

Dóra Horváth

Austria - Balance at the time of the Cold War

Introduction

After the Second World War the situation of Austria was special. On the one hand the country was occupied both by East and West powers, just like Germany. On the other hand there was not a coherent judgement about the role of Austria in the War. According to the Moscow Declaration Austria was the first free country to fall victim to Hitler's aggression; Austria was reminded, however, that she was responsible for her participation in the war on the side of the Nazi Germany. Because of this paradox the legal form of the post war treaty raised some questions. Austrian politicians highlighted the victim-role of their country and wanted a state treaty for the re-establishment of an independent and democratic Austria instead of a peace-treaty which the losing countries signed.

However, while Austria tried to run away from its past troubled by the Anschluss, it found itself exposed to a cross-fire between East and West. Its future was determined by the course of the Cold War. While the young republic tried to avoid the failures of the interwar period, it had to learn to balance between East and West to achieve sovereignty.

However, could Austria have an influence on its own future or was it at the mercy of the Cold War Powers?

Between East and West

The idea of the state treaty suited with the strategy of the US, which already reflected the tension between the two superpowers, the USA and the USSR. The sovereignty of Austria promised both economic and political advantages to the US in this region and could avoid the long-term occupation of the Eastern Zone by the Soviets.¹ However, the birth of such a treaty failed because of the opposition of the USSR. The USSR wanted to exploit economically the Austrian Soviet Zone. The occupation was important for her also as a pretext for stationing the Soviet Army in Hungary and Romania.² So the Allies signed the Second Control Agreement and established a special committee of foreign policy experts from the occupying

¹ Eva-Marie Csáky: Der Weg zu Freiheit und Neutralität. p. 2.

² Zoltán Maruzsa: Az osztrák külpolitika a szövetséges megszállástól az európai integrációig (1945-1995). p. 39.

countries. It became clear, that the process of drawing up a treaty for Austria would need more time and would be strongly influenced by the relationship between the occupying powers, who negotiated over this treaty until 1954. Austria took part only as an observer on these.

The business of the state treaty depended on two issues on the international stage. One was the economic interest, the other was the course of the cold war.

The economic interest on the Soviet side was the acquisition of as many assets as possible. The economic interest of the US was the strengthening of the Austrian economy, which could thereby resist Soviet expansion. Austria was interested of course in a strong, free economy. So the relationship between the Austrian government and the occupying Soviets became strained at an early stage. The USSR claimed a significant share in the most important strategic industrial branches referring to the Potsdam Agreement about the so called „German Assets“. Austria tried to curb Soviet ambitions with an act of nationalisation, but it was not successful, then with rebuying the german assets from the Soviets, but all attempts failed.³ The Soviets acquired the whole oil industry of the Eastern Zone and the facilities of the Danube Steamshipping Company. Around 63 thousand people worked in the so called USIA-factories owned by the USSR in Austria.

The other important issue which determined the process of achieving the Austrian State Treaty was the Cold War. The big conflict of the first committee meeting in 1947 beside the definition of the German Assets was the Yugoslavian territorial and material claims, which were accepted by the USSR but refused by the Western powers and Austria. Yugoslavia as a socialist country was supported by the Soviet Union, but not by the Western countries.

In spring 1947 the Austrian Treaty Commission which was established by the occupying powers to solve the Austrian question worked out the so called Cherié plan about German Assets. This plan could have been a good basis for the negotiations.⁴ However, at this time the cold war powers did not want to negotiate any more. On 12 March 1947, two days after opening the conference in Moscow about the Austrian treaty, the American president, Henry Truman proclaimed his doctrine against Soviet expansion. To achieve this goal the US wanted to strengthen the European economy with the European Recovery Program. Austria was the only Soviet-occupied country to join the ERP, the Soviets having refused the Marshall Plan.

³ Eva-Marie Csáky: Der Weg zu Freiheit und Neutralität. p. 10.

⁴ Eva-Marie Csáky: Der Weg zu Freiheit und Neutralität. p. 10.

