of this "Moscow Declaration" was included in way of compromise with the Soviets, who would have preferred inserting the following sentence: "Austria bears full political and material responsibility for the war." Even in the form in which it was written,

---

13 Grayson, Austria's International Position, Document IV, p. 183. The complete English text can also be found in Siegler, Austria: Problems and Achievements, p. 5; Justice for Austria! pp. 207-208; Stearman, The Soviet Union and the Occupation, p. 12; and U. S. Allied Commission for Austria, Austria. A Graphic Survey, p. xxii.
however, the concluding statement of the declaration was, nevertheless, still a war-guilt clause of which the Soviets could take full advantage.

All parties to the "Moscow Declaration" pledged themselves to honor the terms stated in it. When the Russian army, the first to enter Austria, marched into Vienna in March, 1945, Marshal F. Tolbuchen, the commanding officer, specifically stated that the Red Army intended to support the "Moscow Declaration." He declared that his mission was to liberate Austria from its dependence on Germany and to establish the freedom and independence of Austria as it existed in 1938.15

The Moscow Conference was a forerunner of the Yalta Conference, where President Franklin D. Roosevelt, Prime Minister Winston Churchill, and Premier Joseph Stalin met from February 4 to 11, 1945, shortly before the final Allied victory. This meeting was the most significant wartime conference of the Big Three, for at Yalta they reached agreement, at least on principle, on Poland, Eastern Europe, Germany, the war in the Far East, and the formation of the United Nations. Austria was listed among the victims of Nazi aggression.

At the close of the Yalta Conference on February 11, 1945, a declaration referred to as the "Declaration on Liberated Europe" was issued which was to have a significant bearing on the Austrian situation. The United States, the United Kingdom, and the Soviet Union promised to work together on "the restoration of sovereign rights and self-government to

those peoples who have been forcibly deprived of them by the aggressor nations." The three Allied Powers (the statement was later endorsed by the provisional government of France) agreed to assist in establishing stable internal conditions, executing emergency relief measures, re-establishing governmental authority, and supervising free elections. Austria was among the nations to be aided in these matters by the Allies.

The wartime promises and early declarations made by the Allies seemed to warrant a degree of optimism on the part of the Austrians. With the declaration of Austrian independence and the formation of a provisional government two months after the Yalta Conference, Austria's liberation from Allied occupation seemed imminent. Although difficulties would arise in subsequent negotiations, this did not dampen Austrian hopes.

The United States, United Kingdom, and the U. S. S. R. met for the first time after the German surrender at Potsdam, near Berlin. The question of German reparations was the major issue at this conference. The results of these discussions, as they related to Austria, were included in the Potsdam Protocol issued on August 1, 1945:

1. Reparation claims of the U. S. S. R. shall be met by removals from the zone of Germany occupied by the U. S. S. R. and from appropriate German external assets.

3. The reparation claims of the United States, the United Kingdom and other countries entitled to reparations shall be met from the western zones and from appropriate German external assets.

8. The Soviet Government renounces all claims in respect of reparations to shares of German enterprises which are located in the western zones of occupation in Germany, as well as to German foreign assets in all countries except those specified in paragraph 9 below.

For complete statement, see Siegler, Austria: Problems and Achievements, pp. 5-6. For a summary of the declaration, see Byrnes, Speaking Frankly, pp. 49-50.
9. The Governments of the United Kingdom and the United States of America renounce their claims in respect of reparations to shares of German enterprises which are located in the eastern zone of occupation in Germany, as well as to German foreign assets in Bulgaria, Finland, Hungary, Rumania and eastern Austria.\(^\text{17}\)

The term "appropriate German external assets" was not defined in these paragraphs of the Potsdam Protocol. Leaving this term undefined proved to be a serious burden for Austria to bear. This oversight occurred during the proceedings at Potsdam, and was the result of a misunderstanding that came about in the following way. Stalin originally proposed to exact $250,000,000 in reparations from Austria, for he felt that Austria should be punished for her participation in the war and argued that the Austrians had contributed to the wartime destruction of the Soviet Union. The Americans and British were opposed to this exorbitant demand. Since the Soviets subsequently dropped the issue and suddenly turned to the more pressing question of German reparations, the Western delegates assumed that the Soviets agreed with them that reparations were not to be exacted from Austria.\(^\text{18}\)

By the end of the conference it was agreed that reparations from Germany were to include German assets in Hungary, Rumania, Bulgaria, and Finland. At the last moment, however, Stalin slipped Eastern Austria on this list, and it was inserted into the Potsdam Declaration. The tired


\(^\text{18}\) Although it was not stated in the Potsdam Protocol, it appears that Western delegates were certain that Stalin agreed to waive reparations claims from Austria. Stalin assured Mr. Attlee that the Soviet decision to do so was a firm one and that it should be included in the protocol. See Byrnes, Speaking Frankly, p. 162. This agreement was not included in the protocol, however, and even if it had been, paragraph 9 still allowed the Soviets free rein in Eastern Austria. The Western Allies made more than one oversight at Potsdam, but that of leaving "German assets" undefined was the most serious.
American delegates, evidently anxious to conclude the exhausting and lengthy discussions, allowed him to do this without consulting their advisors. They also did not consider in any detail the definition of German assets although Foreign Minister Bevin tried to pin Stalin down on this matter.\textsuperscript{19} In the minds of the Western delegates, German assets consisted of war potential that was in no way essential to Austria's postwar economy. After some discussion of the matter, the assumption was that this interpretation was understood by all. The Potsdam Protocol did not, however, specify what were German assets and what were not.

Unaware that they had given the Soviets a legal blank check in Eastern Austria, where most of Austria's important resources were located, the American delegates left Potsdam confident that the issue of Austrian reparations had been settled.\textsuperscript{20} Shortly after the conference was over, the Soviets claimed their rights under the Potsdam Protocol to the holdings of the Danube Shipping Company, which had been absorbed by the Hermann Göring Works during the war; the Creditanstalt and Länderbank of Vienna, which had been taken over by the Deutscher and Dresdner banks; and the valuable Zistersdorf oilfields which had been exploited by the Nazi government. In addition, the Russians claimed that all industrial properties taken over by the Nazis comprised German assets in Eastern Austria.\textsuperscript{21}

\textsuperscript{19}President Truman also asked a few questions but readily agreed to include German assets in Eastern Austria in the Potsdam Protocol because the Soviets claiming them as war booty, had already seized those properties in Eastern Austria which had been taken over by the Nazis. Truman saw no point in contesting a de facto situation. After Potsdam, the Soviets merely reinforced their claims by defining their seizures as German assets. Grayson, \textit{Austria's International Position}, pp. 79-80.

\textsuperscript{20}Secretary Byrnes looked back in disappointment upon the results of the Potsdam Conference: "We thought we had succeeded in the case of Austria." Byrnes, \textit{Speaking Frankly}, p. 86.

\textsuperscript{21}For a summary of the Soviet decree declaring the seizure of German
As soon as it became clear that the Soviet Union was claiming almost half of Austria's industrial assets, the three Western Powers protested that these seizures violated the London Declaration of 1943, which stated that the Western governments had the right to consider forced transfers of property from occupied countries as invalid. The Soviet Union, however, insisted that this declaration did not apply to Austria.22

While the Soviets continued to take over former German property in Austria, the Austrians were preparing for their first postwar free elections, which were to take place in November. At Potsdam the Allies had promised to aid Renner's provisional government in extending its authority over all the provinces of Austria. After this was done and the three Western Powers recognized the government, the Austrian people went to the polls and voted a coalition government made up of the Austrian Peoples' Party (ÖVP), the Austrian Socialist Party (SPÖ), and the Communist Party (KPO), into office.

After these first elections, the Austrian people were imbued with a new sense of confidence in their own capabilities, even though they were living in an occupied country amidst the ruins of war. As Karl Renner said before the first meeting of the Austrian National Assembly on December 19, 1945, "We cannot escape the decrees of the war, but we hope, in so far as we have proven our readiness...to enjoy the rights of freedom as soon as possible. The Allied Powers... have come to

assets in Eastern Austria and for the futile Austrian protest, see Siegler, Austria: Problems and Achievements, pp. 11-12.

22Grayson suggests that if the terms of the London Declaration had been incorporated in the Potsdam Declaration, it might have countered Soviet claims. Grayson, Austria's International Position, p. 81
meet us on this road to unity, without asking questions and in a way
deserving of our thanks.\textsuperscript{23}

It had been agreed at Potsdam that all unresolved questions would
be placed before a Council of Foreign Ministers, but the Austrian Treaty
had not yet been placed on the agenda of one of these meetings. In
January, 1946, American officials urged that the Austrian and German
issues be separated and that the Austrian Treaty be discussed along with
the Italian and Soviet satellite treaties that were now under considera-
tion by the council. At the same time, State Department officials, in
consultation with members of other agencies, began drafting an Austrian
treaty. At the second session of the Council of Foreign Ministers meet-
ing in Paris in the spring of 1946, Secretary Byrnes tried to have the
treaty put on the agenda. The Soviet Union, however, showed no intention
of rushing the treaty onto the agenda of the council. In the face of
Foreign Minister Molotov's objections, Secretary Byrnes continued to
circulate the treaty and went on with his efforts to bring the treaty
under discussion at the summer session of the council. Nonetheless,
Molotov continued to object to discussing the Austrian treaty until the
Italian and satellite treaties had been completed.\textsuperscript{24}

It was not until the Council of Foreign Ministers met again in New
York in December that it was announced that the treaty would be put on
the agenda of the next foreign ministers' conference to be held in Moscow
in 1947. At this conference a group of special deputies to the foreign

\textsuperscript{23}Karl Renner, "Österreich ist Wiedererstanden," in Bundesministerium
für Unterricht, Freiheit für Österreich. Dokumente (Vienna: Österreichischer

\textsuperscript{24}Mosely, "The Treaty with Austria," in The Kremlin and World
Politics, pp. 269-270.
ministers was appointed to work on the first draft of the treaty. The draft was expected to be ready by February 25, 1947.

From January 14 to February 25, 1947, the special deputies met in London. They agreed upon fourteen articles and two annexes of the treaty draft, and partially accepted an additional sixteen articles and one annex. Of the total 59 articles of this "long draft," however, 29 articles and two annexes were incomplete. These included most of the important issues. It was hoped that the contents of these articles would be agreed upon in Moscow.

The Council of Foreign Ministers assembled again in Moscow from March 10 to April 24, 1947. The meeting was attended by Ernest Bevin, of Great Britain; Georges Bidault, of France; Secretary of State George C. Marshall, of the United States, and Vyacheslav M. Molotov, of the U. S. S. R. The Austrians were also invited to bring a small delegation to the conference. For the first time the foreign ministers of the four occupying powers were prepared and willing to discuss the problem

---

25 This group of special deputies, officially called the Conference of Representatives of the Foreign Ministers, was formed to go over the treaty draft with the Austrians. Between January 16, 1947, and February 9, 1953, it met officially nine times and altogether held 260 sessions. For greater detail on the dates of the meetings, see "Die Staatsvertragsverhandlungen: Erläuternde Bemerkungen der Bundesregierung zum Staatsvertrag als Regierungsvorlage für den Nationalrat am 21. Mai 1955," in Bundesministerium für Unterricht, Österreich Frei. Dokumente II (Vienna: Österreichischer Bundesverlag für Unterricht, Wissenschaft und Kunst, 1956), p. 44.

26 Siegler, Austria: Problems and Achievements, p. 12.

27 For the text of the "long draft" of the treaty (it was so named to contrast it with the subsequent "abbreviated treaty" of eight articles), see The Austrian State Treaty: A Historical Resume, The Long Draft, The Abbreviated Treaty (Vienna: U. S. Embassy, July 1, 1953), pp. 13-66.

