

FOREIGN POLICY AND NEUTRALITY IN AUSTRIA SINCE 1955

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DECLARATION

This thesis has been composed by Duncan John Morrow for the degree of Ph.D.

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ABSTRACT OF THESIS

The thesis has four main contentions;

1. that neutrality has undergone a fundamental change since the advent of the Nuclear Age and that this is most apparent in neutral States whose neutrality is a product of the Second World War settlement. Within this, the importance of foreign policy has greatly increased. The legal doctrines established in the nineteenth and early twentieth centuries are no longer applicable in the former manner.
2. that Austria's common history with Germany, especially in the period 1938-45 has had a profound effect on the conduct of postwar Austrian foreign policy, directly affecting relations with neighbouring States and the victorious allies. Here too a disturbing divergence between the statements of the political establishment in Austria and political reality since 1955 emerges. The development of a global-scale foreign policy has been in part a response to the growing importance of markets in the developing world and partly a reaction to the stifling effects of this historical legacy.
3. that Austria's foreign policy is based on an unstable equilibrium between the status of permanent neutrality, which since 1955 has had to operate in the context of two ideologically opposed groups, and allegiance to liberal democracy and hence to one of the parties to this ideological conflict. One of the important functions of Austrian policy has been to prevent this reality from becoming the object of manipulation from abroad. This difficulty has been most apparent in the debates over detente and the E.E.C.
4. that the continuing success of Austria, along with other small States in manipulating the World System to their advantage suggests that pure 'realist' and 'world systems' models of international relations are oversimplistic.

for Franz Wuerflinger and Bernhard Mitterhuber

... and everyone in Friedenhort, Gruppe II, Gallneukirchen

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Introduction

"The essential is invisible"

A.de St.Exupery, 'The little Prince'

Analysing Austria's presence as an actor on the international stage presents a number of problems. Not least of these are the obstacles resulting from those most Austrian of institutions, 'Social Partnership' and 'Proporz'. In essence, the Second Republic has built its domestic base on the efficient co-optation of all organised social groups under the umbrella of one or the other. No other West European country can claim the same degree of corporate integration.

Historically, these institutions are most easily understood as a 'reconciliation of the irreconcilable', initially an agreement for domestic 'peaceful coexistence'. Under the First Republic, the Social Democrats, despite great internal cohesion and organisation, were eliminated as active participants in the political arena in 1934 by troops loyal to the Christian Social government of Dollfuss. These groups had been bitter opponents throughout the First Republic and had developed as parallel 'States within States' organised at every level, including private armies. The discipline of permanent opposition maintained an internal hierarchy in both groups with leadership coming from above. Although the Austrian Social Democrats were more thoroughly organised in the Trade Unions than many of their counterparts elsewhere, here too the direction was top down. The leadership remained essentially bourgeois, indeed the Austro-Marxist intelligentsia provided the most coherent alternative to Leninism during the entire period. The requirements of defending the 'lager' encouraged the creation of a movement led by a virtually autonomous elite. In this they built upon Habsburg traditions, maintained today in the phrase 'Untertanenkultur' (a culture of subordinates).

The Christian Social Party had its roots in the Catholic Church and

the rural peasantry, reflecting its make-up in its organisational structures. They were encouraged by much of the post-imperial aristocracy and a church hierarchy hardened by years of opposition to secularism and socialism. The party encouraged the creation of private armies and more importantly still, could claim the allegiance of the national army. The sharp division between these two groups was highlighted by Christian Social control of the provinces and Socialist domination in Vienna. The Social Democrats began an internationally recognised attempt to create a new 'Red Vienna' with vast programmes of public utility building (including housing), financed largely by taxation of the wealthy bourgeoisie. This merely exacerbated the gulf between the imperial capital which had lost its hinterland and the alpine provinces under Christian Social control.

The picture is not complete without reference to the third 'lager', the so-called German Nationalists, who represented the disaffected and anti-clerical bourgeoisie. In alliance with the Christian Socials, they isolated the Social Democrats into permanent opposition, despite the latter's preference for unity with Germany. This group was to be a fertile recruiting ground for the NSDAP, especially after 1933.

It is not our task here to outline the circumstances in which the First Republic collapsed (see below). Suffice to say that Austria's disappearance into the Third Reich resulted in an eventual, if slow, realisation on behalf of Christian Social and Social Democrat activists that the recreation of Austria after the War would only be possible if the pre-War pattern was not repeated. This was confirmed by the experience of four-power occupation and in the process of seeking a new State Treaty. The postwar successors to the two larger 'lager', the SPÖ and the ÖVP began a twenty-year coalition, while their affiliates agreed an institutional framework to secure social

peace, known as Social Partnership. This semi-ritualised 'burying the hatchet' has outlasted the period of party coalitions.

The lager agreed that employment in the public sector should be on the basis of 'proportionality' or 'Proporz', to ensure that the Social Democrats would not be isolated as before. At cabinet level this was a reflection of election results, but its influence extended into every area. The need to preempt the Soviet Union led the new government to nationalise all key sectors of the Austrian economy (eg. banking, chemicals, steel, energy etc.) creating the largest public sector outside Eastern Europe. This created a readily available network for a new 'Proporz' policy, supplementing the already legendary Austrian bureaucracy.

The socioeconomic success of postwar Austria has nevertheless had a considerably darker aspect. The creation of a system consciously based on party carve-ups has institutionalised the parties still further into semi-State institutions. Even more than before, they have become the great providers. Employment in the public sector became largely a matter of party affiliation. Virtually nothing is free of party gift eg. banks, heavy industry, teaching posts, television, sports clubs, pensioners clubs, football clubs etc. are all party identified. Such a system invites corruption.

Universities have also been affected. The state takes a direct interest in University appointments through the Ministry of Education. As such they too have come under the influence of proporz. The power of the 'lager' is combined in many writings with the influence of legal reasoning stemming from the concepts of the 'Rechtsstaat'. In general, the debate on Austria's political history, goals and function show an unlikely bias towards legal experts and economists acting in close consort with the party elites. All parties represented in the Nationalrat are entitled to public funding for research institutes,

which claim the allegiance of many academics.

The degree of unanimity among the establishment, political, legal, economic and academic as to the nature of Austria's status is remarkable, at least on the surface. This tendency to 'committed history' is not unique, but the problem arises because of the domination of the proporz parties (ca. 90-95% of the vote at all elections 1945-83). Thus the description of neutrality has been overwhelmingly by those who had a stake in its creation and have benefitted directly from it. The official unanimity over neutrality corresponds only to the multiplicity of definitions (some directly opposed to the Austrian version) stemming from observers elsewhere. During the Nationalrat debate on Neutrality, the representatives of the third Group isolated by the other two parties, the VdU, objected that the Proporz-party's version of events was at minimum 'economic with the truth'. Yet in the legal writings of the time, even this finds little echo. For a true alternative version we seem to have to resort to Moscow's loyal domestic deputy, the KPOe.

Arising out of this scenario is the raison d'etre of this project. The task at hand is to reassess Austria's international activities both as a State and as a neutral State. As such it will be necessary to engage in a dialogue with those theories and versions presented so far. Ultimately we will be engaged in a task of reconstruction along alternative lines.

~~As a non-Austrian,~~ ^{of being a non-Austrian} The main advantages ^{come} from a stance outside of the Proporz premises and additionally as someone untrained in the logic of the Rechtsstaat. In admitting this certain 'otherness' between the observer and the observed, no new objectivity can be claimed but at least new light can be shed on existing versions. If it succeeds in challenging accepted dogma, it will have succeeded as a whole.

It is my contention that a serious discrepancy exists between the reality of Austrian activity and political experience and the widely accepted version of events. The discrepancy emerges in respect of the two key areas of Austrian experience; in relation to Austrian relations to Germany before and after 1945 and in relation to Austria's position in the Cold War. In both cases, the Proporz elite has successfully imposed a system of justification and explanation which ultimately fails to convince.

Officially, foreign policy activity is circumscribed in a strictly limited way by certain 'absolute' legal commitments under the heading 'permanent neutrality', chosen freely by Austria. It is my contention that the reverse is true. All individual political decisions and neutrality 'law' are actually justified in the light of goals agreed in general by the Proporz parties and the powers. Through the medium of widespread repetition, inconsistencies are ignored to present an official picture justified in terms of law but actually comprehensible only in terms of the political preferences of the proporz parties. Increasing distance from the State Treaty and neutrality make the traditional version seem increasingly untenable, and inter-party unanimity under Kreisky was often threatened. A series of decisions at local, EEC, military and UN level serve to outline the pre-eminence of the political, also for neutrality. This has been made unavoidable by the ideological differences espoused ^{by both sides} in the Cold War. X

Austria has developed a neutrality adequate for the Cold War but ineffective for 'Hot War'. Hence it has lost its primarily military purpose. Neutrality on the Iron Curtain has undergone a fundamental change since the advent of the nuclear age, and this reality has also become clear most quickly in the neutrals established since World War II. These countries have had to adapt nineteenth century certainties to fit twentieth century insecurities. The nuclear age may also mean

that traditional theories of 'power' and 'domination' as represented in realist or world systems schools have to be revised, or at least reorientated.

Austrian neutrality is based on a fundamentally unstable dichotomy between the status of permanent neutrality in a systemic conflict with allegiance to the entire system of one of the parties to that fight ie the West. Thus the 'neutrality' of a particular act will have to be determined by those to whom there is no natural allegiance, ie. the USSR. Austrian Foreign Policy thus seeks to prevent this dilemma becoming too acute.

Neutrality is also a mechanism by which Austria can develop an international profile separate from Germany. Thus Austrian histories, both collective and individual (eg. Waldheim) have tended to recognise that their security lies in emphasising their distance from Third Reich activities. Where the integrity of conflicts predates this historical revision this version breaks down (eg. Slovenes). Foreign policy co-opts law and particular counter-examples to 'explain' or 'justify' actions in line with these political goals. This presents a far more coherent picture of Austrian neutrality than an official explanation.

The unanimity of the Proporz parties and the tacit desire of the four powers to steer Austria away from Germany have made speculations as to the true nature of Austrian history look unfounded. Nevertheless, events of late have tended to suggest that the old version is now in terminal decline.

Finally, I should make one remark about the structure of this work. The first two chapters are concerned to sketch the debate in the light of two characteristics commonly held to define or even predetermine Austrian foreign policy behaviour. The following four sections concentrate on policy in certain areas which have been divided

somewhat arbitrarily for the purpose of clarity. The seventh section is an attempt to assess the place of defence policy in Austrian thinking. The reader may note the absence of a section dealing directly with the domestic roots of policy and their relation to neutrality. This is largely because it proved less cumbersome to deal with domestic attitudes to each policy area and it is to be hoped that domestic factors will be adequately assessed within this structure. The choice of areas was, of course largely given. Where I have had to select (eg. EEC in preference to Council of Europe, particular aspects of cross-border relations) I have done so because it seemed to bring out particular themes more clearly.

CHAPTER ONE

Small States in International Relations: an outline

"Equality of possessions is no doubt right, but, as men could not make might obey right, they have made right obey might. As they could not fortify justice they have justified force, so that right and might live together and peace reigns, the sovereign good"

B. Pascal, 'Pensees' No 81

Introduction

There are, of course numerous theories, developed on a general level which are designed to explain various aspects of the position of a State. In Austria's case, there are several immediately obvious issues; political geography, physical size and neutral status and their application to this particular historical situation.

Austria is one of two Western neutral countries to share a border with the Eastern bloc (the other being Finland) and this fact has been (unsurprisingly) central to Austria's conception of her own role in the European System.

"Whoever lives in Vienna, Berlin or Helsinki, has, even from the fact of geographical position, a totally different evaluation of Detente from those who live, for example, in Houston, Texas."¹

Of course, the role of geography in international relations is tied to the relative power and size of nations. As the Danish author Bjøl points out:

"It should be stressed that security geography is not a 'pure' geographical category, fixed by nature. It varies considerably with the political environment, with the type of international system in which the State finds itself and with the state of that international system"²

The Benelux countries' experience of neutral status in two World Wars led them to a fatalistic view of the role of a small neutral state caught geographically between competing powers (at that time Germany and UK/France).³ Austria's postwar position might appear

to resemble the position of Belgium rather more than that of Sweden or Switzerland. Certainly military strength and rationale have often appeared decisive. As Vital remarked;

"Military force is not everything in the relations between States, but where there is both the capacity and the will to employ it, it necessarily overshadows all ends"⁴

Yet Austria's postwar behaviour has not resulted in the fate of Belgium even though the giant arsenals of the superpowers and their allies make it surprising that small States continue to exist at all, were military capacity to be the only issue. War in Europe may have declined in scale and frequency but wars in general have continued and the threat of war is even greater given the emergence of weapons of mass destruction.

As we examine the case of Austria we will be confronted with the problems of geographical location. We will also be concerned to isolate the influence of the status of Neutrality and to understand its changing role and content. In this chapter we will address one of the classic factors used to assess the effectiveness of States as political actors - size. In Austria's case this is important, as many of her limitations and possibilities are attributed to a vague notion of 'smallness'. We will be concerned to ask whether this concept too must be rethought in the light of weapons which threaten a wider destruction than previously possible. As such we will be compelled to address issues of power and violence.

Size has even been a domestic issue in Austria. Following defeat in the First World War, the Habsburg Empire was broken up into 'National' states. The German-speaking population, particularly in Vienna, had been the most committed to the Empire and the resulting Austrian state was considered by many (indeed the majority) as being too small to be viable. Adjustment to the size of the new German-Austrian State and especially to the loss of the industrial heartland

of the old empire (in Bohemia, now part of Czechoslovakia) was to be a long and painful one.⁵ Nevertheless, the most pressing concern of Austrians in this period was not the military weakness of the new State but its cultural and economic viability. Clearly size of country refers not only to security but also to the economy. Fear of becoming an economic backwater has motivated many states to seek alignment or integration with larger allies.

We shall examine both the security aspects and the economic implications of 'smallness' in an international global system. How much does size - geographical, military and economic - determine the foreign policy activity and options of states? How far do small states shape their policies purely because of their modest position on the scale of power? What is the scope for policy in ^a system which at a superficial level appears so unbalanced?

Small States, unable to compete on a global scale may be forced into more imaginative forms of foreign policy activity. The question is whether this leads merely to "futile exercises in international morality in place of a responsible foreign policy"⁶ or whether small States, free from particular interest, can establish a more general interest? It is possible, however, that in the light of the destructive power of modern war technology, the destiny of all States, especially on the 'front line' in Europe has or may become a collective matter. In such a scenario, small States may be essential in the prevention of the outbreak of total conflict.

The Austrians have discovered their own community to be a separate 'nation' only since World War II and perhaps for this reason the concept of 'national' or 'patriotic' morality in which the primary duty of the individual citizen is towards the nation personified in the State, has a somewhat hollow appeal. In any case, postwar Austria living in the shadow of the superpower confrontation seems to have

linked the notion of national interest to an early perception that defence depends on the maintenance of a fragile peace.

A definition of smallness?

In the postwar era, the breakup of the European overseas empires has meant that on a world scale more small States have been established than destroyed and boundaries in many cases remain matters of dispute. Decentralisation, as Christmas-Moller points out has paralleled centralisation. The system of nation-states and of power in fixed territorial communities has divided the world up into actors of uneven capacity.

As an analytical tool, however, the concept of the small State has been criticised as both unhelpful and indefinable, even though practical politicians appear to use it as a working concept. The first post-war contribution to the debate was Annette Baker Fox's The Power of Small States⁷, a work which was to be as controversial as it was influential, stressing 'security'. The 'Realist' school laid its stress on the military capabilities of States as decisive in terms of the maintenance and securing of power. Many European observers, especially where there were already schools of thought on small State theory, felt that the Fox approach was inadequate to explain the largely favourable fate of small States after World War II, and additionally resented an American 'Great Power' approach to the question of national dependence and independence.

"Neither Fox nor any of her reviewers seemed to have the least knowledge of European predecessors and demonstrated a lack of historical perspective... This starting point also rendered the approach one-sided, since the American scholars, having no personal insight into and experience with the problems related to small states, limited the focus of interest to that of the security problem."⁸

In terms of a security-orientated model, then, the small State was a unit with very little real power. Robert Rothstein, another American writer, attempted to show that small States were not merely

small versions of great powers. Rejecting the idea of a mere continuum of power on which the categories of 'great' and 'small' lose their meaning, he defines the small power as;

"a state which recognises that it cannot obtain security primarily by use of its own capabilities, and that it must rely fundamentally on the aid of other states, institutions, processes or developments to do so."⁹

Robert Keohane objected to this definition by arguing that if it were accepted, all states other than the 2 superpowers would have to be considered small States. In so doing he did not attack the usefulness of the small State concept as such, but rather, proposed a new definition, applying a behaviouralist analysis whereby the world was divided into great, middle and small powers, the last being

"a state whose leaders consider that it can never, acting alone or in a small group, make a significant impact on the system."¹⁰

By such a definition, most of the European 'small' States would have to be considered 'middle' powers. What is already becoming obvious is that there is no standard by which analysts were able to agree on the categories applicable to individual States. This fact alone speaks against an overly literal approach to size as an abstract concept in relation to States.

Another American, Peter Baehr, rejected the idea of the small state as an analytical unit. He saw the existence of a multiplicity of small national units as having a basic destabilising effect. He was thus uninterested in Keohane's attempt to rescue the notion of a small State as specifically different from a great power:

"Whatever criterion is adopted, small states form too broad a category for purposes of analysis. There does of course exist a continuum of size of states in international relations. However, notions of a sharp dichotomy between large and small states should be discarded. ... If all states with the possible exception of two are small, one might as well abandon smallness as a focus of study"¹¹

If abstract measures of 'size' of States prove unrewarding, a more promising approach may be to start with the identification of specifically small State behaviour. David Vital made perhaps the most

successful attempt to give empirical evidence for the notion of small State behaviour. He accepted that beyond the category of 'Superpower', subdivision becomes more difficult, and recognised that a concrete, systematic classification would prove impossible. He overcame this problem by concentrating on 'paradigm cases' of individual instances where a state can be seen as having exposed characteristics which we want to study.

"In practice, a state so placed will generally be, for that reason, an atypical member of its group: not a model but a paradigm."¹²

Paradigm states will be limiting cases which illustrate those characteristics which are used intuitively by political observers.

"It is clearly easier to divide great or primary states from the rest than it is to divide the rest into tertiary and secondary states."¹³

Nevertheless, in terms of capacity, we do differentiate between Germany, Austria, India and Sri Lanka.

Vital's solution is to avoid abstract presuppositions by establishing characteristics which might be attributed to size imbalances in the international relations of individual States and to use them as practical 'markers' from which to illustrate intuitive concepts. This involves an important shift in method, in that small is here not defined in the abstract but in relation to other political actors which are defined as larger in the crucial areas at particular points in history. 'Smallness' is thus defined more precisely in the context of particular relationships.

Yet this still does not give us any real idea of what 'small State behaviour' might be. The only definitions which can have a more universal validity must take account of the fact that 'smallness' is always relational and not a simple measure of military capacity. If we examine the foreign policies of all countries except perhaps the superpowers, we will discover that there are times when countries

negotiate with others as small states and times when they assume a more dominant role. The Danish writer Bjøl makes this point succinctly;

"By itself the concept of a small State means nothing. A state is only small in relation to a greater one. Belgium may be small in relation to France but Luxembourg is a small state in relation to Belgium and France a small state in relation to the USA. To be of any analytical use 'small state' should therefore be considered shorthand for a 'a state in its relationships with larger states'."¹⁴

By such a definition we avoid the impossible task of establishing a sort of international 'pecking order' by those quantitative criteria (GNP, area, population, armed forces) so beloved of behaviouralist science but which in this case only serve to obscure. I agree with Bjøl that we should rather speak of small State 'roles' into which only two or three powers can never be truly cast. We can now deal with the Norwegian Holst's observation that;

"Norway is obviously not a small State in any negotiation which has to do with maritime shipping, but Norway is not a large power when you talk about limitation of strategic arms. In a lot of dimensions, Red China will come out as a small power".¹⁵

Likewise, Peter Hansen's point that small States so similar in size as Denmark, Norway, Sweden, the Netherlands and Austria have taken very different views on the EEC. Relations to the partner, in this case the EEC, are dependent on a series of individual factors which may or may not be matters of imbalanced capacity but which certainly lead to different conclusions in each separate case. There are some activities which are influenced by the relative capacities of the actors, but as we shall see below, there are implications for both smaller and larger actors in all contacts, and it should not be assumed that small always entails handicap.

'Foreign policy' is an object of analysis not an analytical tool. Some commentators suggest that we may thus find more parallels if we do not compare States according to foreign policy but rather divide the foreign policies of countries into those which follow

active (passive) policies in certain areas or those which follow routine (extraordinary) policies. Similarity of behaviour of States of similar size will appear to be more important and significant where the type of foreign policy may be classified as active (eg European neutrals on detente at CSCE) and negligible in areas of passive policy.

Size and interdependence

We must now explore the influential schools of thought on the international system and their theories of the existence and actions of States. Is what has been assumed about violence and power still valid? All of them are based on assumptions about the nature of power and its distribution throughout the political world. They focus on various areas and sources of power emphasising various degrees of importance between politico-military and economic factors.

In dominant States, the most influential tradition is encapsulated in the school of political realism. This underlines the ultimate importance of brute force in international relations. The centre of this type of analysis in the West was thus the USA, precisely that country which stands to gain most from a theory which reduces the effective actors on the world stage to two. Interestingly, writers in the USSR have a similar world view, remarkably similar to that of their rival and 'ally in power' the USA.

The militarily defensive posture of small States would seem to suggest the importance of size in this area. Yet for most European states, military survival has ceased to be the main component of their relations to other States. Amstrup writes in his book on Danish foreign policy:

"To Denmark as to other small states the preservation of sovereignty supposedly is the basic goal of foreign policy, but as this is not contested by any state in the present international system, it becomes almost meaningless to try to analyse Danish foreign

policy behaviour from that perspective."¹⁶

From Amstrup's use of the difficult term 'sovereignty' we can imply that he means territorial sovereignty. As we shall see, International Law signed by States tends to concentrate its attentions as to the nature of sovereignty on the purely territorial which gives rise to problems in the sphere of neutrality. We might legitimately interpret his statement to mean that military attack is no longer the greatest danger facing European small States. Clearly the issue of economic challenges to the power of the nation state, sociological factors such as internal cohesion and identification with the state as well as military and political challenges are all real. What I will now try to suggest is that military stalemate and the overriding threat of total destruction have led to a major change. Individual small States, especially in Europe, are no more threatened than other states in military terms. The military threat to sovereignty of some has been replaced by the military threat to the existence of all.

This development is in spite of the fact that the hardware possessed by both competing blocs in Europe has greater destructive potential than anything before known to humankind. Indeed it is perhaps to this apparent paradox that we must look for the explanation of the shift in concern in small States. Perhaps precisely because small States are now patently unable to defend themselves in the military sphere that the issue has been transformed. In reality, as we have already remarked the destruction of a small unit in nuclear terms could endanger larger units also and small States now rely on this de facto collective security. Austria's approach to this is best examined in relation to her emphasis on continued and continuing detente.

Although the concept of smallness is elusive its continued existence must be considered a noteworthy feature. If we accept that it has relational rather than predefined origins, then it is a concept

which will continue to be valid as long as States continue to compete for degrees of dominance with one another. Nevertheless it is clear that the criteria for definition and for the degree to which they are determinant of international relations has undergone change in the postwar era.

"Many classic beliefs about military power and economic resources and their importance for the survival of States seem to be contradicted by the continued existence of small States. Or it might be supposed that the small political unit offers other qualities to the citizens, sufficient to explain their loyalty."¹⁷

The realist school assumed States to be the sole or most important actors;

"The state forms the institutional framework and is the guarantor of the nation's safety. It is the surest means of realising unfulfilled national aspirations. In serving these ends, the state becomes enshrined in the exclusive sympathies and emotions which nationalism evokes. It is the symbol and expression of the national will."¹⁸

Small States are accorded roles on the 'causal' and 'impact' (effect) levels.

"It is obvious that in the great power tradition the causal level imposing its power on the level of small and medium sized countries consists of members of an international oligarchy. The focus is in other words on the patterns of dominance and exercise of power."¹⁹

By power is meant;

"man's control over the minds and actions of other men. By political power we refer to the mutual relations of control among holders of public authority and between the latter and the people at large."²⁰ The threat of violence, in international affairs war, is an intrinsic element of politics, though the actual use of violence signifies the abdication of a belief in political power. "In international politics in particular, armed strength as a threat or a potentiality is the most important material factor making for the political power of a nation... The actual exercise of physical violence substitutes for the psychological relation between 2 minds."²⁰

In this view, politics is a Machiavellian struggle to achieve dominance.

"The essence of international politics is identical with its domestic counterpart. Both domestic and international politics are a struggle for power, modified only by the different conditions under which this struggle takes place in the domestic and international spheres."²¹

In such a struggle the role for small states is ultimately that of also-rans i.e. decision-making is not a sphere for activity. The process is ultimately one of fusion, not fission; small states can only remain independent if large states see this as being in their interest, e.g. as buffer states. 'Only' in quite exceptional circumstances can a small country rely on other States for security.²²

According to this approach small powers become merely pawns in the game. Politics is merely the struggle for power, and thus Morgenthau argues that the degree of involvement in international politics varies from USA or USSR to Switzerland or Venezuela to Leichtenstein and Monaco. Spain was thus more involved in international politics in the sixteenth century than she is now (also Austria, UK). USA and USSR have risen more recently.²³

Power is always the immediate aim. Components of power indicate astute diplomacy, national prestige, quality of government in the conduct of foreign affairs and the dubious notion of national character. Vital argues that

"given the intricacy and primacy of the connection between force and policy for all states and the central impact on the structure of contemporary international relations caused by the widening gap between the military capabilities of a very small number of states on the one hand and all the other states on the other, the effect is not - as many suppose - to constrain the strong vis-a-vis the weak. On the contrary, it is slowly and inexorably to heighten the latter's vulnerability and narrow the political no less than military options open to them."²⁴

This explains the arrogance of the Soviet Union in dismissing Finland as 'a peanut' or of Roosevelt who did not bother to inform Congress of Siam's declaration of war during World War II.²⁵ The Middle East Crisis, Latin American crises, Vietnam War etc are, in this view, not primarily about anything other than great power conflict in a small State setting.

In fact, in the postwar era, the superpowers have increasingly been faced with the autonomy of regional conflicts which they are powerless

to control. Classic examples of this include Lebanon, Iran, Vietnam and Ethiopia.

Political realism is based on a concept of human nature which entails a struggle for individual domination defined as 'power'. As such International Law is a temporary agreement which reflects the state of the struggle at a given moment or period in history. Small states sandwiched as they are suffer from a permanent security dilemma which can be removed "only by system-wide measures, not by their own initiative."²⁶

Three methods might be suggested by which a small State could seek security; a stable balance of power, the existence of a hegemonial protecting power or a remote geopolitical location making them unattractive in terms of imperial ambitions. The most elusive of these is the concept of the balance of power. Nevertheless European experience has been dominated in the recent past by a search for this illusion. Haas has noted eleven definitions of what might constitute a 'Balance of Power'. Yet all States continue to drive to achieve preeminence.

Aron uses the term 'multipolar equilibrium'²⁷ to describe the desired state of affairs between rivaling powers. Small powers can hope to participate only if the ambitions of the powers are balanced, but this may necessitate alliance with one of the great powers, thus losing independence.

As we can already glean, the 'balance of power' can only ever offer permanent instability. In the nuclear age this instability has taken on a new dimension. The actual outbreak of conflict now threatens to engulf not only the smaller 'bystanders' in the manner of Belgium in World War I but threatens the combatants themselves. The result in Europe has been an uneasy equilibrium of competing coalitions between which rivalries have become more permanent and even more fierce.

In the realist school, Small States, not part of either coalition, depend fundamentally on great power relations. One view would suggest that detente would thus improve the position for the small power, a minority, however, maintain that detente may lead to the hegemony of a great power condominium which although it would not physically threaten the state would curtail its room for manoeuvre.²⁸

The emphasis, then, of the 'power' school is on 'survival' of states. Yet those dependent on balance must be aware, as Morgenthau points out, that all political balance is long-term unstable.

"Since no nation can be sure that its calculation of the distribution of power at any particular moment in history is correct, it must at least make sure that, whatever errors it may commit, they will not put the nation at a disadvantage in the contest for power ... To that effect all nations actively engaged in the struggle for power must actually aim not at balance - that is equality - of power but at superiority of power on their own behalf."²⁹

Even the principle of national self-determination can be used against originally dominated groups. It emerged as an anti-status quo and anti-imperialist idea, but Hitler used it effectively against those nations who had been most successful initially and as an effective instrument of imperialism, while Czechs, Poles and Slovaks used the concept of nation to defend the status quo. Nations who defend a status quo with which others are unhappy (e.g. UK Inter War, Czechoslovakia 1920-38 etc) cannot simply declare their policies as non-imperialist but must find some mechanism of justifying the status quo e.g. 'peace' or by means of international law which of course reflects the established view in 'objective' terms.

Realism is now widely under attack as inadequate. World Systems Analysis highlights economic relationships and the associated redistribution of power. In this view, economic integration has eroded the scope of independent national political action. The very stability of alliances has thus resulted in the new challenge to the sovereignty of the State by encouraging increasing integration within

blocs. From the perspective of a small State, this world economy would seem to threaten the state's freedom of action through growing dependency on a particular larger state's economy, growing dependence on a foreign monopoly or increasing concentration of production and a seeming drift to the status of economic backwater.³⁰

World Systems Analysts divide this model into core, semi-periphery and periphery, the precise nature of which remain somewhat elusive (especially regarding the placement of nations in the lower 2 categories). Wallerstein believes that it is position within this model which defines the state's ability to control events;

"Within a capitalist world economy, the state is an institution whose existence is defined by its relation to other 'states'. Its boundaries are more or less clearly defined. Its degree of judicial sovereignty ranges from total to nil. Its real power to control the flows of capital, commodities and labour across frontiers is greater or less. The real ability of the central authorities to enforce decisions on groups operating within state frontiers is greater or less. The ability of the state authorities to impose their will in zones outside state frontiers is greater or less."³¹

Thus the role of the State is secondary but remains ill defined. Various groups inside, outside and across state frontiers attempt to influence the power of the state by changing power constellations because these changes will improve the group's ability to profit directly or indirectly from the changed market. The state thus acts as 'convenient intermediary' in the establishment of market constraints in favour of or against specific groups.

State power exists then, especially internally, but their political and military capabilities are eventually dependent on success within the capitalist world economy.³² Naturally this is true mostly of those export-orientated economies seeking constant growth (ie most small States). Gartner puts it as follows:

"The laws of the international market determine the actions of the national state. The internal outworkings of this are nevertheless the role of the respective national conditions and politics. The state can try to create the best conditions for its own economy, but even this internally orientated accumulation is externally determined as the standards of the internationalisation process are given by the World

Market."³³

World Systems analysis tries to account for the economic pressures on states and additionally for the idea of uneven development. As the world economy goes through cycles based on capital accumulation and investment patterns. Expansion normally benefits the core leading to calls for trade liberalisation and increasing penetration into the economically peripheral areas and the shifting of power to the core. Each individual core member may be affected differently and in the long-run new core rivalries are set up which may lead to calls for protection. If trading blocs involving various nations result then the predicted reduction in penetration may not occur. Thus upward mobility for a deprived state is selective. The relative stability of this model is explained by the individualist competitive role played by semi-peripheral states, which compete against one another and thus prevent the emergence of a polarised core-periphery model.³⁴ Austria is thus 'semi-peripheral' in this model.

Some writers such as Wallerstein see the world as a single world economy with a solitary division of labour, although divided into nation states. Nevertheless the system functions as a 'World Empire'³⁵ Economic forces dictate the making of political rules. Other commentators such as Andersson see economics and politics as complementary processes.

"The capitalist world economy cannot be understood only as a historic and geographic concretisation of the capital-relation. The capital-relation constitutes together with the nation-state-relation a totality, the capitalist world economy, which can and must be studied on different levels of abstraction"³⁶

In this view, States face 3 main economic trends; concentration, transnationalisation and increasing prominence of technology.

"Nation states and their politico-bureaucratic machineries operate in the international economic environment guided by these factors. Political activities are in many ways based on existing economic capacity but no deterministic relationship can be discerned; the

wealthiest nations are not always the most powerful, nor vice versa"³⁷

From the above it is clear that we have moved away from purely physical definitions of power. World Systems Analysis would suggest that military capacity is more closely shaped by economic factors given the military dependence on technology.

"A basic point of departure is that an increase in a nation's economic power almost invariably correlates with its military capacity. Baran and Sweezy with great clarity make the point that military capacity is needed to maintain or to improve a nation's position in the exploitative hierarchy. This concerns primarily leading nations, the core of the world economy, which are also drawn into intra-core competition and the show of force"³⁸

Normally, then, it is assumed that a nation's military and economic standing will correlate: economic growth will lead to military growth, and stagnation too will be mutual. Superficially at least, empirical evidence does not necessarily support this contention. Austria in particular has undergone 25 years of post-State Treaty growth without increasing military expenditure in real terms. There may indeed be coherent and concrete reasons for this, but they may correspond with another analysis of the position faced by Austria. Perhaps as a State whose experience of war was largely negative, Austria provides an example of a new approach where military expansion is seen to restrict growth without improving security.

In a small state, the chances of influencing this world-economy for individual gain appear very slight. In order to move up in the international hierarchy, the state must have some form of military and economic power. Yet under Systems analysis, many European small States are considered semi-peripheral, and thus should be in the forefront of economic competition. Vayrynen puts this discrepancy down to the concentration in Systems Analysis on generalities, focussing on the mode of production and the nature of state power. Research in the European small States themselves, on the other hand, has generally assumed premises which might be considered

Structuralist theories tend to concentrate on the notions of a 'power structure', involving a hierarchy of nations based on overlapping and at times reinforcing areas of power. Keohane's definition of a small power as that country which can never act alone or in a small group to make a difference to the system would tend to be accepted by such analysts. At its most basic, the world power structure would then be seen as a fairly permanent hierarchy in which those at the bottom have very little freedom or mobility. The structuralist approach is not limited by the concentration in realist thinking on military power or the world systems preoccupation with global economic logic. Nevertheless, small States remain weak units in this analysis also.⁴⁰

Small States are nevertheless able to utilise various resources and opportunities to improve their position. Smallness as we have seen is relational; the strength of the structuralist conception of international hierarchy is that as rule of thumb it is attractive to the small nations themselves, being more 'realistic' than either realism or world systems analysis. Hence some structural analyses have pointed out the importance of the actual interaction between nations as important.

"Those on the receiving end or otherwise subordinated to the dominance of greater powers have been regarded as small states"⁴¹

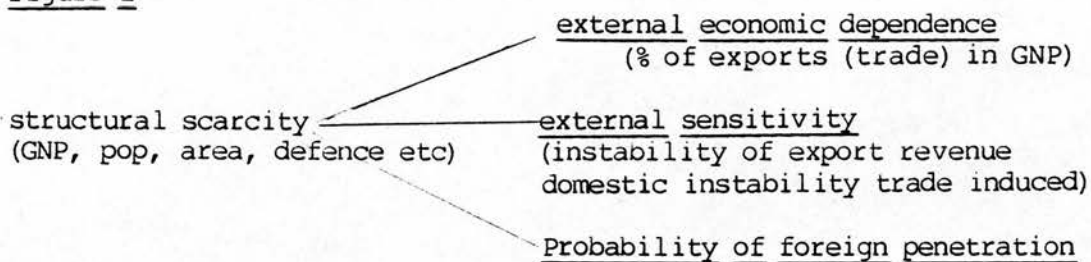
This allows us to view small States in the context of their relationships rather than purely in the abstract. The weakness of structuralist analysis is that it does not really explain how countries adapt to their subordination to external powers internally. The absolute lack of resources in small powers might lead to what might be called 'asymmetrical structural dependence on larger partners, which is reflected in economic dependence and long-run instability. Small states are thus sensitive to small changes in

partner States and vulnerable to major political changes.

Structural analyses use the concept of 'structural scarcity'; relative deprivation in absolute terms of population, size, GNP, military or combinations of the above. The variety of indicators and definitions used is, as we outlined before, the main problem. Indeed, the dichotomy between small 'size' and small 'power' has not even been fully recognised. The comparison of indicators leads to a rather static model of state activity. Structural scarcity of any sort, however, can in a multi- and transnational system only lead to varying degrees of 'interdependence'. In this sense, structural theories are a clear advance on 'realism' which concentrates on competition and 'dependence'.

Vogel outlines in his scheme the forms this might take;

Figure 1⁴²



In most cases the result is a combination; dependence to sensitivity to foreign penetration. Empirical research however seems to suggest that while small countries are economically dependent (ie there is a correlation between size and economic dependence, even stronger between high population density in small states and economic dependence), they are not particularly externally sensitive. Coppock found in 1962 that

"high involvement of a national economy in international trade means participation in wider markets both as supplier and demander, and that such a participation will contribute to stability of export proceeds (and of the domestic economy) rather than lessen it"⁴³

Vogel maintains that the role of foreign policy (including if not sometimes led by foreign economic policy) is to find a means to interrupt the forms of dependency. This might be otherwise expressed as exercising sovereignty. A State can either concentrate on strategies to reduce the negative effect of existing interdependence by means of degrees of isolationism or self-sufficiency, or seek to reduce economic sensitivity by concentrating on certain commodities, diversification of trading partners, participation in international organisations and taking up specific roles requiring individual or informal talents or reputation. The application of this or a combination of such policies will be the role of the respective governments. In general, governments have rejected isolationism, and in Europe this is universally the case except in specific areas. The EEC has reduced tariffs amongst its own members but still operates protectionist policies towards the rest of the world. Austrian agricultural production is largely politically determined and Austria has remained almost self-sufficient in production.

Trading groups are always likely to see their interests being damaged by protection and point out that the greater the level of involvement in international markets the greater the chance that the country can have some influence. Indeed, as we shall see, those politicians most keen to support Austrian (eventual) entry into the EEC constantly stress this point.⁴⁴

In international trade, small States stress the need to reduce the degree of sensitivity to external forces. There is some evidence from Coppock's research of interdependence without excessive sensitivity.

Switzerland has sought a very liberal trade regime and has been very wary of 'political' interference in trade policy. Swiss writers emphasise the importance of free trade as the basis of small State success. This helps to explain the urgency in the EEC negotiations

and, in Austria the importance of abolishing trade barriers.

In Switzerland commercial diplomacy is paramount with emphasis on state co-operation with private enterprise though strictly without state involvement with ownership. In Austria the Social Partnership system has ensured an important degree of domestic unity in the approach to foreign competition. It should be noted that Austria supports a liberal trade regime but has a high level of corporatism and State involvement in the domestic economy. In both cases there can be no divergence of interests between producers and State. The complexity of large economies by their very nature tends to give rise to domestic conflicts of interest. Being small is both the stimulus to such policy and also a necessary condition. No large state with measurable effect on the world economy could introduce Swiss style banking, for example, or have as much freedom with monetary and fiscal policy as Austria or Finland. The repercussions would be too great.

Small states gain expertise in areas of international affairs which other states can only imitate. The Swiss experience suggests that small States face fewer clashes of interests as the choices are so stark as to be widely accepted. This requires domestic consensus and loyalty to the concept of the State itself however.

In certain circumstances, foreign policy can be higher-risk than those of larger states, because the effect of the international system becoming destabilised is less e.g. Iceland can initiate the Cod War against UK. This applies more generally not so much in terms of the imposition of dominance as in the realm of agenda setting. Small States have been able to provide local experiments for policies which have then become more widely acknowledged eg Benelux, Austria and Hungary. On the other hand, both World Wars have been catalyzed by local power rivalries involving lesser military powers.

Austria's position has been different to Switzerland. Economic

dependence on West Germany has continued to a degree virtually unparalleled in Western Europe and thus a theoretical export sensitivity exists, which has as yet not come into play. Foreign policy has had a much more active profile especially through involvement in international organisations, developing specific politico-economic skills (East-West trade and diplomacy) and most importantly a much less isolationist foreign policy aimed at creating a peaceful political environment more than reducing control.

Austria has attempted to reduce her own exposure by this active foreign policy aimed at both blocs. Nevertheless, despite a highly corporatist economic structure (in philosophy if not in effect the opposite of Swiss practice) there has not been any real domestic unity on foreign policy between 1966 and 1983 (at least). Even where the direct economic interest has been threatened there was little real unity at political party level. Since 1983, and the ending of superpower detente trade issues have predominated and there has been a return to oligarchic foreign policy led by trade/economic issues. Structural theories offer little to explain this change. In Austrian terms we must look partly to historico-political factors to understand Neutrality, foreign policy and internal corporatism. Structuralism explains some of these features but cannot be held to be complete.

Pure theories of structural scarcity would lead inevitably to a notion of inevitable assymetry, arguing that West Germany though dependent on her EEC partners has more freedom than either Belgium or the Netherlands.⁴⁵ While in long-run 'economic' terms this may be intuitively obvious, on a 'political' level this can scarcely be a consistent rule eg Denmark, Ireland and Greece have had considerable influence in the EEC while West Germany came under considerably more pressure from the US to deploy US missiles than did the Netherlands or Belgium.

Small Powers; living with the threat of domination

"Nought's had, all's spent,
Where our desire is got without content
'Tis safer to be that which we destroy
Than by destruction dwell in doubtful
joy."

Shakespeare 'Macbeth' Act 3 Sc 2

What then are we to conclude regarding small states as an analytical unit for international relations. Power politics nations i.e. great powers will inevitably seek to emphasise the final character of military superiority. Certainly in small bloc-bound nations (especially in Eastern Europe) the experience with small states taking independent foreign policy approaches has been largely negative. In terms of foreign economic policy (as opposed to domestic applications) nations appear to be lined up on one side of an economic divide or another. The fate of small States in pre-war Europe seemed to suggest that where great powers unite, smaller States can only adapt.

Insofar as small countries attempt to compete on an equal level with countries with greater military capacity they are doomed to failure. There is thus an imperative to avoid military sanction. Nevertheless, their very smallness can be an advantage at this point, leaving them open to more flexible opportunities. As such there can develop a mutual interest between States, but the roles must be clearly differentiated.