1948 the negotiations about the treaty continued, but stopped soon, as the news about the communist change in Czechoslovakia spread. This taking over of power shocked the West and Austria, because Czechoslovakia seemed to be successful in balancing between East and West and because there was not even one Soviet Soldier in this country. This issue changed the strategy of the occupying powers. The USSR became more flexible about the points of the treaty, the Western powers became uncertain. The Cherrière plan would have given the Soviets a significant influence on the Austrian economy. It did not seem to be a good idea to pull out from the western zones. Great Britain, however, supported the signing of the treaty at that time with better conditions.⁵ The US and France did not want to give up their position. Austria was an important strategic point between north and south, between the western zone of Germany and Italy. The situation was made more difficult after the USSR resigned from the German Allied Commission. Great Britain joined the US and France and the Western powers broke off the negotiations. The tension raised as the USSR made a blockade around West-Berlin, following the currency reform in Western Germany.

The breakdown in relations between Tito and Stalin created a good opportunity for the Austrian treaty. On Austrian initiative the occupying powers sat down again. The Yugoslavian claims reduced significantly. However, the parties could not agree on the German Assets. The real reason for the failure of the meeting lay in international issues again. The USSR succeeded in exploding its atom bomb, so the US no longer had an atom bomb monopoly. In September 1949 the FRG was established, and in October the GDR. The Chinese People's Republic was proclaimed in October.

Even American opinion was divided on the issue of Austria. The State Department hoped the occupying powers could agree. However, the US Department of Defence did not want agreement. The latter got a bigger role in American policy. This was because the European strategy of the US changed.⁶ They wanted to strengthen their European basis, not only economically but also, militarily as underlined by the establishment of NATO in 1949. So the US did not want to pull out of Austria, which caused a conflict with Great Britain. This embittered Austria.

The negotiations continued at the end of the year. At the beginning of the fifties there were only five uncertain points in the treaty. However, the Cold War reached its zenith. During the Korean War both powers tried to reinforce their European basis. The time was not apt for

⁵ Eva-Marie Csáky: Der Weg zu Freiheit und Neutralität. p. 11.

⁶ Eva-Marie Csáky: Der Weg zu Freiheit und Neutralität. p. 13.

them to agree on the Austrian issue. So negotiations broke down again. Both the US and the USSR offered options for the treaty, which the other side could simply not accept. The Soviets connected, for example, the Austrian issue with the situation in Trieste. They impugned the Austrian measures against former nazis and the remilitarization of Austria by the Western powers. They wanted Austria to reimburse the aid they gave after the World War. The Western powers also had enough imagination; they created a short treaty, which did not even mention the case of the German Assets.

It became clear, that none of the Cold War powers wanted agreement on the Austrian question. In this situation Austria tried to bring her case to the forum of the United Nations.⁷ However, the competence of the UN was also bounded by the cold war situation. Only consensus between the US and the USSR could offer a solution.

Its chance came in the year 1953. In this year Stalin died and Julius Raab became chancellor in Austria. These two events fundamentally changed the relationship between the Soviet Union and Austria . Both governments made concessions. The USSR took over the costs of the maintenance of the Soviet occupation. Austria was willing to withdraw the plan of the short treaty. In 1953 a marked -change of tone between the two countries began to be introduced.⁸ This resulted in a Moscow visit by the Austrian government delegation. The parties agreed on the redemption of the German Assets by Austria for a much lower price than was stated in the earlier plans. Austria promised a declaration of her neutrality.

Role of Austria in the birth of the State Treaty

The influence of the Cold War on the arrangement of the Austrian State Treaty is obvious. However, Austrian policy played a significant role in the birth of this treaty in 1955. The first important issue was the meeting of the Austrian regions from the Western zones in 1945.⁹ They accepted the Renner government established in the Soviet zone instead to make a counter-government. They urged the expansion of its competence to whole of Austria. They did this even though the Renner-government was established in the communist zone, with some communist ministers. However, one of the main standpoints of the Austrian politicians was the avoidance of dividing the country. It also helped to forward the Austrian interest, that, in contrast to the interwar period, both political sides now paid attention to the stability of their internal affairs.