28 Siegler, Austria: Problems and Achievements, p. 12.
of Austria.

Only a few minor problems were settled at Moscow, and the major issues remained unresolved. The latter were the question of Yugoslav claims (supported by the Soviets) to Austrian territory and to reparations, and the ever-present thorn—German assets. The Western delegates refused to honor Yugoslav claims to Austrian territory in the frontier areas of southern Carinthia and Styria, for they insisted that Austria's 1938 boundaries were inviolable. They also would not agree with the Soviets that Yugoslavia was entitled to exact reparations from Austria just because that country was not a signatory to the Potsdam Declaration, which forbade such claims. Most important, however, the Soviets were not prepared to accept the Western definition of German assets, as it was presented in Moscow. The Western Powers explained that German assets consisted of all property, rights, and interests legitimately owned by the German government or German citizens as of May 8, 1945, with three exceptions. These were property acquired by the Nazi government by force, property which belonged to Austria before the Anschluss but was taken over by the Nazis and used for government administration, and property owned by non-Germans. The Soviets would only agree that properties acquired by the Nazis by force were not to be considered as German assets.29

Agreements were reached, however, on several more articles of the treaty draft, and it was decided that if a final settlement could not be obtained by September, 1947, the treaty would be submitted to the United Nations. To prevent this from becoming necessary, the Soviets suggested that a four-power Austrian Treaty Commission be established

---

29 Ibid.
with its headquarters in Vienna. With the aid of a committee of experts, this body was to deal specifically with the difficult question of German assets. The Western negotiators readily agreed to this proposal, for they had also been considering such a plan.\textsuperscript{30}

The Austrians regarded the Moscow conference as a complete failure. This was the first time that even a small Austrian delegation had been invited to attend a major conference which dealt with the treaty. The very fact that they had had to wait so long to represent their own interests did not increase their good humor. They found, in addition, that their presence at the conference meant very little, for most of their time was spent in their hotel rooms.\textsuperscript{31}

After the Moscow conference the Austrian Treaty Commission met 84 times in Vienna from May 12 to October 11, 1947,\textsuperscript{32} and considered over 70 different proposals to deal with various problems, all with very little success. Only one of the 24 articles of the treaty draft under consideration was agreed upon,\textsuperscript{33} and little else was accomplished but a review of the legal and economic aspects of the German assets problem. The commission moved to London and continued its meetings at the same time that the fifth Conference of Foreign Ministers met in that city from November 25 to December 17, 1947.\textsuperscript{34}

\textsuperscript{31}Hiscocks, The Rebirth of Austria, p. 193.
\textsuperscript{32}The Austrian Treaty Commission was a temporary body of one representative of each occupying power. It met for five months in 1947, but was dissolved after failing to reach an agreement on the definition of German assets. Grayson, Austria's International Position, p. 141.
\textsuperscript{34}Mosely, "The Treaty with Austria," in The Kremlin and World Politics, p. 271.
The "Cherrière Plan," one of the proposals submitted to the Austrian Treaty Commission by the French Deputy Commissioner to Austria was chosen for special consideration at the London Council of Foreign Ministers. It was a proposal to give up attempting to find an agreeable definition of the term "German assets" by assigning specific assets to the Soviets and specific ones to the Austrians. The Soviets had insisted at the 1947 Moscow Conference that the problem of German assets was a matter to be settled by the Soviets and the Austrians alone. The "Cherrière Plan," an attempt at compromise, suggested that Austria simply grant the Soviets specific assets, as well as a lump sum of money to cover their remaining claims. It provided that the Soviet Union receive fifty percent of Austria's oil production, one-third of the concessions in the Zistersdorf oil fields, and a refinery capacity of 250,000 to 300,000 tons a year. The Soviets could also expect all of the external assets of the Danube Shipping Company and a sum of 100 million dollars to cover all other claims to German assets.

The British and Americans, although not wholly satisfied with the terms of this proposal, were willing to consider it as a working basis for further discussion. The Soviets, however, expressed complete dissatisfaction with the "Cherrière Plan." Nonetheless, at the close of the conference, they hinted that the assets problem might be solved if the Soviet Union were granted two-thirds instead of one-half of Austria's oil production and a larger sum than $100 million to cover all remaining claims.

35 Mosely claims that the plan was actually suggested to the French representative by the American negotiators. Ibid., p. 272.
36 Ibid., p. 271.
37 Siegler, Austria: Problems and Achievements, pp. 13-14.
After the dissolution of the London conference in December, 1947, the treaty deputies resumed their discussions on February 28, 1948. The year 1948, however, was characterized by an almost complete stalemate. The temperature of the Cold War had been rising during the past two years. Western Europe was making moves toward greater solidarity and the Western European Union was formed in that year. Tensions over Berlin had come to a head. Although some progress was made in reconciling the differing views on German assets, the deputies halted their discussions on May 25 because they had reached a deadlock on the Yugoslav claims issue. The entire question of Austria was left hanging in the air for eight months while the Soviets imposed their blockade of Berlin and it was countered by the Western airlift. On February 9, 1949, discussions were resumed but postponed again on May 6 to await the forthcoming sixth session of the Conference of Foreign Ministers which was to meet in Paris on condition that the Soviet government abandon the Berlin blockade.  

The foreign ministers finally met in Paris from May 23 to June 20, 1949, after the Western Powers had maintained their right to remain in Berlin. Dean Acheson, Ernest Bevin, and Robert Schuman put extra pressure on Andrei Vyshinski at this meeting, and he agreed to join in the issuance of a statement that agreement had been reached on the outlines of an Austrian State Treaty.  

Fortunately, by the time the Paris conference convened, the already existing tensions between Yugoslavia's President Tito and the Soviet Union

---

had led to an open break between them with the expulsion of Yugoslavia from the Cominform in June, 1948. For this reason, the Soviet Union was no longer willing to support the Yugoslav claims to areas of southern Austria. The Austrian frontier issue was thus resolved when the Yugoslav border was re-established as of January 1, 1938. One of the most important issues which the Soviets had used up to this time as a measure for diversion during the treaty negotiations was now eliminated.

The Western Powers looked upon this break in Soviet-Yugoslav relations as an opportunity to follow up on the promise of concessions on the German assets question which the Russians had made in London. They urged the Soviets to accept a new, conciliatory proposal of their own which was almost identical to what the Soviets had demanded in London. In short, they encouraged the Soviets to agree to a little less than two-thirds of Austrian oil production and a $150 million cash settlement, payable over six years. The Soviet Union was expected to waive all other reparations claims. On the basis of these concessions a final treaty was to be worked out and ready for signature by September 1, 1949.40

The Austrian authorities were overjoyed and optimistic, while the Austrian people followed the course of the negotiations with an interest which in itself contributed to the spirit and determination of their leaders and representatives. When Karl Gruber, the Austrian foreign minister in the 1940's, looked back upon these years, he did so with nostalgia. He wrote in his memoirs: "Austria's diplomatic fight for freedom, even though it was but a conference-table affair, nonetheless gave Austrian fantasy wings--awakened their spirit of resistance, and

proved to be an element of national unity."\textsuperscript{41} This period was the "golden age" of foreign policy for the Second Republic.\textsuperscript{42}

Nothing, however, developed out of the successes in Paris. The treaty deputies met in London from July 4 to September 1, 1949, and in New York from September 22 to 23, 1949, but no agreement was reached on the issue of German assets. The foreign ministers of the four powers, while attending the United Nations General Assembly in New York, instructed their deputies on October 6, 1949, to continue their negotiations even though agreement among the foreign ministers was at a standstill. The deputies did so from October 10, 1949, to April 26, 1950, but achieved nothing.\textsuperscript{43}

On May 4, 1950, the Soviet deputy Georgi Zarubin requested the treaty deputies to resume their negotiations in London. The Soviets did not address themselves to the conclusion of a final draft of the Austrian treaty, however, but took this opportunity to bring up three more unsettled issues—the Trieste problem, denazification, and demilitarization—in an attempt to stall the progress of the negotiations and the actual conclusion of a treaty.

The Soviets insisted that the British and Americans were violating the Italian Peace Treaty by maintaining troops in Trieste. They refused to consider an Austrian treaty any further unless the Western Powers showed a willingness to honor their treaty obligations. In addition, Zarubin claimed that the Austrians were violating the four-power agree-

\textsuperscript{41} Karl Gruber, Zwischen Befreiung und Freiheit: Der Sonderfall Österreich (Vienna: Ullstein Verlag, 1953), p. 178.
\textsuperscript{43} Siegler, Austria: Problems and Achievements, p. 14.
merits on denazification and demilitarization. He asserted that active "fascists" were still holding key positions in the Austrian government and that the newly formed League of Independents Party (founded in February, 1949) and the so-called Youth Front of the Peoples' Party were neo-fascist organizations. Plans were being made for the revival of the Austrian army in the Western zones of occupation, Zarubin insisted, and the Austrian police were becoming unnecessarily strong. The Western delegates responded by insisting there was no connection between Trieste and the Austrian treaty and that the accusations that the Austrians and Western Allies were violating the agreements on denazification and demilitarization were unfounded.  

These Soviet accusations moved the Western leaders for the first time to express their irritation with Soviet behavior in public statements. In a press conference on May 11, 1950, United States Acting Secretary of State Webb explained that the aim of the United States was to fulfill the pledge of the Moscow Declaration of 1943 by restoring Austria's freedom and independence. It was for this purpose, he stated, that the special deputies of the foreign ministers had been appointed. "In contrast," Webb concluded, "it appears that Austrian freedom and independence are the last thing the Soviet Union desires, despite its participation in the Moscow Declaration, and that it will go to any extreme to think up excuses to avoid this result."^45  

Eight days later the foreign ministers of the United Kingdom and France and the U. S. Secretary of State, at a meeting in London to discuss  

---

^44 Ibid., pp. 15-16.  
international problems, reaffirmed the American view in another "Declaration on Austria." They reiterated that if the Soviets continued to be unwilling to settle major problems, the occupation would have to be prolonged. The three Western governments, however, would do all they could to lighten the burdens of occupation:

Secretary of State Acheson made two press statements, one on June 7 and one on July 12, 1950. In the first he reaffirmed Webb's statements and explained that at the meeting of the treaty deputies in London the Soviet deputy had continued using delaying tactics by raising extraneous issues, and that it only could be inferred that the Soviet government did not wish to conclude an Austrian treaty at the present time. The position of the American government, he emphasized, was that there is no connection between the Trieste issue and the Austrian treaty negotiations. On July 12, after the United States ambassador to Moscow had addressed a note to Mr. Molotov expressing regret that the Austrian treaty deputies had failed to make any progress, Secretary Acheson re-emphasized that the insistence of the Soviets on injecting the Trieste issue into the London negotiations indicated that the Soviets wished to block the conclusion of the treaty. 46

By this point, negotiations had broken down. Although the treaty deputies continued to meet throughout 1950 no progress was made. Their talks were reduced to either arguments in procedure or forums for Soviet accusations and complaints. 47

46 Ibid., pp. 9-11; and Opie, The Search for Peace Settlements, pp. 197-198.
47 Siegler, Austria: Problems and Achievements, p. 16; and Ibid., p. 11.
CHAPTER III: YEARS OF STAEMATE

The mid-century years 1950 through 1954 were years of international conflict and political change. The Soviet Union heightened world tension by opening war in Korea in June, 1950, only to be surprised by the vigorous response of the United Nations. The savage and inconclusive Korean war was transformed into a prolonged and bitter truce as peace negotiations dragged on for two years. Suddenly Joseph Stalin died on March 5, 1953. His unexpected death was met with breathless hopes that his successors would warm the chill of the Cold War by revising the hard course of Soviet policy. Friends of Austria hoped that the new regime would agree to sign an Austrian State Treaty, but such sanguine expectations were only to be frustrated, at least in the short run. After a year of shuffling in the Kremlin the new Soviet policy-makers seemed as intractible as Stalin had been. Continued Soviet inflexibility toward Austria was amply demonstrated when the foreign ministers of the four former allies met, for the first time in five years, in Berlin in 1954.