European postwar experience suggests that small States have been remarkably successful in this role, with notable improvements in standard of living without increasing security risks. Nevertheless, it is true that all co-operation takes place in the shadow of the Cold War, which seems to be the sterile alternative to Armageddon. As long as this sword of Damocles hangs over States and populations all co-

operation is necessarily uncertain. This uncertainty applies to all sizes of political unit, although the decision remains that of those in control of the superpowers. The challenge which this climax of reciprocal escalation in force now raises is one with implications for the conduct of international relations between all States.

Perhaps a more radical critique of all these theories is required. It appears that the logic of the Balance of Power is that of permanent and reciprocal escalation. Where neither party gracefully departs from the competition the final and traditional method of establishing superiority is through direct military conflict. The development of weapons of mass destruction may be a decisive turning point in human history in this respect. Destruction will not now be limited to the opponent. Any dominance which might emerge after such a conflict would be somewhat hollow. Ironically, were such an armageddon to occur between the present superpowers it would occur in the defence of 'liberty' on one side and of 'equality' on the other.

Most analyses assume crude notions of power that assume increases in the power of a particular nation to be achieved only by the victimisation of all who stand in their way and the cooption of those who accede to their dominance. Technology now threatens to consume both dominated and potential dominators in its destructive capacity. The most basic struggle of states for survival is now the same at all levels of military potential.

Realism has also assumed that military victory improves the standing of the State. The question is merely one of brute force. Yet this is to take a static view of history which does not allow for the dialectic which this very power sets in its own chain, one which tends to the same reciprocity and escalation. It is clear that the act of War changes all participants, making all judgements as to victory and defeat merely temporary. Since the First World War this

tendency has been apparent. In how far can the UK be said to have been a 'victor'?

Domination has merely ensured that the power will be faced with competitors and imitators at a later date. This seemingly endless repetition provides the appeal of realist analyses. Yet the act of War risks the total destruction of all societies existent prior to that war (e.g. Lebanon) after which simple mathematical calculations as to victory and defeat are impossible. In the end, realist thinking merely serves to provide a justification for the desires of the powers involved in struggle.

The apparently simple win/lose calculations are in fact much more complex. The attempt of one group to dominate another by force may embroil the country in a permanently escalating battle for control which can only be solved by a unilateral admission of defeat or lead to total war. The stateless Jews of East and Central Europe were the outcasts of Europe for 1,000 years. They retained a strong sense of communal identity heightened if anything by attempted domination from outside. In modern times we have actually seen the attempt to eradicate this group by genocide.

With this example and the technological weaponry now available, the implications of future struggles for dominance are frightening. Realist thinking which accords an 'importance' only to those States with vast arsenals now threatens to engulf even those States themselves in its inexorable logic. Until now, the implications of Atomic War have held back even the competing superpowers and have afforded a new debate in the role of States in total rather than based on military size.

What has always been true, ie that War threatens all participants eventually, has now become reality. This fact allows the reemergence of small States as those with the only capability of breaking the

logic of competition. The power game as it has emerged over the centuries (and is accepted as 'unavoidable' or 'realistic') merely ensures that in the search for elusive 'power', force becomes enshrined as essential, justified as the means to an end. Any group or State which would seek power must first create the weapon to do so. As a result, small groups with communal or sectional roots, devise new mechanisms of power struggle against which the State can only react with further violence. Hence we see the development of terrorism which shows all the signs of escalation on the classic war pattern. In this sense the real lesson of nuclear weaponry is not in the last analysis the powerlessness of the small but, surprisingly, the futility for all of the striving for might as a means to power. Between States in Europe this has become reality, at least in the inter-bloc issue.

Large military powers who attempt the domination of another community may destroy the institutions of State but beyond mass murder, they cannot ensure the dissolution of the smaller community. This is an important lesson of domination. If the dominated community can survive until a moment of weakness in the larger community emerges, a chance may develop for the smaller group itself to escalate the stakes. If this succeeds in reestablishing new State Institutions, the future domination of that same small State by the same large State becomes very unlikely. An example of this is the relationship of Ireland to the UK. Poland exercises a virtual veto which makes invasion of Polish territory by either Germany or USSR a matter of wider implications than simple invasion.

In these circumstances even the appearance of calm for a considerable period does not ensure that the emotions, well-founded or not, cannot be rekindled at particular points.(eg Ireland, Scotland(?) for England, Czechoslovakia for Germany, USSR, Saarland

for France)

It is clear that the increasing role of transnational corporations in international decision-making reduces the role of the individual State and makes any discussion of International Relations which fails to take this into account misleading. At the same time States have themselves moved into the economic sphere and any strict division between the 'political' and the 'economic' becomes absurd.

A potential conflict of loyalties between 'Nation' represented in general by the State and 'Capitalist expansion' has not yet been decided in favour of Capital. The conception of a single world economy is distorting in this sense. The slow progress towards any degree of EEC unity is some indication of the strength of national identity. The urgency of EEC integration lies in the attempt to create a new 'power'. What is not clear is whether small States are losing their effectiveness more quickly than large States. Even position in relation to a Core-Periphery model fails to provide decisive answers.

Until now, the struggle for dominance has been the pre-eminent feature of international 'politics'. This has been true in economics as well as military struggles. In the military 'State' tradition, the nuclear bomb puts a questionmark on the purpose of such struggle. In its shadow, small States have boundaries as secure as those of large ones. These states face challenges from transnational integration which reduces the effectiveness of localised power groups. The stalemate in territorial expansion has indeed been the seedbed of this development. It is nevertheless a poisoned equilibrium where the struggle for power has been driven to new spheres rather than removed. I am not contending that Realism and Systems Analysis do not describe the situation as we have known it, but rather that they fail to question the underlying brutality of their maxims.

Size is only one of a number of aspects of any state. A small State in central Europe is likely to have as much in common with larger states in central Europe as with similar sized states in another continent. This is not to say that size is not important, but merely to give it a context as one of a series of attributes.

Rothschild found that while change of size after World War I had had devastating effects on Austria, size itself but was not in itself a fundamental economic concept.

"There are, of course, times when one may consider changing the size by customs unions, fusions etc just as one may consider evacuating areas where the climate is rough or the soil poor. Decisions of this sort will have far-reaching consequences for the whole way of life (including economic conditions and opportunities) of the population. Decisions on size are therefore major political decisions in which the economic argument is but one (and not necessarily the most important) aspect. Once the decision about size is made (by history or by deliberate action) the main problem seems to be not so much what the actual size is but whether the economy is adjusted to this structural element."⁴⁶

In small state approaches we have perhaps even more than in other theories to avoid generalising from the particular. Perhaps we should emphasise once more that structural scarcity, even if we accept some of its insights is a relative concept both in terms of overall indicators (e.g. population - Austria = Switzerland = Canada = Guatamala or GNP - Austria = China or Military capacity - Austria Central American States) and within indicators (e.g. various sectors where a small country might be powerful).

Size of country and resources clearly plays a role in the position and influence of States in the present hierarchy. Structural scarcity, dependence, military capacity, technological imperialism, core-periphery influence, transnationalism and theories of dominance in an interdependent system all influence small States though in varying amounts and with differing significance. We should however avoid the trap of considering size to be an ultimate handicap to the activities of States or more importantly of their citizens. It is certainly

unclear that citizens of large countries enjoy significantly more freedoms than those in smaller States.

I propose now, to turn to areas of international affairs where small States' size might be expected to play an important part; where coercion and interference exist, with specific reference to Finland and in international interchange without war.

Coercion and Interference in an Interdependent World

"If there is anything that the literature about the role of small states in international relations has accomplished, it is to bring the relativity of the notion of 'independence' sharply into focus. Full independence, in the sense of governments making their own decisions without being subject to influences from beyond the borders of their territory, simply does not now exist if it ever did".⁴⁷

In the present system, States which have relative shortages of military and economic power are especially likely to suffer if measures are implemented against them or their vital interests. Coercion in international relations is thus one element in the power-dominance-violence spiral which threatens the existence of all entities. Coercion may involve a degree of meddling in internal politics, or in a concerted international effort against a specific target and is usually in the form of

"mounting a convincing threat to introduce or eliminate some element into or from the other states total circumstances ... or in the actual and deliberate alteration of the target state's circumstances coupled to a promise to restore the 'status quo ante' should certain conditions be fulfilled";⁴⁸

Nevertheless, it is a problem which in its implications is likely to have profoundly unequal effects, as it is likely that were sanctions to be imposed against a major economy then the interests of small partner economies may be even more harshly affected than those of the target state itself.

The classic example of such a dilemma, was the attempt in 193~~8~~⁵ on the part of the League of Nations to impose economic sanctions on

Italy. Switzerland came under great pressure as the economic measures threatened to pull the delicate local relationship out of balance, compromising all pretensions of 'neutrality' and endangering, in Swiss eyes at least, the credibility of Swiss status. In trade terms Austria and Hungary were in an even worse position;

"Italy was Austria's second most important market, and was moreover, heavily in debt to Austria at the time. Hungary exported 13% of all its exports to Italy, including no less than 52% of its surplus wheat. In contrast only 2.4% of Italy's exports went to Austria and 2.5% to Hungary. It is extremely rare, if not impossible for a small state to attain this kind of regional paramouncy"⁴⁹

This degree of vulnerability can be linked theoretically both to notions of structural scarcity and of dependence. Small states appear to face challenges even in sovereignty over their own decisions, if they do not maintain friendly relations with influential great powers.

Vital describes the demise of Czechoslovakia in 1938 as the classic paradigm illustrative of the power shortage in an isolated small State.⁵⁰ Despite a functioning advanced economy, a reasonably sized army and an armaments industry larger than that of Italy, Vital interprets Czechoslovakia's fate as the result of agreements made by Great Powers about issues which had Czechoslovakia as a means but not as an end.

"When and in so far as they touched upon Czechoslovakia, the Czechs were at liberty to try to amend or alter these policies but that is all"⁵⁰

Czechoslovakia indeed capitulated, despite the fact that German military commanders were convinced that unaided the Czech army could resist for a considerable period (probably several months). Indeed on a world scale, Czechoslovakia was far from being the weakest of the small states; indeed only in terms of relative comparisons with a State so powerful as Germany was there structural scarcity. It would seem then to be the classic paradigm of political realism.

Morgenthau points out that Czechoslovakia became independent of one dying and defeated empire only to be swept up within 20 years into

another and into yet another by 1948. Yet this too is an unsatisfactory conclusion. Where a cartel of brute force exists, acting in effect as one mammoth monopoly, it is clearly impossible for a small 'scapegoat' State to provide territorial resistance. It is only where we take a static view of history that the matter can be seen to end there.

The Czechoslovak crisis of 1938 is an obvious case where a dialectic already clearly in progress in Europe since at least 1933 if not 1918 merely escalated further and as history shows continued to escalate. The sacrifice of Czechoslovakia by the British and French was, rather, part of the realist struggle for power, and points to the unending upward spiral of violence that lies behind its precepts. It cannot be denied that the struggle for power over Czechoslovakia contributed to war which claimed 55m lives and set the scene for the nuclear nightmare.

The immediate reason for the collapse of Czechoslovakia in 1938 was indeed lack of force. Yet the lesson cannot be that small States must join the arms race or perish. Perhaps it is rather that all States and communities must abandon this form of activity or all risk disaster. As we have seen, the arsenals of the superpowers which threaten everybody are the climax of this logic. As such Czechoslovakia in 1938 is not so much a paradigm of the power shortage of small States but an important step in exposing the warped logic of violent reciprocity.

"Small state - great power confrontations are probably confrontations of power only in crisis situations ... One may identify at least 3 different meanings of 'power'; power to persuade somebody to do something you wish him to do, power to dissuade ... and the power not to do what somebody wants you to do"⁵¹

It is this last power which gives the numerous small States cause to resist Great Power pressure. It also has increasing force in the military if not the economic sphere. Now that the use of a great

power's ultimate sanction threatens the user also, the smaller power can attempt strategies of 'refusal'. Raymond Aron has pointed to the existence of this strategy in many small States, especially highly integrated units such as Sweden and Switzerland. Sweden took a wholeheartedly neutral position on US involvement in Vietnam from an early stage, much to US annoyance. By so doing, she was able to expose the conflicts of interest in US policy, something which is likely to hinder a great power more effectively than a small power, if only because more 'conflicts of interest' are likely to exist. In the 'normal' definition of interest there is an assumed desire for 'control' and hence large powers seek more complex 'control'.

In the light of the enormity of military threat and the rise of economic manipulation across boundaries a paradox emerges. Small States are as likely to be coerced by powers viewed as broadly 'friendly' as by those defined as enemies. It was the defection of 'friendly' France in 1938 which changed Czechoslovakia's conditions. This same process can be observed in Austria's dogged resistance to manipulation by USSR over the EEC, despite eventual compromise, as opposed to the speed of government reaction to requests for regulation of technology transfer in the 1980s from the USA. West Germany's role within the East-West scheme makes it much more open to manipulation from USA than from the USSR. The threat of violence or other forms of coercion may sometimes have the opposite effect.

Ultimately the coercion of small states is possible only in certain forms, if genocide (and suicide?) is not considered a suitable option. All competing powers are faced with the question of how far they are prepared to take their conflict, and this is always as much a question for great powers as for small states. Swiss defence tactics have always taken the concept of 'raising the price of entry' as the guiding principle - ie making 'victory' impossible. In World War I

victory was certainly pyrrhic, but this deterrence logic failed. Deterrence is no substitute for security. Small States which have no possibility of mounting a suitable deterrent, eg Holland, Belgium, Austria were made aware of this fact in the 1930s and 40s. Swiss success in World War II may have created an overreliance on the logic of escalation.

Vital's maxim that small state survival;

".. depends on the role the small power plays in the overall purposes of the great power with which it is in conflict. Where its role is central - as was Czechoslovakia's for Germany - it will fare badly. Where its role is essentially peripheral - as in Finland's to this day - it will fare better"⁵²

.. is only a partial explanation. It fails, for example, to explain why Polish resistance has never faced Russian tanks, while Czech political reform brought direct and swift military occupation. It fails to explain why Ireland is immune to attack from the UK. During World War II, Ireland was able to declare herself neutral. The extension of military conscription to Northern Ireland was also impossible.

We are dealing with notions beyond military calculation; those of civilian resistance. No state apparatus has ever put its faith in these untestable concepts but their existence in Ireland and Poland is unquestionable. These states may be said to have created

"a contradiction^c for (their) [text: its] opponents to the prima facie advantages of some alternative course"⁵³

on an almost permanent basis. Coercion of a non-military type in particular, requires of the great power a degree of risk. If it fails, it may in fact reinforce tendencies orientated against that state. Perhaps the literature in this field concentrates too much on instances of successful interference or coercion and is inadequate in dealing with successful resistance.

What is clear, is that sheer structural or power scarcity in a

vulgar form is insufficient to explain behaviour. The level of internal unity, linked to stability and political unanimity are fundamental. Hence the tendency of powers to intervene in domestic politics of small states destabilising them where this might bring about conditions more favourable to them eg US in Chile, 1973, USSR in Czechoslovakia, 1948. Small states are more vulnerable to force than larger ones, and the military factor cannot be explained away. For some States already subsumed in blocs this is a painful reality. Nevertheless the scope for coercion varies enormously, and only where no large power opposition exists is 'success' assured. The use of force commits the State to a longterm reliance on that force and the escalation of its capacity.

In Europe, the blocs are so established by force that any attempt to break them by force would lead to 'mutually assured destruction'. Every small State not in this system is a possible field of conflict for the superpowers, but as that conflict becomes more dangerous so it emerges that the large States are now as threatened as the small State over which they dispute. Examples of this include Cuba and Israel. Afghanistan caused a crisis but not a war. Economic manipulation may create in its own time a monster which will threaten the power of the large States to act as much as it does that of smaller units.

At CSCE, the neutrals found that they could not force others to accept their proposals, but they could nevertheless propose.⁵⁴ Small states are forced to accept interdependence, but the degree of influence any one state has is not necessarily simple, nor without costs for the larger State. As a 'predator' State emerges so an 'anti-predator' State or group tends also to emerge. Thus the decision to attempt manipulation or brute force on a small State is always a double-edged sword. Only through the mechanism of the unanimity of sufficient actors, acting in effect as the law-makers is

this feasible in the 1980s.

For states like Czechoslovakia, the agreements at Yalta and the Bomb suggest that for the time being the USA and USSR have agreed her fate. The opposition of church and people in Poland shows how even this calculation is not simple. In the case of Austria, the use of brute force to dominate Austria by either power would be contested by the other. But this is an equilibrium which is so unstable as to inspire as much apprehension as enthusiasm.

Finlandisation - coercion by stealth?

Vital, writing in 1967, wrote;

"The rising difficulties of maintaining a deterrent capability do mean, however, that the last autonomous basis of the independence of states is in process of erosion and that the unequal and asymmetrical relations between them and certain major states are solidifying. For the future, Finland may be the paradigm of the small independent state, not Sweden"⁵⁵

By this, Finland's relationship with the Soviet Union is taken to show that in the long run, small states will have no alternative but to adopt a 'pilot fish' approach to foreign policy.

During the 1970s, this notion was part of propaganda about creeping Soviet domination. The term 'Finlandisation' was coined by the right-wing German commentator Richard Lowenthal during the period of Brandt's active 'Ostpolitik'. It was a loose term used to describe and discredit close ties with the USSR, and indeed Finnish writers constantly point this out:

"The historical facts suggest 2 major conclusions. First, the 'Finlandisation' debate is not so much a cold war as a detente discussion. In other words, Finland's assumed example has been used to oppose detente rather than to fuel the Cold War. Second, those who have employed the term 'Finlandisation' have not been so much interested in Finland's position but rather in utilising their own purposeful interpretations of it as a psychological instrument for wider purposes"⁵⁶

Various conservative writers tried to define Finlandisation during the 1970s. Conservative commentator, William Buckley, described

finlandisation as "the subjugation of the spirit to the Soviet will"⁵⁷ and even more damning was the writer Punasalo who concluded that it was;

"Soviet influence in the country's foreign and domestic policy by maintaining political control with the co-operation of its leadership using direct or indirect pressures when required. Finlandisation is a continuing process. It is a form of communist revolution without barricades"⁵⁸

Garfinkle concluded that finlandisation was a threat to everybody;

"the process whereby the countries of Western Europe - including members of NATO - gradually lose their military capabilities, economic vitality and political willpower, and stripped of its allies are slowly transformed into isolated neutralised states, fearful of Russian might and unable to resist Russian desiderata."⁵⁹

Two superficial observations might be worth making at this point. First, on such a scheme as Garfinkle's, Austria would seem to be the most vulnerable candidate for finlandisation. More importantly, the description of Finland as lacking economic vitality and political willpower bears no relation to the reality of Finnish experience. Indeed, Finland's political willpower appears to have been a major factor in preventing incorporation into a fully Soviet system.

The evidence for this is based largely on two events: the "Night Frost" of 1958 where those who suspect Soviet domination point out that the Russians put pressure on Kekkonen to cause the collapse of a coalition led by Social Democrats and again in 1961, when it appeared that the Social Democrats would oppose Kekkonen as president.

Given the central role of the presidency in foreign policy this analysis claims that the Soviet invocation of military talks under the 1948 Treaty of Friendship, Co-operation and Mutual Assistance (FCMA) was a direct attempt to influence Finnish internal politics. Kekkonen returned from a trip to USA, called a General Election, entered into some theatrical diplomacy and ultimately ensured the withdrawal of the Social Democratic candidate amidst much bitterness.⁶⁰

Writing in the 1980s, Liebowitz points out that in 1958, the

suspension of the Soviet-Finnish Trade Agreement was not primarily of domestic party significance. Rather, it was a result of a widening trade imbalance caused by the devaluation of the Finnmark in 1957 and the Finnish request to USSR that the debt be financed in hard currency. In 1961, concern about Finnish involvement with the EEC was the prime motive.⁶⁰ So even here, finlandisation means little.

Liebowitz points out that quite apart from ideological imperialism, it is ridiculous to expect that Finland could or would want to adopt a permanently anti-Soviet position. Geography alone ensures that Finland maintains relations with the nation with whom she shares by far the most extensive border. Historically, this is reinforced by the fact that despite Western praise for Finnish heroism, Finland lost two wars to USSR in the 1940s, while the direct historical connections between the two states (as Russia not USSR) go back centuries.

Within the context of post-Yalta Europe, Finland's independence from the USSR is in fact remarkable. Finland was a defeated state in 1945 and hence had no allies (far less than Austria). They had, unlike Austria, no Western support and were faced with one dominant power. Paasikivi, whose diaries of the period have recently been published, records his own pessimism that Finland would avoid the fate of Poland let alone that of Estonia.

Finnish post-war foreign policy has been based on principles, proposed by Mannerheim and continued by Paasikivi and Kekkonen as Presidents, that Finland's strategic position vis a vis Leningrad has to be recognised and that Russian fears of Germany are real.⁶² As Bjol point out, the very 'model' status of Finland, gives Finland a degree of scope which could never be considered that of a satellite.⁶³ This status would also disappear were the Finns to be bullied by the USSR.

Liebowitz underlines this by analysing Finland's relations with

the USSR. Firstly, although Finnish trade with USSR is greater than that of any other Western state, 80% of Finnish trade with Comecon is with USSR. Petroleum accounted for 62% of Finnish imports from USSR. Indeed in all other products Finland operates large surpluses.⁶⁴ Politically, Liebowitz shows that based on Singer's index, Finland's UN voting record in 1975 and 76 was clearly that of a neutral not a satellite, and very similar to that of Sweden.⁶⁵ (see Note)

Thus finlandisation appears to be a misnomer. As Liebowitz says "the price Finland has had to pay for its high living standards following 2 wars with the Soviet Union has been quite small."

For other small states, the Finnish example is encouraging. If Soviet influence in Finland can be shown to have been selective, then its extension to other countries is no certainty. Far from facing increasing Soviet colonisation, Finland has established an independent profile, and has in fact reaffirmed the possibility of small States utilising seemingly negative political constellations.

Areas of Activity in the International System for Small States

This cannot be and will not be anything more than a brief outline of some highly selective areas where small States as such have been active and have been able to exercise a degree of influence. The powers which small states have are most apparent in international organisations and especially through the UN. In a European context, smaller European states were far from inactive at CSCE. Additionally, small state diplomacy may be useful either in mediation between blocs or between allies. This may also be tied up with concepts of neutrality, the subject of a further chapter. At this point I wish to concentrate on small state roles before conflict has broken out.

In many ways, small States have tried to claim the mantle of 'the conscience' of Europe. Holland, Sweden, Austria and the other Scandinavian states have at times adopted 'moral' poses in defending

policies or attacking others. Small states have thus used the forum of the United Nations in a remarkably active fashion. At its inception the UN was intended as a tool to maintain peace by continuation of the wartime alliance and the doctrine of collective security. Yet within a very short period the concept had broken down.

This left open the way for small nations to take an initiatory role in the UN process. As membership has grown so also have grown the role of smaller states at the UN.⁶⁶ At the Nobel Symposium in 1970, Schram pointed out how small states had widened the scope of discussion eg in 1968 the Swedes first raised the issue of the environment at the economic and social council. In 1967, Malta first proposed to the General Assembly that the UN consider laws to govern sea-bed exploitation leading to the 'Law of the Sea' conference, an idea admittedly more attractive to smaller than to large countries.

Iceland used the 1968 and 1969 General Assembly to tighten up on ocean pollution.⁶⁷

This cannot be interpreted as extending beyond the scope of small state capability;

"precisely because their very smallness, their democratic status and their relative non-alignment makes them comparatively non-suspect in the field of international relations [they have] an important role to play"⁶⁸

The UN is nevertheless dominated by the spirit of superpower debate and crisis. As a result the neutrals have been seen as best suited to also play the leading role in providing forces for peace-keeping forces and in providing settings for numerous conferences. It is true that also at the UN the actual decisions require 'Big Five' consent, however the existence of these forums also allows smaller States to distance themselves from large power action and set new agendas. At Helsinki, Hopmann found that although the Neutral and Non-aligned group accounted for much of the text of the final

agreement, this 'proposal' ability had to be set against the ability of the larger powers to ultimately decide by liberal use of blocking or vetoing power. Nevertheless, smaller European states could be seen as playing a similar role to semi-peripheral states in a core-periphery analysis in the sense that they prevented the continent from being divided into two poles with only hostile conflict.

Small states have been prime movers in much of the disarmament, and detente discussion in Europe. In physical terms also small States prevent the direct confrontation of the Superpowers and their satellites.

Yet increasingly European small states hold technological cards. The development of nuclear technology has lead to a natural and necessary concentration on the politics of those who possess the weapons of total destruction. The ultimate logic of proliferation to smaller countries (eg Sweden) of independently controlled nuclear weapons has been seriously considered. Superpowers living in the egocentric world of political realism have been slow to recognise this.

"We (US) should not lose sight of the fact that widespread nuclear proliferation would mean a substantial erosion in the margin of power which our great wealth has long given us"⁶⁹

Non-proliferation remains, of course, for the vast majority of small states an economic necessity, but if it is possible for Argentina, Israel and South Africa, the pariahs of international affairs to develop appropriate technology, it may well be possible for advanced neutrals such as Sweden and Switzerland. Voluntary adherence to non-proliferation should also be recognised as a small-state contribution.

Diplomacy is a further worthwhile sphere of activity. Where conflict has not occurred, this can be a singularly effective weapon. As Vital points out, even here there are resource differences.⁷⁰

Nevertheless, small state diplomacy has often been remarkably effective.⁷¹ Yet, where it is effective it can also be deceptive. Vital attributes Benes' success and international recognition as reasons for his faith in the power of reasoned argument in the attempt to avoid being crushed in the German Empire.

Final Observations

There are two obvious traps which must be avoided; the romantic notion that small states exist with complete dominion over their own realms but equally the schools of dominance who seek to suggest that the power and success of a system are to be measured in terms of ability to impose one's will by force. More and more the truth of the maxim that existence is coexistence becomes clear.

Military size is but one aspect of an inter-State relationship and to ignore the systemic implications of a developing world economy in the light of military stalemate would result in a highly inaccurate analysis. We must, however, remain aware that the world economy too is run on the principle of a struggle for dominance, although the major participants in this case are companies and individuals rather than States.

Nevertheless, the existence of military forces commanded by State Institutions ensures that the struggle at inter State level remains immediately relevant. Foreign policy has traditionally been understood as the attempt to maintain and develop the power base of a state in an external environment. The manipulation of foreign policy in a bloc-divided continent imposes a series of very delicate problems, and in terms of Austria the implications of being a relatively small state within the West European core have to be set against the implications of neutrality. As we will see this gives rise to a number of delicate problems in Austrian affairs.

Neutrality in both Swiss and Swedish traditions is linked to notions of national independence. In the legal tradition of neutrality, the areas where neutrality applies are based on 19th Century Liberal divisions designed to encourage the development of a capitalist market economy. Yet the threat to national independence would seem to come as much from the economic sphere as from direct military intervention. Indeed the division of Europe into blocs is justified by the participants as a battle of socioeconomic systems.

All the European Neutrals are 'small' in terms of relative resources and capitalist in orientation. We must now approach the question of how these states manipulate neutrality as a unifying political myth (in an anthropological sense) and ask whether it addresses the real questions facing States in the Cold War. We can also examine the degree to which neutrals as small States have themselves determined the development of new applications and definitions of neutrality relevant to the Cold War and International Economic Integration, and to what extent neutrality has enabled them to steer clear of overt dependence on external agents.

In a permanent battle for power, size is perhaps seen as paramount. But now 'power' itself must be relativised if it can only be achieved by threatening 'existence'. The small States of Europe no longer have to compete to be assured of 'safe' borders. In fact, the small States have suffered NO appreciable economic disadvantage since 1945, indeed they provide a remarkable example of internal coherence and economic success. Having, hopefully, established the relativity of size in international relations we must now turn more specifically to Austria in order to examine the importance of neutral status and its content.

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a = Superpower (USSR = -1 USA = +1)
j = USA k = USSR
n = no of votes
i = Neutral state

	No of votes	identical	differing	1975 Index	1976 Index
Finland-USSR	32	21	11	-0.226	-0.247
Finland-USA	43	35	9		
Sweden-USSR	26	21	5	-0.079	-0.176
Sweden-USA	37	29	8		

According to Singer -0.4 to +0.4 were to be considered 'neutral'.

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CHAPTER TWO

Permanent neutrality and the Austrian case.

"Justice is as much a matter of fashion as charm is"

B.Pascal 'Pensees' No. 61

The Latin root of the word neuter (ie ne-uter) gives an original meaning "neither of both". Thus from the outset neutrality has had at its core the concept of standing between alternative forces. Interestingly though, 17th century writers such as Hugo Grotius used the term 'amici' (friends) or 'medii' (intermediaries) to describe neutrals in the modern political sense.

Even from the beginning then, there are two definitions which while not necessarily exclusive, do leave significantly different images: that of the more withdrawn, fortress ne-uter strand or that of the fundamentally involved amici. As we shall see, this duality has not yet been reconciled, with the result that a unanimously held definition of neutrality remains unachieved.

As a political force, neutrality appeared in trade treaties, as rising merchant classes demanded that wars should not be allowed to affect the flow of trade. By the 16th century, the appearance of non-participation clauses in treaties became acceptable, and developed into a principle of international law over the next two centuries. It was trade considerations which led the newly independent USA to declare herself neutral in old-world conflicts particularly after events in France in 1789.

At this stage there was very little codification of neutrality beyond individual cases. Although neutrality is universally defined as non-participation in wars between other states, some definitions maintain that it implies the continuation of friendly relations while

others emphasise strict non-partisanship.¹ The codification of neutrality in the 19th century defined it very much in terms of the former.

The Swiss, in their fragmented, largely mountain communities had actively participated in foreign wars in mercenary or religious causes. Despite bitter divisions, the cantons abstained in the Thirty Years War which devastated the German states (1618-48), resulting in the the so-called "Defensional of Wil"(1647) which united the cantonal military more than ever before and simultaneously gave rise to the notion of a political 'armed neutrality'. During the peace conferences in 1648, astute diplomacy on the part of the representatives of Basel resulted in the Swiss Confederation being recognised as independent of the Habsburg-dominated Holy Roman Empire. Despite this, Swiss mercenary contingents continued to fight in foreign wars.²

Until 1815, neutrality was not secured by joint treaties, but depended on the non-participation of the neutral country in individual conflicts. The notion that such a policy on behalf of the state or national military would directly affect the expression of individual opinion was irrelevant.³ The relevance of views beyond those of the elite was seldom considered.

Swiss participation in the Napoleonic War, though never officially in alliance with the French, amounted to over 16,000 men. Only in November 1813, aware that Napoleon's star was now firmly on the wane, did the Swiss Cantons declare their wish to remain neutral and outside the war. They requested international recognition of this declaration, claiming that international law had recognised Swiss Neutrality as a condition of Swiss national existence. Strupp in his book shows that such a claim has very little validity, especially as both law and Swiss practice were so ill-defined.⁴

Napoleon had a clear interest in a neutral Switzerland and recognised it immediately. The advancing allies remained unimpressed and in December 1813 they marched through Swiss territory with 100,000 men. They maintained that the Swiss had become so dependent on France that they had de facto lost their independence. They expressed the hope that Switzerland might regain her independence with the rest of Europe.

"They were not however in the position to recognise a neutrality which in truth did not exist".⁵

This fact is often omitted in the theoretical legal writing on neutrality. This relational aspect of the notion, ie that being seen by others to be neutral is as important as the withdrawal of troops and any declaration of neutrality is conveniently forgotten by those who wish to restrict the horizons of neutrality (ie mostly writers in the neutrals themselves). We shall, however, return to this point.

After Napoleon's defeat, the allies met at the Congress of Vienna to decide the shape of the new Europe. They decided that a neutral zone around the Alpine passes was in the interests of all the powers. Control over these would have disturbed the very delicate "Balance of Power" being constructed. This very dubious notion of balance was reaching its zenith. After considerable Swiss lobbying to this effect the treaty contained the powers' promise "de reconnaitre et de garantir la neutralite perpetuelle".

Considerable amounts of literature have been produced, especially by Swiss writers, wrestling with the question of whether the Swiss chose this neutrality themselves through the declaration of 1813 or whether it was brought into being by the powers in 1815. This again avoids full recognition of the idea of neutral "in relation to" another. Writers in Switzerland have sometimes insisted that the allies' decision of 1815 merely confirmed that of 1813. Strupp⁶ shows that only Swiss foreign policy was confirmed. Neutrality only entered

the vocabulary of others in 1815. The importance of this point can be understood if we recognise the need (or obsession) in neutral countries to claim the exclusive rights to interpretation. This argument has also been important in Austria.

The powers also used neutrality when the state of Belgium was set up in 1831, and neutrality became a part of its constitutional form. [In many ways the Belgian example corresponds more accurately to Great Power activity leading up to Austrian neutrality 1955, though many Austrians would dispute such an interpretation.] I exp

What remains important to our understanding of the development of neutrality is the change from a national guarantee to an internationally recognised principle of international law, grounded in diplomatic activity. The result was a new codified concept; that of "perpetual" or "permanent" neutrality. As part of the agreement, the powers undertook to guarantee the neutrality of Switzerland if that came under threat, although the primary responsibility for the defence of neutrality rested with the Swiss themselves. The independence of Switzerland was secured for the first time, and the Swiss were thus spared the ravages of the Franco-German "spheres of influence" conflicts which affected other areas of Allemanic/French proximity (eg Alsace-Lorraine, Saarland).

This is not to say that internal unity resulted from the Treaty of Vienna, indeed a major civil war over the role of the Jesuits threatened the whole foundation of the Swiss state (the Sonderbund War 1848). Nevertheless, the connection between national sovereignty and neutrality had been established. Neutrality seemed to offer a means by which a small country might avoid becoming the battlefield for competing powers.

The codification in legal terms of the status of permanent neutrality reached its zenith with the signing of the 5th and 12th

Agreements (sea and land wars respectively) in the Hague in 1907. At this stage, and until 1939, the Netherlands was also a neutral state. The exact content of these agreements will be dealt with at a future point, especially in terms of their implications for Swiss and later Austrian practice but the three most important aspects can be summarised as follows: neutrals are obliged to prevent the use of their territories by warring parties (inclusive of airspace), they must treat parties with equal preference, this to be in the estimation of the neutral, and governments must contain all support for warring parties (neither war materials or loans for military purposes).⁷

Neutrality was now more widely accepted than ever.

Neutrality was generally regarded as successful during the period from 1815-1918. A neutral state was regarded as being entrusted with the special task of strengthening peaceful relations among the members of the international community and as having the mission under international law to safeguard peace, national freedom and progress in international relations. Perhaps the foundation of the Red Cross with its symbol of the Swiss flag in reverse is the best example of this.

Two world wars were to shatter this consensus on neutrality, leading as we shall see to its lowly status by 1945. Symbolic of this decline was the position of Belgium. Neutral since its establishment, Belgium was to prove to be the battleground for much of the first World War. Incapable of stopping the German armies, it provided the excuse for Great Britain to enter the war. The image of 'poor little Belgium' soon faded in a sea of mud and death, but Belgian and later Dutch (after 1945) views of neutrality remain, as we shall see, somewhat cynical. Some of this change can be seen by contrasting two Belgian views. Speaking to the Belgian Academy of Sciences in 1875, Gustave Rolin-Jacquemyns proclaimed:

"It is the special mission of neutral states to strengthen peaceful

relations between all human beings. Modern international law entrusts to nations endowed with a guarantee of neutrality the task of safeguarding peace, national freedom and progress in international relations."⁸

In 1924, his son, Baron Alberle Rolin, underlined the change of atmosphere when he said:

"The organisation of the federation of states is the negation of neutrality. The covenant of the League of Nations has abolished this neutrality."⁹

By 1940, this attitude was even wider spread. In America Quincy Wright totally dismissed its validity

"In guaranteeing appropriate spheres both.. to the state, and to the world community, international law must recognise that the whole is greater than the sum of its parts. This implies that states of war and neutrality recognising the power of the part, through violence or indifference, to invalidate the will of the whole are by nature inconsistent with the law."¹⁰

Neutrality was firmly out of favour by the time of the setting up of the United Nations in 1945. What, then, had happened?

By 1918, while Belgium had rejected neutrality for herself, the international community continued to recognise the status elsewhere. Switzerland, Scandinavia, Holland and Iberia had all successfully avoided direct involvement in the War, and the new League of Nations was prepared to make a compromise agreement to allow Switzerland to join without obligation to participate in military sanctions. Following a referendum, in which a majority for membership was obtained, the Swiss joined the League. The Swiss agreed to take part in all non-military activities of the League. In the text of the Agreement the Swiss acknowledged the problem of reconciling neutrality with collective security but saw this agreement as

"the compromise of the idea of a perfect peace organisation and the political possibilities of today."¹¹

Nevertheless in a different climate fifteen years later

"the Swiss government repudiated the promise they had given in London; and Switzerland, almost alone among League members declined to share in the economic sanctions which aimed at preventing Mussolini's conquest of Ethiopia."¹²

The political problem of imposing sanctions on a large and expanding neighbour was seen as simply too dangerous for the Swiss to risk. By 1938 Switzerland had withdrawn from all punitive activities of the League, a fact merely noted by the dying body, whose headquarters had been ^Sited in Geneva in more optimistic times. X

World War II was to prove an even greater test for neutral states. Many were quickly overrun (eg Holland, Denmark, Norway) while others watered down and then abandoned the concept. In passing the Lend-Lease Acts, the USA abandoned the 1815 idea that warring parties should be treated with equal respect while remaining outside the conflict itself. This was justified by maintaining that no pure neutrality was possible where one party was clearly the aggressor. This "just war" type of reasoning provides perhaps the most consistent threat to modern as opposed to classical neutrality. Quincy Wright justified Lend-Lease on the basis that

"a community of nations cannot exist unless each of the members recognises that it has a common concern in the observance of the common law by all the others. Impartial treatment of the law observer and the law violator is a repudiation of such concern. Therefore, impartiality in the presence of hostilities undertaken in violation of international obligation is a denial of the existence of a community of nations and a repudiation of international law".¹³

This form of common-law reasoning also marks out the Anglo-Saxon legal commentator from the more positivistic tradition developed in Continental Europe, and the triumph of this group of countries in the west must have had some influence on the lowly standing of legal neutrality in 1945. In addition, the two most influential examples of wartime neutrality, by virtue of their very geostrategic position, had only faced the threat of occupation from one side and hence had granted concessions largely to the Germans. After 1940, Sweden allowed German soldiers on leave to travel to and from Norway through Sweden, the transit of German war materials through her territory and, in summer 1941, allowed the transport of a fully armed German

division from Norway to Finland.¹⁴ The Germans also had unlimited access to Swedish iron-ore reserves around Kiruna.

The Swiss, in an even worse strategic position made several concessions. Despite the consistent pre- and post-war denials of ideological neutrality, the Swiss Federal Council was forced to make several changes to suit the Germans. The first major agreement was the German-Swiss Trade Agreement (19 August 1940). Under the terms of this, Germany would supply raw materials, most importantly coal and iron, while Swiss industry supplied Germany with goods required for the war effort, and transport facilities for German trade with Italy. Additionally, the Swiss were forced to enter a finance agreement, whereby Switzerland gave Germany a credit of SFr 150m (increased under pressure to SFr 317m in February 1941, and later to SFr 350m). This cooperation led to a tightened British blockade.¹⁵ Further concessions included a blackout imposed on 9 November 1940 after complaints by Mussolini that Swiss lighting aided Allied pilots bombing Italy, the transportation of supplies through the St Gotthard Tunnel, and handing over of war materials belonging to interned Polish and French soldiers after the defeat of France. In 1941, the Federal Council also asked Britain to discontinue broadcasts of news bulletins.

Yet the fundamentally exposed position in a total war (like World War II) was illustrated in the problems facing the press in wartime. In 1942, Goebbels warned that Switzerland and Sweden were lacking in the most elementary appreciation of the security of their nations and their future existence, and further referred to bourgeois states that would not survive the war. Paul Schmidt, Press Chief at the German Foreign Ministry threatened recalcitrant Swiss editors and journalists with deportation to Siberia or liquidation after the occupation.¹⁶ Most chillingly of all for our purposes, Schmidt quoted Bismarck's

phrase that

"governments often have to pay for window panes smashed by their newspapers".

This dilemma illustrates the real problem regarding an ideological dimension for neutrality, a problem about which much legalistic rationale has been employed but whose actual dimensions become apparent in this instance. We shall return to it in detail below. The Swiss did of course impose some press censorship. The traditional defence that the Swiss or Swedes could not have made any useful contribution to the war by merely entering into it is not entirely invalidated by anything we have so far discussed.

One point should be emphasised; the ideological dimension of the Second World War, absent until then in Europe, posed a threat to classical neutrality, with which it has not and I suggest cannot satisfactorily deal; the non-combattant neutral is no longer able to expect a merely reformed international system in which the main changes are in the relative powers of its neighbours with only indirect effect on the neutral itself. It is clear from Nazi writing both before and during the war, that 'bourgeois' neutrality of a Western type would be completely unacceptable in the 1,000-Year Reich, Thus the long-run survival of Liberal Neutrality was now dependent not just on a militarily successful deterrence policy but on the actual victory of one side over another; ie to the survival of Swiss neutrality, a self-defence solution was adequate in the Franco-Prussian War, whichever side emerged as victor. This was not the case in 1939-45 where a German victory meant something quite different from an Allied victory. The present East-West conflict poses a similar problem. The body of law which had developed in the 19th Century circumscribing neutrality had thus proved vulnerable in the mid-20th century, a vulnerability which remains.

Many socio-economic and power-political factors had combined to

undermine the assumptions on which the law had developed. Liberal thought and its attached capitalism had recognised a basic diversion between the individual and the state. Nineteenth-century Switzerland saw considerable internal debate on the morality of neutrality. The economy was largely the province of capitalists while the pursuance of foreign policy was left to the state. Ideally, the role of government was regulatory. In Switzerland, this fitted neatly into traditional patterns of cantonal independence and a jealous defence of individual rights. In such a context, the Confederation was accepted as a guarantor of an individual or communities right to freedom of action, and was not to function as a centralised state. The rotating presidency of the Swiss Federal Council illustrates the structural safeguards designed to prevent the emergence of a single person or group who might act as a pole.¹⁷

These ~~simplistic~~ Liberal notions have been challenged by the major developments of the twentieth century. The realm of the individual and that of the state can no longer easily be defined. As we have seen in the previous chapter, the international nature of capitalism has created a fledgling world system whose character can no longer be analysed purely from a domestic perspective. The state now intervenes directly in the economy, security (including police/secret services), education, social services, health etc. The notion that 'spheres of action' for the state and the individual exist has become blurred.¹⁸ It is now more important that individual decisions of foreign policy are taken with wider consultation, as these decisions have practical day-to-day implications. Mass news media have increased the access of individuals to central issues of foreign policy. As we have seen, the development of wars justified by ideological systems division has undermined the extent to which the 'state' can distance itself from the views and actions of individual citizens and vice versa.

