

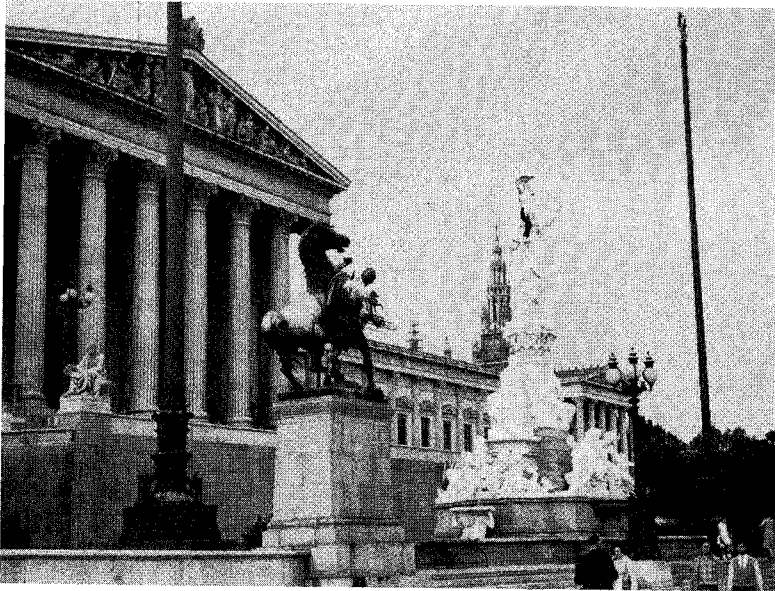
INSTITUTE OF CURRENT WORLD AFFAIRS

WWU - 28
AUSTRIA I: RUSSIA'S ONLY REAL ESTATE CESSION

Hotel Erzherzog Rainer,
Wiedner Haupstrasse, Vienna
September 11, 1959

Mr. Walter S. Rogers.
Institute of Current World Affairs.
366 Madison Ave., New York 17, N.Y.

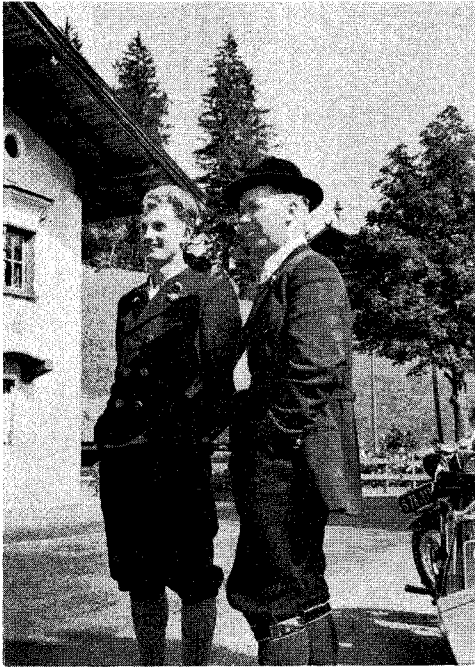
Dear Mr. Rogers:



VIENNA: Parliament (above) and rooftops,
including St. Stephen's Cathedral

This is a city where the Danube may be more muddy than blue and the boulevards are not exactly jammed with waltzers but where, nevertheless, Maria Theresa and Franz Josef never really died and where an official of the Foreign Ministry will abruptly terminate his conversation in order to run to the window, look down upon a full dress parade for a new Ambassador come to present his credentials to the President (three such affairs a morning during my visit) and sentimentally sigh: "See that little horse pulling the big drum? It's the last that is left of the old Austrian Band."

This is a city where palaces and statuary seem more numerous and even more elegant than in Paris, where the best clubs are coffee houses in which newspapers are served up along with three glasses of water for each downed cup of coffee. The Viennese are proud of their water. They are proud of their churches (and they actually worship in them). They are proud of Maria Theresa and Franz Josef (at least when he stopped crushing revolutions and became grandfatherly). And at the moment they are undeniably and understandingly proud that a little European country of seven million people, a little larger than South Carolina, seems



SUNDAY TYROLERS: Unposed,
so help me

to have a pretty clear mandate to go ahead and live from both the East and the West. Austria is the only piece of real estate Soviet Russia has given up since World War II. And the reason for this is closely connected with the fact that the Austria of Hapsburg and Holy Roman Imperialism, the Austria which gave birth to a house-painter named Hitler and later was swallowed whole by him in a not-too-unwilling matricide, is today a neutral nation.