Prior to the Berlin Conference Western diplomats concentrated solely upon trying to bring the Soviets to the conference table. The account which follows of their efforts to persuade the Soviets to negotiate illustrates the painfully slow and frustrating journey of those struggling to reach a milestone on the road toward international cooperation.

At the beginning of this period, Western negotiators were still dissatisfied with the nature of Soviet proposals for a foreign ministers conference. On November 3 and September 5, 1950, the Soviet government had addressed notes to the Western Powers suggesting that a conference of foreign ministers meet to discuss the demilitarization of Germany.
The United States, the United Kingdom, and France answered in notes on December 22, 1950, and January 23, 1951, that the Austrian treaty also would have to be on the agenda of such a meeting. In a communication dated February 19, 1951, the United States informed the Soviets that any meeting of the four foreign ministers would have to deal with "real causes of tension" and that an agenda, including the Austrian treaty question, was necessary before any promising results could be expected from such a meeting.

From March 5 to June 22 the treaty deputies met in Paris to draw up such an agenda for the hoped-for foreign ministers conference, but their efforts proved unsuccessful. The three Western foreign ministers, however, refused to admit discouragement. On September 14 they issued a communique insisting that there was no justification for further delay in concluding an Austrian treaty. A month later the U. S. High Commissioner to Austria Walter Connelly challenged the Soviets in Vienna: "If there is one iota of sincerity in the Soviet statements, then I challenge them to meet with the Western Powers at the earliest possible moment to conclude the State Treaty."

About the same time, the Western Powers assured the Austrians of their continued support. In response to a note addressed to all four occupying powers by Foreign Minister Karl Gruber of Austria, urging them to reopen negotiations as soon as possible, U. S. High Commissioner Donnelly told the Austrian press that they could count on full United States support in fulfilling the pledges of the Moscow Declaration of

---

1Chronology of Austrian Treaty Negotiations, p. 12.
2Ibid., p. 13.
1943. On November 7 the Austrian legation in Washington and the American legation in Vienna were raised to embassies as a further recognition of Austria's status as a member of the world community. When the new Austrian ambassador to the United States came to present his credentials to President Truman on February 13, 1952, the President took the opportunity to reassure him of the American position toward Austria: "I wish to state again the regret felt by this Government that despite the whole-hearted efforts of the Western Powers to conclude a treaty, the occupation of Austria continues . . . . I can assure you, Mr. Ambassador, that this Government will continue to give its full support to Austria's aspirations to stand as a free and independent nation."^3

Shortly thereafter the three Western governments submitted a new "abbreviated" draft of the treaty to the Soviets for their consideration. It consisted of only eight articles; seven of them had already been agreed upon and incorporated into the first long draft of 59 articles. Austria's progress toward economic recovery and the realization of democratic principles had convinced the Western allies that the old, long treaty draft, with its many punitive and tutelary provisions, was no longer workable. The new draft, on the other hand, imposed fewer restrictions on Austria's sovereignty. ^4

The first article of the "abbreviated" treaty recognized the establishment of Austria as a free and independent state. The former Allied Powers promised to respect Austria's territorial sovereignty and independence and prohibited Austria from making any kind of union with

---

^3 Ibid., p. 15.
Germany. The treaty established Austria's frontiers as they had existed on January 1, 1938, and stipulated that the occupying forces be withdrawn when the treaty was adopted. All reparations claims were to be dropped. The most important and only new provision required that the former allies relinquish to Austria all property of any description which they claimed as German assets or as war booty within ninety days after the treaty came into force.\(^5\)

The Western negotiators realized that there was little chance that the Soviets would accept a draft requiring them to give up their claims to German assets without compensation; but it was the intention of the Western Powers, in part, to show the Austrians that nothing but Soviet opposition was standing in the way of the conclusion of the treaty.\(^6\) After five months of silence the Soviets refused either to accept the draft or to consider revising it. They objected on the grounds that the new draft did not offer sufficient guarantees of Austria's independence and did not provide for limiting the size of Austria's armed forces. They also insisted that provisions for the denazification and demilitarization of Austria, as well as the Trieste issue, be included in the treaty,\(^7\) and refused to agree to another meeting of the treaty deputies in February unless the "abbreviated" treaty was entirely withdrawn. Consequently, the meeting never materialized.

In the face of this deadlock, Secretary of State Dean Acheson paid

---

\(^5\) For the text of the "abbreviated" treaty, see ibid., pp. 14-15; and The Austrian State Treaty, A Historical Resume, pp. 69-72.

\(^6\) Grayson, Austria's International Position, p. 154.

In the meantime, the Austrian government succeeded in putting the Austrian problem before the United Nations. On December 17 and 18, 1952, the members of the First Committee of the United Nations General Assembly discussed a Brazilian resolution appealing to the governments concerned to reach an agreement on the Austrian State Treaty as soon as possible. In spite of Soviet insistence that the treaty was beyond the jurisdiction of the United Nations, the General Assembly adopted the Brazilian-sponsored resolution on December 20, 1952, by a vote of 48 to 0. The adoption of the resolution placed the treaty on the agenda of the seventh session of the General Assembly. At that meeting, the members of the Assembly took what by then had become a familiar action: they referred the treaty to a committee. The treaty deputies were instructed to work on the Austrian problem. With this sterile action, the State Treaty was dropped from the world forum and fell back into

---

8Dean G. Acheson, Sketches from Life of Men I Have Known (New York: Harper and Brothers, 1961), p. 185. In the final chapter of this book, which is entitled "A State Visit: Vienna, 1952," Mr. Acheson has described his experiences in a lively and sentimental fashion.


the recesses of quiet diplomacy.

The Western Powers addressed notes to the Soviet government on January 12, 1953, reminding them of the Brazilian Resolution and suggesting that the special deputies charged with drafting the treaty meet officially in London on January 30 to conclude the treaty text once and for all. Despite Soviet objections to such a meeting, Deputy Andrei A. Gromyko appeared at the London meeting one week late. Although the American representatives were willing to put the short treaty text aside (They would not go so far as to withdraw it entirely.) and to work with the older, longer draft, Gromyko refused to alter his position toward the "abbreviated" text. After two sessions of the 260th and last meeting of the treaty deputies, discussions were dropped altogether. Finding it incredible that the former Allies could not agree upon the evacuation of their country ten years after their Moscow Pledge, the Austrians left London in disgust.

Two months after the abortive discussions of the treaty deputies in London and a little more than a month after the death of Stalin, President Eisenhower appealed to the new Soviet regime in an address before the American Society of Newspaper Editors: "We care only for sincerity of peaceful purpose---attested by deeds ... . Even a few such clear and specific acts---such as the Soviet Union's signature upon an Austrian State Treaty ... ... would be impressive signs of sincere intent." State Department spokesmen followed up President Eisenhower's remarks

---

12 Ibid., pp. 21-22.
13 Grayson, Austria's International Position, pp. 157-158.
with an invitation to the Soviets to attend another conference of the treaty deputies in London on May 27. Jacob Malik, the Soviet ambassador in London, responded by insisting that such a meeting could only be called by the Council of Foreign Ministers and bluntly stated that the Soviet government saw no reason to believe that future meetings of the deputies would be any more successful than previous ones.

The American, British, and French deputies denied that the treaty deputies had to be called by the Council of Foreign Ministers and assured Ambassador Malik that Soviet good will could make an Austrian treaty possible. The appeal to "good will," however, was to have little effect on the Soviets. According to one Kremlinologist, the Soviets regard "good will" as a disguise donned by the adversary to hide his hostility and devious plans. As a consequence, the Soviets ignored the Western invitation. The Western governments vehemently accused the Soviet Union of blocking effective negotiation and suggested that the Soviets inform the Western governments just exactly what kind of a treaty text they would be willing to accept.

At this juncture the Austrians stepped in to try to exert some influence on the Soviet government. On June 25, 1953, Foreign Minister Bruno Kreisky requested the good offices of Indian Prime Minister Nehru on behalf of the liberation of Austria. Krishna Menon, Nehru's ambassador to Moscow, suggested to Molotov that an Austrian promise not to join in any military alliances or to allow foreign bases on its

---

soil might serve as a basis for the conclusion of a treaty. Molotov purportedly replied that a declaration of Austria's neutrality including these assurances would undoubtedly be valuable, but, nonetheless, inadequate.

After further Soviet rebuffs, the American, British, and French foreign ministers decided to meet without the Soviet foreign minister in Washington from July 10 to 14, 1953, where they discussed the treaty and planned for a short conference at the end of September. The Soviets responded to their invitation to attend such a meeting by stating: "As to the Austrian Treaty, the attitude of the Soviet Government to that problem has been stated ... It goes without saying that a possible successful solution of the German problem could also help a solution of the Austrian question."\(^{17}\)

It now appeared that the Soviets were linking the Austrian and German problems. Faced with this possibility, which would all but eliminate any chance of concluding an Austrian treaty, the United States and Austria decided to discard the "abbreviated" draft as a concession to the Soviets. On August 17 and 19 the two countries informed the Russians of their decision, but they made it conditional upon the Soviets' promise not to introduce extraneous issues into subsequent talks. After offering this concession, the U. S. State Department wrote to the Soviets suggesting that the proposed September conference be devoted to the German and Austrian questions, but that these problems be treated as two separate issues. The Soviets disdained this gesture. Replying to the American note on November 3, they made numerous unrelated demands which the Western governments could not accept.

\(^{17}\)Chronology of Austrian Treaty Negotiations, p. 24.
As a result, President Eisenhower told members of the press the next day that the Soviets had rejected the tripartite proposal for a foreign ministers conference. In a press conference shortly thereafter, Secretary of State John Foster Dulles referred to the Soviet response to their invitation as "a coldly presented statement of Soviet demands... [which] are not acceptable as far as the U. S. is concerned." Despite Soviet intransigence, however, the Western Powers informed the Soviet government that the invitation for a foreign ministers conference was still open, even though it had become evident by this time that the new regime in Moscow had no more intention of concluding an Austrian treaty than Stalin had.

After receiving no word from the Soviet government for over two weeks, the American government addressed a note to the Soviets on November 25 complaining that they had ignored this second Western invitation to attend a foreign ministers conference. Much to everyone's surprise the Soviets immediately announced their willingness to attend a foreign ministers conference in Berlin.

Upon hearing of the Soviet proposal for a Berlin Council of Foreign Ministers, President Eisenhower, Prime Minister Winston Churchill, and Premier Laniel of France, who were attending a conference in Bermuda, issued a communiqué in which they expressed the hope that the Berlin conference would make progress toward the reunification of Germany and the conclusion of the Austrian State Treaty. The settlement of both these

---

18 Ibid., p. 28.
issues, they predicted, would lead to the solution of "other major international problems." In a speech before the United Nations on December 8, President Eisenhower expressed his satisfaction over the Soviet proposal for a conference; and through a further exchange of notes among the four governments it was finally agreed that the Berlin discussions would open on January 25, 1954, in the former Allied Control Council Building.

During the weeks which immediately preceded the Berlin conference the members of the two Austrian coalition parties held exhaustive briefings to prepare their delegation for the meeting. They primarily discussed the hoped-for reduction of Soviet demands on Austria's oil rights and the question of Austria's proposed neutral status. Shortly after the Berlin conference opened on January 25, Leopold Figl and Bruno Kreisky urged the foreign ministers to conclude a treaty as soon as possible, to alleviate the burdens which the long treaty text imposed, and to re-examine the question of German assets in Eastern Austria. They also implored Foreign Minister Molotov to accept Austria's payment of $150 million for German assets in goods rather than in cash and to allow Austria to keep control of her own oil resources.