Even the Swiss have been victims of this process. The Austrians who have never known neutrality under any other conditions adapted faster to the conditions of post-war world. Interestingly, Sweden has actively created a more corporatist structure under the Social Democrats.

Since 1945, a further structural factor has made the ideological dimension more urgent ('actuel'). The results of the Yalta Agreement have meant that Europe has seen 40 years of unchanged division into recognised 'spheres of influence'. This contrasts sharply with the nineteenth century where alliances and powers were unable to find a permanently stable balance (except perhaps 1815-48). Europe is now the stage for a conflict whose nature has become global. Neither superpower is European ie Europe has been relegated from the centre of the 'system' of dominance to a 'sub-system' of a wider struggle.²⁰

Thirdly the nature of war, so neatly defined in international law and from which neutrality tries to take its reference, has changed in the twentieth century. War appeared to be of a predictable nature in which only a few states participated. Switzerland merely went one step further by guaranteeing its non-participation. Now that any systemic war in Europe would almost certainly be total and this risk has produced more conflicts of a guerilla or civil war type, the role of a neutral state becomes open to question. The effect which these conflicts have or could have on a neutral state all mean that the traditional answer that neutrals have no duty to neutrality in these circumstances sits very uneasily today. To deny the existence of these conflicts as wars or to pretend that the reaction of a neutral state to these conditions has no effect on the perceived neutrality of that state in international affairs may be logistically satisfying but it is politically absurd. Should a neutral state supply both sides in a civil war or neither side? Is the PLO a terrorist organisation? Is

recognition of it an interference in Israeli affairs or a real neutrality? More importantly, today's international conflicts have not yet broken down into 'legal' wars eg North/South, East/West scrambles for energy etc, yet they effect the neutral states just as directly as they effect those in alliances. A traditional majority opinion that neutrality should be restrictively interpreted so as to maintain wartime as the only sphere of application requires that we return to a legally codified type of war.

Yet the Cold War is real. To a 'wertfrei' legal mind, war may be a strictly definable concept, yet the effects of undeveloped conflict are real on considerable numbers of people. To reduce neutrality from this is firstly to assert that there is a fundamental division between the actual outbreak of war and the causes, or indeed that the nature of war is all-important ie a 'subtle' war does not require neutrality whereas a 'crass' war does. If this is true, it reduces the notion of neutrality to an irrelevant anachronism. The traditional rivalry war which leaves states intact, systems intact and the fabric of the society at least available for reconstruction has disappeared from central and western Europe for the foreseeable future. The nature of technology has made such destruction possible that all in its field may be destroyed. The continued existence of an identified enemy for both east and west has meant that internal west/west or east/east wars are unlikely and thus an ideological element will continue to exist for the neutral in all wars. Meanwhile subtle 'Cold Wars' are conducted, guerilla wars and civil wars continue and the political/economic implications of these directly affect all those with any connections. If neutrality has no effect or relevance to any of these it is an irrelevant concept.

And yet the neutrals do find a role in the Cold War system. Despite legalistic complaints to the contrary, the neutrals have

developed a new notion of the concept. This has to operate in a changed world in which the scope for a legal neutrality is reduced.

"In the 19th century, the system of the balance of power was approximately translated into reality; the flexibility of political alliances and the conception of war as a legitimate means of restoring the equilibrium in unbalanced situations gave the neutral power a relatively wide scope for action."²¹

By the end of World War II neutrality's international status was at a new low. On New Year's Day 1942, 26 nations signed the anti-Axis 'Declaration by United Nations'. A further 21 were to sign it by 1945, with the exception of Switzerland, Sweden, Finland and Denmark. All these States bar Switzerland eventually joined, and the prestige of permanent neutrality was at an all time low. It was widely accepted that the status of neutrality was incompatible with membership.

"At the end of World War II, neutrality as a legal institution had virtually ceased to exist."²²

Since then the status has undergone a revival, with Austria becoming a further permanently neutral state in 1955 and international attempts in Laos. Furthermore Finland now follows a policy which she describes as neutral, a description largely (if not wholly) accepted by the international community.

We should perhaps briefly allude to two further factors. Firstly, how far does neutrality require an international balance of power and secondly, how or why did neutrals manage to remain neutral during the Second World War?

According to Black, Neutralisation;

"is relevant primarily to geographically definable areas in which two or more external actors have substantial and competitive interests."²³

This may be due to an exchange between opposing states of disadvantages, which cancel each other out. Accordingly Austria might be seen as the removal of the Soviets from Austria in exchange for a bargain of permanent neutrality. Thus sovereignty was seen to be more

important than a pro-Western stance. The West saw a Russian withdrawal set against a neutral status instead of a Western status. For peacetime this might be seen as a fairly reasonable assessment; many of the neutral states of Europe have been set up or have arisen in competitive situations, eg Austria in 1955, Switzerland 1815 or Belgium in 1831. The position of Finland might also be roughly considered a strategic calculation (though not legally enshrined) between the Soviet Union and the Finns based on the idea that a Soviet-dominated Finland would send presently neutral Sweden into NATO. It should be noted however that the most deeply rooted of all European neutrals, Switzerland has seemingly outsurvived its roots as a territory of power rivalry.

Most observers claim that neutral states must be small states; ie an element of external balance or of deterrence against dropping a policy of neutrality appears necessary eg

"Since the beginning of the Atomic Age, there is no longer this alternative. No real large power can be neutral any more."²⁴

Writers in Neutrals (eg Frei ²⁵) argue that a large (or even medium) 'neutral' power would become an incalculable risk and thus prove be an intolerable factor in international affairs [This in answer to those who proposed neutrality as a status for West Germany.] This would all seem to support the thesis that a balance is required. Two examples might be given to counter this. First, Sweden could not be said to occupy the same position as the Low Countries in 1914-18 nor of Switzerland at least in 1939 and certainly after 1945. The balance which set up Swiss neutrality was not the same as the isolation which allowed Swedish neutrality to flourish. In addition Swiss balance has disappeared since 1945, and yet the Swiss claim that neutrality remains relevant as it is a means of guaranteeing sovereignty in all circumstances.

Swedish writers (eg Hagglof ²⁶) have indeed argued that balance

of power is a basic condition of neutrality. Although the First World War seems to bear this out, both Sweden and Switzerland were behind Axis lines for much of the Second World War, and Ireland was behind Allied lines. Where balance was most equal, eg Norway, Benelux and Denmark, the fighting was more urgent and more destructive.²⁷ Thus while being a contributory factor in the establishment of the status balance may not necessarily contribute to wartime survival.

While neutrality must be in relation to an existing rivalry and not alone in a vacuum, this can be expressed either in the form of distance from or 'immunity' to attack or in the form of a balance with some degree of participation by the neutral, ie where both sides take a direct interest in the maintenance of the status. 'Legal' conferences are only likely to be called about those states or areas which find themselves a potential flashpoint of rivalry, whereas neutrality may occur by self-determination in more distant areas (eg Ireland or originally Sweden). Any neutrality on the part of a medium or large power would have to be self-declared, as few states could guarantee the neutrality of a state of any larger size.

Why did World War II develop in the form it did? As we have noted 5 neutral states were overrun by the Axis in 1939-45. Two survived. Clearly, geographical position contributed to Benelux collapse in 1914-18 and 1939-45. Norway and Denmark fell in 1940 as Hitler attempted to outflank the Allies. Sweden and Switzerland on the other hand had considerable geographical advantages. Few German generals would aim to attack France through the Swiss Alps, and the Brenner Pass ensured easy German-Italian communication. Sweden's vast size meant a commitment of resources to little immediate strategic benefit. The Germans were able to force Sweden to provide the valuable iron ore without invasion, and by allowing the mines to remain in Swedish hands ensured Swedish protection against sabotage. Reliable neutrality in

an historical sense may have contributed to Swedish and Swiss success. Dutch or Danish reliability seems not to have counted. Certainly Norway and Denmark had invested little in their military, compared to Switzerland and Sweden yet a nation prepared to take on the combined might of the British, French and later Russian and US forces, ie Nazi Germany, was surely not more than temporarily deterred by Neutral armed strength. The combination of strategic irrelevance, difficult terrain and adequate deterrence may have provided sufficient short-term protection.

Two other features might be considered: first, Swiss capital and her willingness (if under pressure) to grant loans to Germany added to Swiss defences, as did the number of Germans with considerable investments in Switzerland. The military was never tested, and so the argument that Swiss survival was based largely on the 'entry price' might be at least as much of an illusion as any other interpretation (and on this interpretation hangs much of the argument that neutrality must be of an armed nature). Secondly, strength and weakness cannot be assessed in a simplistic sense. Austria's army in 1938 was relatively strong yet her resistance was nil.²⁹ The Danish resistance was considerable if based on no military strength.

Irish neutrality provides an interesting single case. Despite the fact that the Allies could have injured the Irish economy with impunity and have used Irish harbours as ports, the will of the Irish to defend their neutrality, combined with the historical role of the Irish in English affairs was more than the UK or USA could face.³⁰ This was achieved and is maintained within a loyalty to western democratic forms and anti-communism (refusal to join NATO in 1949); and with no real pressure from domestic or external Fascism.³¹ The power to maintain independence is here again a feature not definable in legalistic or military form. The idea of power as the dominance

of one unit over another appears very threatened. Within every 'Pax Romana' are the seeds of its own destruction.

Development of Neutrality in Austria

"I have myself only recently got up the courage to recall some of my former adventures, which up until now I have always skirted - indeed with a kind of anxiety'

F. Dostoevsky, 'Notes from Underground' Bantam, NY 1974

The development of Austria as a neutral state can be dated most plausibly to the declaration of neutrality issued as a Federal Constitutional Law on the 26 October 1955. Yet to understand its significance in Austrian affairs we have to look at least briefly at the historical context in which the neutral status came into existence.

The history of the First Republic is superficially at least an unhappy one. Clemenceau had announced that Austria was merely the "leftovers" of what had been taken from the formerly Habsburg territories ("Autriche - c'est ce qui reste"). With the loss of the industrial heartland in Bohemia, the new republic sought initially a unity with Germany. This was, however, politically unacceptable to the French whose view was essentially that a war of such mammoth proportions had not been fought to create an enlarged version of Germany. The result was literally the "state which nobody wanted".³²

The noted legal expert Stephan Verosta attempted to trace the roots of a neutral Austria back to 1919 and the period of the Treaty of St Germain. Nevertheless

"decisive men in Vienna of 1919 did not want permanent neutrality...some because they sought Anschluss with Germany and others again like Ignaz Seipel rejected Anschluss but found this 'Verschweizerung' (making a Swiss-like solution) an inadequate solution for the Austrians".³³

In fact, the notion was never resurrected during the whole period. The Inter-war years were dominated by a permanent economic crisis and an accepted view that Austria was not viable as an economic unit which reinforced the conviction that salvation could only be achieved through unity with Germany.

This view was put most strongly by the German Nationalists and the Social Democrats under Otto Bauer. The rise of the Nazis to power by 1933 changed this situation in Europe. Suddenly Anschluss meant the integration of Austria and Article 88 of the Treaty of St Germain which stated "Austrian independence is inalienable" became a Social Democratic conviction. The Social Democrats suddenly approved of Austrian independence, a notion which Bauer had always seen as a means of perpetuating an anti-worker majority in Austria. He further demanded international support and protection against possible German aggression. The Social Democratic Party Conference in October 1933 confirmed this as party policy.³⁴

Civil war in 1934 resulted in the banning of the Social Democratic Party and the exile of many of its leaders. At the latest with the assassination of Dollfuss in July 1934, the threat from Germany was apparent.³⁵ Within four unhappy years, Austria was removed from the international map.

The event was greeted with virtual silence in the international community. Of the members of the League, only Mexico, Spanish exiles, Chile, China and Russia protested at the annexation of Austria. The European powers appeared to accept this as a legitimate attempt by Hitler to reverse some of the more unfair parts of the Treaty of Versailles, especially as Austrian reaction to being integrated into the German Reich appeared to be far from hostile.

The nature of Hitler's takeover and the Austrian involvement both in Nazism and the German forces have long been issues of debate. The

most sympathetic view (and most pro-Austrian) has been put by Verosta:

"On the 11 March 1938 Germany invaded Austria with military power and unilaterally declared on 13 March the annexation of Austria in breach of general international law and several treaties, as was clearly established by the international court in Nuremberg in 1946. The members of the League of Nations did not fulfil their obligations towards a member state, but made do with protests."³⁶

Yet this whitewash is both dishonest and inadequate. It is not our purpose here to make an evaluation of the moral status of Austria during the War or more importantly during 1938. Suffice to point out that the British kept well clear of the situation. Oliver Harvey, a British diplomat, noted in his diary:

"My instinct is not to take this too tragically; the prohibition of the Anschluss has been wrong from the start; it was a flagrant violation of the principle of self-determination and perhaps the weakest point in our post-war policy."³⁷

The Austrian army and people showed little or no resistance as the German army overran the country. Admittedly with Italy's support now lost, this might have been a futile exercise, but even minor resistance would have made claims that the invasion was unpopular somewhat more credible. In Vienna the jubilation on the faces of those on the Mariahilferstrasse in 1938 can only be compared to the welcome given to the Germans in the Sudetenland. This was pointed out by Adenauer in 1955 as relations over reparations to Austria had hit a new low, when he said;

"... it is perhaps known to Herr Kollege Schmid (he compared our attitude to Austria with that to America) that we have had a war with the USA! In Austria the situation was of course very different; nowhere was Hitler so jubilantly accepted as in Vienna."³⁸

The 99% vote in favour of Anschluss returned in Hitler's plebiscite in April 1938 must be treated with extreme caution. Both Cardinal Innitzer ("On the day of the plebiscite it will be for us bishops a national duty to declare ourselves as German, for the German Reich, and we expect also from faithful Christians a sense of debt to their race"³⁹) and Karl Renner declared that Austrians should now de facto accept the Anschluss. The divisions within the anti-Nazi camp (dating

back to the Civil War of 1934) were at this time still extremely deep.

It could be argued that being German-speaking there were considerable difficulties in organising a resistance. Yet this fact creates as many opportunities as it destroys. The improvement in the employment situation must have gone some way to assuring the overriding sense of passive acceptance.

We must add that soon after the Nazi arrival, the seeds of the new Austrian identity were sown. Firstly, in the elimination of the Austrian identity, by the imposition of 'Ostmark', and later the 'Donau und Alpin Gaue', and the reorganisation of the Bundeslaender revised in 1939. Secondly, in the growing hostility of the Catholic Church. The initial determination of the Cardinal to show himself not against the Germans changed as the Nazis made inventories of the possessions of monasteries and abbeys, dissolved Catholic organisations, banned Catholic schools and introduced the German laws on marriage. On 20 September negotiations broke down. A demonstration of 10,000 Catholics in Vienna was attacked by SS and SA men on 7 October, and all this only stimulated the Catholic Church to further defence.⁴⁰

The worker's movement was largely Social Democrat-educated and was difficult for Nazi propaganda. Despite Austrian commentaries to the contrary, the overall sense of passive obedience was undoubtedly extremely different to the atmosphere in future conquered countries. If Austria is to be upheld as a mere conquered victim of Nazi aggression (as we have seen, she is), then in no other victim was there more obedience and less resistance.

Austria became a laboratory for the theories of National Socialism. One group in particular were persecuted ; the Jews. Between 1938 and 1946 their number fell from 203,000 to 5,000. Only a third managed to emigrate abroad.⁴¹ The Austrian resistance also suffered. According

to official figures 2,700 Austrians were condemned as active in the resistance, 9,700 died in Gestapo prisons and 6,420 died abroad.

The other side remains that Seyss-Inquart, Kaltenbrunner, Eichmann, Skorzeny and others were Austrians who participated actively in Hitler's plans. Hitler's views too were formed in part by his own Austrian background and hundreds of thousands of Austrians fought as Germans in the war. There may well have been conflicts of loyalty. But it is perhaps in this final fact that the ambiguity of Austria's post-war position lies. It is frankly inconceivable that Czechs, Poles, French or Dutch would have adapted to the German occupation in the manner of the Austrians. There may well be reasons for this. Yet, no other occupied country became a part of the German core (ie not an occupied country but a part of Germany). In Austria, the term used internationally and domestically to describe what happened in 1938 is Anschluss, ie 'attachment to' or 'becoming united with', not 'conquest' or 'colonisation'.

The role of the Austrians as brave and courageous soldiers in Germany's war effort cannot be merely ignored, any more than the resistance can. As Weinzierl points out, the reports of resistance given by exiled Austrians to the Allies were much coloured by wishful thinking!⁴² Resistance to German invasion was in many ways more comparable with resistance in Germany itself than with resistance in other occupied countries. Even pro-Austrian historians admit

"far more worrying is the thought that a crime of such magnitude could be perpetrated against so little opposition."⁴³

and the comparative scale of Austrian resistance is small, even if growing especially after 1942.

I have dwelt on the above point for two reasons: first because it is inadequate to whitewash Austria's wartime record. It is essential

to understanding problems of national mythology and to understanding why the rehabilitation of German generals can bring the country into crisis (see later chapter) Secondly, because it starts to justify the ambiguity felt by the Soviet Union and to recognise that there is a real problem in the postwar legal status of Austria.

The official legal view is quite simply this: the occupation of Austria by Germany breached not only international law but also against a whole series of multilateral and bilateral treaties, in which the political independence and territorial integrity of Austria was assured. Exactly as in the case of Ethiopia, Czechoslovakia and Albania an international legal and foreign policy 'frozen' status became applicable in Austria through the unilateral declaration of Annexation, a condition which Dr Karl Renner accurately described as a 'Scheintod' (apparent death).⁴³ The result in legal terms is that Austria received a State Treaty reestablishing the state, not a peace treaty, and was not considered a part of Germany, ie as aggressor and defeated nation. Austria could even claim reparation against Germany. While for a legal expert this may be adequate, as a political observer one must add that the ambiguities involved go some way to clarifying why four-power occupation of a victorious ally (!) lasted so long and secondly why Austrian independence or reestablishment was far from unconditional.

It should be pointed out, that the greatest relief of Austrian negotiators in May 1955 was the last-minute acceptance by the USSR that the State Treaty should not include a reference to Austria's war guilt. This was considered the most important Austrian victory of the entire negotiations, but the difficulty with which this was achieved should be noted.

Felix Kreissler insists in his monumental defence of the 'Austrian' that the Austrian participation in Hitler's experiment was involuntary

from the start. He emphasises the polar opposites of 'Prussian' and 'Austrian' as stereotypes of different notions of Germany. The lack of physical resistance is attributed to internal confusion dating back to the Civil War of 1934. Yet this is unsatisfactory. Even Kreissler admits;

"It goes without saying that the great mass of the Austrians were neither convinced and enthusiastic supporters of the Anschluss, let alone National Socialism, nor committed resistance fighters. The majority simply wanted to survive."⁴⁴

While the mass of the population seldom resists actively, it is far from 'selbstverstaendlich' in any other State that there would be any ambiguity about Anschluss itself. While resistance is always difficult, the Danes, Poles and Czechs had no doubt that annexation by Germany was bad. It is the existence of this ambiguity - at the very least - which creates constant doubts about Austria where clarity reigns elsewhere. Even given internal division, the degree of passivity which created the war criminals/dutiful soldiers mock debate of the postwar years was extreme in Austria. Austria had known that she was a candidate for Anschluss since at least the Nazi Putsch of 1934. Yet it was 1942 before the exiles could report domestic resistance. While it remains true that the postwar elite were reconciled 'on the road to Dachau'⁴⁵, the internal reality was different.

In effect, Austrian obedience to Germany seems to have been parallel to German success. Although Hitler's Anschluss referendum was highly dubious, the fact remains that only in Austria could such a mechanism be afforded. Resistance emerged as the tide of war turned. By 1945, everybody was against the Germans!!

Kreissler quotes a 1974 Opinion Poll which asked respondents to date the emergence of an Austrian 'Nation'. Only 2% mentioned 1938, while 14% chose 1945 and 26% 1955.⁴⁶ This is not necessarily to dispute Kreissler's central thesis that Anschluss marked a critical

point in Austria's relations with Germany, but merely to suggest that the nature of the outcome, i.e. increased distance, was established first after Hitler's defeat. There is no reason to suppose that the Austrians would not have sought their role in the 1,000 Year Reich as part of the Super Race. Certainly enough died in active service of the cause.

The political realities and the legal statements are here shown to paint somewhat contradictory pictures which have been used in Austrian propaganda in an attempt to remove war memories, though with only limited success. The spectre remains, tinged with both collective fear and guilt. We might add finally that such interpretations are only possible by a continual substitution of the notions of state and people: ie the Austrian state ceased to exist, and though Austrians took part on the German side in the war their post-war institutions, successors to the eliminated state, are not liable. Hence Austrians have no liability.

Important in the re-establishment of the state was the Allied "Moscow Declaration" of 1943. This took place after the Soviet army appeared to have turned the tide against the Germans in the east, and be poised to liberate Kiev. The result was a statement which affirmed Austria as a separate state and dismissed the Annexation theory:

"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 a victim to Hitlerite aggression shall be liberated from Germany. They regard the Annexation imposed upon Austria by Germany on 15 March 1938 as null and void."⁴⁷

The dubiousness of Austria's position was also apparent in order to encourage Austrians to help work against Germany.⁴⁸

"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."⁴⁷

This was a major victory for Austrian diplomacy which had

persuaded the British of the strength of the Austrian case. Until 1940 the official British view was that

"the Austria of 1919 turned out to be an artificial creation...It may be that an independent Austria after this war will be even more artificial."⁴⁹

Churchill, who had supported the prohibition of Anschluss as early as 1919 was much more positive towards Austrian independence, even if only to limit the size of Germany. As such he is similar to Clemenceau after World War I. Thus on the 9 November 1940 he included Austria among the nations "for which we have drawn the sword". In December, Roosevelt named Austria as one of the countries forcibly overrun by Hitler. On 10 December 1942, Eden announced in answer to a Parliamentary question that Britain had never recognised the Anschluss.⁵⁰ The Moscow Declaration was a reflection of the Allies wish to encourage those who sought to break up Germany. This encouragement has continued to the present. Stalin held up a State Treaty for ten years, illustrative of the depth of suspicion.

The postwar experience, and particularly the 1980s have shown how unstable the consensus on Austria's wartime role have been. Fritz Fellner warned of this in 1981;

"Because the question of Austrian identity has been answered in terms of its 'German nature' since the end of the Holy Roman Empire.. and because this German orientation led to the National Socialist catastrophe, the word 'German' has been taboo since 1945, and the interdependence of Austrian History and past with German History and present has been repressed, or even more every historical discussion about this theme has been portrayed as high treason. In truth, Austria has never been more 'German' than she is at present, in which interdependence at cultural, economic and societal levels has become a silent reality."⁵¹

As we shall see, the Waldheim and Reder affairs have tragically highlighted the postwar repression.

"Hermann Bahr once pointed out that the Austrian is a master of repression of unpleasant truth, and thus we drag a huge burden of tabooed past with us while we try to hide behind an Austrian history with a Jugendstil facade. It is true that one can keep deadly silent about certain aspects of the past, but one cannot silence these things to death, because events cannot be undone through silence."⁵²

Seen in this light, the rationales constructed for Austria's image appear not so much as those of an 'Island of the Blessed' but rather as a desperate cover for unpalatable truths. We will see that this tendency to provide post facto rationalisations, central to the foundation of the state has become widely used in areas of more recent origin, eg army, UN, EEC etc.

By 1945, Austria was exhausted and decimated. Under the terms of the Allied agreements, it was divided up into four zones separate from those of Germany. The atmosphere was far from the jubilation of other liberated parts of Europe. The new Austrian unity must in part have been due to the rise (inevitably) of a political elite who had been largely active in the resistance, some of whom had met in concentration camps. The traditional antipathy of the Socialist and Catholic camps was put aside, and the federal Bundeslaender declared their support for the Provisional Government set up under Karl Renner, the old Social Democrat, and recognised by the Russians in Vienna. This unity is held by many to be the cornerstone of ultimate Austrian success, and the government prevented a German-style breakdown.⁵³

"The recognition that Austria must suffice for all the future, filled many circles with an until then unknown confidence. With this confidence that Austrian independence would be a permanent and necessary constant for the political form of our existence, grew in the Austrians precisely in those dark times the so-long absent belief in the viability of their state."⁵⁴

It must be underlined that the change in Austria's outlook was in many ways an about turn. At the end of World War I, the overriding sense was that Austria's future depended unity with other ethnic Germans. After World War II, the accepted dogma of the new political elite was the opposite; Austria can only survive if it is separate from Germany. The degree to which Austrian establishment figures in both major postwar parties, (politicians, lawyers, academics and civil servants) have managed to present pan-Germanism as an anathema to Austrian culture has been remarkable. This unity and the

deliberate exclusion of those who remained openly sceptical of an Austrian 'nationality' is largely responsible for the periodic crises which emerge when the more sordid realities of the historical experience come to light. The label 'Deutsch' has a different significance in the eyes of the political generation educated in the Habsburg multi-ethnic state and of those who experienced the Third Reich.

The main foreign policy task (outside the South Tirol question) was the establishment of Austrian sovereignty. So began the ten-year negotiations which ended in 1955 with the State Treaty and the Declaration of Neutrality. This is detailed by Stourzh⁵⁵ in his history of the State Treaty, and documented by Csasky. We shall not be concerned to repeat their studies but we must nevertheless outline some of the key events which led to 1955.

The first Austrian views on neutrality to be widely reported were those of Karl Renner. In April 1946 he declared:

"We never again wish to be built into a powerful 'Reich', into any 'imperium'."⁵⁶

Already the brother of the future leader of the OeVP and State Treaty Chancellor, Heinrich Raab, had suggested from his own experience in Switzerland that a Swiss-style status appeared appropriate for Austria;

"The Austrian must learn, in order to be prepared against every form of German-speaking Irridenta, to base himself firmly in himself.. In this the Swiss (so securely based in his own being) is an example to him.. Switzerland is based on her integral neutrality as on the hardest granite. This is what Austria must seek to achieve as their most important foreign policy goal."⁵⁷

This was influential on the thinking of his brother Julius. In 1947, Renner reinforced his own position when he wrote:

"Just as Switzerland lies between the three great nations of Western Europe, so is Austria's position between the five peoples of Central Europe...Both republican states together provide a closed bridge of the peoples right across Europe, whose existence does not only guarantee the connection of these peoples in peacetime but

creates a healing divide in case of intended wars and above all, something which affects ourselves, creates the likelihood that our 'Volk' will come to peace just as Switzerland after the Congress of Vienna."⁵⁸

It is interesting to compare this sudden enthusiasm for Switzerland with Seipel's scornful dismissal of 'Verschweizerung' in 1919. To the uninformed non-Austrian, comparison between Austria and Switzerland may seem valid and self-evident. In fact, as we shall see, with the notable exception of Vorarlberg, Austria has fewer ties with the Swiss than with any other of her neighbours. Necessity is, as we all know, the mother of invention!

In 1947, the SPOe at their Party Conference included in the foreign policy section a demand for an "international guarantee of Austria's neutrality". The Socialists saw themselves as a third force between capitalism and Stalinism as an alternative, something which they were to maintain, even once neutrality had been established in 1955.

It was the OeVP under Raab (who replaced Figl in 1953) which was to be most enthusiastic in favour of neutrality. The organiser of the 1949 OeVP Party Conference, Alfred Kasamas, wrote:

"As Realpolitiker, we have long realised that our only chance of maintaining independence lies in absolute neutrality."⁵⁹

We certainly have neither the time nor space to fully examine the negotiations which finally led to the recreation of Austria as an independent state through the State Treaty. Suffice to note at this point that the issue of neutrality had emerged by 1950.

Austria had already been a major recipient of the aid which followed the Marshall Plan and was a founder member of the OEEC. This had not occurred in any of the countries fully occupied by Soviet troops nor indeed in the Soviet Zone of Germany. Austria's liberal democracy appeared established, especially after two failed general strikes led by KPOe supporters in 1947 and 1950, thanks largely to complete SPOe opposition.

The resulting situation was, however, complex. By 1950, Austria was firmly outside the Soviet bloc, but still occupied by Four-Power troops. The Cold War had induced total stalemate in Europe and movement appeared impossible. Plans drawn up by the western powers in 1947 left a number of problems unresolved, especially the problem of reparations for German possessions.

As progress was made on this issue, the Soviets raised the Slovenian minority problem. Following Tito's break with Stalin in 1948 the Russians again raised new problems, eg prohibition of Fascist organisations, payment for food delivered after the war (so-called Erbsenschuld) and in May 1951 announced that the Trieste Question must be solved simultaneously.⁶⁰ Further they decided that the Austrian question could not be resolved separate from the German question. This seemed to be the final blow to hopes that Austria would be quickly re-established (and this in a victor, or at least victim, country!).

In 1952, the Austrian government produced a report on the state of negotiations for members of the UN. Brazil took up this question, and on 20 December the UN passed a resolution 48-2 (the Eastern bloc abstained) calling for further negotiations based on the obligations contained in the Moscow Declaration pointing out that

"such a situation hinders Austria from taking full part in normal and peaceful relationships with the international community of nations and in carrying out the rights of sovereignty."⁶¹

After a break of twenty-six months, the special envoys of the Four Powers finally met twice in February 1953. Raab was to become Chancellor in April, and in the same year, Stalin's death was to usher in a new era in the Soviet Union. In June, Foreign Minister Gruber met the Indian Prime Minister Nehru in Switzerland. Nehru emphasised that the most important problem for the USSR was the future international alignment of Austria.⁶²

The question of whether permanent neutrality was first accepted after or before Stalin's death by the Soviet Union is not clear.⁶³ In any case, by November, the USSR declared herself willing to take part in a conference of Foreign Ministers, which was duly arranged in Berlin for January/February 1954. By now ex-Chancellor Figl had replaced Gruber as Foreign Minister. Gruber had long been regarded as one of the most pro-Western in the Austrian government, whereas Figl's experience in dealing with the Soviets made him a more suitable Minister. In Berlin Figl declared that Austria would do everything to remain outside foreign military influence after withdrawal, and particularly to prohibit the location of foreign military bases on Austrian soil.⁶⁴ Molotov, the Soviet Foreign Minister, welcomed this statement but insisted that there could be no agreement on Austria separate from an agreement on Germany. Dulles, the US Secretary of State, declared:

"A neutral status is an honourable status if it is voluntarily assumed by a nation... In terms of the Austrian State Treaty, as it has been drawn up until now, Austria would be free to choose to become a neutral state like Switzerland."⁶⁵

He further warned against an enforced neutrality.

Still, Molotov's connection of Austria with Germany seemed to put an end to further hopes of a quick settlement. Events moved quickly, however: in June 1954, France left the European Defence Community concept. In October an agreement was signed over Trieste. Simultaneously, Khrushchev's star was on the rise in Moscow. On 8 February, Molotov declared that the State Treaty must make it impossible for Austria ever to be united with Germany again and must ensure that no foreign military bases could be set up on Austrian territory. The Austrians accepted this position adding that they welcomed every effective guarantee of Austria's security and suggested an exchange of opinions.

On 24 March, the Soviets invited Raab to Moscow. Accompanied by

Figl, Socialist Vice-Chancellor Schaerf, State Secretary Kreisky and a team of legal experts, Raab flew to the Soviet Union. The result was the so-called Moscow Memorandum, which cleared all the remaining obstacles to direct negotiations on a State Treaty. We will deal with some of the problems involved with the Moscow Memorandum and the subsequent Treaty and Neutrality Law in a later section. Suffice to say at this point that the SPÖe representatives were much less enthusiastic about the notion of neutrality than their ÖVP colleagues.

"It is well known that particularly Scharf but also Kreisky preferred the status of non-aligned and would have liked to avoid the ultimately chosen term. On the basis of the available evidence, the main reason for this appears to have been that Austria would be saddled with a 'neutrality' and with a prohibition of public support for liberal democratic forms, both internally and externally."⁶⁶

The ÖVP, particularly Raab, felt that the 'Realpolitik' of Soviet foreign policy had already accepted that Austria was Western. The result was the agreed formula.

"In the spirit of the declaration made by Austria at the conference in Berlin in 1954 on the question of not joining military alliances and permitting military bases on its territory, the Austrian government will make a declaration, which will put on Austria the international obligation to maintain a form of neutrality in perpetuity, such as Switzerland maintains."⁶⁷

They also agreed to seek an international guarantee by the Four Powers of this neutral status. There was no question of the USSR accepting Austrian membership of NATO, and as Maleta had pointed out in his speech to the ÖVP in 1951, neutrality was clearly the only acceptable mechanism. It offered the chance to contribute to ending the Cold War and thus appealed to the West.⁶⁸

The Austrians were now able to call a conference to discuss a State Treaty held from 2 - 15 May 1955, culminating with the signing of the Treaty in the Belvedere Palace on 15 May. As Allied troops withdrew, the Austrian Parliament debated neutrality, culminating in a Federal Constitutional Act on 26 October 1955.

Models of Neutrality

1 Switzerland

In the Moscow Memorandum, the practice or at least the status of one country was anchored in the tradition of another. At a later point we will examine some of the problems and questions arising from this model. Suffice to say at this point that Austria's declaration of October 1955 made her Europe's second permanent neutral on the Swiss model. In November 1954, the Political Department of the Swiss Federal Government published a document detailing the Swiss concept of neutrality. This is the most detailed post-war statement of the Official Swiss self-understanding of their own neutrality.

Much of the legal framework of the model comes directly from the two relevant Hague Agreements, updated in part or adapted by Swiss practice. They contain the idea of precautionary peacetime measures (**Vorwirkungen**) for permanent neutrals. It should be noted that this document was first brought to widespread attention by Alfred Verdross in 1967 and this does pose the question of how widely available they were in 1955.⁶⁹ However it is inconceivable that a legal department in a country seeing its best hope of settlement in permanent neutrality would not have consulted widely with the Swiss.

It should be observed that the mention of a Swiss model for Austria is restricted to the Moscow Memorandum and is not repeated in the Constitutional Act of October 1955.

The conception draws a distinction between neutrality and permanent neutrality, the latter being pledged to remain neutral in all wars. Peacetime has normally no call on neutrality and only under permanent conditions are there obligations, summed up as:

- "(a) a duty to start no war;
- (b) a duty to defend neutrality or independence;

(c) so-called secondary duties or antecedent effects of permanent neutrality.

These can be summed up as the role of a permanently neutral country to do everything not to be drawn into war and to refrain from anything which could draw it into war, ie it must avoid taking part in conflicts between third parties."⁷⁰

The document emphasises that there is a need for a neutrality policy, the nature of this to be a matter of internal discretion. The conception develops the ideas of political, military and economic implications of a neutrality policy. Political neutrality involves not signing treaties which would involve a duty to wage war, either defensive or offensive, in conjunction with other states. This does not apply to humanitarian operations. There is no ideological or moral neutrality. The press is free. Participation in international organisations etc is possible provided the political character is fairly universal. Even so both parties to any conflict must be present, and Switzerland must avoid taking sides.⁶⁴ Mediation of 'good deeds' may be possible. Peacetime military neutrality involves only the non-conclusion of military treaties. Economic elements are only present..

".. in so far as the perpetually neutral country may not conclude any customs or economic union with any other country where it would have to give up to a greater or lesser extent political independence as well. The condition for this is that the neutral country is the weaker partner and so becomes dependent on a stronger one."⁶⁴

This latter qualification could be interpreted as an attempt to distinguish between the existing customs union between Switzerland and Liechtenstein where Switzerland is clearly the 'stronger' power and any other union where the Swiss might be weaker. It is only fair to point out that the 'Liechtenstein' conception of neutrality clearly finds customs unions quite satisfactory! Do we have here already a post-hoc rationalisation of a mutually satisfactory political arrangement?

Wartime permanent neutrality is the same as ordinary neutrality; intervention on behalf of one party is prohibited, and a general

principle of equal treatment prevails. This has been (as we have seen) qualified by wartime experience, but also gave rise to the question of what 'equal treatment' means in economic terms.

The official Swiss policy during World Wars I and II was the so-called courant normale or in other words a doctrine giving the widest possible flexibility. This too would be seen by most writers as outside the scope of neutrality law and within the scope of policy. Thus it can be determined by the neutral alone. Yet at this precise point we see the nonsense of such a statement: clearly the neutrality felt by one country is now not the same as that adopted towards another. The experience of the Abyssinian War and the dangers involved in imposing sanctions on a larger neighbouring country became very stark. Behind the economic questions lay the very real threat that the result might be policies towards Switzerland which no longer regarded her as neutral and hence in the long run threaten to make neutrality law a mere formal piece of paper.

The result in political terms has been a great reluctance vis-a-vis sanctions, and Switzerland did not follow UN directives on Rhodesia. Austria, by contrast, did. This may legitimately be held to show that sanctions against distant or economically less important partners are politically possible. Nevertheless, while Switzerland still labours under the more potent example of 1935 there is far greater institutional pressure to maintain consistency and remain non-committed. Austria without such historical reminders, and under pressure as a UN 'good boy' took a much more internationally palatable position.

While this may show that neutrality has no laws which can be imposed, the resulting policy can by no means be called neutral, and neutral status is **not** a justification for the implementation of one policy or another. The crunch in such a policy is in the end how much

negative effect this is likely to have on security (ie a pro-power policy) which can never be a policy of 'neutrality': geopolitical, military or power political realism perhaps, but it is not neutral. Nor is the one act more neutral than the other, as the Swiss argued in 1935 in withdrawing from sanctions.

The remainder of the conditions of the Swiss pattern are summed up in the legal implications of the Hague Agreements of 1907. According to the Swiss the obligations in military and political terms consist of the following:

- "(a) a veto on hostilities against a belligerent;
- (b) no supply of troops;
- (c) sovereign rights must not be given up by the neutral to any belligerent;
- (d) the duty to defend the inviolable territory of the country.)⁷⁰

This includes the particular prohibition of any military operations, troop transit, munitions or supply columns, recruitment or propaganda offices, overflight, maintenance of radio stations or the giving up of any territory for manoeuvres. All these duties are to be fulfilled with the means at the disposal of the neutral. Economic neutrality exists

"only in so far as the neutral country is bound not to grant the belligerents any financial support - meaning of course loans and financial services for direct use in waging war, but not loans for commercial purposes, especially for the maintenance of normal trade - nor to deliver arms and munitions, though both parties are to be treated alike. Should any bans be decided upon, the neutral must apply them equally to all belligerents. For the rest there exists no economic neutrality."⁷⁰

All this smacks again of post-hoc rationalisation of what is seen as necessity, ie trade continues, even loans continue, but not for military purposes. What this means in real political terms is unclear: eg a loan for the export of agricultural produce, some small part of a machine used to make another machine used in the arms industry etc may of course be of crucial importance in this or that belligerent's war effort.

In understanding neutrality we must concern ourselves with a Liberal notion that economic or political consequences either do not exist or are none of the neutral's business: ie what the belligerent does with the neutral's 'purely peaceful' trade is not the neutral's business and it can never be accurately predicted. Only if we understand trade in these terms could neutrality possibly remain a feasible interpretation of neutral wartime activity. To supply food may be as vital as to supply arms. It is not **seen** as such.

Fortunately for the neutrals, this form of reasoning is indeed widely understood, as a consequence of the notion of 'national interest'. What becomes clear is that neutrality in practical terms then becomes dependent not on 'free measurement' by the neutral, but on what the 'threat' countries will accept as a neutral stance, hence Swedish concessions to Germany over iron ore and troop movements, hence Swiss concessions to Italy over lighting bombing routeways or loans totalling over SFr 350m to Germany. What the 'loans' were used for is ultimately irrelevant in that it must have had at least a diversionary effect within the German economy.

This underlines more sharply two points already made: first that in a country which maintains its neutrality in a war, the political elements are the substance of that neutrality and, even more obviously, that neutrality is a relative concept which involves some identified belligerents between whom the neutral country is required to be neutral and upon whose (political) determination of what is neutral the security of the neutral state depends as much as upon the legal definition of a status.

In order to leave the State as free as possible, the Swiss definition of 'restrictive interpretation' applies.

"If a neutral country, especially one like Switzerland, does more than the duty of permanent or ordinary neutrality would require then it happens not by way of fulfilling a legal duty but from political considerations in order to strengthen the confidence of the

belligerents in the maintenance of neutrality."⁷⁰

What I have argued here is that the Swiss model is so restrictive as to have very limited application for a country on an ideological divide. The caveat, that a neutral may undertake (freely) a policy designed to strengthen confidence in the reality of the status, has been taken advantage of by Austria to create a practical model whose content seems largely determined by this.

This was seen as a clear goal of Austria's negotiations;

"Austria's interest in the securing of her international position consisted of maintaining her freedom of decision as far as possible...The limitation of Soviet neutrality conceptions was served in Austrian neutrality by means of the Swiss pattern - especially in relation to the doctrine of peaceful co-existence. Through it, Austria is permitted to interpret her neutrality in a legal framework herself, without the chance that another state could assume a 'right of interpretation' over Austrian neutrality."⁷¹

As has been pointed out, Swiss neutrality is by definition an armed neutrality.

"Swiss neutrality is not only to be seen as military but also by necessity as armed. This is felt to be a contribution to peace in that it is seen as a limit to hinder the spread of war."⁷²

Although Swiss neutrality is spoken of as in the service of peace, the nature of peace is negative in that it refers specifically to the absence of war, not in any positive creation, ie "a negative concept of peace".⁷³ In Switzerland the role of neutrality is to defend a specific piece of territory. The two means by which Swiss territorial independence are to be maintained are first, through the will of the nation and second,

".. the principles which Switzerland follows to realise her goals, namely permanent armed neutrality, which is supplemented through solidarity, bring the result of universality."⁷⁴

Swiss neutrality is thus understood as a contribution to peace in the sense that it itself is not party to any war and its territory is in itself stable,

".. and is thus also thought of as an obstacle to the spread of a war, and thus in the service of peace in the negative sense of non-war."⁷⁵

Such a negative concept is more concerned to promote the solution of international conflicts by creating legal means which ensure lasting rules and promote liberal concepts of nation and property and its promotion in individual cases of international conflict.