The Austrians claim neutrality was their idea. Others attribute it to the Russians. I gather that there is some truth in both claims. From the Austrian point of view, Karl Renner, a Social Democrat who was Austria's President immediately after both World Wars, started pushing the idea of neutrality in radio talks and articles in the winter of 1945-46. But he went unheard and eventually died with his proposal dormant. Then in January, 1954, at the Foreign Ministers' Conference in Berlin, the Austrian delegation declared flatly that in the future Austria would neither join any alliance nor permit foreign military bases to be established on her soil. Since Russia, the U.S., Britain and France were still quite firmly based on Austrian soil, the declaration might have seemed a bit presumptuous. However, even before World War II was over the Great Powers agreed at a meeting in Moscow in 1943 that they would not treat Austria as "conquered territory" and give her her own government. And from the start of the Occupation, Russia's attitude toward Austria had differed markedly from her actions in Germany. She consistently supported a centralized Austrian government. And when it came to whether or not the Great Powers should have a veto power over Austria's internal affairs, the Russians voted against it.

Then in February, 1955, the then Soviet Foreign Minister Molotov picked up the Austrian Berlin statement of almost a year before and indicated neutrality might form a suitable basis for Russia's agreeing to end Austria's Occupation. A month later, Austria's Chancellor, Vice Chancellor, Foreign Minister and State Secretary slipped off to Moscow to bargain with Molotov and Mikhoian, the Chairman of the Council of Ministers. To their amazement, they found there was nothing to bargain about. Russia was ready to end her Occupation, period. The "Moscow Memorandum" was signed within four days. Why?

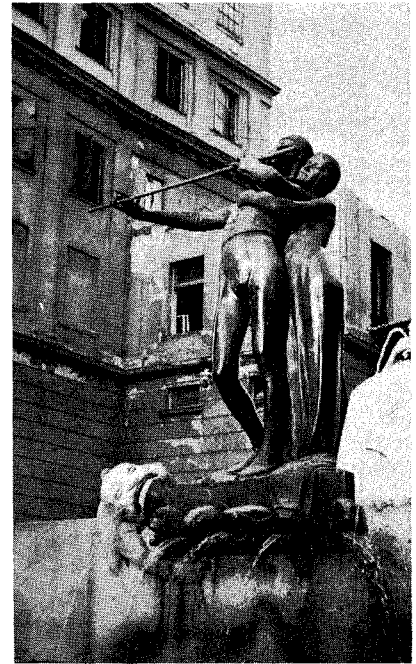
I have heard three explanations. Russia was aware that a neutral Austria would sever NATO's Tyrol pipeline between Southern Germany and Northern Italy. And as a matter of fact, the emergence of a neutral and independent Austria not only did that, but brought about the abandonment of some \$15 million in new barracks and garrisons at Salzburg and Linz which the NATO powers were just readying for occupancy. Another explanation of Russia's motives for such generosity has to do with Russia's desire to seduce Germany from NATO and, by dangling Austria as a happy example, persuade the Germans of the virtues of neutrality. (Molotov, in signing the State Treaty in Vienna in May, 1955, said he hoped "other countries" would follow.) And then there are some here who think that Mr. Khrushchev was anxious to gain a little international respectability in the post-Stalin era and Austria was a comparatively painless, costless price. After all,

one official explained to me, "The Soviet Union did nothing but retreat 100 kilometres (60-odd miles) across our defenseless plain. Vienna can still be reoccupied within two hours." The West, of course, had to retreat beyond the Tyrol and really move out.

Well, all this was finalized with the Austrian State Treaty of May, 1955 which provided for the reestablishment of an independent and democratic Austria. Then, keeping up with this unprecedentedly rapid progress in East-West negotiations, the Austrian National Assembly on June 1 adopted an anticipated resolution of permanent neutrality. ~~On the books,~~ Austria's neutrality is patterned after Switzerland's; by practice, she prefers Sweden as a model. But once the resolution was passed the way was paved for Austria to gain UN membership (it then had become a fairly exclusive organization) as a non-controversial neutral.