The Austrian problem was the third and last item on the agenda of the conference. On February 8, four days before negotiations on Austria were expected to begin, French Foreign Minister Georges Bidault, on behalf of all four powers, invited Chancellor Julius Raab to send an official delegation to Berlin to make the views of the Austrian government known to the conference. Upon his arrival, Foreign Minister Figl, head-

21 Chronology of Austrian Treaty Negotiations, p. 28.
22 Siegler, Austria: Problems and Achievements, p. 19.
ing the Austrian delegation, explained the Austrian position to the foreign ministers in an opening statement on February 12. "The fact that the State Treaty has not yet been concluded," Figl declared, "has now led to this grotesque situation, that the country which was the first victim of Nazi aggression will be the last to obtain its full freedom and sovereignty." He recalled Austria's remarkable economic and political recovery, assured the foreign ministers that the Austrians would continue to do everything possible to secure a treaty, and asked that the Austrian delegation be allowed to take part in the negotiations as an equal partner.

The Western foreign ministers applauded the spirit of Dr. Figl's remarks. Nonetheless Molotov proved to be obstinate. Once again he dragged in the extraneous Trieste issue, demanding that it be put on the agenda and accusing the United States and Great Britain of transforming the Free Territory of Trieste into a military base. He urged that a guarantee against future Anschluss be written into the treaty and demanded that Austria be held accountable for her part in the war. Molotov did agree, however, that the Austrians might pay for the redemption of German assets in goods rather than in cash. He also proposed that the treaty deputies be instructed to draw up a final draft of the treaty within the next three months and that this draft include an article stipulating that Austria neither join any bloc or military alliance.

---


24 Ibid., pp. 175-178.


nor allow foreign military bases on her soil. Most important, however, Molotov recommended that the withdrawal of troops from Austria be postponed until a peace treaty was concluded with Germany.27

The next day Foreign Minister Figl expressed his "profound disappointment"28 at these Soviet proposals. His disillusionment was shared by the Western allies. They would not consider postponing the withdrawal of Allied troops until the German issue was settled. Since no settlement of the German question could be foreseen, Soviet insistence upon linking the two issues made Austria's future very uncertain.29 Molotov's proposal that a declaration of Austria's neutrality be included in the treaty was also unacceptable. The Austrian government had repeatedly promised to declare the neutrality of the Second Republic. But the Western Powers and Austria wanted this to be a voluntary decision of the Austrian government, not bound by nor made a part of the treaty. From the Austrian point of view, "acceptance of the Soviet proposal would mean not a free but an enslaved Austria."30

On February 14 the Western Powers made an effort to reach some kind of compromise with Foreign Minister Molotov. During the course of the negotiations, the Soviets had drafted five articles of the treaty and proposed that they be accepted by the Western negotiators. These articles

28 Siegler, Austria: Problems and Achievements, p. 19.
29 According to Secretary Dulles, Molotov's proposal that troops remain in Austria temporarily pending the conclusion of a German peace treaty was the same as proposing that Austria remain occupied indefinitely. "Statement by Mr. Dulles, February 14," in U. S. Department of State, Foreign Ministers Meeting: Berlin Discussions, p. 199.
30 Siegler, Austria: Problems and Achievements, p. 20.
provided that the Austrians destroy all vestiges of Nazism in Austria, take all the necessary measures to complete the voluntary repatriation of displaced persons within Austrian borders, cooperate with the Allied powers in preventing Germany from rearming by excluding foreigners from participating in military activities inside Austria, return the property in Austria belonging to all the Allied Powers and their nationals previous to the outbreak of the war, and agree to pay for all postwar Allied loans. 31 The Western representatives agreed to accept these articles in the form proposed by the Soviet Union if Molotov would drop his new proposals on Austrian neutrality, the postponement of the withdrawal of troops, and the demilitarization of Trieste. 32

On February 16 Foreign Minister Figl issued a declaration of Austrian neutrality in which he promised that Austria would do everything possible to remain free from foreign military influence and would not allow foreign military bases to be established on her territory. Foreign Minister Molotov welcomed this declaration, adding that "these days it was not every State that was prepared to make such a notable contribution to the cause of peace." 33 At the same time, Molotov informed Figl that the matter of the withdrawal of the occupation forces from Austria might be solved by inserting an extra clause into the treaty providing that the four powers would return to this question by 1955.


At this juncture, Figl offered what was, from the Austrian point of view, the most generous concession possible. He proposed that the ninety day withdrawal deadline already agreed upon by the Western Powers be extended to June 30, 1955. Following Molotov's rejection of this extension, he suggested further that the four high commissioners to Austria remain in Vienna indefinitely to supervise the Austrian government on all matters concerning the execution and interpretation of the treaty.

Molotov replied that Figl's suggestions did not go far enough. He amended his objection, however, by recommending that a declaration of Austria's neutrality be appended to the treaty. This proposal, however, was but another way of demanding that Austria's declaration of neutrality be included in the text of the treaty, and it was unacceptable to the Western Powers. In view of this impasse, the Western negotiators withdrew their previous compromise offer to accept the five treaty articles drafted by the Soviets. On February 19 they issued a conference communique explaining that it was impossible to conclude the treaty in Berlin because the Soviets insisted upon adding new provisions to the treaty.

The Western negotiators had hoped that the Austrian State Treaty would be signed in Berlin, but their efforts to do so proved unsuccessful. U. S. Secretary of State Dulles compared their futile endeavors at the Berlin meeting to the struggles of the mythological Sisyphus. "I suspect,"

---


he said, "that for the next 2,000 years the story of Sisyphus will be forgotten, when generation after generation is told the story, the tragic story, of the Austrian State Treaty."\textsuperscript{37} Austrian President Adolf Scharf also expressed exasperation at the results of the conference: "It is now established that not even the most extreme sacrifice by Austria can induce Russia to terminate the occupation."\textsuperscript{38}

\textsuperscript{37} "Statement by Mr. Dulles, February 16," in \textit{ibid.}, p. 204.

\textsuperscript{38} Quoted in Stearman, \textit{The Soviet and the Occupation}, p. 146.
CHAPTER IV: FINAL NEGOTIATIONS

The series of talks which followed the Berlin Conference of 1954 climaxed the negotiations for an Austrian State Treaty. During these two years the Soviet attitude toward Austria changed abruptly. The reasons for this reversal are still open to dispute. It is generally agreed, however, that the Khrushchev regime wished to prove by some form of concrete action that Soviet policy had relaxed since Stalin's death, and that Russia wanted to contribute to the easing of international tension. In addition, certain agreements made among the Western Powers probably had a direct influence on Soviet policy toward Austria.

In 1954 the London and Paris Agreements, which provided for the formation of the Western European Union and for the recognition of the sovereignty of the Federal Republic of Germany and its admittance to NATO, were concluded. The Soviet Union responded with a defense agreement among its European satellites known as the Warsaw Pact. Prior to this time, treaties with Hungary and Rumania provided that Soviet troops remain in these countries to protect the lines of communication with Soviet troops in Austria. The stationing of Russian troops in Austria, therefore, was a justification for the maintenance of Soviet forces in Hungary and Rumania. With the new Warsaw defense arrangement, however,

---

troops in Austria were no longer necessary and even may have been a burden to the Soviet Union.²

About the same time, the United States, the United Kingdom, Yugoslavia, and Italy agreed upon the withdrawal of Anglo-American troops from Trieste. This act eliminated a major Soviet objection to the continuation of the Austria treaty negotiations.

It was against this background of significant events in Europe that the Soviet Union reversed its position on Austria in 1955. After the Berlin Council of Foreign Ministers closed in February, 1954, it was clear that any future success in the negotiations depended almost entirely upon a major Soviet decision. The tripartite communiqué issued by the three Western Powers at the end of the conference stated that the three Western Powers remained ready to conclude the treaty at any time, but that progress depended "on the Soviet Union modifying its attitude."³

In the meantime, the communiqué continued, the Western Powers would do everything they could to lighten the burdens of the occupation. The ensuing exchange of notes between Austria, the Soviet Union, and the Western Powers was addressed to this end. Their efforts, however, were blocked by the Soviet Union. Instead of agreeing to a five-power meeting to consider the alleviation of occupation burdens, as the Austrians suggested, the Soviets proposed that a committee meet in Vienna to consider

unsettled matters pertaining to the State Treaty and other related questions. It now appeared that the Soviet insistence upon coupling a discussion of the treaty with related questions meant predicking an Austrian treaty on a general European settlement. Since the terms on which the Russians proposed to talk were the same as those offered in Berlin, the Western Powers refused to accept them. In response, the Austrians made it clear that the Soviets must demonstrate a willingness to withdraw the occupation forces from Austria before a treaty could be concluded.

On July 24, 1954, the Soviet Union addressed a note to the three Western Powers proposing a European Security Pact. Instead of intimating, as the three Western Powers had done in previous notes, that the settlement of the Austrian question could contribute to the easing of international problems and to the strengthening of European security, the Soviets explained the issue in reverse. "An all-European treaty," they suggested on July 24, "would contribute to the solution of the Austrian question."^4

On September 10, 1954, the three Western Powers responded to the Soviet notes of July 24 by urging that the conclusion of the Austrian State Treaty should not be made dependent upon an all-European settlement, a German peace treaty, or any other matters unconnected with the treaty itself.

Two months later the United States, the United Kingdom, and France reported to the General Assembly of the United Nations on their unsuccessful attempts to implement the Brazilian Resolution passed in 1952. They expressed regret that their efforts had proved unfruitful but promised

---
that the members of the Assembly would continue working toward attaining Austria's independence. Any further progress, they added, depended upon the attitude of the Soviet Union. On November 22 Premier Pierre Mendès-France tried, in a speech before the General Assembly, to stimulate an interest in the treaty. About the same time, Chancellor Julius Raab flew to the United States to discuss Austrian problems with American leaders. At the end of the visit the Austrian and United States governments issued a communiqué announcing that the two countries would continue to work together to conclude a treaty that would provide for the withdrawal of the occupation forces from Austria by a specific date. Throughout 1954, however, the Soviets made no indications that they expected to change their attitude.

Faced with the developments in the European scene described at the beginning of this chapter, however, the Soviets began to show signs of a warmer attitude early in 1955. On February 8 Foreign Minister Molotov gave a speech before the Supreme Soviet in which he modified Russia's adament insistence on postponing an Austrian settlement until the conclusion of a German peace treaty. He did not go so far, however, as to separate the two issues entirely. Molotov stated that if a solution could be found which would eliminate any possibility of an Austrian Anschluss with Germany, and if, at the same time, all four powers were willing to adopt "appropriate measures" on the German question, the Soviet Union would not insist that the withdrawal of troops from Austria await the conclusion of a German peace treaty. In conclusion, he proposed that a four-power conference be held to consider the German and

---

5 Ibid., pp. 26-27.
6 Ibid., p. 27.
Austrian questions. 7

Three conversations, held on February 25, March 2, and March 14, 8 between Foreign Minister Molotov and Ambassador Norbert Bischoff, the Austrian envoy in Moscow, took place subsequent to Molotov's speech. During these talks, Molotov, while insisting that the German and Austrian questions were related, conceded that it was not necessary to conclude a German treaty before signing an Austrian one as long as the four occupying powers agreed upon measures that would prevent another Anschluss. 9 Molotov also told Ambassador Bischoff that he considered it very important that the Austrians guarantee that they would not join in any foreign military alliances or allow foreign military bases on Austrian territory. Consequently, during the final conversations on March 14, Ambassador Bischoff presented Molotov with a memorandum from the Austrian government assuring him that the Austrians had no intention of making any military alliances or of allowing foreign military bases to be established on Austrian soil. The Austrian government, the memorandum concluded, was willing to discuss the form of a declaration to this effect with the

7 Ibid., pp. 27-28; Siegler, Austria: Problems and Achievements, p. 21. In the summary of Molotov's speech in Chronology of Austrian Treaty Negotiations, p. 39, no mention is made of Molotov's statement that Soviet insistence on a German settlement might be dropped. Rather Molotov is quoted as saying that the Austrian question could not be examined independently of the German question, especially in view of the plans for the remilitarization of Germany. He also claimed that the Paris agreement presented a serious threat of an Anschluss and therefore to the independence of Austria. Nonetheless, one may conclude from reading all three sources that the Soviets were more concerned at this juncture with preventing a future Anschluss than with postponing the treaty.