This form of neutrality relies entirely on a 'national' model with boundaries and cultural norms accepted by a broad consensus of people in the country. This has been true of Switzerland. Neutrality has become a deep rooted notion in Swiss culture, and has played a role in maintaining or even at times creating a 'Swiss' identity from such a culturally diverse and independent group of communities (loosely organised in cantons).

Switzerland has promoted legal mediation for international disputes, and is at pains to promote solutions whereby international law can be universally applied. Such a situation would provide the line of defence and security in a more concrete form, sought by neutrals in a codified status. It does leave open the question of how valid permanent neutrality is in post-war Europe given that Liberal concepts of neutrality refer ultimately only to territorial battles which no longer appear feasible today. If all other disputes are irrelevant to neutrality then there is now little or no apparent difference between neutrality and alliance.

In the Austrian case it appears that even if this Liberal interpretation of the Swiss model is allowed, it is clearly not what was agreed in political terms at Moscow in 1955. Ginther sums up the essence of the Swiss model as follows;

"the strengthening of the concept of law in interstate relations both through a clear definition of international law positions and a legally ordered method for the solution of conflicts and secondly the significance of the fulfilment of obligations of international law, especially where this is tied to questions of self help to maintain one's existence as in the case of strengthening one's defence power for the purpose of affirming independence and neutrality in the event of a crisis or war."⁷⁶

We might add that it involves a strict separation of foreign policy under neutrality and neutrality law. Swiss vocabulary seldom talks of neutrality policy as a cover for foreign policy (as is the case in Austria). Yet this division of neutrality law and politics is unconvincing and we shall examine it at a later point.

The principle that neutrality is merely the means to another goal is always emphasised.

"It is a means for the maintenance of freedom and independence and not an end in itself. On the contrary neutrality is conditional upon independence, since it would otherwise be inapplicable and not credible."⁷⁷

This emphasis has developed in the light of a new searching for a role for the Swiss model, given that 'independence' is now a relative political concept and in no way absolute. Bindschedler talks of a

"distribution and differentiation of unavoidable dependencies to secure possibilities of choice."⁷⁷

Nevertheless the need to go beyond the minimum, especially in defence is still emphasised. Bindschedler also holds out the possibility that an all-European federal state might protect small states' interests sufficiently to allow neutrals to take part.⁷⁸ Although it is admitted that this is far off, this intriguing possibility leaves two questions: if this is so, does it mean that Swiss neutrality is only applicable to a European scenario and secondly does it again suggest that law, here acting as a surrogate, is merely a subset of temporary political conditions and power battles to be changed if (admittedly unlikely) favourable circumstances emerge?

Soviet Responses

Officially, the Soviet Union has taken the Swiss model as the original and hence (or seemingly) binding in some degree. It was on Molotov's insistence that the Swiss reference was contained in the

Moscow Memorandum.⁷⁹ Yet the persistent Soviet use of neutrality in a pro-Russian form has led not only to suspicion but to certainty that the Soviet view has to be qualified.

From official statements it appears that neutrality in the Soviet doctrine is not 'equal' treatment of all participants but is used as an instrument of revolutionary politics and is thus identified with a notion of Soviet power-seeking. Under Soviet interpretation all law is ultimately subject to the will of the CPSU as vanguard of the proletariat.

Marxism clearly sees the state and lawgiving as a unity and thus in purely Leninist terms the law is a class phenomenon. Thus Liberal law, of which neutrality is perhaps the ultimate symbol, is certainly in its bourgeois form a product of a repressive bourgeois state. It cannot be separated from the will of the ruling class. Still, such an analysis restricts the ability of the Soviet Union to co-operate with the Western world, and especially since the post-Stalin doctrine of 'peaceful co-existence' it has become politically unfeasible.

Accordingly international law, though the will of the ruling class is no longer dictatorial, in that it has now become an inter-class phenomenon (because it involves Socialist countries). Those states for which these relations are of primary importance are the same states which decide the nature of international law and thus ultimately it is the material conditions of these states which determines international law.⁸⁰

Soviet legal doctrine sees international treaties as part of the 'common law' of international affairs though still maintaining that they receive their validity from the unanimity of the parties, which to a Western lawyer appears very much as a paradox. The international principle 'pacta sunt servanda' is applied with certain limiting cases, eg unequal, enslaving treaties are always the result of

capitalism and its states and thus do not qualify as 'law' to be obeyed. Any new government is not bound by enslaving treaties concluded by a previous, less progressive government.⁷⁹

As Bindschedler-Robert points out:

"Thus international law is only so binding the USSR insofar as it corresponds to the current view of the CPSU."

The relations between the Soviet Union and her socialist allies are officially the complete result of socialist principles of fraternity. Yet other states too must be allowed full sovereignty and peaceful co-existence is seen as a means to guarantee non-interference in internal affairs. The USSR has thus been keen to support the principle of unanimity in international organisations whose decisions might affect the USSR. International law is only law so long as it has universal acceptance, this acceptance applying to both sides of the ideological divide. Thus the Soviet Union too has a veto on what can be considered international law.

In such a view what can be the role of neutrality? If the world is divided into socialism and capitalism there can be no such thing as neutrality because historical progress is inevitable and there can be no neutrality against the laws of history, which once fulfilled will make neutrality unnecessary and irrelevant. Clearly 'permanent' neutrality is at best a misnomer. Certainly there can be no return to an 'less developed' phase of history (as witnessed by the Hungarian experience of 1956) once the proletariat has seized power. Yet under certain (temporary) conditions, neutrality may be acceptable. The atomic danger may mean that war is 'for the time being' postponed as a means of settling international class warfare. This was the basis of the post-Stalin doctrine of 'peaceful co-existence' which allowed Austria's neutrality to become ideologically acceptable. Such neutrality is to be part of the struggle for peace; when relations

between neutrals and the Soviet bloc are stable (ie mostly), the USSR refers to the neutrals as part of the peaceloving community of nations.

This involves a very positive political role in contrast to Ginther's notion of a negative concept of peace. Neutrality must play an active part in peaceful co-existence on the side of 'progressive' forces. Soviet writers see neutrality as part of the struggle of the socialist countries for peace and security which makes detente easier, which simultaneously gives the neutrals a chance to increase their perspectives.⁸² Under the Soviet doctrine, neutrality does involve a notion of 'just war'.

"Just wars are those which have a revolutionary content, while imperialist wars, i.e. those taking place between capitalist states can only be unjust."⁸³

Opposition to a progressive force is reactionary and thus is automatically aggressive. Neutrality can only be understood as socialist eg USSR's neutrality vis-a-vis capitalist wars 1917-41. In World War II this had to be altered. The invasion of the USSR changed World War II from a capitalist conflict into a class war and hence a matter of liberation from the aggressive imperialist.

Yet between 1945 and 1955, the changed attitudes of the USSR changed 'the law' on the compatibility of neutrality with membership of the UN. In 1956 the Russians demonstrated by their action in Hungary that in this interpretation, only bourgeois States could be neutral, and not those who had already 'achieved' the Socialist phase. Soviet views on Austrian neutrality show that the most important aspect of the 1955 agreement was a neutral policy in peacetime; ie through non-participation in military alliances and blocs.

To restate this in a different form; in a Russian bipolar worldview, the USSR accepted that the KPOe was incapable of seizing power in Austria, but the State Treaty ensured that Austria did not

become a committed opponent of the Soviet Union. To this end, the USSR had more than sufficient leverage in Austria to ensure its acceptance.

It should be pointed out that all powers have ignored or 'reinterpreted' International Law according to their perception of interest; eg USA and Nicaragua, Libya. In Russian eyes, Austria's power as an enemy of the USSR was 'neutralised'. Austria would now always be inclined to seek contact with the USSR. Within this context the Austrian obsession with distinguishing Neutrality from neutralisation is spurious. From the start, the USSR considered Austria to be a 'neutralised' part of Germany and of the West. In the eyes of the USA also, Austria was now no longer a direct location of superpower conflict, being 'neutralised'. This reality the Austrians knew and accepted in 1955.

In the same manner, the Soviet Union proposed neutrality for Laos in 1962. For the USSR, neutrality in a Capitalist economy allows more leverage than NATO membership. The USSR thus sees neutrality or rather neutralisation of former enemies;

"a means of changing the Balance of Power and rather than preserving it."⁸⁴

The Western powers saw neutrality as an attempt to maintain rather than alter the power structure since Swiss neutrality began in 1815. As early as 1958 West German commentators defended membership of NATO on the grounds that Austrian, Finnish etc. experience of neutrality had shown that for the superpowers the internal structure of the State was irrelevant and all that mattered was the military/political orientation.⁸⁵ The KPOe and the East German SED were thus able to describe neutrality in Austria in glowing terms;

"The State Treaty and Neutrality have struck a blow against the plans of imperialism... The decisive power for the defence of the neutrality of Austria is the working class, who must maintain a permanent struggle against NATO and German militarism."⁸⁶

The end result was however, that in periods of reduced international tension, the neutral States had lower priority for the Superpowers. This is particularly true in the USA, who appear to have had no formulated policy towards neutrals except through the EEC. The USSR has taken a more active interest, especially in those neutrals (Austria and Finland) in whose coming to being they have played a direct role.⁸⁷ Ermacora points out that at least de facto, if not in legal terms, the real partner in Austrian neutrality is the Soviet Union.⁸⁸ Right wing writers such as Max Beloff have continuously warned of a problem of Finlandisation, and maintain that once established there is no end to Soviet influence.⁸⁹ Yet despite attempts at steering aspects of policy, the Soviet Union has been unable to determine events in Austria.

As we shall later establish, Soviet pressure was decisive only in the case of the EEC debate of the 1960s. A promise by Khrushchev that the USSR would guarantee Austria's neutrality against those who would seek to destroy it (!) was greeted with fear and shock;

"We have awoken from a dream. From the dream that Austrian neutrality would be a well-made bed on which we could merely drift off into gentle slumber on the pure-white pillow of our innocence"⁹⁰

Konrad Ginther is convinced that the Austrian commitment to active neutrality as the most suitable defence of Austrian independence and the corresponding revaluation of the role of the army in defence is both politically misjudged and legally mistaken. Dating change in attitude back to Waldheim, Austria moved under Kreisky towards an acceptance of the Soviet doctrine of peaceful coexistence. While accepting that neutrals cannot join alliances, Ginther attacks the development of a new 'obligation' to seek peace ie a 'positive' peace policy. The stages by which this occurs involve firstly a reduction in the importance of military defence followed progressively by a change to political rather than legal justifications in neutrality, an

assumption that peacetime performance is central to neutrality involving an obligation to take part in detente, the integration of the terms Foreign Policy, Peace Policy and Neutrality and the increasingly persuasive use of the 'neutralistic peace myth'. Ginther sees this all as inherent in Austrian policy in the 1970s and as fundamentally flawed.⁹¹

This line of argument can be countered on several levels. First, activation of policy because of changed circumstances is not the same as a sell-out to the USSR. The Austrians have certainly accepted a notion of 'peaceful coexistence' largely because the alternative is total destruction. Given the type of war that might now be expected in Europe, independence and sovereignty can no longer be assured without an active commitment to conciliation. Secondly, neutrality in the atomic age must be active, not merely because of Soviet pressure but because Austria must make decisions merely by existing in the midst of a divide where the antagonists constantly demand support. Political statements or actions of any sort are automatically interpreted within the context of the systemic divide. Thus as Oehlinger points out, the requirement is now to eliminate the conditions that lead to wars.⁹² This was perhaps always the most astute role for all human relations, but the existence of weapons of total destruction has given this truth a new urgency. *To understand this, such a reality as Kreisky did, is not the same as the espousal of Marxism-Leninism, and is not the same as marxism-leninism and the rather crass way in which such an accusation against Kreisky is both unreasonable and the terms are bandied around is, frankly, absurd. unfounded.*

Such a policy of coexistence must accept the need to enter dialogue from within the reality of divided worldviews. Dialogue is a western rather than a leninist point of emphasis, and this very fact emphasises how deeply Austrian political thought is anchored in the West. This very fact exposes an underlying schizophrenia in those wartime neutrals whose continued existence in unchanged form after a

war depends entirely on the victory of one side yet who proclaim the right to remain distant. This was already the case for neutrals in World War II.

As a postscript, it is worth pointing out that within the Soviet doctrine of peaceful coexistence, the neutrals self-understanding separates them from the self-understanding of the non-aligned. While neutrality in Europe involves some relation to the ideological battle, this is more widely accepted in the 'new' neutrals. The non-aligned have given no absolute guarantees about 'war' per se, rather about unjust or diversionary wars such as the East/West confrontation.

Nordic Examples

This section will be no more than a basic introduction to the theory and practice of Swedish and Finnish neutrality. Finland and Sweden together with NATO member Norway have created a zone of stability in Northern Europe which has become an assumption of International Relations. I will avoid any repetition of the Finlandisation debate already covered, and will rely on the conclusion that the attacks on the credibility of Finnish independence fail to convince.

Wartime neutrality in Sweden has been more or less maintained since 1815. The Swedes have never declared their neutrality in formal legal documents and their attitude is shown in the essentially 'political' definition offered by Andren;

Neutrality is difficult to define. Perhaps the best definition of a policy of neutrality is 'the policy conducted by countries who claim to conduct such a policy.'⁹³

Sweden officially describes herself as neutral only in wartime. Thus in 1949 as NATO was being formed, the Swedish Government spoke of Sweden as being not allied between power blocs in peace, in order to be able to remain neutral in war. More recently the definition has

been shortened to not allied in peace, to remain neutral in war.

This notion of NOT-alignment is in the Swedish view separate from NON-alignment and is usually described simply as neutrality. The flexibility of the Swedish linguistic use contrasts sharply with Switzerland and indicates an absence of a need to refer to a codified and given legal framework. It is important to note that Swedish neutrality is established by unilateral Swedish decision and it is neither institutionally guaranteed nor constitutionally prescribed.⁹⁴

This clear position contrasts sharply with the perceived need in the 'legal' neutrals to constantly reemphasise that neutrality was a matter of neutral choice. From our investigation, it is already clear that the sharp profile of the Swedish case does not apply elsewhere. Perhaps Yugoslavia's non-alignment is the closest parallel in contemporary Europe, although Austria under Kreisky has shown marked similarities of approach. As in the Swiss case, the Soviet involvement in domestic affairs is nil. In 1963, Foreign Minister Ulden described the motivation of Swedish neutrality as 'political' in the sense that so long as collective security was inoperable, Sweden did not wish to be drawn into any conflict. This political pragmatism distinguishes the foundations on which Sweden makes decisions from those of Switzerland. It has led to a firmly active policy in peacetime and a positive understanding of peace. Sweden has been one of the most vocal nations on questions of disarmament, the environment, economic development and Superpower conflicts such as Vietnam.

Despite the fact that during the War restrictions on the press were imposed, there is officially no ideological neutrality, and indeed Sweden has been tempted at times to play the role of the conscience of the West. This has been marked throughout the post World War II period under the Social Democrats and continues in the 1980s.

Sweden's position assumes that the very existence of her neutral status is an important stabilising factor.

Sweden's independence in Foreign Policy has resulted in an active role in International Organisations (Peacekeeping Forces, Arms reduction talks, Dag Hammerskjold at the UN.) and has led Sweden to open up and continue debate on a number of issues at international level. Sweden has in general been discrete over issues of East/West controversy leading to accusations of latent Social Democratic neutralism. It is in the area of international activism that Austrian Foreign Policy under Kreisky has most come to resemble that of Sweden.

Swedish criticism of the USA during the Vietnam War had some negative results but in the light of discoveries made as to the dimensions and nature of the conflict it has taken on a more positive aspect. Swedish figures maintain that outspoken honesty has never been the cause of a military attack.

There is nevertheless some division in Sweden between the 'moralists' who claim that Swedish policy is the result of a political and moral motivation involving ever-maturing wisdom, implying in its extreme forms that other nations will eventually discover the error of their ways and the 'realists' who accept much of the moralist view but who prefer to stress strategic factors (eg that Sweden was an active power in the 18th century and only when Northern Europe experienced new strategic conditions did neutrality emerge).

Sweden's defence policy assumes that threats to Sweden will be primarily a result of Bloc rivalry and that Sweden itself will not be a direct target. It is assumed that there is no possibility of an isolated attack on Sweden. As a result Sweden is directly interested in reducing bloc rivalry and has been active in seeking disarmament talks between the superpowers. Defence spending has remained at a high level, and the emphasis has been on the construction and

installation of high quality defence including submarine and air capability.⁹⁶ Sweden's National Defence Research Institute is widely acclaimed and it has been able to present alternative proposals on Arms control, while subjecting superpower claims to analysis. High defence spending has been justified as;

"the feeling that - well founded or not - a stronger defence could have saved Sweden from humiliating deviations from the principles of neutrality and other problems during and after World War II."⁹⁷

It is certain that Sweden's international profile is much greater than her military or economic strength would immediately suggest. The Swedes have been able to play the role of antagonist and of honest broker with an independence and forthrightness that would be foreign to Switzerland, which has concentrated much more on the provision of technical services. Swedish activism is on a par with much larger countries eg France, United Kingdom, West Germany ~~etc.~~ This observation applies to a wide variety of themes eg North/South, environment, welfare etc. It is partly the very obvious success of Sweden's Social Democratic model and its subsequent role as model for other Socialist parties (eg West Germany, Austria, Spain) which has put Sweden among the most daring political 'experiments' in postwar Europe. Both Willy Brandt and Bruno Kreisky spent their wartime exile in Sweden and this fact alone may be of major importance in understanding why neutral Austria's Foreign Policy in the 1970s bore so much similarity to that of Sweden.

Finland provides a further model of neutral behaviour which must be placed in a slightly separate category. Neutrality has grown up simultaneously with neutral practice in Austria and hence is a contemporary of rather than a model for Austrian development. Nevertheless the strategic exposure to the East/West problem makes Finland an appropriate example for comparison. For geopolitical and historical reasons, the USSR has been able to exert pressure on the

Finns far more easily than on the Swedes. Finland has also responded much more directly to such pressure than Austria.⁹⁸ Despite this, Austria shared with Finland some of the internal weaknesses not apparent in Sweden or Switzerland.

The longer established neutrals base their neutrality on a domestic consensus alone. Location, political culture, national identity, historical survival and strong economies after World War II have given neutrality strong domestic roots. Much more so than Austria, Finland has continued a policy of passivity and 'fortress politics' in times of high tension (eg Madrid follow-up of CSCE 1983). Finland has sought foreign approval of her policies more directly than Austria. The two Foreign Policy 'crises' of 1958 and 1961 have been discussed elsewhere, but they illustrate the degree to which the Finnish State is dependent on Foreign Affairs. Finland has followed a policy of building 'active functional relationships' with Eastern Europe rather than the Swedish approach of independent policy.⁹⁹ The Finns have signed important agreements with the Eastern Bloc. Austria, as we have seen, is faced with a problem of wishing to play both these roles, the former for trade and economic reasons and the latter as a preferred political strategy under Social Democracy. Neutrality has really only developed as a part of Finnish political vocabulary since the 1950s as Swedish and Austrian politicians sought to develop a role for neutrality in the Cold War. The person of Kekkonen was associated with this development after he took over the leadership from Paasikivi. Paasikivi had himself been responsible for the development of a new relationship with the USSR.

For the Soviet Union, Finland is an important 'example' of what is possible in Soviet Foreign Policy. It is widely admitted in Finland (unlike Austria) that;

"Foreign Policy beyond doubt holds the key to security policy. A small nation such as Finland cannot safeguard its safety mainly

through the use of arms. The objective of defence policy is to maintain territorial sovereignty and to create the confidence that Finnish territory will not be used for military action by other States."¹⁰⁰

We shall return to the military question in a later chapter, but we might add that despite Austrian protestations, Austria's actual defence spending is very similar to that of Finland. The Finn, Bjorn-Olof Alhorn has referred to the Finnish model as 'discrete neutrality'.¹⁰¹

Finally, Kekkonen's views on the essentially political and ideological requirements imposed by an East/West divide are very perceptive and contrast sharply with the reluctance in other neutrals to express such opinions candidly. Perhaps the very fact that legal jurisdiction is a nonsense in the Finnish position allows for this clarity;

"We cannot plead our right to remain neutral if in the next breath we assume biased attitudes to international politics... The totality of the Cold War has given many questions which were earlier purely of internal interest a foreign policy connotation."¹⁰²

We shall return to this when we examine the ideological content which Austrian neutrality has adopted both in terms of rhetoric and policy.

An Austrian model of Neutrality?

Clearly then there are several models which might guide Austrian behaviour. There have been various classifications offered; ex vice Chancellor Fritz Bock describes Austria as having an 'active' neutrality, Sweden as having a Foreign Policy involving definite political stands on issues and Switzerland's policy as the 'absence of policy'.¹⁰³ Another Austrian, Hanspeter Neunold emphasised the 'permanent' element of legal models (Austria, Switzerland), Sweden as practicing neutrality as foreign policy and Finnish as 'asymmetric' neutrality (ie pro-Soviet).¹⁰⁴ However, if Finland is to be considered

asymmetrically pro-Soviet, then all the rest are asymmetrically pro-Capitalist and the West. The most dismissive classification comes from the American Kruzel, where Austria is described as 'nominally' neutral, Finland as 'bounded' neutral, Sweden as 'actively' neutral and Switzerland as 'passively'.¹⁰⁵

There are thus numerous means of description for each neutral State's policy. Each depends on the political position of the author. At the risk of entering a competition I offer my own classification; Switzerland practices 'fortress' neutrality, Sweden 'independent' neutrality, Finland 'partnered' neutrality and Austria has developed 'active' neutrality.

Even by 1959, influential writers in Austria were proclaiming the uniqueness of Austria's experiment;

"In the final analysis Austrian neutrality is to be compared neither with Swiss nor with Finnish practice. It has other roots, other areas of application and different tasks to undertake; incomparable Austrian neutrality."¹⁰⁶

Certainly Austria's peacetime behaviour has been markedly different from that of other neutral States (eg EEC negotiations, Cold War problems (1956, 1968, 1981), Sanctions and defence policy). One is of course tempted to describe this merely as the normal variation in the policies of sovereign States. Yet this is too simple. It ignores the fact that much of Austrian activity has been done in the name of 'neutrality policy'. We will in later chapters compare UN activity, East/West activism, EEC negotiations and the importance of geopolitical location. Austria has been involved in a search for a lasting positive peace which is not simply a sell-out to Soviet dogma. As Schulmeister points out;

"In fact Austria's neutrality policy is as distant from its beginnings as the economic and social conditions are from theirs."¹⁰⁷

The only qualification to be made is that social and economic change is not veiled behind a curtain of laws agreed in 1815 and 1907.

Perhaps the most important development is the rise of an entire world market and the fact that division between State and individual can no longer be cleanly made, particularly on the East/West frontier. Thus neutrals are faced at periods of tension with a stark choice.

Some, like Finland, withdraw into silence because relations to one party in the dispute remain paramount despite societal preferences. For Austria and Sweden it has become clear that activity at foreign policy level is necessary to prevent war. The Swiss relied as late as World War II on the possibility of making no political stance. A 'guaranteed' defence inside Switzerland ensured that warring parties were deterred from entry. The result was that neutral States were and would be committed de facto to adapting to any world structure which might emerge from a War. Until 1939, the internal ordering of the State was not in question and did not depend on the outcome of the struggle. Hence neutrality was a purely territorial question and individual preferences were largely irrelevant. The Austrians were perhaps the first to face the fact (in 1956) that this was now an insufficient conception and that internal order and system would depend on the outcome of a systemic war. No non-nuclear defence could even guarantee territorial integrity. It is an unfortunate truth that neutrality, if it is to have any meaning, must extend into all the areas over which the warring parties are fighting. In the modern age, this includes the ideological and structural realms. Peaceful coexistence is thus no longer a pious hope but a necessary precondition for existence.

Both East and West compete with a concept of the struggle being 'essential', 'legitimate' and even 'just'. In such circumstances, a refusal on the part of the neutral to participate in the war leaves that State open to allegations from both sides of cowardice and untrustworthiness. In peacetime this wariness can already be seen eg

technology transfer. This element of the 'moral' and 'systemic' was already apparent by World War II and hence the neutrals were seen as having failed to differentiate between the Nazis and the Allies. The UN Charter thus ~~preferred~~ ^{preferred} collective security. X

Austria's neutrality has only existed after these changes in affairs had already occurred. Dependence on trade and the continual political considerations this created as well as and Austria's location at the centre of the Cold War blocs meant that neutrality had to find a meaning in this context, which always carries the danger of opposing one side or the other. A mere negative declaration of neutrality is insufficient and the previously voluntary aspects of the Swiss definition have become essential. An active political participation is now essential if neutrals are to become anything other than quasi-allies of one side or the other or pawns in a superpower game. Thus confidence-building, mediation, 'good deeds', and independent views (eg Olympic boycott, Poland, Afghanistan) have direct implications for the wider understanding of the nature of neutrality. Not taking a stance has the same implications as it too is a political decision.

The only possible alternative to a willingness to attempt coexistence is a territorially formalised system of International Legal Jurisdiction which could ensure a system of judicial enforcement (Schiedsgerichtbarkeit). This was one of the main planks in Swiss proposals at CSCE and in Austria it has been supported by political conservatives. Of course it assumes that the system of enforcement would be based on a Liberal theory of justice and not on a Soviet one, because otherwise the system the Swiss hope to protect would disappear but with judicial sanction. In the absence of such a system, any neutral State faced daily with the possibility of terminal crisis (on the Iron Curtain), will seek to ensure that war does not

break out and will conduct a search for such a positive peace. This then becomes the essential role of neutrality. Ginther's rather ~~easy~~ ^{easy} ~~cross~~ limitation of the options open to Austria to the Swiss model and Soviet domination is clearly unreal. The dimensions of the problem can be clearly spelt out;

"As long as there exists no sovereign and independent body capable of taking the place of the injured party and taking upon itself the responsibility for revenge, the danger of interminable escalation remains. Efforts to modify the punishment.. can only result in a situation that is precarious at best. Such efforts ultimately require a spirit of conciliation that may be present but may equally well be lacking."108

We can now introduce the notion of 'significant time'. The historical experience of States in Europe in the twentieth century is far from uniform and far from linear. Collective views of historical experience have been influenced not by a regular flow of events of equal importance but rather punctuated by experience of particular significant moments and events. We have seen that Swedish defence policy may be influenced by a perception that more appropriate facilities might have prevented humiliation at the hands of the Nazis while the Abyssinian crisis still affects Swiss attitudes towards sanctions and international organisations.

This type of experience is not restricted to 'States' let alone to neutrals, but we shall limit ourselves to an examination of its effects on the neutrals of Europe. Austrian history from 1914 to 1955 contained a series of dramatic events almost unparalleled elsewhere. The most profound territorial result of World War I was the break up of the Habsburg Empire. Austria then suffered hyperinflation (1922), Bank collapse (1931), mass unemployment, civil war (1934), invasion and annexation (1938), World War II (1939-45), total collapse (1945), two attempted communist takeovers (1947, 1950), four power occupation (1945-55) and the State Treaty (1955). If we make a simple comparison with Swiss experience we have a considerably different picture; World

War I neutrality (1914-18), League of Nations membership (1921), Abyssinian crisis (1935) and World War II neutrality (1945) all within a generally improving economic climate.

This recurring nightmare in Austria must have had an unquantifiable effect on the goals of the Austrians after 1945. In addition, many of the future political elite had been in concentration camps or in exile, and knew in even more depth the nightmare of the previous years. Yet we can trace direct lines of ancestry back from the second to the first Republic; the Civil War was replaced with 'Proporz' and 'Social Partnership', the economic conditions of the 1920s and 30s led to the widespread antipathy towards unemployment and inflation and the starvation of the post war periods led to the immense pride in the economic miracle which followed and the lack of understanding between generations of Austrians when the young seemed to reject many of the tenets of the previous generation. In many respects the second Republic appears as the mirror-image of the period 1918-45.

In terms of neutrality, experience of defeat and collapse had led to war becoming an anathema. Even for those who had always been anti-Nazi, World War II was an Austrian tragedy (contrasting sharply with the British folk memory of War). There is no assumption in Austria that the country would survive a major war, unlike the feeling abroad in Switzerland and Sweden. In part, this explains the ambiguity of the relations between the Bundesheer and the populace since 1955.

For Austria then, 1922, 1934, 1938, 1945 and 1955 are significant times and the sum of these events is not just an adopted policy but an entirely new perspective on what the nature of the tasks at hand is. Austrian collaboration with the Nazis is not emphasised (part of the 'mirror-image we referred to) but of course it thus has a tendency to reappear, either in propaganda from other States or in times of crisis (eg Reder, Waldheim affairs).

For a significant minority the Nazi period is not saddled with the same guilt feelings as for the majority. It might even be suggested that the development of the 'Island of the Blessed' image around the economic miracle is in itself the result of the need for a national 'positive myth' in response to the burdens of the humiliations of the past. Seen from abroad, the chief role of Austrian neutrality is as a function of the Cold War. By this definition, neutrality depends on its relationship to other variables ie the blocs.¹⁰⁹ At its most extreme, in Realist thinking, this is the sum of Austria's role. This view would reduce Austria to the status of a pawn, and while the influence of the blocs is of course the fundamental security problem, it could lead to a failure to recognise the domestic contribution. The result of significant events in recent history make Austria fundamentally disposed to an active policy of reconciliation existing parallel to the pressures of international power and western economic expansion.

We have now established some of the poles for understanding Austrian policy. Many writers have dismissed the transferability of models in today's world;

"Swiss neutrality is cited as a model for Austrian neutrality in the Moscow Memorandum... There may be no differences in principle but Austrian neutrality is based on Austrian constitutional law, Swiss neutrality on international agreement."¹¹⁰

Those who do compare, mostly compare Austria with Switzerland. One of the most avidly pro-Swiss was ex-Foreign Minister Toncic-Sorinj who wrote;

"While a parity between emotion and political content exists in Switzerland, it is illustrative that in Austria there exists a disparity between elements of feeling stemming from the past and the requirements of the Foreign Policy of the future."¹¹¹

For such writers, the role of the Swiss model was as a protection against the Marxist-Leninist variation which did not appear to have any continuity.¹¹² The precise role of the Swiss pattern will be

examined later. Some Swiss writers have become alarmed by the flexibility of Austrian politicians under Kreisky in their interpretation of neutrality. Thus Kirschlaeger spoke of the need to be involved with the problems of peace beyond the introverted domestic State. As Bonjour remarks this sounds like a major change from the principle of non-partisanship (Unparteilichkeit).¹¹³

The necessities of living on the Iron Curtain coupled with a more appropriate historical experience in relation to the nature of destruction in modern warfare have meant that Austria has been by far the more dynamic of the two. Certainly the Swiss division of neutrality and foreign policy has been blurred in Austria. As Ginther says;

A changing use of terms can be understood as a changing view of Neutrality."¹¹⁴

The conservatives in Austria sought a return to the old usage, though this appears unlikely, but they also seemed to be inspired by the conservatism of Swiss policy and the alliance with Capital. The leader of the OeVP Alois Mock stated in 1980;

"The directive for Austrian neutrality 'as it is practiced in Switzerland' should inspire us in the realm of politics and not only in legal practice. Every Austrian viewpoint - particularly in questions outside our immediate region, as they constantly recur at the UN - must always be measured against the primary interest of the country as a democratic industrial State in the European theatre of the East/West conflict. These are our permanent interests, for whose fulfilment we need permanent friends."¹¹⁵

A glimpse at Social Democratic Sweden shows emergent similarities with Social Democratic Austria. Apart from the legal position, two other features distinguish the models. First, Austria has taken her primary role to be in the East/West arena. The withdrawal of troops in 1955 was and is one of the few concrete achievements of detente. Sweden, on the other hand, has never attempted to cultivate relations in the eastern Bloc, nor sought a role as mediator except in the field of disarmament. Swedish neutrality in its active form means a role

for Sweden in questions of economic development and liberation movements. Thus even Sweden's role in the Vietnam War is part of the policy. Sweden seldom comments on East/West ~~duals~~ ^{clashes}.¹¹⁶ A second difference is that despite OeVP claims to the contrary, Austria has been far more cautious than Sweden on questions of Human Rights etc. Falldin described the persecution of the signatories of Charter 77 in Czechoslovakia as an infringement of Human Rights and a danger to the detente process. Kreisky usually qualifies his public statements.¹¹⁶ Swedish and Austrian policy remain comparable in their clear statements of position on a wide range of issues and their espousal of active involvement in peace seeking. All of these correspond to a Social Democratic worldview common throughout Western Europe.

Finally, we should examine the party-political basis of decision making in Austria. The divide in the 1970s arose primarily because of a recognition in SPOe circles that the only longterm security lay in coexistence. Thus 'Die Presse reported Kirschlaeger;

"..it appeared to him that in the present situation, foreign policy had a greater share in security policy than defence policy."¹¹⁷

In 1975, Bruno Kreisky's Declaration of Government programme said;

"As a neutral State, Austria sees it as her task to put herself actively in the service of the community of nations... The security of our State must be based on several elements; an active foreign policy, inner stability and a preparedness for defence of our freedom, independence and neutrality."¹¹⁸

Throughout the Kreisky period, the OeVP attacked the low level of spending on the military, although 1960 spending had been at similar levels. The coming of the FP0e into government seems to have changed the approach to the military somewhat, though spending remains low.^(see Chapter Seven) Even the core doctrine of Swiss neutrality, Self-defence, has not escaped controversy. In this sense Austria has provided a new model for neutrality. We shall now examine some of the debates which have led to the reshaping.

International Law, Neutrality, Foreign Policy

This rather vexed combination arises primarily from the 'legal' aspects of the declaration of neutrality in 1955 and the continuing dominance of legal experts in the debate. Legal experts have tried to impose a rigid analytical purity on the subject and in neutral countries with a legal tradition (Austria, Switzerland) it is constantly reiterated that there is a clear separation between neutrality, permanent neutrality, non-alignment and neutralism. English-speaking commentators have often been the worst culprits from this point of view. Both neutrality and International Law are strong doctrines of those seeking to preserve a status quo. International law, like any legal order is seen as a static force. Permanent neutrality is an attempt to ensure a national security theoretically in all future wars. A nation with a policy of the status quo seeks primarily to preserve that power which it already has.

For countries such as Switzerland, the long history of using military means for defensive purposes has resulted in an internationally recognised position. Other States, unhappy with the status quo may feel that a desired political status is beyond the status quo and hence cannot accept law which exists to maintain it. Thus the Nazis could never have justified their claims through International Law as it stood and replaced it with a self-justifying system. All anti-status quo groups need an alternative to status quo law eg Marxist notions of the movement of history.¹¹⁹

Nevertheless status quo law is never sufficient. It is the subject of permanent dynamics. Herein lies a problem for a legalistic notion of neutrality. Under a status quo view, neutrality can be reduced to the letter of the law. Everything undertaken beyond these duties is purely at the discretion of the neutral. Yet this fails to make clear

that the relations which develop between States are dependent in large part on the expectations generated by political activity. The dynamics of the Iron Curtain and of technology no longer allow the purity of 'stillesitzen' so sought after by legalists.

The exact role of the Swiss pattern for Austria has been in dispute from the outset. This very uncertainty has allowed various parties to claim or disclaim the Swiss example at significant political moments. Some writers have considered the agreement in Moscow which introduced the 'pattern' to be a legally binding arrangement.¹²⁰ This is usually interpreted as meaning that the fact that Swiss neutrality is a legal fact was the most important security for the USSR.

"The reference to Switzerland in the Moscow Memorandum serves only to determine the status of neutrality, as Switzerland was at that time the sole example, but does not mean that Swiss practice of neutrality must be followed in every aspect."¹²¹

Other writers, especially on the political right, have sought to reduce the importance of the Moscow Memorandum and to date Austria's legal obligations to the Constitutional Act of 1955. In large part this can be interpreted as a desire to reduce the leverage of the USSR in Austrian affairs. At its most extreme, Ermacora claimed that as such, neutrality was an internal political decision which could be revoked at any time by the Nationalrat.¹²² Seen literally in statute law this is actually correct. What makes it impossible is that neutrality as a Constitutional Act does not stand in a vacuum but in a political web of relationships which entail an international guarantee of neutrality's 'permanence'. By 1970, even Ermacora had accepted that Austria had international obligations arguing through legalistic rationalisations based on formal notification.¹²³ Nevertheless he still spoke of the possibility that in certain cases Austria could halt her commitment to neutrality. The difficulty lies in the fact that legal logic which gives no weight to any neutrality declaration except that of the Constitutional Act must presume that the law giver

can also reverse the law. The fact is, of course, that Austria's neutrality is part of a triangular agreement between East, West and Austria itself. Others tried to support Ermacora's views¹²⁴ but they have proved too dangerous for the State to adopt them officially. The fact that the four Austrian negotiators in Moscow were not lawgivers or institutions of State does not reduce the political significance of the memorandum. Any Austrian statesman ignores this fact at his peril. We return once again to the web of political relationships. As one communist commentator points out

"It is quite simply absurd to imagine that in such a situation as this, such governmental negotiations were merely carried out with the goal of personal and private obligations."¹²⁵

The very fact that the USSR negotiated with these individuals on behalf of Austria indicates the degree of importance attached to the Memorandum. At the very least it was a moment of 'Significant Time' more central in international terms than even the declaration itself, which can be seen as the culmination of the process set in being by the Memorandum.

The established view (Verdross, Verosta) is that although the legal basis was established in October 1955, the document was based on a pledge that Austria was to be permanently neutral. The proceedings in Parliament show that the Government was anxious to fulfil the commitments made in Moscow and as such the measures must be understood as derivative.¹²⁶ This is a useful compromise for the Austrian State in that it recognises the political realities and hence placates foreign observers, while maintaining the central decision in the hands of the Austrians. Perhaps the only comment to be made on this is that it neatly avoids any definition of the degree of political influence it allows except in that the prime role is reserved for Austria.

The reality of this ambiguity is confirmed by the way in which the Swiss pattern is used in political argument in Austria. Where a

political advantage might accrue, politicians have not been slow to emphasise the importance of the international obligation to follow the Swiss pattern. Where it is disadvantageous, the 'uniqueness' of Austria's position is underlined. We can trace this manipulation back

".. to the understandable desire that there be no possibility that any impression should arise that Neutrality was not declared in complete freedom."¹²⁷

The status of Neutrality in Austria within the political divide in Europe of 1955 was clear. We must not be confused by the ingenious twists of legal language. To a legal mind, there may be a distinction between formal laws (important) and other documents (unimportant). In the case of the Moscow Memorandum, we are dealing with something which falls into a different category and which in a political interpretation makes it an essential. The Memorandum illustrates that Neutrality is an international concern and integral to Austria's relationships with her partners. The fact that it entered statute law through a domestic Constitutional Act does not diminish its political role. Precisely to avoid an identity of Austria with the West or Germany, the Memorandum was signed. This political commitment is at the core of the Austrian model and cannot be seen as 'peripheral' or 'secondary'. In Austria, neutrality has always been directly relevant to the Cold War and hence to the condition still known in International Law as peacetime.

The 'Swiss' element was a clear signal from the Soviets that they needed a guarantee that Austria would not join NATO. For the Austrian negotiators, it provided a ring of defence against outside interference by reference to an established code. Nevertheless, it was only referred to in negotiations with the USSR and is not repeated in the Constitutional Act. It nevertheless reappears in key political debates eg defence.

The Moscow Memorandum crystallises Austria's fundamental, and

original, dilemma. It ensures that the most pro-Western elements in Austria are faced with the reality of what was agreed; the Cold War and neutrality are inseparable.

This has one further major implication. Items introduced by one side or another as issues of the 'Cold War' now demand a response from neutral States. It is against this response that the actual content of neutrality and not just of foreign and security policy is measured. The crises of 1956 and 1968 underlined this fact. We shall see that Soviet opposition was the crucial element in Austria's negotiations with the EEC. The East/West confrontation has created a situation in which neutrals must at times show their neutrality in a real political sense. The active pursuit of stability is no longer an optional 'Vorwirkung' but has taken on the crucial role in the modern context. Indeed, the legal requirements have become part of the international demonstration that there is a political will to remain outside wars, rather than vice versa.

Neutrality for Austria was a mechanism by which Austria could play a valid role without posing a threat to the superpowers. This was true both as an independent State and as an entity separate from Germany. The Allies agreed to remove their direct military interest in Austrian territory. Austria's neutrality is essential to her existence as a political actor in Central Europe. Where conflicts were expressed purely in territorial terms, neutrals had merely to ensure their sovereignty. Where conflicts are widened, the neutral must seek a new role in this conflict. This is not to say that neutrality must be extended to all areas in the form of a policy of total compromise, but to point out that attachment to one bloc or another is measured at several levels.

Neutral States have tended to claim that neutrality is self-determined. Growing integration at all levels shows that the notion

that any political policy emerges from a vacuum is increasingly untenable. The Sanctions Crisis in 1935 showed that the interrelationship of politics and economics, wartime and peacetime, held to be separate spheres in Liberal notions of law, was an unavoidable fact. The interrelationship of States was now crucial for Neutrals. Policies of promoting positive peace are made credible with the status of neutrality, while at the same time providing the only longterm chance of security in the atomic age. At the risk of repetition; neutrality can only be maintained if it relates to the environment in which it is supposed to have significance and this is essentially the web of political interrelationships. The relationship of the EEC to the East/West question is unclear in legal terms but crystal clear in political terms and any attempt by neutrals to ignore this fact would put a questionmark over the entire status of neutrality. A blind application of Swiss rules is simply absurd.

This explains in part why Austria under Kreisky chose a policy closer to the Swedish notion of NOT alignment and based on independence rather than compromise. It also underlines the importance of maintaining good relations at local/regional level especially as at this level Austria participates as at least an equal partner. Kreisky's obsession with the Middle East as a possible source of world conflict emphasises this search for positive stability.