Within months after this, Austria had as close a brush with the Soviet Union as she has ever had. The Hungarian uprising occurred. Austria made no secret of her joy at seeing a neighbor seek to break out of the Soviet bloc, granted asylum to refugees and even had Members of Parliament and one Cabinet official on Hungarian soil, urging, among other things, that Hungary follow Austria's example of neutrality. Somehow Austria managed to weather Russia's fury, even after shooting down a Russian soldier who had crossed the border. After Hungary, all Austria's difficulties with Russia have been anti-climactical ripples. She is constantly trying to get Russia to whittle down her very stiff oil reparations, which Austria agreed to in exchange for her independence. And a few months ago, one of Russia's satellites, Czechoslovakia, was furious when Austria granted permission for a mass German Sudetanland rally here in Vienna. A Danube-Swabian volkdeutsch gathering in Salzburg in mid-August didn't sit to well with the Eastern bloc either. But then a few weeks ago Austria became the first country outside of the Iron Curtain to host the Seventh World Festival of Youth and Students. The rumor is that Chancellor Raab agreed to this in exchange for Russia agreeing to cut down on some of the oil reparations. Holding a Communist Youth Festival in neutral Austria naturally didn't sit too well with the West, particularly the U.S. which complained in advance. The U.S. pointed out that Austria had no business being the first neutral nation to become so involved and noted that both Sweden and Switzerland had previously turned down such communist overtures.

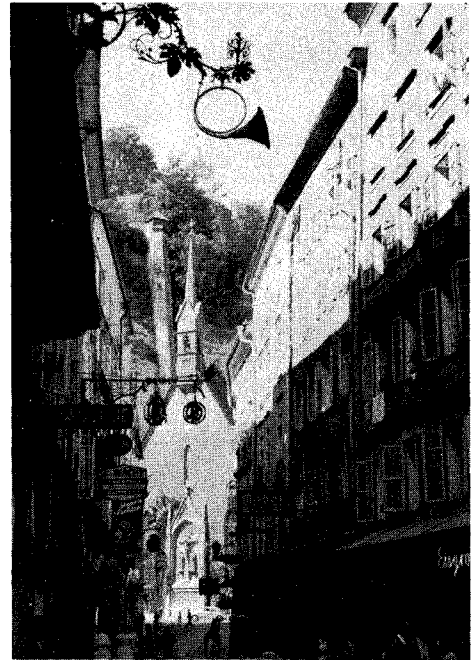
But then Austria has had other difficulties with the West. One also involves oil. Left unsettled by the State Treaty was the question of what happens to the claims of Western oil companies for their property in Austria. As this dragged on unsolved the U.S. found occasion to cut off its distribution of Marshall Plan counterpart funds. The Austrians think this was no coincidence and are pretty burned up over it. In fact they are sufficiently grieved to be coming around -- slowly -- to some settlement. If the remiss can be said to be on the part of Austria on this one, it seems to be the other way around on the Lebanon fly-pass.



MOZART PLATZ, Or Tootling
Amidst the Debris

During last summer's Lebanon crisis, U.S. planes chose the quickest route in flying from Southern German bases over Austria's Tyrol to the Eastern Mediterranean. Austria protested this was violation of her neutrality and was particularly embarrassed since just then she had a negotiating team in Moscow trying to get a reduction on the tough Russian oil reparations. Russia of course championed Austria's cries of violation and offered to back her up.

According to the U.S. version, permission was sought from Austria ahead of time and granted on the understanding that Austria would flatly deny this if ever challenged -- particularly in view of her negotiating team just then in Moscow. An American newspaper correspondent told me the U.S. even sought and gained the same fly-pass permission from Switzerland. Having a little experience with the stickiness of the Swiss (WWU-27), particularly in regard to their sacred neutrality, I find this last a bit hard to swallow.



SALZBURG, mit trumpets

According to the Austrian version of the Tyrol fly-pass, permission was given for only a few routine training flights to return to their bases for repair, a permission which has been just about automatic in the past. Here's the way a new-found friend in the Foreign Ministry put it:

"We not only did not grant permission, we protested when it first happened. Nevertheless you continued your airlift for 2½ days and we protested again. And the worst thing was a statement by your State Department spokesman at a press briefing in Washington. He said there wasn't enough time to get Austria's permission, that American intervention in Lebanon was a matter of urgency and that it was necessary to cross Austrian territory because it would have taken too long to cross by way of France. The implication was that if it was a question of neutrality they didn't care about Austria's neutrality. And there was also the implication that they would have gained Austria's permission anyway, if they had bothered to request it. The Russians hinted that they would be prepared at any time to offer assistance. Now there is the precedent and Russia can say, 'We can violate the Austrian frontier and the Austrians are not prepared to defend it because they didn't when the Americans violated Austria's neutrality.' Now Russia has a perfect excuse to do the same thing." This official lamented: "All we could do was protest and declare our Tyrol air space closed. But what good is that? Our Air Force is commonly called a 'butterfly collection' -- 26 planes from seven different countries. Jets can't find the space to land, nor can anti-aircraft guns shoot high enough."

Cordially,

Warren W. Unna

Received New York
October 23, 1959