8 Siegler, Austria: Problems and Achievements, p. 21.

9 Chronology of Austrian Treaty Negotiations, p. 39. The meetings of February 25 and March 2 were summarized in a press communique issued on March 12.
The Soviets acknowledged the Austrian memorandum in a note to the Austrian government dated March 24, 1955. In it they welcomed the Austrian promise of nonalignment, adding that the Soviet government would also be willing to discuss a formal declaration on this subject. With this reply came an invitation to Chancellor Julius Raab of Austria to choose a delegation to accompany him to Moscow to discuss the withdrawal of occupation troops from Austria. If these talks proved to be successful, the invitation stated, they would be considered preliminary to a meeting of the occupying powers and the Austrian government to bring the Austrian matter fully to a close.

The Soviet invitation to come to Moscow came as a surprise to both the Austrians and the Western Powers. It was accepted by the former with anticipation and excitement, intermingled with a degree of caution and skepticism. Minister Oskar Helmar remarked with some bitterness in his memoirs: "It was worth noticing that this undertaking [the trip to Moscow] was no such trip to Canossa as was made by some Austrians between the wars . . . . It must have been clear to the Russians by the end of 1954 that they could not succeed in making Austria into a democratic peoples' republic."

11 Ibid.
12 Ibid.
15 Ibid., p. 316.
After the Austrians announced that a delegation would leave for Moscow to talk with Soviet officials, the three Western Powers issued a Tripartite Declaration on Austria. In this declaration, dated April 5, 1955, the Western Three reemphasized their desire to conclude the Austrian treaty as soon as possible. They expressed the hope that in view of its present invitation to the Austrians, the Soviet government "may now have certain clarifications to offer regarding their policy toward Austria." They also hoped that the Moscow visit would be useful in this regard and assured the Austrians that, if the Soviets offered proposals that could lead to Austria's independence, they could be discussed by the four ambassadors to Austria and the members of the Austrian government in Vienna.¹⁶

Four days later the Soviet government made clear its new position on the Austrian problem. In a statement to the press, copies of which were made available to the ambassadors of the three Western Powers in Moscow, the Soviet government indicated that the forthcoming Moscow talks might speed up the settlement of the Austrian problem by leading to the conclusion of a treaty. The U. S. S. R. hoped, the declaration continued, that with good will among all the states concerned, it would soon be possible to agree on the necessary issues and to conclude an Austrian State Treaty.¹⁷

Chancellor Julius Raab chose five officials to accompany him to Moscow: Foreign Minister Leopold Figl, Vice-Chancellor Adolf Scharf, State Secretary for Foreign Affairs Bruno Kreisky, Raab's personal secre-

¹⁵ Chronology of Austrian Treaty Negotiations, p. 41.
¹⁶ Ibid.
¹⁷ Ibid.
tary Dr. Steiner, and his Russian interpreter Walter Kindermann. This
group boarded a small plane at Voslau airport near Vienna on April 11,
1955, to fly to the Russian capital. Upon their arrival, they were
ceremoniously welcomed by Soviet leaders.

The next morning brief introductory meetings were held in the
Kremlin with Molotov and Chairman Bulganin. The first negotiations were
scheduled to begin in the afternoon. In the meantime, Ambassador Nor-
bert Bischoff and two other Austrian diplomats in Moscow, Schöner and
Verosta, joined their countrymen in making preparations for the first
session.

The afternoon meeting began at 3:00 P. M. in Foreign Minister Molotov's
office. Molotov and Mikoyan headed the Soviet delegation of ten
representatives. The Austrian delegation presented an agenda on which
they proposed to base the discussions. First, a treaty was to be signed
immediately. The other points included the withdrawal of Allied troops
from Austria, the release of Austrian prisoners of war and civilian
personnel held in the Soviet Union, Austria's declaration of nonalign-
ment, and economic matters.

Foreign Minister Molotov dismissed the first item on this proposed
agenda by stating, in effect, that the cart could not be put before the
horse. The matter of signing the treaty should be the last rather than
the first item on the agenda. Then he turned to the controversial
question of the time limit to be set on the withdrawal of the occupation

---

18 Walter Kindermann, Flug nach Moskau (Vienna: Ullstein Verlag,
1955), pp. 9-10. Little has been written on the Moscow talks in English.
For this reason the author will cover them in considerable detail. Her
discussion is based almost entirely upon Walter Kindermann's book, since
it is the only detailed, eye-witness account of the conversations which
this writer has been able to find. For a very brief account of the Moscow
negotiations by one of the leading Austrian delegates see Adolf Scharf,
"Österreich Frei und Unabhängig," Die Zukunft: Sozialistische Zeitschrift
forces from Austria. He proposed a six month deadline after the ratification of the treaty. The Austrians objected vigorously on the grounds that this was an extension of the three month period already stipulated in the long treaty draft. Besides, because they could not be certain when the treaty would be ratified, the Austrians did not wish to make withdrawal dependent upon ratification. Chancellor Raab, therefore, suggested that December 31, 1955, be the last possible day for the evacuation of Allied troops from Austria. The Soviets, however, still held to their six month proposal and refused to budge.

The matter of the release of prisoners of war and civilian personnel in Russia appeared to be a less difficult problem. Molotov informed Raab that President Voroshilov would perhaps be ready to give an answer to the Austrian request for the release of prisoners on the following day. At the same time, Molotov, while assuring Raab that the Soviet Union would be willing to join in a corresponding quadripartite declaration of the former Allies guaranteeing the inviolability of Austria's frontiers, demanded a formal declaration from the Austrian government guaranteeing Austria's future neutral status. Raab asked that the Austrian delegation be given another day to consider the Soviet demand.

Four major economic questions still remained to be solved. These included the means of Austrian payment for the restoration of German assets on her territory; Soviet claims to Austrian oilfields, refineries, and oil trade company assets; the fate of the Danube Shipping Company; and the conclusion of a trade agreement between Austria and the Soviet Union.

---

19 Ibid., pp. 33-34.
20 Ibid., pp. 34-36.
The Soviets agreed to allow Austria to pay for the restoration of German assets in goods rather than in cash, and to give up their claims to Austrian oilfields and other properties in return for annual deliveries of crude oil. The Soviets concluded the day's discussions by assuring the Austrians that once relations between their two countries were normalized the Soviet government would be ready to consider a bilateral Austro-Soviet trade agreement. The Austrian delegation left the conference room assured that the atmosphere of the conversations was improving and confident that the Soviets intended to grant Austria her independence.

The second meeting began at 11:00 A. M. on April 13, this time not in the Kremlin but in the Spiridonovka Palace. In the opening discussions it was agreed that in addition to prohibiting foreign bases on her soil and avoiding military alliances, the Austrian government would formally declare a position of neutrality on the model of Switzerland. Chancellor Raab promised to put such a declaration before the Austrian parliament by April 27, 1955.

The rest of the morning discussions on April 13 was devoted to economic matters. It was agreed that Austria's payment of $150 million worth of goods to the Soviet Union for over 300 German industrial assets be made in six annual shipments of $25 million. An Austrian committee of experts, it was decided, would come to Moscow on June 1, 1955, to determine what products would be included in these shipments. The delegates were unable to agree on the amount of crude oil to be delivered to the Soviets to satisfy their claims to Austrian oil interests. The Soviets proposed that a minimum of 11 million tons of oil be paid over a six year period, with additional deliveries prorated on the expected rise in
The members of the Austrian delegation regarded these terms as uncertain and unreasonably high and suggested that experts help members of a special committee determine what would be a fair offer.

In the early afternoon the members of the Austrian delegation met briefly with President Voroshilov, who promised to do his best to obtain a decision from the Presidium of the Supreme Soviet on the release of war prisoners. During the late afternoon discussions it was agreed that the Austrian government pay the Soviet Union two million dollars for all assets of the Danube Shipping Company.

At the opening meeting the following morning, Molotov declared that the Soviet government was ready to accept December 15, 1955, as the deadline for the withdrawal of all occupation troops from Austria. Immediately after this announcement, he stated that, even though the Presidium had not yet made a formal decision, President Voroshilov had instructed him to announce that the Soviet government was prepared to pardon and release all prisoners of war and civilian personnel in the Soviet Union, with the exception of about 110 severe cases. These would be either handed over to the Austrian government for trial or held in the Soviet Union until after Soviet troops had been withdrawn from Austria.

At the close of the morning session the Soviets insisted that some kind of an agreement be reached on the difficult oil question. Chancellor Raab presented a new proposal which he considered to be more reasonable

---

21 The Soviets proposed that the Austrians deliver 50 percent of the crude oil production each year for six years, with the annual delivery guaranteed to be no less than 50 percent of the estimated 1955 production of 3.5 million tons. In addition to this minimum amount, the Soviets wanted an additional annual payment equalling 3 percent of the expected increase in annual production. Ibid., pp. 61-62.

22 Ibid., p. 70.
than the Soviet demand for 11 million tons of oil delivered over a six year period. He suggested that the Austrians deliver 10 million tons of crude oil to the Soviet Union over a ten year period. After some hesitation, the Soviets agreed.\(^{23}\)

With this decision, the principal issues of the conference were settled. Carefully prepared texts of an *aide-mémoire* known as the Moscow Memorandum were signed the next morning by Molotov and Mikoyan for the U. S. S. R. and Raab, Scharf, Figl, and Kreisky for Austria. Afterwards the members of both delegations toasted the success of their negotiations with glasses of champagne and left for the airport.\(^{24}\)

The Austrian trip to Moscow, which had been undertaken only with prudent optimism, proved to be an overwhelming success. Within three days the Austrian negotiators were accorded very favorable terms on issues that had been nothing but stumbling blocks for the past ten years. The Austrian people welcomed their diplomats home as returning heroes; the results of the Moscow talks were hailed as an outstanding diplomatic achievement.

Immediately after the Moscow visit, the Moscow Memorandum of April 15 was made public. The memorandum outlined the major agreements reached in Moscow: an Austrian State Treaty would be signed as soon as possible; Austria would declare its intention not to enter any military alliances or permit foreign military bases on her soil and would secure a declaration of neutrality approved by the Austrian parliament and recognized by the four former Allies; the occupying troops would be withdrawn from Austria.

---

\(^{23}\)Kindermann explains that Mikoyan began objecting to the Austrian proposal but says that Molotov restrained him by suggesting that political considerations must take priority over economic ones. *Ibid.*, p. 72.