What, then, is the real role of neutrality law under such a view? We have already hinted at our answer to this; the legal framework can act as a line of defence which limits or allows certain political acts by neutrals and, more importantly, limits the degree of intervention which can be legitimised by an outside agent. Nevertheless the 'absoluteness' of the law cannot be tested until it is used in political debate. The UN Charter and the law of permanent neutrality

have been rationalised to produce a new if ill-defined compromise. Nevertheless, the assumption that codified law, ignorant of late twentieth century conditions is the sum total of all obligations contained under neutrality (Ginther's 'Neutralitaetsrecht',¹²⁸) can only be maintained if one ignores history, technology, psychology and economics. The relations in which neutrality exists, change neutrality also, and the political/legal system of 1986 is not that of 1815. There can be no abstract eternal law if neutrality is to have continued relevance.

Of course, all political actors have attempted to manipulate neutrality law and have found interpretations to suit their cause. It will not do for Liberals to counterpose Soviet 'propaganda' against establishment 'objectivity'. Right wingers continue to insist that neutrality is not economic. This of course presumes notions of separate private and public spheres and separations between the economy and politics. It is no longer a convincing division. The State is now threatened by international Capitalist integration. Yet this great threat has officially no relevance for neutrality. Under traditional interpretations, neutrality is military. Hence Soviet claims that dependence on the West (or West Germany) brings political dangers are dismissed as communist interference while claims that agreement with the Eastern Bloc leads to dangerous dependence and neutralism, are credible.¹²⁹ The equation does not add up.

The reality of atomic, chemical and biological war technology is that purely territorial defence is no longer feasible. Thus a neutrality based on 1815 conceptions of the nature of war is absurd.

Legal experts have tended of course to justify a desired political position. In the case of Austrians, except for KPOe supporters this has naturally taken the form of seeking to reduce the rights of leverage for outsiders. This attempt to create political room for

manoeuvre is in itself normal. However, the attempt to make a universal right out of a political manoeuvre is highly dubious. Austrian politicians have long recognised this, especially since Waldheim's acceptance that neutrality was more than military. New policy involves a recognition that neutrality is rooted in Cold War and must not wait for total war to find its relevance. (The same might be said for the two alliances which have developed since World War II.) Some writers (eg Zemanek¹³¹) have tried to move towards this position by pointing out the difficulties in defining policy within nineteenth century legal definitions, as neither East/West or North/South truly existed before 1945. Nevertheless, the full implications of a reassessed relationship between neutrality, war and peace have only been tentatively approached, if only because of fear that new laws might further restrict policy.

At its most basic; the political Right wishes a limited realm of application for neutrality because it wishes to be involved in capitalist expansion. Moscow has produced a wider definition precisely because it sees this as the main threat. Social Democrats in Europe are strongly pro-Capitalist but not necessarily pro-NATO. Not surprisingly, the SPOe has tried to create new distinctions between NATO and the West and this has characterised policy since 1970. Capitalists as much as Communists attempt to manipulate law. If agreements in the West are given universality it is because of the acceptance of the law by the Western States and hence capitalism. The seeming ease with which legal scholars have justified their political leaders comes from the fact that this was precisely what their political leaders wanted to hear. What we have shown, is that the emergence of a parallel legal system into which neutrality must also somehow fit has created new conditions such that old interpretations can no longer be accepted as beyond question. This has been reflected

in actual Austrian policy if not in the opinions of legal experts.

Anchorage in International Law provides a framework in which political debate can take place. As such, it is preferable to an anarchy based on brute force. However, the law is only useful if it has not broken down or is not simply disregarded at the whim of a large military power. Wars have never yet been stopped by a law which outlaws them. Indeed, it is argued by experts that large powers can never be neutral because their neutrality depends entirely on self-discipline.

Neutralisation and Neutrality

The question of whether Austrian neutrality was imposed or freely chosen has exercised Austrian attention for some time. Ideological neutrality in the Cold War is regularly ridiculed but with equal regularity reappears and not only because of an ill-informed misinterpretation of the nature of State neutrality. Apologists for neutrals always seek to reassert the freely chosen nature of the status. Both OeVP and SPÖ continually reassert this in propaganda, and the text of the Neutrality Act restates it ('aus freien Stuecken'.) Yet internationally, this assertion has been greeted with widespread scepticism much to the chagrin of Austrian politicians.¹²⁷ As Oehlinger points out, the grounds for this lie in the political situation which led to the State Treaty and Neutrality which though legally two separate acts are both part of a unified process of Statehood. The agreement to be neutral was an essential precondition of the State Treaty.¹³²

Despite attempts to trace deep roots in Austrian political culture for neutrality, the actual agreement, particularly of the SPÖ was only finally forthcoming in Moscow. As Gordon Shepherd wrote, if neutrality had been the objective of Austrian Foreign Policy between

1945 and 1955 the Austrian Government had 'managed brilliantly to keep this a secret from all four Allies'.¹³³

It is beyond doubt that independence was dependent on neutrality. Austria's freewill was, of course, qualified. On the other hand, we may legitimately claim that within the realms of possibility it was the preferred option of the Austrians as well by 1955. The attempt to paint neutrality as the culmination of Austrian achievement has political value but little historic substance. Nevertheless, an opposing 'Great Power' thesis that Austria merely passively received neutrality from outside is equally untenable.

One of the differences in FPÖe policy from that of the ÖVP has been the insistence that neutrality to which they were not a party was a bargain. This was partly a result of German Nationalist objections to the 'Austrian' nation but also it fits more easily with an examination from outside the process. Other writers have described Austria as 'self-neutralised'¹³⁴ but this too is inadequate.

The wealth of description testifies to the degree of ambiguity surrounding the establishment of Austrian Neutrality. The Moscow Memorandum was in its time understood by all parties as the significant step in the reestablishment of an Austrian Republic. Yet it remains true that it is an unprecedented form of recognition¹³⁰ leaving many questions with unclear answers.

"Fortunately for Austria this issue has never been pressed by one of the relevant States so that it has never been put to the test."¹³⁵

It is now essential that we recognise this dual nature in Austrian neutrality; it has both international and domestic roots and these cannot be competing theses. Divided Austria from 1945 until 1955 and the uncertain relationship of this territory with similarly divided Germany was simultaneously a domestic and an international concern. The agreement which transformed this issue was thus also a domestic

and international matter. Austrian neutrality has its roots in a political dialogue.

Until now, Austria has maintained the final word. On many issues, however, there is a clear adaptation to international pressure; eg EEC, technology transfer. The success of this constellation depends in part on policy being tailored so as to avoid it becoming the subject of direct international confrontation. The very fact that the superpowers are divided allows a neutral to vary her responses by making an independent response (Poland, Middle East), but where the objection of one power is very strong policy must take this into account (EEC). It should be noted that many writers have assumed that the USSR was Austria's interfering partner. Differences between Kreisky and the USA over Poland and technology transfer suggest that western leverage is just as powerful, with the proviso that until the 1970s there was a coalition of interests.

In fact, Austrian neutrality is a permanent dialogue and those like Ogley who see the Austrian case as neutralised without choice¹³⁶ miss the central point as much as those who claim that Neutrality is a domestic affair.

The question of ideology remains controversial. Wartime experience illustrates this dilemma. Although both Sweden and Switzerland resisted Nazi demands to fully control the press, any attempt by Swiss newspapers to concertedly attack Germany would have left Switzerland lined up as one of Germany's enemies. De Motta was forced to demand responsible and restrained criticism and declared that the Swiss Government could not follow a policy of neutrality without the backing of the Swiss media. Otherwise Switzerland would be drawn inexorably towards the war. This failure to distinguish between the supposedly 'good' violence of the allies and the 'evil' violence of the Germans left the Swiss deeply mistrusted by 1945. In Sweden too, even mild

criticism led to panic in Government circles. Of course, in both countries there were those who actively supported the Nazis. The pressure on them was considerably less.¹³⁷

The cynical view would point to the ease with which the superpower (Germany) forced the smaller States to conform. Others might suggest that in conforming they had already ceased to exist. Neither of these views is entirely satisfactory. A completely neutralised State has no real foreign policy existence except as a 'weathervane' in the balance of power. A failure to respond to outside pressure positively may lead to invasion. The problem lies not so much in the legal definitions of what neutrality is but in the fact that political and systemic differences during World War II and now during the Cold War demand some response even if this does not appear in International Law. This lack of official existence does not explain its actual urgent necessity. Thus it is all the more surprising that in the light of World War II, writers in neutrals have not grappled with ideological neutrality except to dismiss its existence. In modern warfare based on modern States and systems, old dogmas are insufficient.

As we have seen, Kekkonen expressly recognised the ideological and systemic dimensions of neutrality from the more exposed position of Finland. The essential link between public and private, State and citizen was also underlined;

"I do not want to claim that.. [anti-neutral] attitudes are common in our country, but even a few cases of this kind especially where politicians are concerned may, in a period of international tension, lead to the failure of our neutral policy as a whole. To succeed, a neutral policy requires the support of a uniform public opinion."¹³⁸

Kekkonen adds that the Cold War has given many issues of previously domestic concern an international aspect. Austria has not faced the same degree of exposure as Finland. Yet at the height of the Hungarian crisis in 1956, the OeVP Secretary of State for the Interior

was quoted;

"It should be the duty of the citizen to refrain from anything which might make the policy of neutrality more difficult to carry out."¹³⁹

During both 1956 and 1968 crises, Soviet-bloc attacks on Austria were mostly centred on allegations about the neutrality of the press. The response of the government suggests that this problem is left alone because nobody has a convincing answer.^{140,141} In times of crisis cracks emerge in the policy of refusing to recognise an ideological element to neutrality.

At root there is a fundamentally unsolved question in Austrian neutrality between identity as a neutral and identity as a western State. The only credible conclusion is that Austria's survival depends on this dichotomy remaining untested. An unstable equilibrium exists which again suggests that Austrian neutrality has its function in peacetime but no reality in any imaginable European total war scenario. In any test through war, Austria will have to choose between Western and neutral identity.

The emphasis on the necessity of detente underlines that Austrian Governments have accepted this as a factual state of affairs. Even the Swiss have accepted that there is a problem

"The maintenance of the independence and freedom of the State preceeds the freedom of the individual and public media, for where the State itself could be threatened by misuse of the right of freedom [!] the State could no longer find enough authority to protect this right."¹⁴²

The political dimensions are clear in Grubhofer's calls for more press controls in 1956.

The EEC issue is here crucial to understand the dilemma. The declared aim of the OeVP...

"..to undertake, also in the future, everything to ensure that our bond which today ties us to the Western community is not loosened"¹⁴³

shows that Austria is not unbiased in the East/West issue. The implications for Austria in the event of the outbreak of an East/West war

become clearer.

Daniel Frei points out the ideological dimensions for modern neutrality and finds that classical territorial neutrality does not apply. Yet the political realities of the foundation of the Austrian State show that rather than being restricted by classical concepts, neutrality was intended to play a role in the postwar world. The division of Germany and Austria was part of a power game between the victorious allies of World War II. From the outset there was no possibility of Austrian neutrality being merely territorial in concept, as was the case in Switzerland. Austria's location and geography together with the spread of competing if parallel systems has blurred the boundaries of loyalties.

"If the State served as the most important identity then States would appear as the only actors on the world stage...;political activity would then be activity between States and conflicts would be conflicts between States. Then all conflicts between non-State groups would appear irrelevant and one would act neutrally towards them."¹⁴⁴

The fact is that this unique loyalty to 'States' is not absolute, and relies on the continued strength of political and cultural institutions. In Austria this is further complicated by the ambiguity of the terms 'People', 'Nation' and 'State'. If domestic loyalties were severely tested, the strains of this Western versus neutral split might paralyse the country. Thus Austria has attempted to use neutrality to forge a national identity, while at the same time being able to use the fact of neutral status as a platform to build contacts abroad.

Stourzh speaks of neutrals facing two paradoxes; an 'affinity paradox' arising where the neutrals' affinity to one bloc is balanced by the need to placate a potentially hostile bloc, and a 'credibility paradox' arising because neutrality is officially a means to another end but at the same time it must be permanent. Where neutrality seems to become an end, then the 'total neutrality' spectre appears.¹⁴⁵ Yet

even this description tends to obscure the problem. These are not paradoxes in any true sense in that they have emerged as unforeseen results of clear agreements. These are real dilemmas which result from the European divide which is at the heart of Austrian neutrality. They are dilemmas in that they call for real choices. The entire EEC debate was not about paradox but about the dilemma which was so brutally exposed by the economic dependence on one hand and the nature of Cold War neutrality on the other. Austrian neutrality is not subject to paradox. It has always been an unstable equilibrium dependent on Austria being Western and neutral at the same time. Without both these aspects, the triangle which was seen to be essential in the State treaty agreement could not have occurred. By blurring over the contradictions, agreement at a practical level was possible. The maintenance of a state of affairs which does not expose this contradiction to the detriment of Austria is essential; hence detente. A Soviet advance in Europe would destroy neutrality as it is currently practiced^S in the same way as Nazi victory in 1945 would have destroyed the 'Liberal' basis of Swiss and Swedish practice. The mention of an 'affinity crisis' (rather than paradox) exposes this new element; in 1815 Switzerland became neutral between States, none of which could be described as friends or enemies. In Austria since 1955 there is a clear identity with one side and against another. The neutral must seek to avoid all war not seek merely to stay outside a war between others.

There are at least two further questions. Firstly where does nationality start to compete with ideological allegiance? Switzerland found that by 1945 putting nation before ideology led to exclusion from the UN and the devaluation of neutrality. Secondly, the need for an unquestioning approach to establishment thinking and 'Liberal' neutrality has been met by the total domination of the two 'Proporz'

parties in Austria. Nowhere outside the Anglo-Saxon world have two groups dominated a political system so completely.¹⁴⁶ The Social Partnership system and the tradition of common approach to Foreign Policy depends on the continued domination of such thinking. This gives rise to an insoluble if nonetheless real doubt; how stable is Austrian neutrality if the domestic political economic situation becomes uncertain? There are historical reasons why this question gives rise to more 'Angst' in the Austrian situation than elsewhere.

Final Comments

Neutrality has undergone the same political change as the environment in which it is intended to be relevant. We shall now examine the new model which has emerged. A purely legal doctrine of neutrality forces all political events into an artificial no-mans land. The determination to remain consistent within the law may be understandable but it has led to rationalisations which are at times scarcely credible.

Soviet criticisms of Austrian behaviour are dismissed on the grounds that they wish to make Austria ultimately pro-Soviet. Yet the same commentators argue that there is no contradiction between being neutral and western. This is clearly a matter of political persuasion.

It is dishonest to argue that economic dependency does not threaten neutrality. Dependency on West Germany has never been greater, but the political effects are limited because of historical barriers to anything which might smack of 'Anschluss'. Swiss economic and political dependence on France in 1813 was the reason given by the allies as to why her declaration of neutrality was not credible. In terms of official statements, neutrality and dependency are unlinked as they are not covered in International Law. Clearly the political

facts remain. Neutrality has a longterm existence only if there is no major opposition either domestic or foreign. Thus Austria has adopted a policy of independence based on and given credibility by her permanent military non-alignment.

Because there is at present widespread acceptance of neutrality, does not imply that in the event of a serious international crisis or of progression to a working system of international collective security that it should continue to be viewed so positively. In fact historical experience suggests precisely the opposite. The acceptance of neutrality is not a matter of a common agreement on the validity of International Law in wartime (see Benelux, Denmark, Norway) but rather of the political climate of the times. Neutrality in the modern context must thus be aimed at preventing all war and this not primarily because of Soviet pressure but because classical neutrality in wartime can only be applied where territorial boundaries can be defined and defended. Modern War technology has meant that neutrality must be directed to prevention rather than sideline sitting. There are of course limits to the capabilities of small States, but the nature of neutrality and the finality of modern technology as it affects both large and small puts them in a unique position which must be utilised.

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137. see Laqueur W., 'Das traurige Europa; Neutralitaet, Entspannung, Anpassung' Eu Rund 1980/2 p119-131
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CHAPTER THREE

Austria and West European Integration

"Basic laws change when they have been in force only a few years, law has its periods, the entry of saturn into the house of the lion marks the origin of a given crime... larceny, incest, infanticide, parricide, everything has at some time been accounted a virtuous action."

B.Pascal 'Pensees' No 60

The fundamental dilemma which Austria has faced since the foundation of the Second Republic stems directly from the ambiguity of Austria's position both during and after four-power occupation. This problem was made permanent by the direct involvement of the Soviet Union both in the signing of the State Treaty and as we have seen in the coming into being of neutrality. It can be summed up as the problem of westernism.

Since the earliest period, Austria's negotiators were well aware that the greatest danger to a reestablished Austria came from the Soviet Union. It was to meet the minimum requirements of the USSR that the agreed formula of permanent neutrality was adopted. By this stage, Austria had already received large amounts of aid from the European Recovery Programme (Marshall Plan) and was a full member of the OEEC. This had anchored the economy firmly into the western camp and the decline of the KPOe as a political force ensured that there was no substantial domestic opposition to this. In joining the Council of Europe in 1956 as a full member, Austria's commitment to active integration with the West seemed assured.

By 1957 the Common Market had emerged and Austria was not to be a member, largely due to considerations arising out of her neutral status. This problem was to be the overriding concern of Austrian

Governments for the next fifteen years. In 1972 agreement was finally reached allowing relations to find a new if unstable equilibrium. The development of a distinctive 'Austrian' model of neutrality was aided in part by the experiences and pressures in this debate and the positions adopted both domestically and internationally. This is in itself a fairly mundane conclusion. Its importance lies not directly in the debate but rather in the underlying dilemma so clearly exposed in neutrality on the Iron Curtain. The truth is that there is a cost in Neutrality related directly to the ideological divisions of Europe. This political stalemate demands that all decisions are taken with this context in mind.

The Austrian economy after World War II

Originally the dominant power among the allies in Austria was the Soviet Union. The four power occupation and Austria's united front under Karl Renner quickly ensured that Soviet hegemony was neutralised. The US Secretary of State, Stettinus described the goals of policy towards Austria;

"Depending upon the contribution of the Austrians themselves to their own liberation and reconstruction, the Government of the United States intends, in collaboration with our allies, to create conditions in which the Austrians can achieve their political and economic welfare in harmony with their neighbouring states"¹

The assumption by the United States was that the Austrian provisional government would be a puppet administration on the lines of the provisional governments of the rest of Europe. Austria remained in the western camp in part through the fact that the USA, alone among the victorious powers was able to relieve the economic problems including near-starvation conditions which resulted after 1945.² It was this ability made concrete in 1947 by the enactment of the E.R.P. which ensured that Austria looked to the west economically.

The purpose and methods of the E.R.P. will only be briefly

discussed here; suffice to say that its ultimate effect was the consolidation of the spheres of influence agreed at Yalta and the emergence of two confrontational power blocs whose existence was to dominate European politics for the foreseeable future.

In Austria the KPOe organised demonstrations against government policies in Spring 1947 which led to increasing pressure particularly within the OeVP for a more cautious approach to the Soviet Union. It was the SPOe which was most bluntly pro-American seeking in their domestic competition with the KPOe to identify clear differences in policy. They specifically opposed any arrangement with the USSR. This was at the cost of division within its own ranks but it was thanks to the support of the SPOe

" that Austrian workers accepted the burdens of the American reconstruction concept."³

Participation in the OEEC had dramatic effects on the Austrian economy. By 1949, GNP had increased above its pre-War levels. The growth of the early 1950s kept pace with the economic miracle taking place in West Germany. Between 1948 and 1951, industrial production trebled and productivity doubled, while GDP grew by 50%.⁴ The result was an orientation towards western markets and confirmation that the pre-Hitler concentration of Austrian trade on Eastern and Central Europe had been replaced by a new concentration on the rapidly expanding western showcase economy in West Germany.

In the period from 1952 until 1958 the West German Economy grew by 48% while GNP in Austria leapt 45%. All other European States lagged behind.⁵ As a result, by 1958 the first full year of the Common Market's existence, 49.6% of Austria's exports and 54.4% of imports were with 'The Six' now grouped together in the new Market and the vast bulk of this trade was with West Germany. During the period of Anschluss the economy had undergone rapid development especially in the area around Linz (Steel, Armaments, Chemicals). This new

industrial development had been orientated towards the needs of the Third Reich of which Austria was an integral part after 1938. The parallel experiences and developments in Austria and West Germany under the ERP merely reconfirmed the close interrelationship.

The ERP became a concrete body following a conference of representatives of 16 European States and the USA in 1947 at which a new 'Committee for European Economic Cooperation' was set up. In April 1948 this became a fully-fledged organisation with Austria as a founder member. The Plan operated through the mechanism of 'counterpart funds' whereby goods were donated by US industry suffering from overcapacity and used in Europe to create reserves. These were paid into special national accounts to be used as an investment fund by national governments in co-operation with the ERP administration.

"Hereby the Marshall Plan solved the greatest and most difficult problem of the Austrian economy - the balance of payments."⁶

Austria was a major beneficiary of Marshall Aid - between July 1948 and 1949 it accounted for 14% of Austrian National Income a higher proportion than in any other recipient State.⁷ As we have noted, Austria's growth rates for the 1950s outpaced those of all other European countries except West Germany (Austria - 6% p.a., West Germany - 7.1%, Sweden - 3.2%, U.K. -2.2%).⁸

The formation of the E.E.C.

By 1957, Austria had one of Europe's fastest growing economies. That growth had been largely export-led. Between 1952 and 1958 exports had increased in value by 81.3%. Nearly all of this increase was in exports to the countries now grouped together in the Common Market. These States had been anxious to set up a more thorough-going union in Western Europe. It is clear that Austrian politicians had

not grasped the dimensions of the problem now posed and were ill-prepared for the controversies which emerged.

The problem was that in the view of Austrian politicians Neutrality merely entailed a distance from military commitments and allowed fully Western social structure, while the Soviet Union was clearly anxious to limit the degree to which Austria was identified with 'the West'. Neutrality was only newly established by 1957 and the EEC debate which continued throughout the 1960s was essential in establishing the limits to political activity under the new circumstances. It appears that in 1955 considerations of European integration were of no real concern to any of the parties. Austria was faced with the fact that her economy was largely orientated to the demands of Western Europe. In the more basic commodity areas Austria actually had a trade surplus in dealings with the EEC.

Following the collapse of the British-inspired 'Maudling Talks' in Paris, the Benelux countries, France, West Germany and Italy negotiated a new treaty of co-operation signed in Rome in 1957. This group, widely known as 'The Six' consisted of the most powerful trading economies of Western Europe with the exception of the United Kingdom. The creation of the Common Market was thus a direct challenge for those remaining outside its confines.

The Austrian economy was, as we have seen, heavily dependent on markets in 'the Six'. More pointedly, Austria had virtually no tradition of trading with the other countries remaining. Despite this, Austria joined these States in the formation of a much looser federation to be known as EFTA or 'The Seven'. Only 10% of her exports and 11.2% of her imports came from these countries. In some areas virtually all trade was with countries now in the Common Market - e.g. live Cattle - 96%, fuel - 92.6% and timber - 91%. Geographical and historical factors made Italian and German markets much more

accessible to Austrian exports and the opportunities for trade with her only EFTA neighbour, Switzerland, had never been fully developed. Unlike the Scandinavian countries the Austrian economy was not geared to trade with the UK. A mere 2.7% of her exports went to Britain.¹⁰ More fundamentally, Austria's position was made worse by the structure of her production and trade. Austria had a relatively low capital intensity in her exports making it more difficult to overcome the trade discrimination now imposed by 'the Six' than, say, Switzerland with her strong capital base.

In the early stages the problems were presented in dramatic terms by those who favoured close ties with the EEC; Landeshaupmann (Provincial Governor) Krainer of Styria warned most threateningly;

"Austria must not starve because of neutrality"

Austria joined the new EFTA organisation only after considerable internal debate. The pro-EEC Trade Minister Bock chose to emphasise the passages of the Treaty of Stockholm which underlined that the goal of the organisation was further and more widely cast integration. There was nevertheless opposition to the signing of the EFTA Treaty especially from the opposition FPOe, who resented both the economic separation from large markets (Liberal wing) and the separate development from West Germany which this treaty seemed to imply (National wing). They described the new organisation as 'stillborn' (Gredler) and openly opposed any membership. In its place, Gredler suggested a bilateral treaty of association with "the Six". Mannert put the FPOe's position quite clearly;

"Whoever wants a united Europe must accept the possibility of Supranational Institutions."¹²

The stridency and urgency with which the FPOe advocated membership of the EEC reminded some observers of the pre-War campaigns for Anschluss arguing as they did that an Austria beyond this organisation was not viable in economic terms.

"There remains evidence that FPOe speakers at best ignored, but sometimes went so far as to ridicule the idea of 'Austrian' nationality while continuing to harp on the German cultural heritage of the Austrian people. Consequently there were suspicions that FPOe leaders meant 'grossdeutsch' when they used the term 'Europe'"¹³

We will examine the major divisions in the Austrian political establishment over this issue below.

Despite these objections, Austria signed the Treaty of Stockholm as a founder member of EFTA. This Agreement set up a much looser co-operative trade structure than that envisaged by the Treaty of Rome. Article 42 of the EFTA Charter expressly accepts the possibility that members may wish to leave the organisation;

"Every member State can withdraw from this agreement on condition that it send a written notice of termination twelve months in advance to the Government of Sweden, who will inform the other member States."

The organisation is not intended to move towards any kind of political unification. It has a purely trade function.

"EFTA can never be an end in itself for Austria. Whoever tries to represent the Treaty of Stockholm in this way ... would interpret it incorrectly. EFTA, in which we now work in all good faith, is not the ultimate goal which is to be found in an all-European solution."¹⁴

As we shall see, the SPOe was often characterised as being the chief support for EFTA in Austria and the debate was sometimes portrayed as a choice between 'Red EFTA' and 'Bourgeois EEC', much to the irritation of those politicians who liked to be both such as Bruno Kreisky. In the final analysis EFTA proved fairly uncontroversial largely because the Soviet Union chose to concentrate its attacks on what it saw as the greatest threat - the EEC. EFTA in fact had several advantages for Austria. It brought the possibility of expansion into previously unexplored markets. Additionally, in contrast to trade with the EEC, 87% of Austria's exports to EFTA countries in 1958 were finished manufactures.¹⁵ As we shall see, EFTA was an unexpected success in commercial terms, somewhat dampening the urgency of the debate in the initial period. Indeed Fritz Molden

publisher of the leading Vienna conservative newspaper 'Die Presse' wrote that the EEC question was;

".. a fundamental question of life and death for this country..which could have the direst consequences for our fatherland."16

Rather than go through a blow by blow account of the debate in the 1960s which has been well-documented elsewhere, (eg. Mayrzedt/Binswanger, Mayrzedt/Rome, Government Documents etc.) I will now concentrate on the positions adopted by the main participants in the debate, both domestic and international. While external actors maintained largely unchanging positions the domestic debate falls into three distinct phases; 1958-63 when Austria negotiated in the shadow of Britain together with Sweden and Switzerland, 1963-67 when following the failure of UK membership talks Austria, alone among the neutrals, decided to 'go it alone' in negotiations with 'the Six' and 1967-72 when Austria resumed contacts with the other interested Neutrals leading ultimately to the Free Trade agreements signed in July 1972.

International Actors

a. 'the Six'

In this section I wish to concentrate on the attitudes adopted by the EEC both as an individual institution and through the attitudes of the larger States. The Benelux countries were supportive in line with their general policy of support for the fullest degree of integration possible, but this very consistency meant that their views were seldom decisive, although under a unanimity system the potential for small states is theoretically overproportional.

It should be emphasised from the outset that the EEC never developed a clear policy on the nature of 'association' for neutral States. The assumption on the part of the neutrals that the term by

necessity meant some system of trade preference was not necessarily shared by the EEC. By early 1959 the EEC was speaking of 'multilateral association' to the 'free European Market'. Although the Council of Ministers was keen to extend the Community's scope the EEC Commission was always notably more cautious.

In February 1959, a Commission memorandum to the Council warned that the liberalisation could not take place at the expense of the fruits already achieved. From the beginning, the Commission did not define the end results they sought to reach. The idea that each case had to be considered separately was a constant feature of EEC attitudes. There was a distinct impression in Brussels that the neutrals wanted all of the benefits without any of the costs especially those involving restrictions on sovereignty.

In May 1962, Belgian Foreign Minister Spaak warned that from his perspective it appeared that those countries which had originally doubted the ability of the Common Market to function successfully were now knocking on the door in order to reduce economic worries without any willingness to accept restrictions.¹⁹ Additionally, the EEC differentiated starkly between the applications of the various neutrals. Austria had a 'legitimate' political excuse for her neutrality in that it was a precondition of her reestablishment and played a role for Western Europe in neutralising a part of the Iron Curtain. Sweden also played a security role in safeguarding the relative independence of Finland. The EEC was sharply critical of Switzerland however;

"No political justification can be found for Swiss Neutrality and it cannot justify any claim for preferential association"²⁰

Once again we see that outside nations continue to look for a political 'function' of neutrality without which its grounds are considered weak. The legal foundation of the status is of interest primarily to the neutrals themselves.

It could be argued that law does not refer to economic conditions but this does not hold where the same state chooses to make them a barrier to full membership and at the same time seeks preferential membership. In Austria's case the EEC tended to a 'bourgeois sympathy' regarding the status as an unfortunate but necessary by-product of the Cold War which the EEC must treat with sympathy if it was not to isolate Austria. What emerges here is another clear example of the role of both internal and external actors in the actual scope of a neutral country's activity. In this case the EEC's attitude was crucial not least in allowing the neutrals to maintain the myth that policy was entirely a product of the neutral itself. I am not saying that the EEC shaped Austrian policy but merely pointing out that the negotiations were a dialogue in which both co-operated and that any attempt to portray them as the work of a single group is unhelpful.

In the Macmillan report on the extension of the Community, Professor Hallstein argued that Swiss neutrality was obsolete because the EEC sought to abolish the conflicts which had given rise to Swiss neutrality in 1815. As it was now impossible to talk seriously of winning a global war, neutrality was irrelevant for security policy. Nevertheless the Macmillan report was more cautious in its final conclusions arguing negatively that not to accept neutrality within the EEC might create neutrals totally unattached to either side.²¹

In the view of non-neutral states there is a clear assumption that the entire debate is open to the realm of political negotiation. Nowhere is the legal status considered. It is assumed that neutrality must be a mutual concern. If politics leads law for the bloc on which the current neutrals most rely (the West), it is likely that political considerations will dominate for a less friendly group also, and legal protestations about the nature of neutrality will be disregarded (eg. Switzerland in 1813).

An even more influential report was presented to the European Parliament in January 1962 by its chairman Birkelbach. Its conclusion was that Association was to be viewed positively though there was little attempt to define what this might mean. In reality the neutrals operated knowing only that association meant anything between 1% and 99% of full membership. The importance of the Birkelbach Report lay in the fact that it opened up the possibility of a real institutional relationship with the neutrals.

In 1963 the French veto on further discussion with the UK led to a crisis for the neutrals as well. Both Sweden and Switzerland withdrew their applications. Despite domestic controversy the majority in the Austrian Government decided to press on with Austria's negotiations with the EEC, arguing that Austria's close trading links made her situation more urgent.

The negotiations with Austria alone covered a variety of areas which might be considered under Association. These did not begin in earnest until Spring of 1965. Soon the term 'Association' had been replaced by talk of a 'special treaty of an economic nature'. This reflects the increasing international pressure from the Eastern bloc.

It was now accepted in EEC circles that Austria was a special case, but it was not long before various member States began objecting to various areas of the discussions. The position of West Germany is interesting in this respect. All the reports of the time show that the West Germans were broadly in support of efforts to integrate Austria into the Community and were prepared to negotiate a treaty which would take account of Austria's difficulties vis a vis the Soviet Union. This is confirmed by the chief Austrian negotiator of this period Trade Minister Fritz Bock.

"The Germans always supported us....Erhard said to me 'Do what you want we support everything.'²³

The problem arose because of Soviet propaganda which emphasised that it viewed any agreement by Austria with the EEC as a breach of the 'Anschlussverbot' contained in Article 4 of the State Treaty. Sensitivity to this issue in both Bonn and Vienna led to the West Germans adopting a quiet role in the negotiations although they stood to benefit most from any agreement. At party level the close party links led spokesmen for various West German parties to voice their position on the issue (e.g. Mende, leader of the FDP at the Party Congress in Munich 1963). The second problem was West Germany's own support for the political goals of the Treaty of Rome;

"It was the unanimous opinion of the EEC officials that an economic community could not function without a political superstructure. It was always the Germans who said 'out of the economic Community we must make a political one', and with that was created a real barrier to Austrian participation that remains today."²³

Italy played a very curious role in the negotiations. In May 1964, the Italian Government issued a memorandum on the theme of association. This concentrated on an interpretation of the political goals of the Community (Article 238 of the Treaty of Rome). According to this, it appeared that several countries did not possess the requisite qualities to become associates. The Italians pointed out that the treaty required that association could only be seen as a step on the road to full membership and thus the association of states whose international status prevented them from taking up this membership made them ineligible also for association together with countries who rejected Liberal Democracy.²⁵

Given the state of affairs between Austria and the EEC and the difficulties posed by Austria's relations with the Soviet Union this was clearly a statement directed at Austria. A charitable interpretation might call it 'unhelpful' although it raised a number of issues. Austrian sources of course denied that it was directed in any way against them.²⁶ The OeVP newspaper 'Volksblatt' reported that

the Austrian ambassador had received assurances from the Italian Government that Italy had no objections to an arrangement between Austria and the EEC.²⁷ Kreisky himself commented;

"The Austrian Government's view is that South Tirol is a political problem while integration is an economic problem. The Italian Government is of the same opinion"²⁸

This is clearly a misrepresentation of the actual situation. The Italians were prepared to allow this division of spheres to become extremely blurred. Bilateral relations between the two countries were at a very low ebb throughout the 1960s dominated by the claims of South Tyrol. The fact that the Italian Government were prepared to use any levers available to oppose Austria's involvement in support of the South Tyroleans underlines the importance they attached to the issue. The same process of longstanding political enmity was apparent in the role played by the Republic of Ireland during the Falklands Crisis.

The determination of the Italians to retaliate against ~~towards~~ Austria in all spheres culminated in the exercise of the veto on the continuation of further negotiations in Summer 1967. The reason given was Austria's refusal to take effective action against terrorists operating on Italian territory but based in Austria. The French in particular were relieved by the Italian veto and certainly raised no objection to its somewhat unusual roots. Clear divisions between politics and economics are again a product only of the imagination. Bock himself is of the opinion that had an agreement been within reach the Italians could not have vetoed on these grounds.²³

Once more the interrelationship of the political, economic and legal must be set against Liberal attempts to separate them. We might add that the Austrians had stopped making the assertion that Association could be seen as a step on the road to full membership in 1965. It was widely portrayed as an impossibility under neutrality and not the result of Soviet pressure. Yet as we shall see by the

1980s the 'capital interest' was encouraging exactly this course of action. The legal problem had been satisfactorily rationalised out of existence but more importantly the depth of Soviet opposition to the EEC seemed to have been reduced. Any impression that the negotiations with the EEC would lead to full membership would, in 1965, have led to domestic and international uproar. The permanence of the problems posed by permanent neutrality would appear open to 'revision' if not 'reversal'.

All commentators agree that the French had already decided that the negotiations could go no further due to the opposition of the Soviet Union. The Italians merely preempted them.²³ This was in spite of the fact that according to Bock, the French played a cooperative role at diplomatic level in Brussels. It became clear, however that the French shared Russian concerns about Anschluss. As one commentator put it;

"As Europe's statesman with the strongest sense of history, he [de Gaulle] often describes Austria's independence as a condition of Franco-German friendship in diplomatic discussions..."²⁹

De Gaulle was quick to recognise the strategic and political implications of Austria's neutrality. Given his own commitment to an independent 'force de frappe' for France he was also anxious to maintain healthy and independent relations with the Kremlin. The close association of Austria might also increase the influence of 'Deutschtum' at the expense of French-led 'Francophonie'. In June 1965, Austrian Chancellor Josef Klaus undertook a visit to Paris as head of a trade delegation. The main purpose of the visit, however, was to try to persuade de Gaulle of the need for an agreement. The outcome was a quiet if forceful rebuff. In de Gaulle's 'Europe from the Atlantic to the Urals' Austria had to concentrate on her role in Southeastern and Central Europe;

"Vous etes Danubiens!"³⁰

Ludwig Steiner, now OeVP Foreign Policy spokesman confirmed this in an interview;

"I was a fellow traveller with the Chancellor with de Gaulle..where we tried to get understanding for the Austrian position. De Gaulle said 'The most important thing is your Neutrality. That is the essential element for a peaceful development in Central Europe. We will try and create a possibility to overcome all these economic problems.'"31

The implication for Austria was clear. The time was not yet ripe for French approval of her integration efforts. French objections would thus have put an end to Austrian efforts just as they did twice to the efforts of the UK, had the Italians not intervened before them. In addition the degree to which the future adherence of the Austrian economy to the West was linked with neutrality contradicted Austrian insistence that the economy was separate from Neutral considerations.

b. USSR and Allies

By far the most vociferous opponent of an Austrian agreement with the EEC was the USSR. Without reference to her position the central dilemma facing Austria throughout the debate would not emerge. It is nevertheless commonplace among Austrian politicians and diplomats to contend that Austria was at no time forced to bow to external pressure. Certainly, Austrian officials went to great lengths to ensure that every shift in policy had a domestic justification but it is the position of the USSR which ultimately makes the entire problem comprehensible.

The 15-year struggle was to find an agreement which was somehow mutually acceptable to the USSR, Austria and the EEC. Within this triangular relationship (and the considerations of France vis a vis the Soviet Union complete the triangle) the parameters of Austrian policy had to be defined. The Austrians further developed their remarkable ability to turn an unpalatable series of pressures into a smooth and mutually acceptable agreement. It must be added that in

the 1970s this has been more readily achieved on the international front than at home. The Austrians certainly played an active rather than a passive role in the shaping of the final agreement but the virtually unanimous assurances by Austrian politicians that the goals were achieved entirely through their own efforts remains a romantic half truth.

It is perhaps useful to divide the questions about the activities of the Soviet Union into two: firstly, on what grounds did the USSR attack the EEC and secondly in what ways was pressure applied to Austria to adopt a particular policy?

When the Common Market came into being, the USSR responded with the publication of the '17 Theses' revised and reissued in 1959. This forms the first attempt at a Soviet analysis of integration in the West. The basis of the new Union in the West was dismissed;

"Under the guise of 'uniting Europe', the imperialist 'Integrationists' have caused a division of Europe whereby groups of States have resulted which oppose one another economically, politically and militarily and an aggressive military bloc with a series of Western European States was created which was directed against the Soviet Union and the European People's Republics."³²

The fundamentally anti-Soviet nature of the EEC is established in thesis 4 and analysed as a Western reaction to the rapid growth in power of the Socialist States. Soviet fears of a revitalised Germany are also immediately apparent. In thesis 5 the Common Market is characterised as a vehicle for West German Capital expansion to be achieved by the subjugation of the economic power of all the smaller States. The '17 Theses' remain sceptical of the ability of the EEC to survive its internal contradictions;

"The Rome Treaties do not alter the economic or political base of those states which have signed them; they also do not change the deeply contradictory economic and political positions very typical of capitalism. Therefore a real economic union of the peoples and states is not possible."³³

Despite this, the theses do recognise that some form of monopoly capitalist form of cartel is a feasible development and are far too

cautious to actually predict the collapse of capitalism.³⁴

Nevertheless, thesis 12 outlines how West German capital will come to dominate the Community leading to renewed Franco/German rivalry and the isolation of West Germany from the remaining members.

The main thrust of Soviet propaganda was thus established from an early point; the EEC would be an expensive failure, designed to benefit West German monopoly capital. Its fundamental purpose was the continuation of aggressive Cold War politics. As time progressed and the EEC failed to live up to Soviet predictions of a speedy demise this position became increasingly untenable, especially as the Community seemed to be having an expansionary effect on trade. Binns traces the sudden increase in Soviet writings about the EEC in 1962 to the economic successes of the Market and its popularity with other non-Member States. This success had to be set against corresponding strains within Comecon;

"Some demonstration was required that the fundamental Soviet analysis of imperialism still held good."³⁵

The result was the far more detailed publication known as the '32 Theses' which contained little new on the origin or purpose of the EEC but a marked emphasis on the politically aggressive nature of the organisation. In an article in 'Pravda' in 1962 Khrushchev was reported as rating the survival chances of the Common market as low, suggesting;

"This tree will wither without producing good roots"

Still the spectre of a rampant West Germany dominated the propaganda field;

"The greatest danger facing the peoples of Europe is German militarism, which plays an increasingly pivotal role in the EEC countries' preparation for war."³⁶

Furthermore, under the guise of European integration and the defence of the West this lobby was taking over not only the scientific and

technical technology developed in other countries but also the arms industry. According to the USSR, West Germans were trying to gain a leading role in the new Community especially in those parts with a direct or indirect role in the Arms race, e.g. Euratom, ESRA etc.. All this emotive anti-German propaganda was now applied in further propaganda directed towards Austria. Indeed the 32 theses directly address the problems facing the Neutrals;

"The partners in EFTA, left alone by the UK are now under increasing pressure from the larger EEC powers. Any entry into the Common Market by the smaller European countries would represent significant damage to their national, economic, and political interests."³⁷

According to propaganda, the neutrals were being drawn into an unmistakably aggressive military-industrial complex. Association was rejected as an attempt by pro-German factions within the neutrals to achieve membership via a diversionary tactic, covering up the true military and strategic significance of the Community. This thrust of Soviet propaganda was to be repeated many times in the course of the 1960s. Soviet protests that the EEC was US dominated may indeed have a ring of truth in certain areas but when set against Soviet practice in Eastern Europe they have a somewhat hollow ring. The critique cannot however simply be rejected. As usual many of the observations emanating from Moscow at times exposed truths which Western analysts were unwilling to concede. At the same time the Soviet Union's own practices made it difficult to cast the Kremlin in the role of White Knight sent to save the power of small States!