⁷ Heinrich Siegler: *Österreichisches Weg zur Souverentität, Neutralität, Prosperität. 1945-1959.* p. 30.

⁸ Heinrich Siegler: *Österreichisches Weg zur Souverentität, Neutralität, Prosperität. 1945-1959.* p. 35.-45.

⁹ Heinrich Siegler: *Österreichisches Weg zur Souverentität, Neutralität, Prosperität. 1945-1959.* p. 12.

Austria built her foreign affairs on two pillars. One of them was the maintenance of her unity, as we could see. The other was the goal of sovereignty. Austria had to go through a big change compared with the interwar period, to be able to stand for the goals during the ten years from the end of the War until the State treaty. After 1945 the Austrian people, the political elite at least, believed in the viability and the future of their country, which was not the case in 1918.

The strategy of Austrian foreign policy was unified during this period. Both the interwar period and the occupation following 1945 pointed to a strategy of balance. Austria tried to build good relations with both of the Cold War powers without any commitment.¹⁰ This strategy fell in with neutrality.

The Austrian government exploited every auditing opportunity at the negotiations to bring its conception nearer to the occupying powers.¹¹ Besides this, Austrian diplomacy confronted Washington after 1949, when the USA was reluctant to start the negotiations again. The Austrian politicians also tried to exploit their party-relations.¹² In 1947 Figl, as Austrian chancellor, turned to the French ministrepresident, Léon Blum with his claims about the treaty. After the failure of 1952 at the negotiations, Austria sent a memorandum to all the countries with which she might have a diplomatic relation (that means the members of the UN) concerning her case. The memorandum highlighted that Austria was actually a liberated country, and if the occupying powers could not reach an agreement, Austria would turn to the UN General Assembly. Gruber, the Austrian foreign minister, negotiated also with Brazil, with the result that Brasil urged the General Assembly of the UN to make a statement to the four powers, insisting on their responsibility for reorganising a free and independent Austria.¹³

Despite the earlier Austrian struggles, the foreign policy of the Austrian government became really determined after 1953, with the government of Julius Raab. He succeeded in reaching agreement with the USSR, with whom Austria had had the most conflicts. It was a big step, because the USSR gave up most of her claims, and her significant impact on the strategic industrial branches of Austria. However, we have to remember that at this time the USSR also

¹⁰ Eva-Marie Csáky: *Der Weg zu Freiheit und Neutralität*. p. 16.

¹¹ Eva-Marie Csáky: *Der Weg zu Freiheit und Neutralität*. p. 8.

¹² Eva-Marie Csáky: *Der Weg zu Freiheit und Neutralität*. p. 8.

¹³ Heinrich Siegler: *Österreichisches Weg zur Souverentität, Neutralität, Prosperität. 1945-1959*. p. 30.

wanted the quick realisation of the treaty, because she hoped it would set a good precedent for the question of the German case to prevent West-Germany from joining the NATO.¹⁴

The Austrian State Treaty - 1955

After a process lasting ten years, on 14 May 1955 the occupying powers met in Vienna to sign the Austrian State Treaty. Figl, as minister for foreign affairs, succeeded at the last minute, at literally five minutes before twelve, succeeded in having removed, the clause about the responsibility of Austria for participation in the war on the side of Nazi Germany.¹⁵ On 15 May the State Treaty was signed by the five ministers for foreign affairs, ensuring sovereignty, freedom and also - with the act of the Austrian government, neutrality for Austria in the thick of the Cold War.

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¹⁴ Zoltán Maruzsa: *Az osztrák külpolitika a szövetséges megszállástól az európai integrációig (1945-1995)*. p. 48.

¹⁵ Eva-Marie Csáky: *Der Weg zu Freiheit und Neutralität*. p. 19.