\(^{24}\)Ibid.*, pp. 68-87.
no later than December 31, 1955; Austria would pay $150 million in goods over six years in return for Soviet claims to German industrial assets in Eastern Austria, two million dollars for the assets of the Danube Shipping Company, and ten million tons of crude oil over a ten year period in return for Austrian oil rights. In addition, the memorandum included the Soviet offer to release all Austrians held in the Soviet Union by the time Soviet troops withdrew from Austria.25

Little less than a week after the Austrian negotiators returned from Moscow, the Soviet government sent identical notes to the three Western governments proposing that the four foreign ministers meet with Austrian representatives in Vienna to sign the treaty. On April 22 the Western Powers agreed to such a meeting but proposed holding a preparatory conference of the four Allied ambassadors. The Soviet government accepted this proposal on April 26.

The Vienna conference of four-power ambassadors took place from May 2 to May 13, 1955, in the ballroom of the Haus der Industrie, where the Allied Council had been meeting since 1945. The representatives present included U. S. Ambassador Llewellyn Thompson, who served as chairman;26 Ambassador Ivan Ivanovich Ilyichev, of the Soviet Union; Ambassador Sir Geoffrey Wallinger, of the United Kingdom; and Roger Lalouette, charge d'affaires of the French embassy in Vienna.27

25 Stearman, The Soviet Union and the Occupation, p. 150. An English translation of the full text of the Moscow Memorandum can be found in Siegler, Austria: Problems and Achievements, pp. 161-163; and in U. S. Department of State, The Austrian State Treaty. An Account of the Postwar Negotiations, pp. 79-82. The memorandum can be found in Appendix II of this paper.


The first day of negotiations went by quite smoothly and the predominant mood was one of optimism. On the second day, however, major difficulties arose over certain articles of the long treaty draft. The trouble began when the Western ambassadors insisted that two articles, one regarding the voluntary repatriation of displaced persons and refugees and the other stipulating a limitation on the size of the Austrian army, be eliminated from the treaty. The Americans, in particular, felt that these articles would minimize Austria's rights as a sovereign nation. The Western ambassadors were also unwilling to agree to the date of December 31, 1955, as the final one for the withdrawal of troops from Austria. They claimed that it was impossible to fix a date without knowing when the treaty would be ratified.

On the third day the Soviets agreed to drop the two articles mentioned above; nevertheless, the problem of the date for the withdrawal of Allied troops and especially the German assets question still plagued the negotiators. The Western negotiators insisted that an annex be added to the article on German assets that would make the terms of the treaty coincide with Soviet promises in the Moscow Memorandum. This particular article stated that the Soviet government would retain most of Austria's oil properties as well as the rights of the Danube Shipping Company for thirty years. In the Moscow Memorandum, on the other hand, the Soviets had promised to restore these properties within a ten year period. The Soviets insisted that the return of German assets was a matter to be worked out by the Austrian and Soviet governments and was not something that should be qualified further in the treaty.

---

Letter to the author from Walter R. Roberts, March 21, 1966. Mr. Roberts was intimately connected, in varying capacities, with the treaty negotiations from 1949 to 1955. The U. S. Information Agency sent Mr. Roberts as their policy officer and the U. S. delegation appointed him as its press spokesman during the preliminary Vienna Conference.
The dangers inherent in this deadlock over German assets was so serious that Secretary of State Dulles made it known that he would not come to Vienna to sign the treaty until the German assets issue was resolved once and for all. It was reported that British Foreign Secretary Harold Macmillan had the same intention. In addition, the pressures of time during those last days caused considerable strain for all concerned.

These last minute difficulties seemed to be caused by the Western negotiators who appeared more determined to extract the most favorable terms from the Russians than were the Austrians. Foreign Minister Figl is said to have remarked to Deputy Foreign Minister Kreisky at a coffee break between meetings: "Now it's quite clear who is making difficulties, of course-- the Americans." But the issues involved did not justify a rupture at this stage in the negotiations, and all of the existing obstacles were finally eliminated.

The Soviets agreed on May 12 to add an annex to the article on the transfer of German assets stating that this article had been amended by the pertinent economic agreements recorded in the Moscow Memorandum. On the question of the withdrawal of troops from Austria, it was decided that evacuation should be completed within ninety days after the treaty came into force, and, if possible, by December 31, 1955, at the latest. The Western ambassadors also managed to have an additional number of obsolete articles and annexes of the long draft either eliminated or modified.

On May 14 the foreign ministers of the four occupying powers arrived

31 Letter to the author from Walter R. Roberts
32 Ibid.
in Vienna for final discussions on the treaty. In these talks Foreign
Minister Figl persuaded the ambassadors to eliminate that part of the
preamble of the treaty stating that "Austria cannot avoid certain respon-
sibility arising from . . . participation in the war." On the evening
of May 14 a communiqué was released to the press announcing that full
unanimity had been reached on all the articles of the treaty draft.

With all the threads neatly tied, the Austrian State Treaty was
ready for signature. On May 15, 1955, the foreign ministers affixed
their signatures to a treaty of thirty-eight articles and two annexes.

While enthusiastic Austrians and visitors celebrated this long-awaited
event, Secretary of State John Foster Dulles praised the Austrians:
"The Austrian people have never lost the vision of a free and independent
Austria and their words and deeds have consistently reflected a solemn
resolve that that vision should become a reality. So today the Austrian
people can rejoice, not because of what has been given them, but because
of what they have won for themselves."

The treaty was ratified by the five signatory nations little more
than two months after the signing. It entered into force on July 27,
1955. With independence came liberation. Seventeen years of foreign
control, first by the Nazis and then by the Allied Powers, were now
officially at an end. The police-state atmosphere which tends to permeate

For the preamble as it appeared in the long treaty draft, see U. S.
Department of State; The Austrian State Treaty, A Historical Resume,
The Long Draft, p. 15.
of the Postwar Negotiations, p. 33.
36 A summary of the Austrian State Treaty can be found in Appendix
III of this paper.
37 Quoted in Siegler, Austria: Problems and Achievements, p. 25.
an occupied state, no matter how unrestricted the terms of occupation, soon was to disappear. Shortly after the treaty was ratified, rumbling tanks and jeeps threaded through the Brenner Pass out of Austria. 38

By October 25, 1955 (more than two months before the deadline), all the Allied occupation forces had been evacuated. The next day the Austrian parliament passed the promised Neutrality Act. On December 6 Austria's neutrality was recognized by the former occupying powers. 39 Although the Austrian people had many treaty obligations to fulfill, effective liberation had been won.

The Austrian State Treaty negotiations present a stirring record of the difficulties in dealing with the Soviet Union at the conference table. During the course of the negotiations the Soviets exhibited, often in the most obvious fashion, many examples of what have become familiar to Western diplomats as "Soviet techniques of negotiation." 40 These included delaying and stalling; issuing demands and ultimatums rather than making requests, suggestions, or compromises; wearying their opponents; introducing extraneous issues; repeating the same objections ad nauseam, ignoring the principal issues; and promoting irritation, frustration, and tension over unimportant as well as important issues. Although such methods had been encountered before, as in the negotiations for a Korean truce, the Austrian negotiations displayed a wealth of examples, for, as one writer has put it, "the Austrian settlement must certainly be one of the most thoroughly negotiated

38 Author's observations.
40 From the title of the essay by Philip E. Mosely, "Some Techniques of Negotiation," in Negotiating with the Russians, p. 271.
treaties on record."\(^{41}\)

When considering that the deliberations of the occupying powers dragged on for ten years without results, however, it is clear that the negotiations had little to do with the ultimate Soviet decision to sign the treaty. It has been observed, on the other hand, that negotiations with the Soviet Union seldom are successful or useful unless the political international climate is propitious.\(^{42}\) In 1955 the Soviet government probably concluded that it had more to gain than to lose by granting Austria her freedom. This does not mean, however, that the negotiations which dragged on for ten years were useless or unnecessary. Indeed it is clear that the determination of the Western Powers and the Austrians to continue their negotiations despite the most hopeless deadlock kept the Austrian problem alive in the minds of all concerned.

Although the conclusion of the Austrian State Treaty did not prove to be a turning point in the Cold War, as was predicted by many, it nonetheless proved to be the first time since the war that the Soviet Union was willing to negotiate a European question to an acceptable conclusion. In this respect the Austrian State Treaty was of considerable value. Probably one of the most balanced single evaluations of the treaty was made in 1961: "It was one of the few international agreements of the postwar era that proved to be wise and lasting and that bore the signs of understanding on the part of all participants."\(^{43}\) It was by means of arduous negotiation that the diplomats concerned learned from


\(^{42}\) Raymond Dennett and Joseph E. Johnson (eds.), *Negotiating with the Russians* (Boston: World Peace Foundation, 1951), p. xi.

their mistakes and cultivated that understanding which made the treaty possible.
APPENDIX I: CHRONOLOGY OF AUSTRIAN TREATY NEGOTIATIONS

A. Allied wartime pledges to Austria:

2. Churchill speech in the House of Commons, August 24, 1941.
3. Stalin's remarks to Eden, December, 1941.

B. High-level conferences which dealt with Austria:

5. New York Council of Foreign Ministers, Nov. 4-Dec. 12, 1946.
10. Meeting of three Western foreign ministers, July 10-14, 1953.

C. Meetings of the Austrian Treaty Deputies:

2. 84 meetings of Austrian Treaty Commission in Vienna, May 12-October 11, 1947.
7. 260th and last meeting of treaty deputies in London, January 30, 1953.

D. Declarations on Austria:

2. Tripartite Moscow Declaration, November 1, 1943.
5. Tripartite Declaration on Austria, April 5, 1955.

E. Miscellaneous highlights of the negotiations:

1. Acheson state visit to Vienna, June, 1952.
2. Eden state visit to Vienna, autumn, 1952.
4. Speech by President Eisenhower urging the Soviets to sign the Austrian Treaty, April 16, 1953.
APPENDIX II: MOSCOW MEMORANDUM OF APRIL 15, 1955

I.

In the course of conversations regarding the earliest conclusion of the Austrian State Treaty in Moscow from the 12th to the 15th of April 1955 agreement was reached between the Soviet and the Austrian delegations that, with regard to the declarations made by the members of the Soviet Government -- the Deputy Chairman of the Council of Ministers and the Minister for Foreign Affairs of the U.S.S.R., V. M. Molotov, and the Deputy Chairman of the Council of Ministers of the U.S.S.R., A. I. Mikhoyan -- Federal Chancellor Ing. Julius Raab, Vice Chancellor Dr. Adolf Schaef, Foreign Minister Dr. h. c. Ing, Leopold Figl, State Secretary Dr. Bruno Kreisky in connection with the conclusion of the Austrian State Treaty will see to it that the following decisions and measures of the Austrian Federal Government are brought about.

1.) In the sense of the declaration already given by Austria at the conference in Berlin in 1954 to join no military alliances and to permit no military bases on its territory, the Austrian Federal Government will make a declaration in a form which will obligate Austria internationally to practice in perpetuity a neutrality of the type maintained by Switzerland.

2.) The Austrian Federal Government will submit this Austrian declaration in accordance with the terms of the Federal Constitution to the Austrian Parliament for decision immediately after ratification of the State Treaty.

3.) The Federal Government will take all suitable steps to obtain international recognition for the declaration confirmed by the Austrian Parliament.

4.) The Austrian Federal Government will welcome a guarantee by the four great powers of the inviolability and integrity of the Austrian State Territory.

5.) The Austrian Federal Government will seek to obtain from the Governments of France, Great Britain and the United States of America such a guarantee by the four great powers.

6.) The Federal Government will, after return of German assets in the Soviet Zone of Occupation to Austria, take measures which will exclude a transfer of these assets to the possession of foreigners including juridical persons of private or public character.

Furthermore, it will see to it that no discriminating measures will be taken against the employees of the former USIA concerns, of the concerns of the former Soviet oil administration, the Corporation OROP, and of the DDSG.*

*USIA -- upravlenie sovetskogo imushchestva Austrii or Administration for Soviet Property in Austria; DDSG -- Donaudampfschiffahrtsgellschaft or Danube Shipping Company.
II.