The most famous and clearest statement of Soviet views of Austrian policy came during Khrushchev's visit to Austria in the Summer of 1960. Although the Soviet press had been warning for some time against groups in Austria which sought to reach an accommodation with the EEC the finality of the Soviet position was finally put beyond doubt by Khrushchev himself. In 1957 a Soviet commentator had written;

"The large capital-dependent Austrian newspapers represent the

interests of foreign circles with vehemence and carry out propoganda for entry into the Free Trade Zone."³⁸

Khrushchev in 1960 underlined this rejection by emphasising first and foremost that in Soviet eyes the status of permanent neutrality was not compatible with membership of, or association with the EEC. He characterised Austria's neutrality as the act of defence which had enabled the Austrians to resist the aggressive overtures to the West;

"Plans arose to drag Austria into such an organisation as the Common Market, whose six members all belong to NATO and where West Germany plays a leading role. As is well known, certain circles in West Germany see the Common Market as an appendage of NATO with the consequences which would result from that. They do not bother to hide the fact that the Union has a political character. We therefore think that the Austrian Government...showed appreciation for the national interests of Austria when they recognised that an Anschluss with the Common Market would limit economic independence and be a real danger to Austrian Neutrality."³⁹

There then followed a barrage of propoganda in the press and in academic journals;

"The political obligations of the Common Market... do not transcend those envisaged by the North Atlantic Treaty. But for the 3 European countries that have proclaimed neutrality to be their policy... the situation is quite different, for had they joined the Common Market they would have had to retreat from this policy."⁴⁰

A detailed analysis of all the Soviet contributions seems unnecessary if only because most of the articles merely reinforced points made at an early stage. It would be fair to point out however that there were two points at which the Soviet Union felt that it had found irrefutable arguments; first the illegality of membership of the EEC under neutrality and secondly the predominant role of West Germany in the EEC. Using Article 4 of the State Treaty the Russians argued that any association of Austria with the community amounted to 'Cold Anschluss' with Germany;

"Austria's neutrality is founded on international agreements concluded after the war and guaranteeing this neutrality. Moreover, Article 4 of the State Treaty signed by Austria and the four great powers lays down that Austria 'shall not enter into political or economic union with Germany in any form whatsoever' and the Federal Republic of Germany is certainly playing first fiddle in the EEC."⁴²

Thus as the Soviet Ambassador to Vienna, Avilov made clear to

Chancellor Gorbach;

"An entry of Austria into the EEC in one form or another would be in direct breach of both Neutrality and the State Treaty."⁴³

Quoting West German sources, the Soviets also pointed out that the West German government itself far from hiding the political ambitions of the EEC, encouraged them. Bock reports;

"Herr Mikoyan said to me when I was in Moscow 'That is a political Community; you yourself heard what the German Chancellor and Foreign Minister .. said.'"²³

In order to substantiate their political position, the Russians also argued that EEC membership would be detrimental to Austria's economy. In the Austrian press Dimitriev and Sabelnikov pointed out that Austrian growth between 1958 and 1963 had kept pace with the EEC and in 1964 had actually exceeded the EEC average. The virtues of maintaining ties with the 'traditional partners' in the East were also emphasised.⁴⁴ Another Russian writer, Ostrogorsky, pointed out that the EEC was prone to internal divisions over production and its distribution.⁴⁵ Perhaps the strongest warning of all came in an article in Pravda written by Grigoriev in which he warned;

"Politics is indivisible from economics."⁴⁶

The difficulty of squaring this reality with old nineteenth century Liberal concepts of separate spheres are part of the Austrian dilemma. At root one of the major parties to her neutrality, the USSR has forced Austria to recognise that there is an ideological element to the neutral status appropriate on the Iron Curtain if only because the two warring parties make such a distinction. It is clear that Austria has to find a status that reflects the realities of the tensions in which she must prove her neutrality. For it to be credible Austria must ensure that her pro-Western bourgeois base does not force her to be aligned de facto with the West. If Grigoriev's position were to be officially admitted then economics would become a natural sphere in

which to apply neutrality. It is impossible in the interdependence of today's world to deny that the separation of one from another is not an illusion. What has developed in reality is a pragmatic compromise - the 1972 Agreements allowed Austria to confirm her status as a Western State, without involving her in wrangling in Brussels the result of which might be that she was just another distinctly Western European State. This would seem also to be acceptable within the triangular relationship which we outlined above. During the period the Soviet Union grew to live with, if not to like the EEC as a political reality and in the absence of any effective sanctions between diplomacy and war, the eventual form of the Agreement reflected the limits as well as the effect of pressure.

Perhaps the most threatening aspect of Khrushchev's visit was his 'promise' to 'defend' Austria's neutrality. The Austrian Government was quick to reject this as an official role as unnecessary and undesired. The threat had nevertheless been made.

On his official visit in 1966, Podgorny reaffirmed Soviet opposition;

"We say in all sincerity as friends of the Austrian people that membership of the Common Market in whatever shape or form could lead to a situation where this country could be tied not only through economic but also by political considerations. This could lead to a distancing from the State Treaty and the proven path of Austrian neutrality. To whose benefit would that be? The answer is obvious; certainly not the Austrian people."⁴⁷

This attitude was repeated and underlined during visits to Moscow by Klaus (March 1967), Waldheim (March 1968) and Kirschlaeger (Jan. 1971). It was accompanied by echoes in all of the Eastern Bloc States especially in East Germany.⁴⁸ All commentators emphasised the danger of expanding markets for West German capital in the Austrian economy.

Ultimately, it was clear to the majority in Austria that a direct confrontation with the Soviet Union over an issue which had aroused so much anger would be extremely damaging and could only be a very

pyrrhic victory. The credibility of Austria as a viable neutral State was on the line. As such the dichotomy of Westernism and Neutrality was brought into the open. There can be no doubt that neutrality was the factor which has kept Austria out of the EEC and more especially the objections of the USSR. In no other issue since the State Treaty has the Soviet Union been so emphatic that its continued support for Austrian neutrality was dependent on a particular political decision. The dilemma had a number of interesting results. Politicians in favour of membership of the Community had either to admit that this had proved impossible because of Soviet interference, unpalatable to most who were anxious to underscore Austria's freewill in every political decision, or to argue that under neutrality law membership was unfortunately impossible, thus shielding Austria from the problem of Russian interference but risking making non-membership a permanent feature. In the 1960s the fear of admitting Soviet pressure was predominant and most politicians ultimately argued that Austria had never sought full membership. As we shall see, by the 1980s a right wing group within the OeVP became openly unhappy with any attempt to imply that Austria was permanently barred from the Community and argued that it was not a legal matter. The politics of supposedly neutral legal reasoning are once again only too obvious.

In 1972 as we shall see the Austrians signed agreements with the EEC which avoided any confrontation but achieved much of what the Kreisky group had sought. This pointed to the only real policy option open to small States which do not depend on outside powers. The parameters of this decision were no longer set beyond Austria's borders but an attempt was made to estimate risks and attempt a more active approach. This trend to action rather than mere reaction was of course easier for a social democratic government which saw its goals in a slightly different light from both the two external groups

than for a government whose aims were ultimately identical with one side and opposed to the views and aims of the other.

c. Other opinions

In order to complete a survey of groups involved in Austria's negotiations with the EEC, I now wish to briefly look at positions held by other actors who took up less high-profile roles - namely the USA and the non-Six European countries mainly grouped around EFTA. For the USA, both the EEC and Austria's association with it involved a number of problems. On one level, the USA had always encouraged moves towards West European integration on the basis that it provided a steady bulwark against Russian expansion. Accordingly, the USA was opposed to any 'dilution' of the EEC by the neutrals and there was a feeling in some quarters that the neutral States..

"wanted it both ways, demanding the commercial benefits of the community without assuming its burdens."⁴⁹

Nevertheless as in the case of the EEC itself, this applied more to the cases of Sweden and Switzerland than to Austria. Indeed the very fact of Soviet objection seems to have made Austria's case more attractive for the Americans. A further interesting point of note was the accusation levelled against Switzerland by the same author of an overzealous definition of neutrality once more bringing to light the fact that from an outsiders point of view neutrality has to be politically not legally 'justified'.

The other strand in US thinking arose because of the threat which a successful EEC might eventually pose to the US economy. As on the worldwide level the cooperation of the EEC only took place within an overall framework of competition;

"It is clear that Capital Integration on a continental level succeeds while intercontinental imperialist competition is increased likewise."⁵⁰

In Austria, the overriding impression was one of her irrelevance

to the USA. The New York Times found that Austrians felt themselves "negligible and expendable"⁵¹

The position of the EFTA countries was also largely quietly expressed. Of the original seven members, five had entered into negotiations with the EEC in 1960 and there was widespread acceptance of Austria's position in the period of her individual negotiation 1963-67. As has been pointed out the diplomatic independence of the EFTA states is safeguarded in the Stockholm treaty.

The debate within Austria.

I now wish to turn to the debate on the EEC as it was conducted within Austria. As pointed out, there were three fairly distinct phases of negotiation and three particularly important questions raised by the Soviet Union; how far was EEC membership desirable? How far did the plans contradict neutrality? In what sense was the State Treaty breached by entering into a Customs Agreement which involved West Germany?

The issue aroused passions in the political and business establishment but not in the wider populace who remained more concerned with the continuation of expansion which had taken place since 1945.

"In the face of widespread public indifference to the issue of Austria's relations to European integration process, the intensity of the conflict among Austria's political elite is striking. This was [until 1972] the only serious issue in postwar Austria which led to an ideologically significant divergence between the political elites of the OeVP and the SPÖe."⁵²

Even this division was not clearcut. The domestic political norms established in 1945 were going through a period of adaptation. At the beginning of the debate, the 'Proporz' system was in operation whereby both parties divided cabinet posts and many employment opportunities between themselves on the basis of election results. After SPÖe gains

in the 1959 elections, Bruno Kreisky became the Foreign Minister in an expanded role. The other leading actor in this period was the OeVP Trade Minister Fritz Bock who was the most prominent advocate of a close association with the EEC. After a shift in political power in 1963 and later one-party government between 1966 and 1970, his views became very influential. It was pressure from this faction which ensured that Austria 'went it alone' in 1963. As Kirsch^{ch}schlaeger reports a reorganisation of responsibilities within the government meant that the leading role in negotiations was transferred from the 'red' Foreign Ministry to the control of the 'Integration Minister'.⁵³ Bock himself says;

"From 1956 I systematically had one area competence after the other brought back from the Foreign Ministry. The first step was that both Ministries were made responsible. The last step was made in 1964 when the entire foreign trade realm came under the Trade Ministry much to Kreisky's annoyance.."²³

It would nevertheless be misleading to restrict our analysis of the divisions over EEC membership to a strictly party split. Although the KPOe and the FPOe were respectively consistent opponents and advocates of the EEC, the larger parties were divided within themselves.

The pro-EEC group within the OeVP centred, unsurprisingly, on the economic or business wing of the party. The core of their argument was summed up by Bock as early as 1957 when he maintained;

"Austria has an interest that her exports to the Common Market are not minimised but on the contrary strengthened, as a matter of life and death."⁵⁴

It was the conviction that an association was fundamental to the survival of the Austrian economy which provided the thrust of this group's argument. It was of course in their direct interests to ensure access at favourable rates to the expanding markets of Europe. The portrayal of their individual interests as the determinant national interest was of course then essential.

As we have established, Austria of all the States left out of the Common Market relied most heavily on the EEC as a trading partner. The fear of return to the dire economic straits of the 1920s and '30s and even more starkly to the starvation of 1945 have always had a strong appeal in postwar Austria. Thus the arguments of the Bock group supported by the Wirtschaftskammer (Chamber of Trade) and its Research Institute (Wifo) were couched in terms of warnings of the effects of exclusion. In 1959, Wifo reported that Austrian trade faced severe consequences if there was no breakthrough in negotiations with the EEC.⁵⁴ EFTA could only partially substitute for the lost opportunities in 'the Six'. The essence of the Bock argument was that international law did not restrict the economic policy of a neutral State. The Swiss conception outlined in 1954 seemed to support this assertion except in the case of Customs Unions which might involve future political or economic obligations. Bock argued;

"If one invented it [economic neutrality] it would be the end of our economic prosperity. The strict maintenance of our legal and military neutrality which is recognised by the entire Austrian people as the real basis of our sovereignty has nothing to do with those decisions about the European integration question which are matters of life and death for our economy."⁵⁶

I shall return in more detail to the theoretical questions raised but beforehand it is worthwhile establishing the views of other groups especially those developed in the SPOe. Within its ranks at least two distinct positions can be observed; one centred on the Party leader Bruno Pittermann who was to become the Boon-man of the Bock faction and the other around the Foreign Minister Bruno Kreisky supported by the able deputy Karl Czernitz.^e

In June 1959, Pittermann broke the public front of consensus on the need for an agreement with the EEC when he attacked it as a 'bourgeois bloc'. He accused the Austrian business establishment of trying to manoeuvre Austria into membership. Thus the argument presented in East/West terms was in fact an illusion to prevent the

real nature of the EEC becoming exposed. For Pittermann the Common Market was a cover for the emergence of a new form of cartel capitalism whose only interest was to ensure sympathetic government policies.⁵⁷ He reinforced this attack at the SPOe party conference in November, introducing a new emotional element;

"We can see in the 'oh so strongly recommended' Anschluss with the EEC, at the price of part of our economic independence, not only a danger to our neutrality but the repetition of the Anschluss this time not to a State but to a Group of States."⁵⁹

By introducing the 'Anschluss' from a domestic platform he gave support to the view maintained by the USSR. Although proponents of the EEC rejected this connection out of hand it could no longer be dismissed as 'mere' Soviet propaganda if expounded by the second highest ranking politician in the country. Pittermann found support within the SPOe. As the then Secretary of the Arbeiterkammer (Chamber of Labour) Edouard Maerz pointed out, the constellation of class forces within the EEC was far from favourable to organised labour or socialists. He showed that the theory that EEC membership was a matter of life or death was a gross exaggeration and argued that dependence on EEC markets was already too great to be satisfactory.⁶⁰ Pittermann now suggested that economic goals had to be viewed within the framework of neutrality in order to procure food supplies and raw materials in wartime.

"In order to support neutrality, I would accept that Austria's economic situation might worsen comparative to the rest of Europe."⁶¹

In all of this discussion, Pittermann held a minority viewpoint even within the SPOe. Nevertheless its influence was considerable particularly in view of the importance of the decisions which had to be made and also within the Austrian postwar tradition of consensus. By publicly expressing his opposition to EEC membership the focus of the debate took on a wider dimension. Perhaps the most important single influence of this faction was in pointing out that Austria had

no need to single itself out from other States in Europe in her dependence on trade with the EEC. As Pittermann showed, the EEC had an annual trade surplus of AS 7.5bn in 1961 so that it was ridiculous for Austria to emphasise her own dependency in exclusion;

" We do not come to the negotiating table of the EEC in the role of a beggar but as a good and punctual paying client, who takes more from the EEC area than it supplies."⁶²

The other major strand within the SPOe was represented by the reformist wing identified initially with Kreisky and Czernitz^e but also with Kirschlaeger. There was a convergence of views with certain elements within the OeVP not particularly identified with business represented in government by Toncic and Waldheim. X
X

This group differentiated itself from Pittermann in their insistence that some kind of agreement was necessary. Czernitz insisted on this from an early stage.⁶³ Kreisky too spoke of the danger that sovereignty might be reduced as much by impoverishment as by membership of the community.^{63b} Czernitz originally rejected any connection between neutrality and the economic sphere;

"it would have been better if nobody had started to talk about neutrality in these economic discussions"^{63a}

He claimed that neutrality was limited to the wartime military sphere but changed tack and argued for joint membership of the EEC and EFTA. He became the champion of the cause of EFTA and of the creation of a wider trade zone involving 17 countries.⁶⁴ Kreisky also adopted a markedly cautious approach to the EEC and preferred to point out the success of EFTA in widening opportunities for trade. It was more important in his eyes to overcome the problem of tariff discrimination than to seek actual membership. He emphasised that he recognised the role which the German question had played in Soviet eyes in 1955. The pre-eminence of West Germany in the Community thus was a legitimate concern. In this Kreisky was categorical;

"Not only the State Treaty prohibits Anschluss with the EEC; the Moscow memorandum does so also."⁶⁵

This disagreement about the applicability of neutrality and the clauses of the State Treaty to the EEC debate shows the degree to which a coherent notion of practi^szed neutrality is dependent on a degree of political unanimity in Austria. It is clearly insufficient to accept the view of various legal scholars who argue that there is an abstract universal principle in operation when the decision makers are likely to choose any of a number of options. All the contributions are phrased in terms of obligatory or irrefut^able positions when in fact any glance at the content and outcome of the debate leads inevitably to the conclusion that the collective decision was not predetermined. There were those who argued in absolute terms that the EEC debate had nothing to do with neutrality, while on the other hand others emphasised that it was the essential task for negotiators to safeguard a threatened neutrality. Some argued that EFTA and the EEC were mutually exclusive choices (Bock) others (Czernitz) that they did not have to be so. On the right wing there was a desperate attempt to show that Anschluss and the EEC were unrelated while the SPOe leaders stated categorically that there was a major problem. The only regular consistency is that everybody can justify a political goal by referring to the universal application or otherwise of 'superior' law. The problem is that nobody could agree which laws applied where and when. In one sense this is a political problem of Liberal justification which is so universal in politics as to be an assumption. Yet in the Austrian case it takes on greater significance if only because everybody asserts that their case finds its validity not because it is politically or economically desir^able from a particular world view but because it is 'the law'. In the utter confusion engendered by the EEC question we see the shortcomings of the legalistic approach. All that remains is political division by

a new language. The various ad hoc factions which emerged all developed internally consistent legal arguments; When after 1967 the Kreisky/Waldheim group emerged as the dominant view a clearer picture began to develop.

SPOe dominance of Austrian political institutions in the 1970s and 80s ensured that this view is still current. The final agreements were signed simultaneously with agreements between the EEC and Switzerland and Sweden. This provided the extra protection from Soviet interference which Kreisky and Kirschlaeger had been anxious to maintain in 1963. At that time the electoral swing towards the OeVP had led Chancellor Klaus to award chief responsibility for negotiations to Bock.

It should be stressed that Kreisky was in favour of an agreement with the EEC but was anxious to maintain the credibility of neutrality in the face of such outright opposition from the Kremlin. The legal and foreign policy difficulties were apparent.⁷⁰ In the period of negotiation Kreisky encouraged a restructuring of the economy to make it more able to withstand competition from the EEC. This was seen as best achieved within the framework of EFTA which provided an unexpectedly successful boost in the development both of new markets and of new areas of production.

It would perhaps be worth outlining some of the changes in Austria's negotiating stance over the period. At the outset, the pessimistic outlook predominated. Austria was held to be doomed to remain in the relative 'poverty' of the inter war years if she did not take part in the integration process. There was talk of the 'maximale loesung' (the closest possible arrangement).

"Austria appeared ready [in 1961] to accept in principle all the areas of the Treaty of Rome as far as she saw no direct contradiction with the principles of permanent neutrality, similar to Sweden but unlike Switzerland... Thus a fairly general alignment of economic policy was envisaged."⁶⁶

Yet this nervousness on economic grounds was grossly exaggerated. During the period of negotiation (1958-72) the percentage of Austrian exports destined for the Six fell from 49.7% in 1958 to 40.1% (average 1967-71).⁶⁷ This was made up of a 6% fall in trade with Italy and 3% in the proportion of trade going to West Germany. Imports remained stable (56% 1967-71).⁶⁷ At the same time exports to EFTA countries rose from 11.9% to 18.6%. This was in the framework of a volume of trade which rose by 87% between 1959 and 1967 though trade with the EFTA States increased some 248%.⁶⁸ Even more significantly the structure of trade changed. Whereas 1958-61 raw ~~manufactures~~ ^{materials} made up 23.3% of imports and 21.8% of exports this had been reduced to 17.5% and 13% respectively by 1971.⁶⁷ The importance of manufactures rose correspondingly from 46.1% of exports in 1958 to 59.2% by 1972.⁶⁷ Austria's trade with EFTA countries grew at a faster rate than that of either Switzerland or Sweden (EFTA average 106%).⁶⁷

While the change in structure and destination of trade and its relevance to the decreasing sense of panic in the tone of approaches to the EEC during the 1960s is important, it is also worth noting that the level of trade with the EEC remained twice that of trade with EFTA states. Mayrzedt also points out that the adaptation of the Austrian economy still left it structurally weaker in capitalist market terms than the economies of Switzerland and Sweden.⁶⁹

By 1966 even the staunchly pro-Market Industrialists Federation accepted that the effect of EEC tariffs was at most 4% which could be offset by 2% growth elsewhere. The importance of EFTA in the 1960s was to prevent the Austrians being left isolated at the time of EEC consolidation. The argument that an Austria outside the EEC would face permanent stagnation saddled with old-fashioned and inappropriate industry must be set against the problem advanced by some socialists that EEC capital would swamp Austria reducing her to the status of a

colony in the event of membership. When Klaus spoke to the German news magazine 'Der Spiegel' in 1967 following Podgorny's visit during which the Russian reemphasised Soviet opposition to EEC membership for Austria he said;

"If needs be poor - but neutral."⁷¹

Yet the real economic condition of the country in no way merited this dramatic portrayal of the choices facing Austria. As Knapp observed;

"How poor or rich we will be depends 5-10% on the EEC agreement and at least 90% on ourselves... Let us negotiate further in Brussels, Paris and perhaps most importantly in Moscow,- but let us prepare ourselves in the meantime for the possibility that we will not come to an 'arrangement'. Above all let us finally put an end to the attempt to try to convince ourselves that Austria's prosperity is dependent on the EEC. Certainly it would be easier with the EEC; but it will also be possible without if only we desire it (almost) as much."⁷²

There were two other areas which arose during the EEC debate which merit our attention; the question of the applicability of neutrality to the economic sphere and the intrusion of German history into the affair through the ghost of the 'Anschluss'.

We have already seen how early commentators declared that neutrality had a purely military function and had no place in the discussion of economic matters emerging from the EEC debate (see Czernitz). According to this view as long as the EEC was prepared to negotiate clauses to adequately protect neutrality in wartime there was no direct conflict. This argument was based in the attempt in 1955 to follow a neutrality like that of pre War Switzerland. In this view;

"Economic neutrality exists only in so far as the permanently neutral country may not conclude any tariff or customs union with any other country because it would thereby relinquish its independence in a political respect as well to greater or lesser extent... Otherwise, economic neutrality does not exist."⁷³

Yet this very definition is flawed in at least two respects. Firstly it admits that there are economic areas where there are political consequences so direct that they cannot be separated into a

different sphere. The political decision to draw the line at tariff and customs unions emerges as purely arbitrary and as appropriate to the minimum condition acceptable for neutrality to be credible in the nineteenth century. It cannot be raised into a pure principle for all time without deliberately misunderstanding its purpose. It is fully consistent that the twentieth century might have thrown up new economic relationships which have direct political consequences but which are unmentioned in a Swiss definition which did not consider them. One such new area of economic and political relationship might be the EEC.

This is our second point. It was given backing even by western jurists when they concluded that the Treaty of Rome did indeed contain clauses of a political nature which seemed to preclude neutral membership;

"While a State which only decides on neutrality after the outbreak of war can carry out an active economic policy in peacetime, a permanently neutral state is obliged in peacetime to enter no such economic ties which would make it impossible to fulfill its obligations. A permanently neutral State can thus enter no inter state organisation like the EEC, since this aims at a confluence of the different national economies of the signatory States and this gives its central organs responsibility to aim at a unitary economic policy with compulsory effect for member states."⁷⁴

The neutral had thus to ensure that in wartime it could withdraw itself from any pact. The same problem had been seen by Zemanek⁷⁵ when he argued that Article 225 of the Treaty of Rome restricts the scope of the neutral to act in wartime by allowing the Commission to ask the Court to determine what corresponds to a legitimate security interest. Unlike EFTA, the EEC aims directly at full political integration. This fact alone would appear to end all hopes of neutral membership. The Treaty of Rome also foresaw majority voting which created the additional barrier that the neutral might find itself isolated and outvoted on issues considered of vital importance by the country itself. Switzerland had negotiated a separate agreement with

the League of Nations involving much less restrictive conditions and had found them impossible to maintain. The fact that unanimity voting has emerged has led many in Austria to argue that this objection is no longer valid. (This may now have been proved a false argument since the Single European Act, now held up in the Irish Courts). Where there is a political gap the letter of the law tends to be quietly forgotten....

For a long time there was no 'Austrian Policy' on the EEC but rather a chaotic fragmentation of opinion loosely based on party affiliations. The proporz system of permanent coalition came under severe strain finally breaking up when the OeVP won an overall majority in 1966. Those close to the Foreign Ministry remained anxious to maintain Austria's relations with all countries. Yet as late as 1960 then Chancellor Raab had stated;

"Austrian neutrality would not prohibit membership of the EEC but the Austrian policy of neutrality must also take into account the possibility of various eventualities and must be ready and prepared to face each of these."⁷⁶

We shall see that this view is still held by the Bock-Khol wing of the OeVP who essentially allege that Austria has tied herself with bonds which are of her own invention. Throughout the 1960s the legal wrangling persisted. In 1963 Peter Berger wrote that the majority vote rule in the EEC meant that supranationality was emerging precluding the membership of Neutrals.⁷⁷ At the so-called 'Salzburg Expert Deliberations' Ermacora argued that the only obligation was to ensure that Austria could leave in the event of war and dismissed any notion of economic neutrality. Opposing this view, Zemanek argued that economic obligations did exist and referred to the coincidence of the economic and political spheres apparent in Articles 223 and 225 of the Treaty of Rome.

The degree of political disagreement can be gauged by the fact that

at the same conference, Bock maintained that there was a choice between the EEC and Comecon which had to be decided in favour of the former while the SPOe leader Pittermann maintained that the existence of neutrality meant that membership could never come into question.⁷⁹

We are unsurprisingly left to conclude that each politician seeking a particular political end can be seen arguing that their individual position had full legal justification. The EEC focussed the attention of all those involved in the need for the permanent legal rationalisation for political ventures. The centrality of the EEC to the Western System in Europe made it also an object of East/West debate and sharpened the political and economic contradictions inherent in Austria's position.

Austria was also vulnerable over the Anschluss. Article 4 of the State Treaty was the prohibition of any unity whatsoever with Germany known as the Anschlussverbot. It states;

"The allies and associated powers declare that a political or economic union in whatsoever form between Austria and Germany.."

.. is prohibited. Further the Article underlines Austria's responsibility for vigilance in this matter;

"In order to avoid any such union, Austria will make no form of agreement with Germany nor enter any form of dealings or take any measures which would be orientated directly or indirectly to support a political or economic union with Germany or to constrain her indivisibility or her political or economic independence."⁸⁰

As we have seen, even Kreisky recognised the role of Anschluss in Soviet thinking. Nearly all Austrian jurists except for those identified with the far left of the SPOe or KPOe have striven to reject any identification of the named enemy -Germany- with the EEC. Bock dismisses any attempt at parallels on the basis that Germany as such no longer exists and argues that the Anschlussverbot applies only to united Germany.

"The term 'Anschluss' implies a prior existence of a 'German Reich'. This German Reich no longer exists. There are two German States. Anyway, and this is generally accepted, we refuse to say

that the intensification of economic relations has a political character. On the purely economic level, Austria can have a Great Power policy as can the Germans. They have nothing to do with one another."²³

Yet this can be countered on two levels first by arguing that in West German law Germany remains a single State divided artificially to the point that East Germany is an honorary member of the EEC for trading purposes (in terms of the second Protocol to the Treaty of Rome) and also by arguing that the Anschlussverbot was quite clearly decided to prevent an Austrian Anschluss with West Germany in 1955.

Nevertheless Ermacora (1975) insists that the EEC and West Germany cannot be said to constitute the same unit. The argument that any unity with the EEC would open the floodgates to West German investment so as to reduce Austria to the status of a colony is thus in this view invalid.

"The main reason being that even without EEC membership, German investment in Austria cannot be stopped within the social market economic order except by means of a law which would cut out the citizens of one country in a discriminatory manner."⁸¹

Many other writers have pointed out that within the EEC Germany is only one among equals (*pars inter pares*) and that this is true in all international organisations.⁸² When argued in legal terms this argument can seem to remove any contradictions, except if one argues that the Anschlussverbot prohibits Austria and Germany from ever joining the same organisation. It cannot be argued that the result is politically clear cut. The political, historical and economic dilemmas of Austria's neutrality all come together here. It is these rather than a series of legal doctrines which separate it for example from Irish neutrality.

In 1972 Ireland joined the EEC as a full member without reference to her neutrality. On a visit to Dublin in October 1971, the French foreign minister declared that the EEC left the sovereignty of the member states unaffected and thus left neutrality intact. He

pointed out that all 6 of the EEC States were of the view that Ireland could enter the EEC without effect on her neutrality.⁸³ One might argue that the only fair response would be to extend this logic to the case of all neutral states. This is nevertheless a political nonsense. To be sure this reflects as much upon the peculiarities attaching to Irish neutrality as to those concerning the Austrian case yet there are profound implications. Some legal theorists might argue that Ireland may decide not to join on the basis of neutrality policy but that they have established at least that it is part of free political decision rather than legal dictate. Yet this is an inadequate explanation. A political decision of the wrong type would undermine the whole of Austrian neutrality (based as it is on the systemic division of post war Europe) in a way which it does not affect the Irish (whose neutrality is fundamentally a method of reserving the right to follow a different policy from that of the United Kingdom). It is this decision which maintains the credibility of the entire legal structure which can only exist if it maintains the trust of those who would have to respect its neutrality. Security, independence, sovereignty and all the goals of neutrality are likely to be far more threatened by a false political decision than can be helped by feebly arguing that legal neutrality has been maintained. The Soviet Union could merely decide that neutrality was over and that Austria had become another hostile State. In this event Austrian protests that neutrality had been followed to the letter would become irrelevant. In the end, the usefulness of any legal structure depends on the assent of all of those affected. In terms of neutrality this means understanding the spirit of the laws as much as the letter. This brings us back into the sphere of the political.

More alert elements and the less desperately pro-Western groups in Austria have long recognised that neutrality in post war Europe

must be relevant^a to the Cold War without allowing the neutral State to become a mere passive pawn. It remains true that neutrality was a mechanism agreed by the outside powers as a method to avoid Austria being integrated into either alliance bloc. Forty years of Cold War have shown that though the alliances themselves are in theory protective against the threat of war they too have their primary relevance in peacetime given the holocaust which would occur in Europe were the arsenals of both sides to let loose. They have thus found a role relevance in the half-peace of the Cold War. The same is thus obviously true of a neutrality born of these roots; it must be primarily relevant to its context.

In the attempt to avoid total domination, being small can at times be a positive advantage; a small 'maverick' State is more likely to be tolerated than a 'large' one. On his State visit to Austria Khrushchev promised that the USSR

'would not stand idly by in the event of an infringement of Austrian neutrality.'⁸⁹

This led to a sober if shocked response in Austria which showed that the Austrians were not unaware of their situation;

"We have awoken from a dream. From the dream that Austrian neutrality is a well made bed on whose petal-white pillow of innocence we could quietly slumber."⁸⁹

The Austro-West German relationship is a particularly delicate question. The existence of considerable trade dependence on any one State is always a hazard in terms of State independence particularly in wartime. When one state is neutral and the other part of the central unsolved problem of post war Europe other states are likely to be suspicious of anything which reminds them of a recurring crisis. A relationship of dependence under these circumstances is obviously particularly delicate. Bruno Kreisky, the only living Austrian political signatory of the Moscow Memorandum has long emphasised this. In his view the Austrian agreement was seen in Moscow as part of the

German settlement. This, coupled with the fact that Western Austria and Bavaria remain culturally closer than the same parts of Austria and Vienna make all relations between Austria and West Germany highly suspect especially where West Germany is dominant. Thus where Austria and West Germany are merely two members among many there is little objection. On this basis joint membership of OECD, UNO or EBU is acceptable as it does not threaten the balance of power in Europe. Any situation where it appeared that West Germany might extend her political sphere of influence into Austria does then become a threat to States outside. West German influence within the EEC would appear to be in this latter category, especially given the predominance of West Germany as a trading partner for Austria. This position was recognised by Kurt Skalnik in 1966;

"After the Podgorny visit an equilateral triangle has emerged. Its three sides are called EEC, Austria and Russia. Our country has become a confrontation point between East and West once again. Its freedom, independence, and neutrality are factors of the European security system, even if some people haven't recognised the fact. The hour of Austrian diplomacy has come. It is the task of the latterday grandchildren of Metternich to find the formula for a treaty with the EEC which brings the interests of Austria into harmony with those of Brussels but also with those of the USSR."⁸⁵

The agreements of 1972 seem to have achieved this task at least for the 1970s. Austria's success in her policies across the Iron Curtain coupled with consistently outstanding economic performance would suggest that neutrality in small countries is far from creating the isolated backwaters which right wing commentators proclaim. The success of Austria indeed suggests that the contradictions inherent in the Western/Neutral status can be manipulated to the country's advantage. The economic performance of Switzerland, Sweden and Austria suggest that, if anything, neutrality brings considerable economic benefits.

Neutrality in Austria was conditional on the maintenance of a discrete but observable diplomatic distance from West Germany and the

development of separate histories. As long as Germany remains the European flashpoint of East/West relations this will continue to be a precondition of Austrian political credibility. As long as the legacy of World War 2 remains a political factor in Europe this will be essential to Austrian security. This lesson above all was underlined in the 1960s by the EEC debate. More positively the same experience and subsequent economic performance squashed the myth that Austria was not viable in economic terms.

The agreements with the EEC, 1972.

The actual accords signed with the EEC in 1972 were greeted by some (eg SPOe) as the achievement of the desired basis for future development of relations and by others (OeVP, FPÖe, business federations) as a disappointing lowest common denominator representing the minimalist position. Although the principle of negotiating with the neutral States had been restated in 1967 it was not until The Hague summit of the leaders of 'the Six' that a green light for negotiations was actually given. These would take place as soon as negotiations with those States seeking actual membership had begun.⁸⁶

In November 1970, Foreign Minister Kirsch^{ch}schlaeger gave an indication of the direction of negotiations through a 'Declaration of Principles'. In this, renewed emphasis was laid on the need to secure Austria's neutrality. This was portrayed as a general European interest ensuring a continued degree of stability in central Europe and Austria underlined the degree of importance she attached to it. Austria admitted a direct economic interest in a treaty but the declaration pointed out that interest was very much a two-sided affair in that Austria ran a permanent trade deficit with the EEC. In 1969 Austria's trade deficit with the community was 60% of her exports to 'the Six', a deficit which was not made up by surpluses elsewhere.

Austria's period of slower growth in the 1960s was blamed on the lack of an adequate agreement with the EEC. Kirschlaeger^{ch} thus described the goal of the negotiations to be the abolition of all discriminatory duties and tariffs which were obstacles to trade.⁸⁷

Some more critical observers (eg Mayrzedt) complained that throughout, the EEC adopted a superior attitude towards the neutrals. The tendency within the EEC and in those countries seeking membership was to refer to the Community as 'Europe'. Mayrzedt pointed out that EFTA was also Europe and was as a unit the most important single external customer for EEC goods. The Commission was guilty in his eyes of an outmoded concept of integration, despite the fact that an agreement would be in the interests of both parties. The Commission appeared unable to view the neutrals as having any contribution to make to the European integration process. This was justified on the basis of the supposed goal of the EEC ie political integration over and above economic cooperation in which the neutrals by virtue of their status could not take part. Mayrzedt observed that precisely in those areas which seemed prime candidates for policy integration eg agriculture, foreign policy the nation States had jealously guarded their independence;

"In the present situation of European Integration all the industrialised states of Western Europe could take part with equal rights. This assumes however that the criteria for participation in a future integration are not used as criteria for participation in present integration, as the EEC Commission followed by the Council of Ministers does... As long as the neutrality of the neutral State is in the European interest it cannot be demanded that they give their neutrality up in their integration policies."⁸⁸

Yet this is a very dangerous argument. First it is clearly untrue that the future goals of an organisation can be merely disregarded because of a present impasse which makes those goals impossible or improbable in the long run. On this basis it could be argued for example that NATO is not a war alliance because it has not fought a

war in thirty years and Austria should join it to ease the transfer of technology! Secondly this Austrian commentator in objecting that neutrality must be safeguarded as long as it is in the interests of outside powers so to do at the same time allows the possible conclusion that were the outside states to decide that neutrality was not in their interests they could legitimately decide to disregard it. If this is allowed then neutrality is openly admitted to depend on the perception of it as valuable in outside countries. No neutral country has officially allowed any third party the 'right' of interpretation.

Even here we see the dilemma for neutrals; they must constantly strive to portray neutrality in the 'correct' light. Failure to do so might undermine the whole basis of Austria's policies. Kirschlaeger^{ch} speaks of the anger he at times felt at the manner in which the EEC handled the question of relations to Austria.⁸⁹ For our purposes here, it is more important to note that the actual agreements reached bore the stamp of the ideas represented by Kreisky and Kirschlaeger^{ch} in the 1960s. Kirschlaeger^{ch} put it so;

"I merely want to show... how in my eyes Foreign Minister Bruno Kreisky fully recognised the economic significance of European integration and simultaneously accepted the political necessities by which participation in this integration could only take place if it could be brought into harmony with Austria's permanent neutrality and State Treaty."⁸⁹

The Agreements eventually came into being in July 1972. The agreement did not extend to agriculture but involved a five step reduction in tariffs to be completed by July 1977. Alone among the neutrals, tariffs on Austrian/EEC trade sank 30% with immediate effect in January 1973. This extended to all manufacturing^{red} goods and industrial products. Austria was to remain a member of EFTA and tariff free trade was to continue between EFTA members. More sensitive products were subject to a slightly slower tariff reduction (eg paper and paper products were to be duty free by Jan. 1984, and pulp, ferro-alloys and aluminium by Jan. 1980). The institutional and

political aspects of the Common Agricultural Policy prevented total agreement on agricultural products. Instead there was a mutual commitment to harmonisation of policy and a number of concessions on individual products. The countries also signed an extremely complex agreement on 'country of origin' rules to offset any 'trade diverting effects' of the treaties. Preference is granted if the good in question originates completely in either EEC or Austria, if processing in either leads to a change in tariff class or if it comes under the terms of two lists which impose special conditions regarding processing and origin. Both sides agreed to give 12 months notice of any measures which might be applied because of balance of payments difficulties or of any notice of withdrawal from the agreement. In order to implement and develop the agreement (the so-called 'Evolution Clause') a 'Joint Committee' was set up whose decisions were to be unanimous.⁹⁰ Officially 2 such bodies were created to deal separately with Austrian relations with the EEC and ECSC in turn (there are also separate treaties) but de facto the committees usually sit as one. The Committee meets at the request of either partner but at least once yearly. As a rule the Committee makes its decisions in the form of 'recommendations' although it does have the power to make 'decisions', binding on both partners. Here the requirement of unanimity is of particular importance. The Committee itself thus functions as a semi-supranational organisation.

Political reaction in Austria to the agreements was mixed. Kirschlaeger and the SPOe judged them the most suitable agreements available, in that they guaranteed political freedom, the right to make economic policy to other countries, an equal position on the Joint Committee, neutrality in wartime and the right to withdraw from the agreement. This was in addition to satisfactory economic arrangements.

"It was the task of foreign policy in the negotiations.. to find on the one hand the widest possible agreement on the economy and on the other hand an agreement which was compatible with the status of permanent neutrality, the obligations arising from treaties entered into and the political task which is Austria's."91

The opposition parties while greeting any agreement as an advance were critical of the limitations of the treaty. OeVP leader Schleinzer pointed out that an agreement had always been the goal of EFTA and of Austrian policy under the OeVP. Nevertheless;

"The discrepancy between the goals of the negotiators and the results actually achieved is very obvious. We are convinced that the Government could have signed a better treaty if they had first undertaken more intensive contacts at governmental level at the appropriate moment and secondly if they had not weakened their negotiating position by over-optimistic declarations and thirdly if they had not given up their negotiating positions so early."92

The FPÖe, long advocates of EEC membership were also dissatisfied with the scope of the agreement. Individual commentators from both parties were often even more critical. Andreas Khol spoke of the agreements as a 'mini-solution' meeting only the bare minimum objectives set in 1958.⁹³ Peter Katzenstein described the treaties as 'scaled-down'⁹⁴ while Waldemar Hummer saw them only as the 'lowest common denominator'.⁹⁵

All this illustrates the extent to which an economic functionalist model of the implications of agreement with the EEC had been accepted by 1972. Yet the implications are much wider. Integration in Western Europe cannot be separated into 'economic' and 'political' categories. Social engineering on this scale cannot be separated from its societal or political function as Anton Pelinka was quick to point out.⁹⁶ It is quite clear that those most enthusiastic about the EEC did not make this separation and were quite prepared to place economic efficiency above the concept of independent democratic legitimation in their calculations. The Liberal separation of politics and economics is simply untenable in this context. The political function of the EEC as both consciously and consistently capitalist and at the same time

non-Soviet (ie deliberately reactive to the existence and policies of the USSR) integration is central to its conception and evaluation.

"Through the artificial division of nonpolitical from political areas the essentially political character of European integration is underplayed. The decision for integration per se is a political one (ie involving a choice) and not one deducible from the notion of 'Sachzwang' [a no-choice decision determined by a previous larger choice]. Also underplayed is the fact that the decision for integration within a particular order of society is also a political one, ie it is one chosen from a number of alternatives. There is deliberate underemphasis on the fact that the decision for integration in close co-operation with NATO is really only political ie it follows specific interests. European integration is social-technical in nature at a superficial level but is primarily a political marker. Behind the technocrats clearly stand unchanged political preferences."⁹⁷

All this would appear to me to be obvious but it needs categorical restatement in this form if only as a counterstatement to the numbing effect of the political diatribe. Seldom in the literature is the scope of the agreements conceded. Where it does emerge it is in the form of a stark choice between integration with the east or the west. It is certain that the EEC has been most strongly promoted by those favouring capitalist efficiency as the prime goal of a society and the ease with which this functional notion of the EEC has won acceptance has hidden the political implications at its core.

The development of western integration seems to confirm some of the predictions of systems analysis in that capital concentration seems to be preferred to the survival of independent democratic forms. As we have seen, the Kreisky government's agreements were intended to achieve that integration without losing the generally positive attitude of the USSR to Austrian neutrality. But we should be under no illusions as to the seriousness of the EEC debate; the limits on Austria's freedom of manoeuvre which emerged through the attitude of the USSR and the remaining political ambitions of the EEC destroyed the purely functional view that the political goals of the Community were inapplicable or obsolete. The 'politics' were established within

the balance of social forces created and reformed by integration. The debate became political despite Austria's attempts to prove the opposite. Agendas and their nature are always determined by both parties to a discussion.

We return once again to the implications of neutrality within a divided Europe. It is only the 'politics' which gives neutrality any meaning. The limits imposed by Liberal Neutrality Law about the economic sphere are clearly inappropriate to twentieth century conditions. To be fully integrated into the anti-Soviet bloc of Western Europe would reduce neutrality to a technicality, even where the national governments retain certain functions. The fundamental dilemma that Austria stands between West and East and must play a neutral role and be western simultaneously emerges with great clarity through this debate. It is also obvious that the line of least resistance is to try to reduce the EEC to an organisation with a purely technical function. The results of 1972 disappointed the right, but they established a new equilibrium appropriate to the detente era. Even in 1985 Kirschlaeger^{ch} maintained the success of the agreements;

"We achieved everything which we wanted. We began a consultative phase with the legal advisors of Sweden, Austria and Switzerland.. and without attention to any outside state we agreed that we must maintain our treaty-making power... The EEC originally did not want to leave the idea of a Customs Union. At the end the EEC was prepared to accept a Free Trade Zone solution which is the ideal solution from the point of view of neutrality.⁹⁸

All of this shows the degree to which it was arguments about Neutrality, proposed by the Soviet Union which provided the stumbling block to membership. The USSR was officially notified of the treaties in an Austrian Aide-memoire (20.9.72)⁹⁹ in which the USSR was assured of Austria's determination to maintain neutrality, unaffected as it was (!) by the agreements. Austria also agreed to intensify Austro-Soviet trade co-operation and to negotiations. As a result the USSR

dropped the propaganda campaign waged for 15 years and there has been little further comment.

Nevertheless it is a highly unstable equilibrium. Integration in Europe has continued at a faltering pace and the agreements of 1972 look increasingly insecure. The fundamental 'Janus head' dilemma remains.

The Integration debate in Austria since 1972

The arguments about integration since 1972 have taken place mostly at the level of academic discussions or in the pages of the press. The argument has been removed from the parliamentary sphere. This is not to say that there are no political groupings who campaign for a strengthened Austrian participation in the integration process, but the issue was no longer a primary concern of day to day political debate. In the main this can be attributed to the long period of Kreisky dominance in Austrian politics under whom there was general satisfaction with the extent of the agreements. Where Government officials have commented, they express continued pride in the success of the treaties (eg Kirschlae^{ch}ger to me) and most particularly of the success of the 'evolution clause'.

More importantly the Austrian domestic economy flourished as never before throughout the 1970s. According to OECD statistics (Jan. 1980) the Austrian economy grew faster than any other OECD national economy with the exception of oil rich Canada and Japan in terms of growth in domestic demand. GNP growth was outpaced only by that of Japan and Norway. In addition, inflation (annual average) was lower only in West Germany and Switzerland.¹⁰⁰ Analysis of growth in trade volume 1971-79 is also provided by the OECD (Jan. 1981). Trade showed an annual increase of 2.2% in all markets during the period. Trade with the EEC Six grew fastest (eg Italy av. +2.5%, France av. +6.2%, West

Germany av. +5.2%) and slowed somewhat with remaining EFTA partners (Sweden Av. -0.4%, Switzerland Av. -2%) and with former partners who had joined the EEC (Denmark av. +0.1%, UK av. -5.1%).¹⁰¹ The preeminence of West Germany in Austrian trade was thus largely reinforced. Given the steady performance of the West German economy throughout the 1970s this is hardly surprising but it leaves Austria vulnerable to outside attack over the issue of dependence.

It is interesting to note that the chief realm for debate has moved from the circles of lawyers so dominant in the 1960s to economists. The agreements of 1972 are generally seen by them as partial and temporary with little long term potential. Positions on the question of the compatibility of neutrality with membership of the EEC have also changed. There are increasing numbers on the political and economic right who now argue that membership is compatible with the obligations of neutrality. They argue that security policy is not contained in the EEC treaty and that some form of qualifying pre-conditions in a future treaty could be established to create circumstances in which the possible conflict of interest could be avoided. This would have to be precise in nature so as to avoid reinterpretation by an international court. This is nevertheless far from a cast iron guarantee that the dilemma would be solved. When confronted by the actual implications of the agreement signed by herself with the League of Nations regarding sanctions, Switzerland merely made steps to withdraw from the agreement. It has also been possible to argue that UN collective security policy is compatible with neutrality where the political will has existed. Any agreement between the Austrians and the EEC would no doubt be vulnerable to the same rationalising contortions as treaties signed to date!

According to those in favour of membership, Articles 223 and 224 of the Treaty of Rome allow the national security interests of any state

to be placed above all other interests. Neutrality being merely a military matter in this view it can be seen as part of these vital interests. It must be assumed by an observer that in joining the EEC however, the threat to Austria's security does not come from the EEC itself and hence that neutrality as security policy has only one identifiable enemy - the Soviet Union. This is a considerably altered outlook from the traditional myth that neutrality is addressed to all states.¹⁰² Esterbauer also writes;

"With a precondition for neutrality based on security and war policy and as a militarily neutral zone, a neutral state could be a member of the EEC- even of an economic policy union. It is in the interests of the neutrals... to be integrated with a seat and voice in the creation of the Community opinion in the political system with which she is most strongly integrated, namely Western Europe and not merely to face already reached decisions which they must accept; in this way she could bring in considerations of neutrality much more satisfactorily than through a passive attitude."¹⁰¹

This is an attitude repeated by the man most closely associated with the business view of the EEC in the 1960s, Fritz Bock, who portrayed the present situation as involving passive acceptance of all Community policy, with the only choice as 'Friss Vogel oder stirb' (Eat little bird or die).

"In my opinion the Neutrality policy consideration has actually been reversed if one believes that it is even relevant. I must recognise that this is international law as it stands vis a vis supranational organisations. If it is so, then I can only say that Neutrality is much less endangered if I can work on those decisions essential to Neutrality myself. Then I could as far as possible contribute my own thoughts to the process, whereas now this is not at all possible."²³

Yet if this is true neutrality has little relevance for contemporary Europe. It should be pointed out that both Kirschlaeger and indeed OeVP leader Alois Mock were opposed to this analysis;

"We were from the beginning on different sides... Now as then I do not share the opinion of Herr Bock that we would have a greater influence as members. As small states we would not have this ability but we would get all the disadvantages which membership would bring with it. That was the reason why Switzerland...did not join but came to the same conclusion as ourselves..... In 1973, I pointed out that through these Agreements we had closed a divide which would otherwise have been very wide.... I do not believe that economic isolation will occur for in reality the economic development of the EEC has not been

very different from our own."⁹⁸

EEC membership is nevertheless advocated by an important group within the OeVP around the leader of its political thinktank, Andreas Khol.

We will examine this position shortly but first we might legitimately pose the question as to what neutrality is defended by membership of the EEC? Is this not equivalent to fighting war so that war does not occur? It is apparent that the definitions of legal neutrality adopted by the political right have become absurd and devoid of real meaning. The political role of the EEC as an anti- or at least self-consciously non-Soviet group is always underplayed simply because this aspect is not deducible from the text of the Rome Treaty and because of the direct political advantage to be gained by ignoring this fact. It is quite clear that an attempt by a neutral to join the EEC would undermine the whole basis on which neutrality's credibility is founded. At its most technocratic this position is outlined by Rotter when he points out that neutrality would require a treaty involving delineations and exceptions of such complexity that;

"..in the final analysis would make participation in the integration of the Community either entirely impossible or at least create a special category of integration within the Community- ie a Community within a Community."¹⁰⁴

As he points out central direction of the Community's economy would mean that the Neutral would have to steer its entire economic capacity to one warring party in a future East/West war. The question thus arises as to whether the celebrated pragmatic principle of 'courante normale' still appears neutral if it involves 100% supply of only one party to a conflict?

"All in all, a neutral would be forced to put his entire economy in the service of the wars of the EEC States."¹⁰⁴

Andreas Khol maintains that the institutional division between NATO and the EEC prove that it has no long term political integration

programme;

"The times when the EEC wanted to develop into a Federation are over. The EEC is, sui generis, an organisation which allows the greatest degree of autonomy... All attempts to give the EEC a 'NATO' or security component have collapsed for ever.. There is no institutional connection between NATO and the EEC and there is no security cooperation.. Ten years ago this was not so apparent. Then the EEC was the same as the WEU."105

This is of course the opposite argument to that used in Spain in the recent NATO referendum by those supporting NATO. Then, the intimate connection between democracy and the Western Alliance was constantly underlined. We must thus conclude that the entire purpose of establishment or other rationalisations of neutrality are to corroborate attempts by certain sections of society to allow Austria to enter the EEC one of whose attractions is the very anti-Communism whose existence is never admitted. Thus 'Anschluss to the West'¹⁰⁶ is ensured. In fact, Kohl almost admits as much;

"There is a political argument [for eventual membership]. We do not want to find ourselves marginalised by the rapidly emerging fact that 'Free Europe' is becoming the same as 'European Community', left with very few other States as 'Buffers' between East and West."105

At its most honest the wheel turns full circle and the effective argument becomes that neutrality is not a goal in itself but must serve deeper purposes. Of course this could be and one day may be used to justify everything.¹⁰⁷ With this candid argument it is maintained that EEC membership with conditions is consistent with a restrictive interpretation of neutrality.

When the left argues that the deeper goals of peace and security would be served by total disarmament the argument is dismissed as legally impossible. On the other hand the contradictions of the UN Charter and neutrality can be reconciled to serve 'deeper' ends. All this merely serves to reinforce the totally flexible use of aspects of neutrality law. Indeed it is impossible to avoid the conclusion that where sufficient numbers at home and abroad accept a rationalisation the new interpretation is presented as obvious and applicable since

time immemorial. The dominance of the legal establishment in Austria and the party system ensuring acceptance of anything agreed by the two proporz parties make it very difficult to find an alternative viewpoint in Austria.¹⁰⁵

Oehlinger's point that a 'pure' neutrality theory is no longer appropriate seems worthy of comment. Every sovereignty is restricted and subject to relationships of interdependence. It must be admitted that with the development of the Capitalist World System neutrality is seriously threatened. The very historical circumstances which reorientated Austria's economy towards West Germany have ensured that the West Germans are careful to be seen as non-manipulative in their dealings with Austria. Autarchy is not a serious alternative to trading within the present system. Yet an alliance with a centralising Customs Union (EEC) poses an immense threat to the neutrals. As Galtung has pointed out, ~~asymmetrical~~ ^{asymmetrical} economic relations under capitalism must lead to increasing linkage with the strong partner.¹⁰⁸ The political circumstances of Western Europe ensure that this problem remains for Austria. A choice exists and the fact that EEC integration is incomplete means that the problem will not disappear.

Were the EEC to emerge as a truly supranational organisation, neutrality could find no place within it. Membership of the UN is only possible for permanent neutrals because of the effectively permanent division which has developed between the Superpowers which has meant that all sides have been prepared to discard legal niceties in preference of political pragmatism. At the same time the Charter remains as a statement of intent or ideal which neither side would discard in favour of a more accurate legal description of present political conditions. In other words both neutrality and UN supranationality have been compromised by mutual assent.

The political context of the EEC is different however. Were Austria to become an integrated part of one side of the same Cold War divide which has forced the UN to adapt, her neutrality becomes a farce in Cold War Europe. Political credibility is the precondition for any legal directive. The question of whether a particular position can or cannot be reconciled or ex post facto rationalised becomes irrelevant if the political preconditions for neutrality have eroded.

Let us now examine the position of Dr. Andreas Khol who has been the most vociferous advocate of eventual EEC membership in the 1980s. These views are shared by the economic Liberals in the OeVP and generally accompany support for increased military service, privatisation and conservative social values.¹⁰⁹ Khol argues that a new European policy is now essential after the failures of the Kreisky era when policy was

"conceived according to personal preferences, prejudices and other emotions and not according to the true interests of our country."¹⁰⁷

As a result, Austria has in this view failed to take advantage of the opportunities opened up by the EEC Markets, unlike the Swiss. This may of course reflect a personal preference for the economic outlook of the Right wing Swiss to the pragmatic centrism of Kreisky. Khol further argues however that the legal arguments of the 1960s no longer apply. The national veto has replaced majority voting thus allowing for Austrian national interest, confederation appears less and less likely while non-Community members still participate in some notable projects eg EUREKA and COST. In addition the West European Union is no longer identical with the EEC, while neutral Ireland is a full member. According to Khol, the EEC and Austria must find an agreement which does not disturb the delicate power balance which is in the interests of all States. In addition to the political reason outlined above, Khol gives three main reasons why Austria cannot afford to

remain outside the development of the EEC; technology, agricultural development and the international division of labour.¹⁰⁵ All of this is presented as politically neutral and purely a matter of 'function'.

In this light Khol proposes a three step plan for policy towards the EEC;

i. immediately increased cooperation in the fields of agriculture, country of origin rules, science and technology and transport leading to a gradual internationalisation and

ii. Association. No official treaty for neutrality would be necessary.

As we have seen however it is only possible for the EEC as a stage prior to full membership. It thus involves observer status at the European Parliament, full integration into the EMS and an autonomous gesture by Austria of bringing her policies on competition,

environmental protection and internal market into harmony with the EEC. The question of wartime sovereignty or of the total Western orientation does not arise for Khol because neutrality is merely military. Austria would take part in all areas of European political co-operation except security. The final goal would be

iii. Membership of an organisation which Khol models on the Holy Roman Empire ie free movement of goods in a loose political unit.

Seldom has the sacrifice of political sovereignty for economic efficiency been more bluntly stated. It is nevertheless one of the most coherent plans put forward since 1972. It remains vulnerable on many fronts. It makes no reference to external political conditions eg the Cold War. Furthermore, in arguing that the EEC is not a mere puppet of NATO it concentrates (conveniently) only on the superficial. In the recent Spanish NATO referendum, political conditions in Spain ensured that the two were portrayed as intimately linked. It is true that NATO per se and the EEC are not identical. Yet within the umbrella of 'the West' they are both clearly lined up as two aspects

of the anti-Soviet polity. Because the EEC is not directly military does not mean it is not part of the Cold War. The axis of the EEC remains Bonn-Paris with extensions to London and Rome and these primary governmental links are clearly central to the West European Security system.

The division between the 'economic' and the 'political' cannot be made successfully. The fact that neutrality law does not deal with capitalist concentration nor with the creation of supranational organisations is a direct result of its origins in the nineteenth century. To argue that this fact precludes the extension of the spirit of neutrality into these areas is ~~ridiculous~~ ^{dangerous} unless neutrality is to appear as a mere anachronism of historic interest. Khol has almost gone as far as to reject neutrality in favour of being western. Of course in legal terms a neutral facade can be maintained but the political relevance in peacetime but most particularly in wartime has disappeared. The argument of the Allies in 1813 that Switzerland could not be considered neutral because of her close integration with Napoleon's France becomes appropriate once more but magnified by the level of integration of the EEC. In domestic terms, Khol's position is not unchallenged. Even such unradical characters as Kirschlaeger, Pahr, Busek¹¹⁰, Steiner and even Mock remain opposed. Pahr put it thus in 1985;

"Austria cannot be a member of the European Community. Today there is no doubt about that. This question was decided as early as the end of the sixties. This is clear. Austria cannot be a full member of the EEC because that would mean a very substantial restriction of Austrian independence and this in its turn would be contrary to Neutrality."¹¹¹

In another interview, OeVP Foreign policy spokesman Steiner said;

"The close relationship has been created in practice... We were always for the closest possible connection as long as it is justifiable by international law... Many people say today 'Formally the Rome Treaties should lead to a Supranational Organisation. They are not being followed, therefore it doesn't matter for a Neutral; we can join because the Rome Treaties are dead.' However, it remains true that in joining, there is a natural assumption that the Rome

Treaties have been accepted otherwise we would have to make conditions which the EEC would not accept."³¹

The political interpretations which decide the actual content of 'law' have seldom been so clearly demonstrated. It can no longer be legitimately maintained, that Austrian Neutrality is not being reshaped by the political context.

Concluding Remarks

In 1980, Foreign Minister Willibald Pahr expressed Austrian frustration with the EEC and highlighted the dangers inherent in small country relationships with larger powers.

"More and more a trend has been recently recognised in the EEC towards failing to take note of the special relationship existing between members of the EFTA System and the Community. This refusal by the Community increasingly tends to put Austria and the other EFTA countries on a par with third parties. Austria emphatically objects to this attempted equation with countries enjoying preferential treatment... No account is taken of Austria's massive and close interdependence with the Community... Austria welcomes Europe's progressive integration and it wishes irrespective of all difficulties and preserving its permanently neutral status to continue in a pragmatic manner to participate therein. The same principles and arguments which render full Austrian membership of the EEC impossible naturally determine the special character of our relationship with the EEC."¹¹²

The dilemma is here exposed quite clearly. The credibility of neutrality depends on this choice not becoming too stark.

We can of course restrict our sympathy in this situation to an acknowledgement of its existence. It is quite clear that non-membership of the EEC has not in any way crippled the economy, indeed Austria has performed exceptionally well. Neutrality has proved far from a handicap in the search for successful economic development; the economies of Sweden, Switzerland, Austria and later Finland are regularly quoted as model successes. Against this background there are considerable grounds for scepticism as to the depth of the Austrian plight. Stories of hardship and disadvantage are ultimately measured on a relative scale!

This is not to deny the existence of a long term problem but to remark how successfully Austria has manipulated theoretically difficult circumstances. Dependence on the European powerhouse economy of West Germany has not so far been a critical issue. This has enabled the Austrians to dismiss Soviet jibes about a 'Cold Anschluss' as mere propaganda of no consequence. More astute politicians have recognised that this dismissal must remain credible. The issue is never raised by Austrians without outside prompting. Internal propaganda unity among Austrian parties also contributes to the perpetuation of the myths of State. This unanimity does not suffice however to make the real substance of the problem disappear. Any attempt to join the EEC would no doubt have to develop its own virtually unanimous interpretation, but the substantial damage to the credibility of neutrality cannot be denied. Once again we have this perpetual Austrian problem of the difference between superficial appearance and actual fact.

As we have seen, Neutrality can only be understood within the context of forces between which one is neutral. In general terms the EEC debate made those outside forces the EEC and the USSR. Neutrality as a credible status will continue to exist as long as this triangular relationship exerts power. If Austria is seen to ally herself to one side so as to make out of this triangle a dividing line then neutrality becomes a concept of a legal text book. The danger obviously exists that the neutral will be faced with the sterile alternatives of complete identity with one side or complete neutralisation leading to political incapacity. The only way out of this dilemma is to take sovereignty seriously and ensure a credible neutrality. This requires a dynamic and pragmatic policy which constantly challenges trapping relations and does not allow the emergence of accepted 'dominating outside powers'. To some extent

Austria has been successful in this. Nevertheless there may be choices between economic efficiency and political sovereignty to be made.

The ability of small States to shift the focus of discussion may well be greater than that of larger States. A larger State eg Germany in a similar triangular relationship would incite much more defensive responses from the outside players than does Austria. The dilemma of Western versus Neutral is at the core of the 1955 settlement and its existence tends to suggest that Austrian neutrality is a provisional equilibrium, fundamentally tied to the political circumstances of post-Yalta Europe. As of now this equilibrium, unstable as it is, has appeared preferable to the implications of making a stark choice.

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CHAPTER FOUR

Austria and her neighbours

"In every man's memory there are things he won't reveal to others, except perhaps his friends. And there are things he won't reveal even to friends, only, perhaps to himself, and then, too, in secret. And finally there are things he is afraid to reveal even to himself, and every decent man has quite an accumulation of them. In fact the more decent the man, the more of them he has."

F. Dostoevsky, 'Notes from Underground' NY 1974, p44-5

Austria shares boundaries with seven States (considered as six for the purposes of this chapter - Switzerland and Liechtenstein being considered as one). Within Europe, only West Germany has more diverse neighbours (nine). Around half the boundaries are with clearly capitalist economic and social systems and the other half with countries claiming a 'socialist' form of government.

This division is in itself oversimplistic; Yugoslav foreign policy has made her by far the most independent of the socialist states in Europe, and was instrumental in the creation of the non-aligned movement. This marks her out as different from those countries who are members of the Warsaw Pact. Austria also divides NATO-Central from NATO-South. At her furthest western end, neutral Switzerland, is the only one of Austria's neighbours which is not a full member of the UN. This variety provides us with a considerable opportunity to observe a multifarious foreign policy in miniature.

Austria's geopolitical position is central to her neutrality. In any war situation a land or air-based attack is likely to come from these local quarters. It is also at these close quarters that we might expect any "restrictions" imposed by the adoption of neutrality to be most obviously exposed. Any tension between immediate "national interest" as defined by Government policy and the status of neutrality

is likely to surface.

Local relationships also predate Austria's neutral status. This allows us to highlight some of the crucial ambiguities in Austrian politics stemming from earlier conflicts. How adequately clarified is the historical legacy with West Germany and with former monarchy territories? Is there any threat that Austria's local relations could lead to war scenarios which threaten neutrality, or otherwise expressed, have the needs of neutrality induced a different approach to regional questions?

Any picture of Austria's geopolitical position would be incomplete without reference to the historical links with present-day neighbours. Prior to World War I the Austro-Hungarian dual monarchy encompassed all of present-day Czechoslovakia and Hungary, most of northern Yugoslavia and large areas of Northern Italy. Historical connections are thus close within the region. This former 'Danubian' orientation has been seen by many as a possible alternative to German centrality: anti-German politicians as late as de Gaulle ("Vous etes Danubiens") have been concerned to highlight this aspect of Austrian history.

Since World War I, and for German-speakers in the monarchy long before this, Austria has tended to look to Germany on a cultural, economic and even political level, culminating of course in the 'Anschluss' of 1938-45, which was to determine much of Austria's political identity in the post-war world. As we shall see, Austro-German relations cannot be understood without reference to this period. The division of Europe into two blocs and the power of the West German economy have ensured a continuing ambiguity in their relationship.

Seen from Vienna, Switzerland is the most distant of all of Austria's neighbours. Close links only exist between the Swiss and Austria's westernmost province Vorarlberg, which led to an attempt by

Vorarlberg to gain entry into the Swiss Confederation in 1919.

Even from this very brief outline, Austria's complex and longstanding interconnection with her neighbours emerges. This historical tradition is seldom matched elsewhere in Europe. An understanding of its scope is essential if we are to grasp the underlying reasons for Austria's postwar dilemmas.

I will now look at the development of relations with each of the individual neighbouring states. It would be impossible to examine every event in detail and in each case I will concentrate on specific central issues which highlight key problems.

"We want to achieve a maximum in stability, which did not exist for centuries for this part of Europe ... By the term 'Stability' we want to express that it is our goal to get on top of our problem in such a way that we are not dependent on the Great powers and do not have to fear any intervention from them."¹

1. Austria and West Germany

We noted in a previous chapter that the importance of the 'Austrian' dimension of the German question has been constantly raised by the Soviet Union in its dealings with Austria. This was particularly so during the time of negotiations on an agreement with the EEC and as we have seen is officially dismissed either as spurious Soviet propaganda or patent nonsense. And yet the problem does not simply disappear. As we shall see when we examine two recent affairs (Reder, Waldheim) the process of coming to terms with the past is still incomplete.

Almost without exception, Austrian and German politicians assert that relations between the countries are near-perfect. Within the realm of everyday affairs, this appears plausible, and the development of bilateral ties since 1955 has been remarkably smooth. But to deny the historical, cultural and economic context within which this takes

place is misleading and potentially dangerous, as illustrated by the domestic and foreign policy crisis caused by the Reder Affair of 1985. During a particularly low period in Austro-West German relations in 1955, German frustration with the special treatment given to Austria spilled over into official statements, eg by Adenauer;

"Nowhere was Hitler so enthusiastically received as in Vienna!"²

It is this which we must keep in mind when examining official statements on Austro-German relations. The present degree of enthusiasm for the level of Austro-German interrelationship is an inaccurate guide. In any time of crisis Austrian identity with West Germany remains an extremely potent weapon, and could serve as an easy justification for any breach of neutrality. It is with this in mind that the more pious statements have to be put in context.

In Foreign Policy Reports of the Austrian Government Austria's relations with West Germany are described as 'particularly close', on the basis of cultural exchange, meetings between Ministers on economic, traffic and environmental questions and cross-border co-operation. The implications of the economic dependence, the cultural concentration (especially in Western Austria) on West Germany and the very direct sister-party relations crossing the borders are left tactfully unstated.³

Historical fears lead the Austrians and Germans to constantly understate the nature of their contact. It is ultimately misleading to treat West Germany as 'just another neighbour'. De Gaulle's advice that Austria should turn eastward has meaning only with reference to a desire on his part to maximise the distance between Austria and Germany. The interlinking of the two in foreign minds was expressed by the Polish academic Smogozewski when he said;

"The loss of a quarter of her territory, as well as 5.5m people, the departure of 14.2m Germans from eastern and southeastern European countries onto the west side of the Oder-Neisse-Czech Wood, the independence and neutrality of Austria guaranteed by an international

treaty and finally the division of the Reich into 2 States is the price which the German Volk paid for letting a Paranoid come to power, greeting his early successes with enthusiasm and tolerating his crimes."⁴

Any realistic assessment of Austro-German relations must take this into account. In German cultural mythology, 'Austrian' is the counterpoint to 'Prussian';

"Stated-mindedness in Prussians; love of nature and homeland in Austrians; virtue and efficiency on the one hand, piety and humanity on the other."⁵

This long cultural tradition, and continual involvement of Austrians and Germans in each others affairs makes separate identity unconvincing. Habsburg dominance of the Holy Roman Empire was only finally broken in the 19th century. The alliance of the powers in World War I and the often-expressed wish for Anschluss in the inter-war period all confirm the relationship. Post-war attempts to create distance may be genuine, but they are fragile and have roots in a very contrary tradition. The result is that much Austrian propaganda appears to be an exercise in self-deception. Austria has had more problems than Germany in this regard. We will thus look at examples in recent Austrian politics which highlight the uncertainty of Austria's cultural orientation towards Germany and 'Germandom'. Until the 1980s these realities remained largely suspicions. The Waldheim and Reder-Frischenschlager Affairs have changed this.

Still, it would be inaccurate to imply that no change has taken place;

"No German in possession of his five senses would even dream of 'bringing in' those German-speaking European countries or parts of countries which lay outside the Reich boundaries of 1937 ..."⁶

This fact can be contrasted with statements made after World War I. The post-war settlement has completely shifted West German attention from Pan-German unity to 'Inner-German' questions. As the American journalist Lippmann stated;

"The western allies are absolutely and unanimously agreed on their

insistence on the separation of Austria ... When we speak of reunification we mean the reunification of East and West Germany with a reunified Berlin as its capital."⁷

It should be pointed out that the efforts to separate Austrian and German histories have been encouraged at every step by the wartime allies. The quiet rewriting of history corresponded to Allied wishes to avoid any future repetition of the Anschluss and a strengthened Germany. The burial of Austria's past has not taken place without the complicity of both Germanys and the four powers. Austria's political independence has never been a question in the Federal Republic. Official visitors in both directions have been anxious at all times to emphasise 'good neighbourly' relations in place of common heritage.⁸ West German conceptions of 'Germany' have been limited to the 1848 'Kleindeutsch' notion and her policies directed towards other problems.

The very fact of a divided Prussian heartland probably enabled the development of an Austro-German relationship based on two states after 1945. Yet the happily expounded view that after 1945 the 'collective consciousness' of 1866 - 1945 had vanished, being replaced by a vague notion of German-Austrian cultural togetherness⁹ is ultimately not credible, partly due to the unseemly and unsatisfactory haste by which the process is assumed to have taken place.

This failure to come to terms with the collective experience of at least 1938 - 45, has returned to haunt the domestic and foreign profile of the Second Republic.

After the end of World War II, Austria quickly established a unified political identity. By 1946 Austria was allowed to re-establish relations with UN member states under the terms of the second 'Kontrollabkommen'. The establishment of direct contact to 'enemy' states was nevertheless refused. Even at this stage the extreme, indeed unique, ambiguity of Austria's position is visible.

According to the accepted legal documents Austria was Hitler's first victim in expansionism. Yet in no other of Hitler's conquests did the victims react with such enthusiasm to their victimisation, and in none of the other conquered territories (bar the Sudetenland) was loyalty to the German ideal strong enough to risk compulsory conscription into the armies of the German Reich. It is worth noting that even as a 'victor power' Austria did not insist on a place in the negotiations on a peace Treaty with Germany.

Most commentators confirm that by May 1945 there was little active support for old 'Grossdeutsch' ideas. Given the economic collapse and defeat, this is hardly a surprising conclusion. Given the likely international reaction to a pro-German stance in 1945 one is tempted to draw parallels with Peter's denial of Christ.

The myth of a suddenly discovered 'Austrian' identity took root. Nevertheless, opinion polls throughout the second republic indicate that only by the late 1970s did an overwhelming majority recognise Austria as either a nation or becoming a nation. What is true is that a large proportion of the political establishment of the post-war era did experience the cost of opposition to Nazism, and were themselves untainted by association. The universalisation of this experience into the official version of Austria's war leaves too many major questions unanswered. We will return to this in our analysis of the Reder and Waldheim affairs.

The earliest real contacts with the Western zones of Germany took place with the formation of the OEEC in 1948 to oversee the Marshall Aid Programme (ERP). Earlier, representatives of Socialist parties as well as Christian Democrats had established informal contact through the Second International and NEI respectively. At this stage the Federal Republic was not officially established. The first interstate contact took place within the framework of the GATT meeting at Torquay

in 1950/1.

Only in May 1953 did Austrian Foreign Minister Gruber and State Secretary Kreisky undertake direct contact with the West German government in a visit to Bonn described as an exchange of opinion in Austro-German relations. The setting up of an Austrian Embassy in Bonn still required Allied (specifically Soviet) approval, again underlining the unclarity of Austria's position as a sovereign power. As a result the 'Trade Mission of the FRG' was set up in Vienna and an Austrian Political Mission was set up in Bonn.

At this stage, the two most vexed questions were those of German Property and the Citizenship question. The State Treaty of 1955 imposed a prohibition on the return of German property (Rueckgabeverbot) (Article 22) which resulted in the withdrawal of the Trade Mission from Vienna, and protests to the three Western Allies. Austria now claimed reparations from Germany (State Treaty: Article 23, para.3) pointing out that Austria had not claimed reparation for the invasion of the country.

The Trade Mission was withdrawn on the day after the State Treaty was signed. Adenauer's remarks on the enthusiasm of Austrians for Hitler merely widened the rift. Only some months later did relations improve, when German Foreign Minister Brentano visited Vienna. It was agreed to set up a 'Gemischte Kommission' to look into the problem. Two years later, on the occasion of Adenauer's visit to Vienna (17th June 1957) a "Treaty to regulate Relations in the sphere of Property Law" was signed which cleared up most of the outstanding disagreements. The final solution to the problem - the question of damages for those Germans who had been tortured or suffered under the Nazis, and compensation for those Germans who had been driven from their homes and those who had moved into Austria (over 240,000) - was only achieved in June 1961 with the "Treaty on Finance and

Compensation" signed at Bad Kreuznach, by which legal ingenuity was applied to reinterpret the strictness of the State Treaty to the benefit of West German property owners while West Germany agreed to "pay out a contribution in reparation for those who had been driven from their homes".¹⁰ German anger was assuaged and the fear that Germany could reclaim assets now central to Austrian economic stability was past.

Throughout this initial post-State Treaty period, the international implications of the Treaty were directed at West Germany. The Soviet decision to separate Austria from Germany and permit a State Treaty was interpreted as an attempt to influence West Germany away from Adenauer's chosen pro-NATO, pro-Western course,

"as if the Soviets were trying to demonstrate what a good bargain Bonn could have had for the asking".¹¹

On his 1957 visit to Vienna, Adenauer was asked whether neutrality on the Austrian model would be acceptable for a reunified Germany. His answer was unequivocal;

"I would see such a solution as unacceptable ... The population of West Germany is now 50 million inhabitants. She has considerable economic potential as you know. The possession of this potential by Russia would contain the danger that the potential of Russia would be equal to that of the US."¹²

The assumption in the 1980s that potentials are indeed equal and that this equality alone allows neutrality for Austria sits interestingly in this light. The refusal of the West to accept the similarities between Austria and Germany was unanimous and vocal.¹³ Golo Mann put it at its most clear;

"This way would mean doing without all the great and well meant successes of Adenauer's policies; instead of them, a neutral (much poorer, restricted and more lonely) West Germany would have been the basis of a 'later to be achieved' neutral 'Entire Germany'. Such a Germany would be in danger for all time, even after it had been achieved."¹⁴

After 1961, Austria was no longer used as a possible model for Germany as it was seen as an unserious political suggestion, as were

serious political attempts at reuniting Germany.

In 1962, President Lübke (FRG) visited Vienna and the official joint communique declared that there were "no outstanding problems" between the two countries. Nevertheless the economic relations between the countries were to give rise to wider international problems during the 1960s. As we have seen in our chapter on the EEC, the Soviet Bloc used the intensity of Austro-German economic relationships to considerable effect in their propaganda in the 1960s. Direct comment on this relationship, pictured as the invasion of Austria by West German capital was begun by a joint communique of the KPOe and the ruling East German SED in 1957;

"Both parties are well aware that the revitalised German militarism is a serious threat to the neutrality and independence of Austria, and further to the existence of the country ... Both parties declare that the agreement reached between the Governments of West Germany and Austria over the return of so-called one-time German Property to West Germany only aids the monopoly-capitalists and militarists in West Germany and hence injures the interests of the Austrian and German peoples."¹⁵

Certainly the statistical relationship tends to support the notion that West German influence in Austria is potentially enormous. Trade has dominated public discussion on Austro-German relations since the 1950s: 40% of all of Austria's imports and approximately 25% of her exports come from trade with West Germany.¹⁶ These proportions have been largely impervious to changes in trade patterns with other countries. Austria is also a relatively trade-dependent state. Visible exports account for over 22% of GNP (cf. Belgium 53.6%, Sweden 28.7%, FRG 23.1%, UK 20.8%, France 17.1%, Japan 12.4%).¹⁷ In addition, Austria's dependence on West Germany in particular can be highlighted by tabling the level of growth generated in Austria by a 1% growth in partner countries. The importance of the West German economy for Austria is obvious.

Table 1

Growth of the Austrian National Income (%) caused by an increase of 1% in the National Incomes of selected trading partners.

	Austria		Austria
FRG	0.16	UK	0.02
USA	0.04	Australia	0.01
Canada	0.03	Belgium	0.01
Italy	0.03	Japan	0.01
France	0.02	Sweden	0.01

Simultaneous growth of 1% in the economies of Austria's seven next most important partners would produce an effect equivalent to that of a 1% growth in the West German economy alone. Austria's freedom of movement vis a vis West Germany is clearly open to question.

West Germany, then, is clearly not 'just another good neighbour'. Culturally, historically and economically, her role is more important in Austrian affairs than is widely conceded in official circles. The fact that Austria has remained outside the EEC and the incumbent restrictions on residence and employment which this distance has entailed has ensured a difference in policy and approach which has tended to reinforce Austria's profile as an independent state. This belies the argument that neutrality is unaffected by an approach to the EEC.

The Austrian economy is dependent on West Germany in three further spheres; investment, tourism and currency. By 1969, over one quarter of all direct foreign investment in Austria came from West Germany. At that time 22% of the Austrian economy was owned by foreign companies.¹⁸ By 1985 this figure had risen to 30%, particularly in the areas of insurance (73%) and internal trading (57%). Indeed only the electricity supply industry and the banking sector remain almost completely in domestic hands. The German share of direct investment from abroad was 29.7% of the total by 1978, or over AS9.2 billion (cf. Swiss-based MNC investment 17.3%, USA 12.6%, Switzerland 10.2%, Benelux 8.7%, UK 6.6%).¹⁹ The total West German investment in the

Austrian economy is now thought to have been over AS20 billion since 1952, currently employing over 100,000.

German money is now central to the finance of major industrial areas such as electronics (Siemens), vehicles (Steyr BMW), textiles and pharmaceuticals. On the other hand Austria is only tenth favourite destination for West German foreign investment.

"With the reduction of tariff restrictions up to 1978 and failures in Eastern European trade, German interest in investment in her southern neighbour reduced noticeably".²⁰

It is of course hardly surprising that direct investment by a neighbouring economy which is in itself the strongest influence in the entire West European economy should take a major role. The problem remains that Austria's political position vis a vis West Germany and her independence of action is guaranteed more by historical circumstances than by economic relationships or International Law. In the event of UN economic sanctions on West Germany, Austria would be seriously threatened.

Over five million German tourists are the major factor in providing Austria with an invisible earnings surplus which goes some way towards closing Austria's large trade deficit, while the Austrian Schilling is tied to the value of the West German Mark, and hence to the European Monetary System.

The intrusion of West German capital into the internal economy would seem to suggest support for systems analysts who argue that the international interests of capital are ultimately decisive. This threat to the State is consistently and deliberately underplayed by the political establishment. It can however be pointed out that, while the capital interest is clearly wholly present, this does not necessarily preclude a domestic 'national' element, especially in an economy in which the state sector is unusually large, such as Austria and in which the financial strings remain in domestic hands. Suffice

to say that the Austrians have been happy to accept the influence of the German Mark if not of the German government.

The economic interrelationship is a serious diplomatic problem. All Austrian establishment figures are quick to deny any idea of 'Cold Anschluss' and unwilling to name a degree of interdependence after which talk of independence becomes spurious. Kirschlaeger^{ch} put it thus;

"Certainly there is a limit [to the acceptable level of economic integration with West Germany], which cannot however be described in figures, but results from the entirety of the political situation.. Close economic co-operation is not the same as dependence... With less trade dependence between the wars we had a considerably higher rate of dependence on the German Reich."²¹

"The Federal Republic is certainly Austria's most important trading partner by a long stretch... This is determined by tradition, the shared language and doubtless it has been helped even further by the creation of the Common Market. I do not see any contradiction between this and the Anschlussverbot in the State Treaty. I also do not think that it is a restriction of Neutrality."²²

"We must make sure in relations with all states, including Germany, that through the intensity of our relationship our sovereignty is not limited.. This has in no way been reached. We always try to come away from our economic dependence on Germany... but we are in no way dependent on Germany"²³

In border areas the intensity of the relationship is even greater. Most of Austria's exports are sold in Bavaria, and those from the Western Bundeslander also in Baden-Württemberg. Large parts of Tirol, Vorarlberg, Salzburg, and Upper Austria are completely dependent on markets, employment and investment in Southern Germany. The creation of the ARGEAlp in which Bavaria, Tirol and Vorarlberg amongst others take part has institutionalised this relationship at regional level. Both Austria and the 'Land' Bavaria lobbied unsuccessfully for the completion of the Rhine-Main-Danube Canal, of which they hoped to be the major beneficiaries.

One problem in Austro-German relations was ended in 1975 with the signing of a consular treaty with East Germany. West Germany opposed the international recognition of a particular 'East' German

citizenship. This had been a basic demand of the East Berlin regime since 1954, but had been rejected by West Germany on the basis of the Basic Law which sought reunification. In 1974/5 the West German government made direct representations to the Austrian government leading to protests from the East. Austria asked that Bonn should "not interfere in Austrian domestic affairs". Following a visit by Hans-Dietrich Genscher to Vienna in February, it was agreed that East German citizens on Austrian soil would be free to choose between East or West German embassies. By March, a treaty had been signed with Berlin. The novel arrangement has since been followed by the UK. ^{ch} Kirschlaeger sees this as a further example of Austria's independence from West Germany.²⁴

In general, relations with East Germany have been calm except for attacks during the EEC debate and close relations between the SED and KPOe. Recently, trade between the two countries has increased, especially in the sphere of heavy industry (as in, for example, the construction of a vast new steel complex in Eisenhuttenstadt by the VOEST-Alpine Concern).²⁴

On a sub-state level, political parties in Austria have strong attachments to their counterparts in West Germany, a contact which is not duplicated to the same extent in relations with other countries. Personal links between Kreisky, Brandt and Schmidt were a considerable factor in the Socialist International. The SPOe makes much of its greater domestic strength relative to the SPD. Developments within both parties have been remarkably parallel. The SPOe reforms of 1957 preceded the West German reforms passed at Bad Godesberg by two years. The SPD's accession to power in 1969 was followed by SPOe victory in 1970. When in 1983 the SPD suffered a major electoral defeat, the SPOe too lost its overall majority. German politicians are regular speakers at SPOe party and election meetings, both local and national.

The OeVP, though for historical reasons anxious to avoid any direct church affiliation through the label Christian Democratic, has close parallels with the CDU/CSU. The Catholic Left may be said to be stronger in the OeVP (especially in Vienna) than in the CDU. Austrian secular liberalism is shared between the OeVP and the FPÖe. Both CDU and OeVP have been keen to develop international contacts. The OeVP, somewhat alarmed at the prospect of being excluded from meetings of EEC Christian Democratic parties, was instrumental in the creation of the European Democratic Union and later the International Democratic Union. Indeed Alois Mock, the OeVP leader, is chairman of both. International support came most strongly from the CDU/CSU. These links have given Mock higher international profile to counterbalance the international presence of Kreisky and the domestic attention given to it. Again, the link with West German politicians is central, and leading figures such as Kohl, Strauss and Carstens make appearances at major Austrian 'society' events like the Opera Ball.

The most openly pro-German party in the Austrian polity is, however, the FPÖe, a party with few, if any, parallels abroad. In part the party understands itself as a continuation of the third traditional group in Austrian politics, German Nationalism. The FPÖe stems from the so-called VdU (League of Independents), set up after the re-enfranchisement of the 600,000 ex-members of the NSDAP. It was encouraged by elements within the SPÖe who saw its emergence as a possible bourgeois competitor to the OeVP. These ex-national socialists banded together with a group of economic Liberals such as Kraus, Neuwirth and Reimann.

"The unifying factor of all those interests represented in the VdU was the removal of the NS-Laws."²⁵

The party programme of 1949 explicitly supported a German 'Volkstum' and spoke out for the creation of a unified Europe on the

basis of peoples' sovereignty, allowing German National supporters of the party to resurrect in veiled form the dream of the 'Grossdeutschen Reich'.²⁵ The initial successes of the VdU at elections could not hide the basic division in direction between the 'liberal' wing and the 'national' wing. The ambiguity of the FPOe's position towards German nationalism, Nazism and anti-semitism has remained. The VdU party programme of 1954 (Ausseer Programm) states as follows;

"The VdU follows a 'national' politics, ie. it stands for the maintenance and strengthening of the German Volk in the Austrian area and hence for its spiritual and material wellbeing. It thus sees the Germanic task of Austria as follows ... (1) In the maintenance of the sense of belonging of all Germans; (2) In the creation of a sincere friendly co-operation with Germany ... (3) In the protection of the threatened Germans of the Frontiers".²⁷

This last point will be seen to be significant when we look at Austria's relations with Yugoslavia and Italy. In 1956 the VdU broke up under the stress and was replaced by the FPOe led by former Nazi Minister Anton Reinthaller. The 1957 programme of the party re-emphasised the FPOe view that Austria was a state but not a nation, rather a part of the German nation.