The Deputy Chairman of the Council of Ministers, V. M. Molotov and A. I. Mikhoyan, made the following declaration in the name of the Soviet Government with regard to the declarations of the Austrian Government delegation:

1.) The Soviet Government is prepared to sign the Austrian State Treaty without delay.

2.) The Soviet Government declares itself to be in agreement that all occupation troops of the four powers be withdrawn from Austria after the entry into force of the State Treaty, no later than on the 31st of December 1955.

3.) The Soviet Government considers Articles 6, 11, 15, 16-bis and 36 as obsolete or superfluous and is prepared to drop these Articles. It is prepared, moreover, to drop also Article 48-bis if Austria is simultaneously prepared to drop its demands against the Soviet Union for the so-called "civilian occupation costs". It will support, moreover, the Austrian Government in its efforts to attain further possible changes in the draft of the State Treaty, and will agree to such changes. However, agreement exists that the negotiations leading to the conclusion of the State Treaty between the four powers and Austria are not to be drawn out unnecessarily by proposals to change the Treaty.

4.) The Soviet Government is prepared to recognize the declaration concerning the neutrality of Austria.

5.) The Soviet Government is prepared to participate in a guarantee by the four powers of the inviolability and integrity of the Austrian State Territory—according to the model of Switzerland.

III.

As a result of the exchange of opinions which has taken place, the delegations have reached the following conclusions:

CONCERNING THE DELIVERY OF GOODS TO THE U.S.S.R. IN COMPENSATION FOR THE VALUE OF SOVIET ENTERPRISES IN AUSTRIA, AS HANDED OVER IN ACCORDANCE WITH THE AUSTRIAN STATE TREATY (ARTICLE 35)

1.) The Soviet Government is prepared, in the sense of its pledge given at the Conference in Berlin in 1954, to accept Austrian goods in the equivalent of 150 million American dollars provided for in Article 35 as a lump sum;

2.) The Soviet delegation takes note of the declaration of the Austrian delegation that the latter accepts as a basis the list of goods which it has received from the Soviet delegation, and in this connection specially authorized representatives of the Austrian Government will go to Moscow not later than the end of May of this year.
3.) The Soviet Delegation also takes note of the declaration of the Austrian delegation that the Austrian Government will form a special commission which will concern itself with the terminal dates and quality of the shipments of goods to the Soviet Union, and specifically in the agreed upon amounts for the lump sum of 150 million American dollars, that is 25 million American dollars annually.

4.) The Austrian delegation has declared itself prepared to guarantee to representatives of the Soviet purchaser the possibility to carry out examinations upon receipt of the goods which are destined to be delivered to the Soviet Union on account of the above-named sum. It is agreed that the delivery of the goods should be free to the Austrian border and at world market prices. The prices and the amount of goods will be agreed upon by both parties annually three months before the beginning of each year. The Austrian National Bank will issue promissory notes to guarantee the above delivery of goods for the sum of 150 million American dollars indicated in the draft of the State Treaty. The promissory notes of the Austrian National Bank will be returned according to the liquidation of the sum by the delivery of goods.

CONCERNING THE TRANSFER TO AUSTRIA OF THE OIL ENTERPRISES HELD BY THE U.S.S.R. IN AUSTRIA

1.) The Soviet delegation accepts the proposal of the Austrian delegation, according to which the Austrian Government in return for the oil fields and oil refineries held by the U.S.S.R. and transferred to Austria will pay the Soviet Union by delivery of crude oil to the extent of one million tons annually for a period of ten years, therefore a total of ten million tons.

The Soviet Delegation takes note of the declaration of the Austrian delegation that the Austrian Government reserves the right to carry out deliveries of the aforementioned quantity of crude oil to the Soviet Union also in shorter periods of time. The crude oil is to be delivered under the following conditions: delivered free to the Austrian border, duty and customs free.

2.) The Austrian delegation has taken note of the declaration of the Soviet delegation that the oil enterprises and oil fields transferred by the Soviet Union to Austria include also the refineries and the company for marketing oil products (OROP).

CONCERNING THE TRANSFER TO AUSTRIA OF ASSETS OF THE DANUBE STEAMSHIP COMPANY IN EASTERN AUSTRIA

The Soviet side transfers to Austria all properties of the Danube Steamship Company, which are located in Eastern Austria, including the shipyard in Korneuburg, the ships and dock facilities, for which the Austrian Government will pay simultaneously with the transfer the amount of two million American dollars to the Soviet Union.

CONCERNING TRADE BETWEEN THE SOVIET UNION AND AUSTRIA

1.) Agreement was reached between the Soviet Union and Austria to
conclude a trade treaty for a period of five years with an automatic extension as long as no termination of the treaty is brought about by one of the parties.

2.) Furthermore, agreement was reached that a treaty regarding the exchange of goods and payments between Austria and the Soviet Union be concluded for a period of five years, according to which the amount of goods is to be agreed upon annually.\footnote{Austrian State Treaty. Message from the President of the United States Transmitting the State Treaty for the Re-establishment of an Independent and Democratic Austria, signed at Vienna on May 15, 1955, to the United States Senate, 84th Congress, First Session on Executive G (Washington, D. C.: U. S. Government Printing Office, 1955) pp. 40-43.}
APPENDIX III: SUMMARY OF THE AUSTRIAN STATE TREATY

The Preamble makes reference to certain political highlights of relations between the Allied Powers and Austria after the annexation of Austria by Germany on March 13, 1938. Austria was annexed by force and incorporated into the Reich and subsequently the U.S.S.R., United Kingdom, United States, and France declared that they regarded the annexation as null and void. Account is taken of the efforts which the Austrian people have made for the restoration and democratic reconstruction of their country. The Allied and Associated Powers desire by means of the Treaty to settle all questions outstanding in connection with the annexation of Austria by Germany and participation of Austria in the war as part of Germany. The Preamble notes finally that the Allied Powers are desirous of concluding the Treaty to establish the basis of friendly relations, thereby enabling them to support Austria's application for admission to the United Nations.

PART I - POLITICAL AND TERRITORIAL CLAUSES

Article 1 - Reestablishment of Austria as a Free and Independent State - Austria is reestablished as a sovereign, independent and democratic state.

Article 2 - Maintenance of Austria's Independence - The Allied and Associated Powers declare that they will respect the independence and territorial integrity of Austria as established under the Treaty.

Article 3 - Recognition by Germany of Austrian Independence - The Allied and Associated Powers undertake to incorporate in the German Peace Treaty provisions for securing from Germany the recognition of Austria's sovereignty and independence and the renunciation by Germany of all territorial and political claims in respect of Austria and Austrian territory.

Article 4 - Prohibition of Anschluss - Political or economic union between Austria and Germany is prohibited. Austria agrees that it shall not enter into such union in any form whatsoever and undertakes to prevent within its territory any act likely to promote such union.

Article 5 - Frontiers of Austria - The frontiers of Austria are established as those existing on January 1, 1938.

Article 6 - Human Rights - Austria undertakes to take all measures necessary to secure to all persons under Austrian jurisdiction the enjoyment of human rights and fundamental freedoms. Austria further undertakes that the laws in Austria shall not discriminate between persons of Austrian nationality on the ground of race, sex, language or religion.

Article 7 - Rights of the Slovene and Croat Minorities - Austrian nationals of the Slovene and Croat minorities shall enjoy the same rights on equal terms as all other Austrian nationals. They are also assured
certain rights in regard to education, language, and participation in cultural, administrative and judicial systems.

Article 8 - Democratic Institutions - Austria shall have a democratic Government based on elections by secret ballot and shall guarantee to all citizens free, equal and universal suffrage as well as the right to be elected to public office without discrimination as to race, sex, language, religion or political opinion.

Article 9 - Dissolution of Nazi Organizations - Austria shall complete measures to destroy the Nazi Party and its affiliated organizations on Austrian territory. Austria shall continue efforts to eliminate from Austrian life all traces of Nazism. Austria also undertakes to dissolve all Fascist-type organizations existing on its territory as well as any other organizations carrying on activities hostile to any United Nation.

Article 10 - Special Clauses on Legislation - Austria undertakes to maintain and implement laws aimed at liquidation of the remnants of the Nazi regime and providing for reestablishment of the democratic system.

Austria further undertakes to maintain the Austrian law of April 3, 1919 providing for the expulsion of the Hapsburg family and the confiscation of their properties.

Article 11 - Recognition of Peace Treaties - Austria undertakes to recognize the treaties of peace with Italy, Rumania, Bulgaria, Hungary and Finland and other agreements reached by the Allied and Associated Powers in respect of Germany and Japan for the restoration of peace.

PART II - MILITARY AND AIR CLAUSES

Article 12 - Prohibition of Service in the Austrian Armed Forces of Former Members of Nazi Organizations and Certain Other Categories of Persons - This article prohibits service in the Austrian Armed Forces of:

(1) Non-Austrians;
(2) Austrians who had been German nationals at any time before March 13, 1938 (the date of annexation of Austria by Germany);
(3) Austrian nationals who served in the rank of Colonel or higher in the German Armed Forces;
(4) Austrian nationals who formerly were in specified categories of the Nazi organization.

Article 13 - Prohibition of Special Weapons - Austria shall not possess, construct or experiment with atomic or other designated types of weapons. The Allied and Associated Powers may add to the list weapons which may be evolved in the future.

Article 14 - Disposal of War Material of Allied and German Origin - Allied war material in Austria shall be placed at the disposal of the Allied Power concerned. Austria renounces all rights to such material. (List of War Material contained in Annex I.)
Article 15 - Prevention of German Rearmament - Austria undertakes to cooperate with the Allied and Associated Powers to prevent Germany from taking steps toward rearmament outside German territory. Austria agrees not to employ or train in aviation or in connection with war material persons who were German nationals previous to March 13, 1938, Austrian nationals precluded from military service under Article 12, or non-Austrians.

Article 16 - Prohibition Relating to Civil Aircraft of German and Japanese Design - Austria shall not acquire or manufacture civil aircraft which are of German or Japanese design or which embody major assemblies of German or Japanese manufacture or design.

Article 17 - Duration of Limitations - The military and air clauses of the Treaty remain in force until modified by agreement between the Allied and Associated Powers and Austria or, after Austria becomes a member of the United Nations, by agreement between the Security Council and Austria.

Article 18 - Prisoners of War - Austrians who are prisoners of war shall be repatriated as soon as possible. All costs incurred in such repatriation to the point of entry into Austrian territory are to be borne by Austria.

Article 19 - War Graves and Memorials - Austria undertakes to respect, preserve and maintain Allied war graves and memorials. Austria agrees to recognize delegations authorized by foreign states to identify or maintain graves and memorials and to render assistance in connection with such missions.

PART III

Article 20 - Withdrawal of Allied Forces - The Agreement on the Machinery of Control under which the occupying authorities have operated in Austria shall terminate on the coming into force of the Treaty and the Inter-Allied Command shall cease to exercise any functions with respect to the administration of the city of Vienna. The Agreement on Zones of Occupation shall terminate upon completion of the withdrawal from Austria of Allied Forces. Such forces shall be withdrawn from Austria within ninety days from the coming into force of the present Treaty, and insofar as possible not later than December 31, 1955. Pending their withdrawal, Austria shall accord to the Allied Forces the rights, immunities and facilities which they had prior to the coming into force of the Treaty.

The Allied Powers will return to Austria within the ninety-day period all requisitioned property.

PART IV - CLAIMS ARISING OUT OF THE WAR

Article 21 - Reparation - No reparation shall be exacted from Austria.
Article 22 - German Assets in Austria - The Soviet Union, United Kingdom, United States and France have the right to dispose of all German assets in Austria in accordance with the Potsdam Protocol of August 2, 1945.

(1) The U.S.S.R shall receive for a period of thirty years concessions to oil fields equivalent to 60 per cent of the extraction of oil in Austria for 1947, as well as property rights belonging to these fields.

(2) The Soviet Union shall receive concessions to 60 per cent of all exploration areas located in Eastern Austria that are German assets. The U.S.S.R. shall have the right to carry out explorations in these areas for eight years and to the extraction of oil for a period of 25 years beginning from the time of discovery of oil.

(3) The Soviet Union shall receive oil refineries having a total annual production capacity of 420,000 tons of crude oil.

(4) The Soviet Union shall receive agencies and properties concerned with distribution of oil products.

(5) The Soviet Union shall receive the assets of the Danube Shipping Company located in Hungary, Rumania and Bulgaria as well as the assets of the company located in Eastern Austria.

(6) The Soviet Union agrees to transfer to Austria property, rights and interests held or claimed as German assets with the exception of those assets mentioned in the foregoing paragraphs of this Article in exchange for which Austria undertakes to pay the Soviet Union 150 million U. S. dollars within a period of six years.

(7) Former German assets which become the property of the Soviet Union in accordance with this Article remain under Austrian jurisdiction and Austrian legislation applies to them. Such assets shall receive national treatment in connection with duties, taxation, etc. and shall not be subject to expropriation without consent of the U.S.S.R. Profits or other income may be exported. The rights, properties and interests transferred to the Soviet Union and those which the Soviet Union relinquishes to Austria are transferred without any charges or claims on the part of the Soviet Union or Austria.

(8 and 9) The transfer to Austria of properties mentioned in paragraph 6 and the formalizing of Soviet rights to the former German assets shall take place within two months from the date the Treaty enters into force. The Soviet Union shall own assets created or purchased in Eastern Austria after May 8, 1945 for the operation of the oil properties and the Danube Shipping Company.

(10) Disputes in connection with the Article are to be settled by bilateral negotiation or if this is not possible by an Arbitration Commission.

(11 and 12) The United Kingdom, United States and France transfer to Austria all property, rights and interests held or claimed in Austria
as former German assets or war booty. After Austria fulfills the obligations set forth in this Article, the claims of the Allied Powers with respect to former German assets shall be considered satisfied.

(13) Austria undertakes that except in the case of educational, cultural, charitable and religious property none of the property, rights and interests transferred to it as former German assets shall be returned to ownership of German juridical persons or to the ownership of German natural persons where the value of the property exceeds 260,000 schillings. Austria further undertakes not to pass to foreign ownership those rights and properties included on Lists 1 and 2 which will be transferred to Austria by the Soviet Union in accordance with the Austro-Soviet memorandum of April 15, 1955.

(14) The provisions of the Article shall be subject to the terms of Annex II of the Treaty.

List No. 1 - Oil fields in Eastern Austria on which concessions shall be granted to the Soviet Union.

List No. 2 - Concessions to oil exploration areas in Eastern Austria to be transferred to the Soviet Union.

List No. 3 - Oil refineries in Eastern Austria the property rights to which are to be transferred to the Soviet Union.

List No. 4 - Undertakings in Eastern Austria engaged in the distribution of oil products, the property rights to which are to be transferred to the Soviet Union.

List No. 5 - Assets of the Danube Shipping Company to be transferred to the Soviet Union.

Article 23 - Austrian Property in Germany and Renunciation of Claims by Austria or Germany - The property in Germany of the Austrian Government or of Austrian nationals shall be returned to its owners. The provisions shall not apply, however, to the property of war criminals or persons subjected to denazification measures.

Austria waives on its own behalf and on behalf of Austrian nationals all claims against Germany and Germans outstanding on May 8, 1945 except contractual and other obligations entered into before May 13, 1938.

Article 24 - Renunciation by Austria of Claims Against the Allies - Austria waives all claims against the Allied and Associated Powers on behalf of the Austrian Government or Austrian nationals arising out of the war after September 1, 1939 or out of actions taken because of the existence of the state of war. The renunciation of claims includes claims arising as a consequence of armed forces or authorities of Allied or Associated Powers, from the presence, operation or actions of Allied Forces or authorities in Austrian territory, claims arising from decrees or orders of prize courts of Allied or Associated Powers, and claims
arising out of the exercise of belligerent rights. The Austrian Government agrees to compensate persons who furnish supplies or services on requisition to the Allied Forces and in satisfaction of non-combat damage claims arising in Austrian territory. The foregoing waiver extends to the United Nations whose diplomatic relations with Germany were broken off during the war and which took action in cooperation with the Allied Powers.

PART V - PROPERTY RIGHTS AND INTERESTS

Article 25 - United Nations Property in Austria - Insofar as Austria has not already done so, it agrees to restore all legal rights and interests in Austria of the United Nations and their nationals as they existed on the day hostilities commenced between Germany and the United Nations concerned and shall return all property in Austria of the United Nations and their nationals as it now exists. Such restoration shall be free of any encumbrances or charges. Austria shall nullify all measures of sequestration or control taken against United Nations property in Austria between the outbreak of hostilities with Germany and the coming into force of the Treaty. The Austrian Government shall invalidate transfers of property belonging to United Nations nationals where such transfer resulted from force exerted by Axis Governments or their agencies during the war.

Where Austria provides compensation for war damage to property, United Nations nationals shall receive national treatment. Reasonable expenses incurred in Austria in establishing claims shall be borne by the Austrian Government. United Nations nationals and their property shall be exempt from exceptional taxes imposed in connection with war or occupation charges.

Article 26 - Property Rights and Interests of Minority Groups in Austria - Where such action has not already been taken, Austria undertakes that where property, rights or interests were the subject of forced transfers after March 13, 1938 due to the racial origin or religion of the owner, the said property shall be returned and legal rights and interests restored. Where return or restoration is impossible compensation shall be granted to the same extent as such compensation is given to Austrian nationals in respect of war damage.

Austria agrees to take under its control all heirless or unclaimed property of persons, organizations or communities which were the object of racial, religious or other Nazi persecution where it remains unclaimed for six months after the coming into force of the present Treaty. Within eighteen months after the coming into force of the Treaty, Austria shall transfer such property rights and interests to agencies or organizations designated by the Four Heads of Mission in Vienna by agreement with the Austrian Government to be used for the relief and rehabilitation of victims of persecution by the Axis Powers.

Article 27 - Austrian Property in the Territory of the Allied and Associated Powers - The Allied and Associated Powers declare their intention to return Austrian property in their territories or the proceeds
arising out of the liquidation of such property.

Yugoslavia, however, shall have the right to seize, retain or liquidate Austrian property within Yugoslav territory and Austria undertakes to compensate Austrian nationals whose property is so taken.

Article 28 - Debts - Interest payments on Austrian Government securities falling due after March 12, 1938 and before May 8, 1945 constitute a claim on Germany rather than on Austria. The existence of the state of war between the Allied Powers and Germany shall not be regarded as affecting the obligation to pay pecuniary debts arising out of contractual obligations existing before the outbreak of the war which became payable prior to the coming into force of the Treaty and which are due by the Government or nationals of one of the Allied Powers to the Government or nationals of Austria.

PART VI - GENERAL ECONOMIC RELATIONS

Article 29 - Pending the conclusion of commercial treaties between individual United Nations and Austria, Austria shall for eighteen months after the coming into force of the Treaty grant to each of the United Nations which reciprocally grants similar treatment (a) most-favored-nation treatment regarding import and export duties, internal taxation on imported goods and similar regulations; (b) non-discrimination against goods originating in or destined for any of the United Nations as compared with like goods originating in or destined for any other United Nation; (c) United Nations nations shall be granted national and most-favored-nation treatment in matters pertaining to commerce, industry and other business activity within Austria; (d) Austria shall grant no exclusive rights to any country with regard to commercial aircraft in international traffic.

PART VII - SETTLEMENT OF DISPUTES

Article 30 - Any disputes arising under Article 25 shall be referred to a Conciliation Commission.

PART VIII - MISCELLANEOUS PROVISIONS

Article 31 - Provisions Relating to the Danube - Navigation on the Danube shall be free and open to the nationals, vessels and goods of all states on an equal basis.

Article 32 - Transit Facilities - Austria shall facilitate railroad traffic through its territory at reasonable rates. The Allied Powers undertake to support inclusion in the German settlement of provisions to facilitate transit and communication between certain Austrian points across German territory.

Article 33 - Scope of Application - The Allied Powers and the United Nations are those which had that status on May 8, 1945 and whose diplo-
mantic relations with Germany were broken off during the period between September 1, 1939 and January 1, 1945.

Article 34 - Heads of Mission - The Heads of the Diplomatic Missions in Vienna of the U.S.S.R., United Kingdom, United States of America and France, acting in concert, will represent the Allied and Associated Powers for a period not to exceed eighteen months after the coming into force of the Treaty in dealing with the Government of Austria concerning the execution and interpretation of the Treaty. The Heads of Mission will give such guidance as may be necessary to ensure the execution of the Treaty.

Article 35 - Interpretation of the Treaty - Any dispute concerning interpretation or execution of the Treaty which is not settled by diplomatic negotiations shall be referred to the Four Heads of Mission acting under Article 34 except that the time limit provided in that Article does not apply. Any dispute not resolved within two months shall be referred at the request of either party to a commission composed of one representative of each party and a third member selected by mutual agreement from nationals of a third country. Should the two parties fail to agree within a period of one month upon the appointment of a third member, the Secretary General of the United Nations may be requested by either party to make the appointment.

Article 36 - Force of Annexes - The annexes shall have force and effect as integral parts of the treaty.

Article 37 - Accession to the Treaty - Any member of the United Nations which was at war with Germany on May 8, 1945 and which had then the status of a United Nation may accede to the Treaty.

Article 38 - Ratification - The Treaty shall be ratified and will come into force upon deposit of instruments of ratification by the U.S.S.R, United Kingdom, United States of America, France and Austria.

Annex I - Definition and List of War Material - Lists and defines categories of war materiel, including arms, ammunition and implements designed or adapted for use in war, as used in the Treaty.

Annex II - The Annex refers to the pertinent economic provisions of the Austro-Soviet memorandum of April 15, 1955 signed at Moscow and provides that Article 22 of the Treaty shall have effect subject to the provisions that on the basis of the memorandum the Soviet Union will transfer to Austria within two months from the date of entry into force of the Treaty all property rights and interests to be retained or received by the Soviet Union in accordance with Article 22 except the Danube Shipping Company assets outside of Austria. Austria's rights in property transferred in accordance with this Annex shall be limited only in the manner set out in paragraph 13 of Article 22.

Austrian State Treaty. Message from the President of the United States Transmitting the State Treaty to the Senate, pp. 33-40.
BIBLIOGRAPHY

Primary sources:


Kriesky, Bruno, Remarks after a lecture entitled "Is the Cold War in Europe Over?" at Rice University on October 19, 1965.


"Suggested Remarks by the Secretary at the Tenth Anniversary Ceremony of the Austrian State Treaty, Vienna, May 15, 1955." Carbon copy of draft of the speech prepared for Secretary of State Dean Rusk before his departure for Vienna on May 15, 1955.


Secondary sources:


Ermacora, Felix, Österreichs Staatsvertrag und Neutralität; Sammlung der wichtigsten, die Rechtsstellung der Republik Österreich und ihre Entwicklung betreffenden Rechtsakte und politischen Noten mit Einführung und Erläuterungen, Vol. XXV in Dokumente, edited by Forschungsstelle für Völkerrecht und ausländisches öffentliches Recht der Universität Hamburg, Institut für Internationales Recht an der Universität Kiel und Institut für Völkerrecht der Universität