On Reinthaller's death, Friedrich Peter, a former Waffen SS Obersturmbahnführer later accused of taking part in transportation and murder of Jews, became leader. This fact strengthened the tendency in the FPOe which saw the Nazi occupation of Austria in a positive light (and defended participation in the Reich armies).²⁸

"The Defamation of the resistance and praise for loyal 'fulfilment of duty' freed those concerned from any acts of regret, the carrying out of which was more the exception than the rule in Reconstruction Austria."²⁹

Officially, of course the FPOe has a total commitment to the Austrian State. It nevertheless continues to manipulate the notion of the 'German Cultural Community' to political effect. We will see this in particular reference to Carinthia. Peter himself points out that Energy dependence on the Soviet Union is of a high level and that emphasis of German dependence is unfounded.

"Which Grossdeutsches Reich do you want? The eastern or the western? The historical preconditions do not exist."³⁰

Despite attempts by the FPÖ leadership to emphasise the 'Liberal' aspects of the party the Reder affair was to re-expose aspects of this latent German Nationalism. There were continued attempts to build links with the FDP in West Germany, and FDP politicians have been involved in the FPÖ's more Liberal moments. Nevertheless the parallels between the FDP and FPÖ are remote. Under Scheel and Genscher the FDP came to represent a strictly Liberal viewpoint. During the 1970s it understood itself mainly as a left-liberal grouping in the British tradition, although since 1980 the 'economic liberal' right has re-established itself. The FDP is certainly no longer associated with Nazism in any particular sense.

Events in Carinthia (where 70% of local FPÖ members are active in the KHD, the mouthpiece of strident German nationalism) and the vote against the 'International Convention for the removal of racial discrimination' in the Nationalrat all consign the FPÖ to the ranks of the nationalist right. Indeed, membership of the youth wing of the FPÖ is restricted to youth with German mother tongue.³¹ Ungens comment that the FPÖ stands in the way of a truly liberal Party³² is difficult to dispute.

The official representation of Austro-German relationships is beyond doubt only a very partial one. It addresses direct governmental contacts and inter-party relationships alone and fails to grapple with the essential historical problem. As a result it gives a misleading picture of the whole nature of the problem. It is certainly true that there is NO institutional or popular movement for any Unity with Germany which could smack of the prewar situation. This is reflected in the various opinion polls recorded by Kreissler which seem to suggest a gradual increase in confidence. Nevertheless

this may still contain an element of the 'taboo', and it remains true that the very question would appear inappropriate elsewhere. This leads in its own turn however to an inability to face up to the nature of the legacy as it does exist. Any remnants of the past relationship are merely denied or ignored in the hope that they simply disappear. Having a popular and well known Jewish Chancellor certainly aided this process. Nevertheless, in 1985 and 1986 two major 'crises' occurred which have illustrated the latent instability which has now twice plunged the political and national image into (terminal) crisis both at home and abroad: the Reder-Frischenschlager Affair and the Waldheim Case.

(a) Reder-Frischenschlager Affair 1985.

The case involved an SS officer, Walter Reder, who had been convicted of war crimes in Italy after World War II, most particularly for the massacres in the central Italian village of Marzabotta in June 1944, where civilians were killed by SS soldiers in an act of cold-blooded revenge, reported back by Reder as a success to his superiors. A military court in Bologna sentenced him to life-long imprisonment "for continual violent crime together with murder against private Italian citizens" in 1951, and to a further 30 years for arson and destruction. Although the supreme military court in Rome was of the opinion that 'war criminals' had no right to be treated as prisoners of war, Reder was held as a PoW at Gaeta near Naples. Austrian attempts on his behalf began as early as one year after his imprisonment when then Foreign Minister Karl Gruber intervened, followed by other figures (including Vienna Cardinal Koenig).

"On the advice of his lawyers Reder asked the relatives of the victims of Marzabotta for forgiveness in writing. They voted among themselves; only one 80-year-old woman was prepared to forgive him."³³

In December 1984, one month before his release, only four out of

260 voting members voted for his release.

His final release was agreed in a meeting between Chancellor Sinowatz and Bettino Craxi on the latter's visit to Vienna in 1984. The agreement was that Reder should be returned to Austria and taken quietly and without public knowledge back into Austrian life. He was to be met by an official of the Ministry of the Interior or Defence, at an airport where reporting would be minimised.³⁴ On 24th January, the plane landed at Graz-Thalerhof military airfield, and Reder was greeted not only by an official but by the Minister of Defence himself, Friedelm Frischenschlager (FPOe).

The two travelled together by Bundesheer helicopter as a result of which the Defence Minister was absent from a parliamentary Question Time. Matters reached a head when Frischenschlager was asked whether he considered Reder to be a prisoner of war or a war criminal, to which he answered "He has the status of a prisoner of war. He is therefore a prisoner of war for me."

The resultant uproar led to an unprecedented internal political crisis in which the SPOe/FPOe coalition only survived after Chancellor Sinowatz made it a test of SPOe loyalty to him. Frischenschlager refused to resign, and his decision was applauded by his own party colleagues. The lasting domestic and international implications of the crisis which developed did so because of the way in which Austria and more particularly certain sections of Austrian society reacted to the Affair.

The leading mass-circulation 'Kronen-Zeitung' published a jubilant editorial entitled 'Finally Free' by Victor Reimann, suspected himself of anti-Semitism. Frischenschlager was reported as having greeted Reder, "Guess Gott, Herr Reder, I'm very happy for you"³⁵, and the same evening he happily told journalists that "in the fortieth year of the Republic, the last war participant has finally returned to

Austria."³⁶ As the crisis gathered momentum the overwhelming criticism was broken by FPÖ voices supporting the action; leading among these was the young and ambitious leader of the regionally powerful Carinthian FPÖ Joerg Haider, who described the conduct of the Defence Minister as "exemplary". Others, such as Gerulf Stix declared that they would have acted similarly.

Opinion polls showed that despite ÖVP pressure, crisis in the SPÖ and widespread establishment condemnation, only 26% were in favour of Frischenschlager's resignation while 45% declared themselves against. Only among the under-25s was there a majority in favour of his removal.³⁷

Most poignantly, the meeting took place as the World Jewish Congress was meeting in Vienna for the first time since the War, and on the fortieth anniversary of the liberation of Auschwitz. Chancellor Sinowatz, aware no doubt of the reputation Austrian anti-semitism has historically earned, apologised to the Congress and spoke of a 'political error'. The writer Elie Wiesel replied;

"Only a political error, Herr Bundeskanzler? Is it not also an ethical error, even an aesthetic error? There is a lack of sensitivity here"³⁸

The president of the conference Bronfman spoke of his "horror at the hero's welcome for a war criminal". Widespread foreign comment was unanimous. The 'Times' wrote;

"There are some mistakes which cannot be made good by apologies ... Herr Frischenschlager makes things even worse when he says that his meeting with Reder was of a purely personal nature. This says much about Frischenschlager's personality."⁴⁰

The 'Neue Zuercher Zeitung' called the coalition patch up "as expected, an Austrian end"⁴¹, while 'Die Welt' spoke of the Ghost of an evil past being let out of the bottle. In Italy, Liberal Party President Bozzi called Frischenschlager's attitude "impossible ... we couldn't believe our eyes and ears", while 'Le Monde' made perhaps the most biting critique when it wrote "Anti-semitism and pangermanism are

still present in all levels of Austrian consciousness."⁴²

The final twist to this tortured affair was still to come. All observers of Austrian politics declared themselves surprised and shocked that the central 'devil' in the affair should be Frischenschlager, long thought of as the leading liberal progressive in the FPÖ, groomed to lead the party from the ghetto of German national dreams. Helmut Zilk said

"I am amazed that it is Friedhelm Frischenschlager who acts in this way, for until now I'd held him to be a reasonable young liberal, who didn't think any differently about the crime of the War than I do."

Amongst the leading figures in the FPÖ, Frischenschlager was prepared to make the greatest efforts to repair the damage. Initially this came in an admission of a political error. In a series of interviews, he underlined his view that Nazism had been a particularly nasty dictatorship and distanced himself from war crimes.

Frischenschlager was fighting his own past. As student leader of the FPÖ's 'RFS' he had demonstrated against those demanding the dismissal of a professor on the grounds of extreme anti-semitism. He was also associated with the Turnerbund, a 'germanic' sports organisation associated with FPÖ national circles. In 1984, the Turnerbund journal published a map of the 'German Volk and Cultural Community', showing 1939 borders of the Reich including those areas now without German populations in Poland and Czechoslovakia.⁴³

"In general Frischenschlager's biography offers enough clues for a recognition that 'bringing home' the ex-Nazi Reder arises completely out of his unconscious 'assumptions'. Reder belongs to this inner world of Frischenschlager, all Reders belong to the 'extended family' who 'merely' fulfilled their duty as war participants."⁴⁴

In the Waldheim case we shall see that 'duty' is a normal and legitimate excuse for fighting for Nazi forces during World War II. There is a communication gap between an English-speaking understanding of the justification of wartime activity and the views of a generation of Austrians.

In an interview with Israel's mass circulation 'Jedioth Aronoth', Frischenschlager was quoted as apologising to the Israeli people in an article headlined "I apologise and regret my meeting with the Nazi criminal."⁴⁵ The result of this was a complete turnaround. His former supporters in the FPÖe attacked him with venom. The leaders of the FPÖe in Tirol, Salzburg, Upper Austria and Styria joined Joerg Haider in condemning his apology. Salzburg's Wiesner commented

"For me Reder is certainly the last returning citizen. Haider is certainly right. Reder is in my eyes a soldier who carried out his orders and was fairly much the only one who had to pay."⁴⁵

Styria's Turek declared that

"Uninterrupted further apologies are not to my mind necessary. Frischenschlager gave the Chancellor a declaration once, and it should have ended there."

Even more strongly he described Reder:

"For me Reder is an upstanding person, because he suffered a tragic fate, and instead of the army went to prison. He always acted with the Waffen-SS as a correct soldier."⁴⁶

The most outspoken critic was Carinthia's Joerg Haider who attacked the Minister for 'totally unnecessary' apologies. Reder was for him in no way a war criminal:

"I can't accept that leading representatives of the Republic of Austria have intervened on behalf of a criminal."⁴⁷

Asked about the Nazis, Haider refused to give a figure for those killed in concentration camps (eg. "Which NS criminals and crimes occur to you?" "I don't think about that". "Why?" "Because I have no reason to consider the horrible events of that time.")

"It disturbed me that Frischenschlager turned around after a week from something which he had originally correctly formulated. Suddenly Frischenschlager called Reder a 'war criminal' to the surprise of us all."⁴⁷

Haider's position was backed by neo-Nazi Norbert Burger and the far-rightist Otto Scrinzi.

Haider may represent only a small section of the Austrian electorate, but his local appeal in Carinthia is strong (see section

on Yugoslavia). But the Reder-Frischenschlager affair was in truth a national crisis. The latent truth of Austrian involvement at all levels of the Reich was once again exposed - 'A country suddenly overwhelmed by images of its past.'⁴⁸ The unwillingness of a section of the population to let go of the idea that SS-officers were 'only soldiers', or express regret for the war, together with the fact that this group's party was now in government left Austria internationally exposed. Many showed themselves very unwilling to accept the seriousness of the issue. The tendency was to hope that the affair would merely pass, and the world would return to a view of Austria as the 'Island of the Blessed', hopefully without damage to the tourist trade. Unfortunately this reaction merely serves to ensure that accusations of guilt now have a double validity. What might be 'the past' now haunts 'the present'.

"The West Germans and now the Austrians have shown a strange inability to understand the importance which the year 1945 has for the surviving victims of Nazism. How else can one explain the case of the Austrian Defence Minister ... It is certainly not enough to ascribe the unbelievable stupidity of the Minister to a usual lack of experience ... "⁴⁹

The Austrians have never accepted any responsibility for the war; indeed, it was considered a great success of the treaty negotiations that a 'guilt' clause was removed. The legal fact that the 'Republic of Austria' did not declare war with Germany cannot and does not obscure the fact that the vast majority of Austrians complied with German demands accepting them as those of their own government. The British government found it impossible to extend wartime conscription to cover Northern Ireland. The Germans faced no such trouble in Austria.

It can of course be pointed out that the victor powers complied ^{with} ~~it,~~ ^{with} indeed encouraged Austria's attempts to distance herself from Germany. There is considerable hypocrisy in foreign outrage. Yet as long as

Austria has not accepted the truth of the coalition with Nazism, there will continue to be a discrepancy between the 'official version' and exposures of a different reality. The continual refusal to confront this reality merely ensures the longevity of the crisis and its effects become all the more devastating. Instead of escaping 'pariah' status, which seems to have been the chief object of this consistent lying, the perpetual return of the past is confirmed. It appears that Nazism in Austria cannot merely be confined to the history books.

In 1986, Austria's leading international diplomat was found lying in order to hide the facts that might damage him, in the hope that he would not find out. Waldheim is perhaps a paradigm for a whole political culture.

(b) The Waldheim Case:

The affair around Kurt Waldheim arose during his candidacy for the Austrian presidency in 1986, and centred around revelations that he had been a ranking German officer during World War II. In his memoirs 'In the Eye of the Storm' he maintained that he had been discharged from the Eastern Front in 1941, and spent the rest of the war at home researching his doctoral thesis. In fact he had been in the Balkans as an officer of the Wehrmacht. The question arose as to whether he had known about the transportation of 50,000 Jews from Salonika in 1943.

Waldheim continued to maintain his own innocence, 'proving' that he was on leave at the time. Yet the credibility of a claim that a German officer of such high rank had not known about an action of this scale was severely in doubt. The extreme crudity of Waldheim's original lie cast doubt on the credibility of his candidacy. The result was an outbreak of xenophobic anger unseen for some time in Austria and a landslide victory.

The most virulent attacks on Waldheim came from Yugoslavia and more potently from the World Jewish Congress, based in the USA. Austria's tradition of anti-semitism was again brought sharply into focus. Much of what Kreisky's success as an Austrian Jew had achieved was heavily undermined. The leading Austrian psychologist Erwin Ringel, long an observer of the cultural characteristics of 'Austrians', and himself chairman of the campaign for Waldheim's SPOe opponent expressed the fear that the real issue of the campaign might become the voters' attitude to the World Jewish Congress.

The slogans used to promote Waldheim's cause were changed from 'The Austrian whom the world trusts' to 'We Austrians will vote for whom we want'. The appeal to crude jingoistic sentiment was made without embarrassment. Elements of the establishment (for example in Profil, Salzburger Nachrichten) expressed the view that Waldheim was no longer a suitable candidate, but this had little effect. Once again the facade of a happy 'island of the blessed' dropped to expose a frighteningly threatened culture, which did not have any intention of accepting any lectures on historical morality. Waldheim himself exposed his own anger in flashes in interviews with journalists.

Observers expressed worries that a defeat might lead to a rekindling of virulent anti-Jewish sentiment in portions of the Austrian population. On the other hand, Austria's international standing after Waldheim's victory was in doubt.

In many ways Waldheim's sad and pathetic wriggings were a parallel of a national reality. The crudity of the lie was striking, and yet it appeared that he had almost convinced himself of its truth. The Austrians too, had almost convinced themselves that the war in Austria had taken place in Germany. The fact that Austria's loyalty to the Fuehrer was never seriously in question has never been honestly accepted. The legalist arguments on the legal status of Austria

during the war seemed to have been transferred as accepted historical fact. Thus Austria was 'a victim', part of the opposition to Hitler.

Appealing though such a view is, and not entirely without basis it is unfortunately totally misleading. It is the story both Austrians and the powers abroad wanted to tell, much as Waldheim's own invention. Confronted with contrary evidence, Waldheim proclaimed that to have told the truth would have been 'boring'! A propaganda leaflet designed for schools in 1985 to explain post-war Austria described the Anschluss as follows;

"Many politicians abroad, who were also guilty in the events, accused Austria over her resistance-less capitulation after the war. They forgot that they themselves needed 5 years to defeat Hitler's Germany. They expected the impossible from Austria, to which they gave no hope of help or support. One part of the Bundesheer was even ready to fight, but didn't, so that no German blood would be split ... In fact, nothing happened from abroad."⁵⁰

In the same document the entire emphasis is on the 'rigged' referendum, the 'Allies' inconsistent policy on Austria' and on the terrible difficulties of opposition.

This is not to say that opposition did not exist. The reality is, however, that vastly more Austrians fought for Hitler than against, which is not true of the Dutch, Danes, Czechs, Poles or any other occupied nation. Unfortunately, the success of Austria's diplomats (removal of war-guilt from the State Treaty), the determination of Austria's proporz-parties to retain a unanimous front on the nature of the Anschluss and the remarkable skill of lawyers to prove that black is white have been allowed to obscure this truth. A case such as Waldheim exposes the wounds not of one man but of an entire generation and their children.

Only this explains the extremity of the feeling of threat in an entire nation. Unfortunately the election of Waldheim merely confirms the suspicion of critics that Nazism is not regretted in Austria. Austria has never officially expressed regret for a war in which she

was a 'victim'. A case such as Waldheim exposed the wounds long present, in a concrete form.

Austro-West German intimacy is a victim of this same process. Austrian dependence on West German economic success obviously threatens her freedom of political action. Yet all the Austrian politicians interviewed dismissed this as Soviet propaganda. None of them were prepared to define a point at which concentration on a single country might start to limit Austrian independence. With reference to a fear that historical problems of a specific kind might be used to disadvantage Austria this becomes comprehensible. Yet denial of problems by politicians does not mean that they do not exist.

Galtung and the structuralists⁵² have shown how 'asymmetric' economic relationships tend to lead to growing dependence in other spheres. In the Austro-German case this has implications for their bilateral relationship and more widely for the entire post-war settlement, of which the neutrality of Austria is a central part. For fear of international reaction the domination by West Germany in trade relations and the cultural unity are underplayed, and the 'legal' fact that neutrality law does not mention economic relations is held to prove that no political or legal questions remain.

The degree to which Austria is sensitive to West German opinion was underlined when 'Der Spiegel' named Austria a 'Scandal Republic'.⁵³ Austrian outrage was intense with counter blasts from politicians, newspapers and 'Profil' ('Spiegel' equivalent in Austria).⁵⁴ On the other side, the bitterness in the West German press during the Waldheim and Reder affairs shows the depth of resentment in West Germany that Austria had escaped blame for her participation in Hitler's war effort. Austria's most loyal ally in all of this was the West German government whose own disinterest in Austria allowed the

Austrian myth some appearance of validity. Certainly West German interest has turned elsewhere. The notion of 'Cold Anschluss' while not presently credible, is based on a factual association which severely compromises Austria's ability to be 'neutral' in wartime vis a vis Germany, and which Austria has been unwilling to seriously tackle. It remains the real obstacle to international acceptance of Austrian membership of the EEC.

Austria's inability to face her past and the unwillingness of the outside powers to undermine this tendency leave considerable scope for conspiracy theory. Only the 'moralistic' and 'vengeful' lobby in the World Jewish Congress catalysed around the candidacy of Waldheim refused to be silent, thus opening the entire issue to the glare of public attention once more. There does indeed seem to be a coalescing of interests between the Austrian establishment anxious to escape the burden of guilt associated with World War II and West Germany's experience as 'pariah' and the interest of the outside power elites anxious to encourage any story which emphasises Austria's independence from Germany. The emergence of Haider as leader of the FPÖ, may indicate a time bomb which may yet explode in the face of the postwar establishment both in Austria and abroad.

2. Austria and Italy

Austria's post-war relationship to Italy has been dominated by the problem of South Tyrol or Alto-Adige, and the question of rights for the German-speaking group in the region. The Austrians were active after the war in seeking to regain South Tyrol. The Allies made plain their opposition to any territorial changes in this region, despite Austria's claim to be a victim of Axis aggression, and directed the foreign ministers of both countries to talks in Paris. The resulting Gruber-de Gasperi agreement, signed on 5th September 1946, was

intended to remove the problem of South Tyrol from the international agenda. In fact the issue remained unresolved much longer.

Italy has been Austria's second most important trading partner since 1945, and relations between the two states have naturally extended to a much wider range of issues. But the fact that Bettino Craxi's visit to Vienna in 1985 was the first by an Italian Prime Minister to Vienna since 1919 indicates the degree to which the problems of the Adige valley permeated other areas of the bilateral relationship.

On the break-up of the Austro-Hungarian monarchy at the end of World War I, the 'remaining' German-speaking rump of the empire came to a grudging recognition that the Slav peoples of the empire sought sovereign states. The award of the southern part of Tyrol, including Tyrol Castle, to the Italians was very unpopular in Austria especially because of the existence of a sizeable German-speaking majority. The Allies decided to maintain their wartime agreement with the Italians whereby

"they had not only promised the South Tyrol to Italy but also the Istria peninsula and a large slice of the Dalmatian coast ... It was thus that Italy entered the war."⁵⁵

The result was to extend Italy's frontier up to the Brenner Pass which she saw as her 'natural' defence. Italian apologists for Italy's position claimed that;

"Due to its geographic position, the Alto-Adige area has been subjected over the centuries to constant Germanic pressure aimed at acquiring possession of this Alpine region primarily for the military ...access to the south. Only in the 14th century was the House of Habsburg able to penetrate the region that had always been part of the life and political events of the Italian peninsula."⁵⁶

Further;

"It had long been a well-known fact, at least in Vienna and Paris, that from a political standpoint, Italy identified her natural frontier to be the Alpine Watershed at the Brenner Pass."⁵⁷

Claiming the military need for defence and the integrity of the entire valley of the Adige including Trento, the Italians out-lobbied

the diplomatically weak Austrians.

Nevertheless, the overwhelmingly German-speaking population were a threat to the stability of the agreement. As a result, after 1922 there was a deliberate and systematic policy of Italianisation, directed mainly at the main population centres.

"By 1939 it was estimated that 95% of all government positions were taken by Italians, although at this time the German-speakers made up 75% of the population".⁵⁸

The rise of Hitler in Germany worsened the situation for the German-speakers. During the attempted Nazi coup in Austria (1934) Mussolini underlined the seriousness he attached to his Brenner frontier by moving troops to guard the border. Italianisation of names and the use of the Italian language in all official transactions was by now normal practice.

The creation of the Rome-Berlin Axis in 1937 seemed to seal the fate of South Tyrol. Hitler agreed that the Alto-Adige was a permanent part of Italy, and all those who were unable to accept this as satisfactory were advised to resettle in Germany including the newly 'reintegrated' Austria. Due to the intervention of full-scale war, these agreements were never fully implemented. An estimated 86% of all German speakers seem likely to have opted for resettlement rather than accept the Italianised Alto-Adige. One thing is certain that the South Tyroleans were completely alienated by the Italian State.

Following Axis defeat in 1945, the South Tyroleans and the Austrians quickly began to lobby their case on the region. Following a mass-petition amongst the South Tyroleans to the (North) Tyrol Provincial Government in Innsbruck, and then Vienna, the Provisional Government asked the Foreign Ministers of the Great Powers meeting in London to consider a referendum on nationality in South Tyrol (5th September 1945) as part of the peace treaty to be signed with Italy.

This activity was unusual in a period where the Austrian Government preferred to adopt a low international profile. Meanwhile, under Anglo-American pressure, Italy introduced German as a second language and rejected all Austrian advances. The issue was a purely 'internal affair'. The Austrians responded with a memorandum to all UN members (April 1946) and the Foreign Ministers of Italy and Austria were directed to talks in Paris though no border alterations were envisaged.⁵⁹ The resulting agreement became an appendix to the Allied Peace Treaty with Italy in February 1947.

Despite the maintenance of Italian sovereignty, the agreements reached were a considerable advance for the South Tyrolers on the pre-War situation. The Axis agreements were null and void;

"the new agreement secured for the South Tyroleans the right to be German once more, by envisaging German-speaking schools, equality of the German and Italian languages in public offices and the right to 're-Germanise' personal names which had been 'Italianised'."⁶⁰

Austrian diplomacy, in 1946 very much a developing creature, put in extreme effort for the German-speakers of the Alto-Adige. It was the one issue which commanded Foreign Minister Gruber's attention beyond direct negotiations with the four powers. The first result was the Autonomy Statute passed by the Italian Parliament in 1948. This was cleverly devised to protect the cultural and economic interests of Italians in this area. South Tyrol (redefined as the province of Bolzano) was united with the larger, majority-Italian, province of Trento in the lower part of the valley of the Adige to form the autonomous region of Trentino-Alto Adige with a built-in Italian majority. This was despite the large number of re-enfranchised South Tyroleans who had opted to leave the area under the Axis Pacts. The Italians argued, much to Tyrolean and Austrian annoyance, that the valley was in fact one indivisible unit.

Few significant powers were transferred to the Provincial level.

In addition, the new Italy developed not as a federal but as a powerfully centralised state which left even less power in the hands of German speakers. The result was considerable and growing dissatisfaction among the German-speakers and their 'ladinish' speaking allies. Gradual Italianisation of the urban areas continued while the countryside and small settlements remained German. The cleft was becoming socially ingrained.

"By 1961, their <German> numbers had dropped again to 232,171 (62%) while Italian-speakers had increased to 128,271 (34%): in that year 79% (109,000) of the Italian speakers were living in the principle centres of Bolzano and Merano where only 23% (61,340) of the German-speakers lived; by 1971, 77% of the inhabitants of Bolzano were Italian-speaking and 55% of Merano's."⁶¹

By the mid-1950s it was clear that the 1946 agreement had failed to meet the demands and expectations of the South Tyroleans. On 8th October 1956, the Austrian government lodged a complaint that the Gruber-de Gasperi Agreement was not being implemented satisfactorily. In 1957, the militants met under the new slogan 'Los von Trient' (Away from Trento), entailing a demand to raise the Province of Bolzano to the level of a separate region. They made concrete proposals for a new Autonomy Statute which were presented to the Italian government by members of South Tyrol's German-speaking representatives the SVP (Sudtiroler Volkspartei) in 1958.

Despite this pressure, the Italian government continued to regard the issue as purely domestic and refused to enter into discussions with Austria on the issue. The new Austrian Foreign Minister, Bruno Kreisky, as a member of the SPÖ, was expected to take a more moderate approach.

"Supposedly Kreisky saw the problem more as an economic and social issue. In addition, in Austria the socialists had occasionally been suspected of supporting a final acceptance of the loss of South Tyrol."⁶²

The opposite appears to have been true. Kreisky was under pressure to show this to be a false assumption, and his Ministry was staffed by

personnel strongly loyal to the cause of South Tyrol.

"In effect the socialist Foreign Minister could be relied upon to adhere to a policy worthy of the right wing of the People's Party."⁶³

Kreisky's most dramatic decision was to bring the whole issue before the General Assembly of the UN. The 1960 General Assembly passed a resolution calling on both countries to resume negotiations (a victory for Austria) on differences arising out of the South Tyrol problem. In case of a failure to reach agreement the issue should be brought to the International court of Justice in the Hague.

Opinions vary on the success of the UN venture. Max Beer, the German observer, felt that other small states had been sympathetic to Austria but NATO states had been displeased. The Vienna-published 'Die Presse' pointed out that Canada, Portugal and Turkey as NATO countries had supported Austria⁶⁴, but the general attitude of the West was not one of enthusiasm. The American writer Schlesinger felt that Austria's prestige had actually been damaged.⁶⁵ In January 1961, events took a dramatic new turn;

"Matters exploded ... in January 1961, as the infamous 'Aluminium Duce' exploded into the air; the statue in Waidbruck which had always been perceived by the South Tyroleans as a modern version of Gessler's Hat."⁶⁶

This was merely the most dramatic step in a campaign of terror which was to become part of political life in the 1960s. On 'Herz Jesu Nacht' (11th/12th June 1960) there were no fewer than 47 explosions in the province killing several people and causing considerable damage. International support cooled, as those associated with the bombing appeared to be allied to far-right groups. The FPÖe in 1957 had declared;

"To fight for a Volk-community containing all Germans with the resultant rights and duties, means to continue to fight in Austria's struggle against the attempt to undermine the spiritual base of the rights of South Tyrolean Germans."⁶⁷

As Schlesinger points out;

"it was not mere Tyrolean militancy but the notion that pan-

Germanism seemed to be raising its head, which concerned even some of the more moderate and understanding circles in Italy and elsewhere."⁶⁸

Slogans such as 'Freedom for African Hottentots, subjugation for Tyroleans' used by some sections alienated Afro-Asian support at the UN and underlined the racist overtones discernible in the more militant Tyrolean propaganda. The bombing also had little support from non-Tyrolean Austria.

Meanwhile negotiations between Austria and Italy continued very slowly. In 1962, the SVP declared itself willing to give up its demands for a separate region if provincial powers were strengthened decisively. This did not help the strained relations between Rome and Vienna. The Italian government introduced visa requirements for Austrian tourists. The Chamber of Deputies in Rome also looked into statutory action which would strip South Tyroleans who had opted for Germany in 1939 but returned in 1948 of their Italian citizenship. The issue received wide publicity and was a considerable embarrassment to Adenauer in West Germany.⁶⁹

In 1964, Kreisky proposed an international guarantee for South Tyrol; this was clearly unacceptable to the Italians who had argued all along that all the obligations contained in the Gruber-de Gasperi agreement had been fulfilled and the suggestion was duly dismissed. Nevertheless the existence of any governmental exchanges on the issue seemed positive.

However, the Italians were determined to punish Austria over South Tyrol in other areas. There was a definite 'frisson' in Italian support for Austrian agreement with the EEC. In May 1964, an Italian government memorandum maintained that association with the EEC was only possible as a prelude to membership. This was widely interpreted as an anti-Austrian salvo, although (as we have seen in the chapter on the EEC) this was denied in Rome. In 1967, the Italian veto of Austrian attempts to achieve a treaty with the EEC was a response to

Austria's attitude to South Tyrol.

Italy took considerable exception to events in Austria in 1967. In June a Linz court acquitted a group of self-confessed terrorists headed by the extreme right-winger Norbert Burger. This was widely interpreted as support for their activities. Later in the month, Austrian television presented a programme which to Italian minds justified terrorism. The death of four Italian soldiers in a terrorist attack further alienated Italian opinion. The Italian view was now that Austria was not prepared to take adequate measures against terrorism. Speaking in the Italian Parliament, Prime Minister Aldo Moro announced;

"Italy's agreement to Austria's possible association with the Common Market is dependent on the demonstrable capacity of the Austrian Government to combat terrorism with appropriate preventative and punitive measures".⁷⁰

He demanded concrete action from Austria against terrorism.

Austrian dismay at the Italian veto was tempered somewhat by a general pessimism about Austria's negotiations with the EEC which had previously centred on the French attitude. There was nevertheless considerable resentment that the issue was seen to have international repercussions for Austria. Austria dismissed Italy's action as spiteful and unrelated, but this fails to understand the depth of resentment in Italy over the bombing campaigns. Parallels with the importance of Northern Ireland or Gibraltar to the entirety of the UK's relations with Ireland and Spain respectively are not inappropriate.

The accession of Kurt Waldheim to the Foreign Ministry in Vienna in 1968 and a new Italian government signalled a new determination to reach agreement. A new agreement was signed between the governments in Copenhagen while a series of meetings in Paris and New York paved the way to a new package of measures. At Geneva in early 1969 it was

agreed to propose a timetable of measures for the region. Following final negotiations with the SVP a new 'package' was agreed. Both sides accepted elements of compromise from their initial demands. The Italian government agreed to a series of additions to the 1948 legislation, greatly strengthening the position of the Germano-speakers. Austria for her part abandoned her insistence on stronger international guarantees for the region. Waldheim explains his success in 1969 as follows;

"There was one reason why the Agreement did not materialise under Kreisky, because Kreisky requested a special International Court Arbitration for differences arising out of such an agreement. The Italians rejected this... Things developed further so that when I became Foreign Minister... we felt that if the Italian side accepted the operational character they would have made concessions. If you ask me why it worked, well I hope this is the best solution we could have ever achieved. I do not believe we could have got more out of the Italians. Certainly it was clear that it was impossible to get South Tyrol back, which would have been the best and most logical solution. We tried this at first under Foreign Minister Gruber after the Second World War... but it just didn't work... Kreisky had already recognised this and did a lot in preparing the ground for a later settlement. The treaty signed in Copenhagen... to get away from terrorists who were very strong on both sides [??]... annoyed both Austrian and Italian radicals."⁷¹

At a tense meeting of delegates, a narrow majority (52.8%-46.6%) of the SVP agreed to support the leadership under Magnago and accept the package. Although the region of Trentino/Alto-Adige was to remain intact, the Province of Bolzano gained several new powers. Attached to the package was a calendar of operations whereby all the provisions of the new agreement would be implemented within four years.

The deal involved new rules on the teaching of German at all levels of education, the free use of German in public administration and the development of the German (and Ladinish) cultures.⁷² Under the agreement, chief responsibility for mining, fishing, farming, services, transport, and local culture was transferred to the province. Agreements to bring television in German to South Tyrol were to be made with RAI (the Italian state television service). The building of schools and kindergartens became the primary

responsibility of the province, while every child was taught Italian or German as a second language from primary level. The eventual construction of a university was also promised. The ability to speak both languages in all public offices and courts was guaranteed as well as bilingual road signs and signs on public buildings throughout the province.⁷³

The two Foreign Ministers cleared up the remaining obstacles at a meeting in Copenhagen on 30th November 1969. On December 15th Chancellor Klaus guaranteed that the Austrian government would not raise the South Tyrol question at an international forum for the period of implementation. Despite SVP acceptance, or perhaps because of it, the SPOe opposed the agreement in the Nationalrat. After the SPOe's accession to power in 1970, the policy of reconciliation with Italy was nevertheless maintained;

"if for no other reason, this was necessary for Austria's fresh approach to the Common Market."⁷⁴

In November 1971 President Jonas paid a state visit to Rome, the first since 1875. Significantly, the event's success was marked by a declaration by Italy's foreign minister of support for Austria in her negotiations with the EEC, which was duly given.

Since 1970, the South Tyrol question has not intruded into Austro-Italian relations with the same intensity. Yet certain features suggest that there remains an unsolved element in South Tyrol and that the issue may yet be fertile ground on which the seeds of discontent can grow.

The principle of 'proporz' between the ethnic groups in South Tyrol applied to 29,000 jobs, or 20% of the total employment in the province of Bolzano.⁷⁵ Previous to the agreement most of these jobs (eg. teaching, administration) had been held by Italian-speakers. According to the timetable 'proporz' should be achieved in employment

by the year 2002. Yet the existing proportions were vastly imbalanced.

"It never occurred to anyone to ask what would happen if the South Tyrolese ... failed to take advantage of their success. But this is what happened."⁷⁶

As Alcock points out, years of discrimination had led to a complete absence of public service tradition among German-speakers. The result was a crisis in the railways and postal services. Large-scale vacancies in South Tyrol were set against a background of rising unemployment in the rest of Italy, but the proporz regulations prevented the jobs being filled by Italians.

The confusion surrounding language identity was further complicated by a compulsory declaration of language group. Failure to make such a declaration would now lead to loss of rights. Yet increasing inter-marriage meant major problems regarding registration. When a New Left party opposed the rule and refused to declare themselves as either German or Italian (declaring themselves to be both) they were disqualified. In effect the package had institutionalised the separate identity of the communities.

The South Tyrol economy expanded considerably. The rise in value of the D-Mark and Austrian schilling against the lira made South Tyrol an increasingly popular tourist destination (overnight stays doubled between 1971 and 1980).⁷⁷ Bolzano became Italy's most expensive city. The tourist industry created jobs, creating more labour shortages in the proporz-affected areas.

"The one thing completely unacceptable for the South Tyroleans was that any labour shortages should be made up by Italians from elsewhere, who might stay."⁷⁸

The result was a restrictive deflation policy set against low growth and unemployment in the rest of Italy. The hardest-hit section were the Italian speakers. Tourism developed largely in the German-speaking areas, and Italians stood to lose most through the proporz

legislation. The EEC's agricultural boom also benefitted German speakers. Evidence from demographic trends now suggests that the overall Italian-speaking proportion of South Tyrol's population was on the decrease. During the European elections of 1979 the 'Europa-Union Tirol' with strong backing from Otto Habsburg and pro-Western elements in Tyrol (eg Esterbauer) put forward a platform similar to that advocated by sections of the FPÖ which saw a united Western Europe as the most effective means of ensuring the Unity of Tyrol and of the 'Peoples' of Europe, most specifically, the German 'Volk'.⁷⁹

The local elections in the Province of Bolzano in March 1985 confirmed the increasingly embittered stance of Italian speakers. The neo-fascist MSI received over 20% of the vote. The celebrations to mark the 175th year of a Tyrolean mountain rebellion against Napoleon in September 1984 was used by Tyrolean chauvinists as an excuse to reinvigorate claims for unity.⁸⁰ Following a controversy when the Italian Foreign Minister warned that pan-germanism would never be allowed, he claimed that his comments were directed against events in South Tyrol.⁸¹ Austria reacted calmly to this, seeing it more as an excuse than a real claim, but the 1985 local elections showed that anti-German feeling in South Tyrol remains.

Austrian politicians continued to raise the issue in the UN. In 1981, Pahr outlined Austrian frustration with the Italians;

"In our relations with Italy.. the problem of South Tyrol is of particular importance. .. Last year I informed the Assembly of the impatience of the South Tyrolean people and the increased concern of the Austrian Government about this delay. I regret that .. the situation has not improved since and that no substantial progress has been achieved."⁸²

He laid particular emphasis on the guarantees affecting the use of German in court and administrative sectors. In 1984, Minister Gratz reported;

"Because of the General Assembly resolution in 1960 and 1961, there was a new agreement in 1969 over the restructuring of South Tyrolean autonomy. Fifteen years later, there are still several conditions

unresolved... This situation has strengthened worries among the people of South Tyrol"⁸³

In general, however, Vienna seems anxious to work past the problems of Tyrol. In 1972 the Arbeitsgemeinschaft Alpenlander (ARGE Alp) was established with the membership of local and regional government units in Austria (Tyrol, Vorarlberg), Germany (Bavaria), Switzerland (Graubunden) and Italy (Trentino, South Tyrol, Lombardy). All commentators agree that its establishment has contributed considerably to smoothing Austro-Italian relations.⁸⁴ Italy and Austria also joined with Yugoslavia in the settling up of ARGE Adria in 1975, linking for the first time with a non-capitalist economy. These are both based on notions of areas of 'natural' co-operation. Austria has developed a remarkable capacity to seek practical agreements in the face of underlying dispute. This can only succeed in the long run if the issue is not merely ignored and considered 'solved'. There have been clashes at local level, despite goodwill.

"There was a sharp clash between Edouard Wallnofer, the Provincial Governor of Tyrol, and Dr Pahr, the Austrian Foreign Minister, in the summer of 1976. The federal authorities objected that ... ARGE Alp acted unconstitutionally in presenting a transfrontier development plan directly to national governments; this was alleged to be an intrusion into the sphere of foreign policy constitutionally reserved to the Federation".⁸⁵

Other politicians still maintain South Tyrol as an example of a breach of Human Rights (eg Ermacora). Steiner for his part sees it as an agreement for the higher good;

"In nationalist thought of the nineteenth and early twentieth centuries, these areas are irreconcilable... The Provincial Governor of Tyrol spoke of 'the Unjust border at Brenner' in the Andreas Hofer Anniversary [1985]. Only, one can say that one feels something as unjust- one cannot say it is just - but one accepts it in order to serve a higher end - namely peace"⁸⁶

At national level however a functional approach has predominated (despite the Reder affair). The building of the Europa bridge in Austria completed the motorway link between Milan and Munich, making it one of the busiest stretches of motorway in Europe. The

restrictions imposed by the Swiss for heavy traffic have made it effectively the only motorway road link joining these two points of the EEC. Austria's position as a transit country has led to serious tension with the EEC, and growing pressure from campaigners concerned about the environment, led Austria to suggest that much of this traffic should be transferred to the railways.⁷⁷

In February 1984, Craxi made his historic visit to Vienna, during which South Tyrol was not discussed. In September of the following year Chancellor Sinowatz returned the visit. This visit was widely acclaimed in Austria and Italy as highly profitable, despite continued difficulties over South Tyrol. Bolzano (German) radio said

"There may have been seven agreements signed, border difficulties eased, transport improvements discussed, improved use of the harbour at Trieste and many other no doubt useful things brought to the table: South Tyrol remains the core of Austro-Italian relations, even if this does not suit some Italian newspapers."⁸⁸

Yet in Austria a change in attitude was visible. Despite continued awareness of South Tyrol, the core was already at work to distance itself from the frontier group. Thus the Oberoesterreichische Nachrichten in Linz wrote that

"Italian-Austrian relations are too important to be seen merely out of South Tyrol eyes. The EEC now comes more and more into the picture - for Vienna, Brussels is important."⁸⁹

Austrian-Italian trade now amounts to over £2.5bn⁹⁰, with Italy in considerable surplus (1983). Both countries have a clear interest in playing down differences over South Tyrol, pangermanism and 'Reder'. Nevertheless, the internal power of (North) Tyrol in Austria ensures that Vienna and Rome will not be able to avoid the South Tyrol issue without the complicity of the Tyroleans; this was temporarily aided by the package agreement and institutions such as ARGE Alp. The suspicions that the issue is not entirely solved remain, but South Tyrol is now no longer an immediate threat to Vienna's external relations.

Austria and Yugoslavia.

As in the case of Italy, when Austria achieves a working relationship with Yugoslavia it is in spite of a local dispute. The long-standing barrier to harmony is the position of the Slavic minority in Austria and in particular of the Slovene ethnic group in Carinthia.

Following the break up of the Austro-Hungarian Empire, the newly formed State of Yugoslavia invaded territory north of the Karawanken Alps and occupied southern Carinthia. Despite very bitter resistance, the Yugoslavs reached the regional capital, Klagenfurt. Austria protested to the Peace conference in Paris and in June 1919, the negotiators agreed to a referendum in the controversial areas. The referendum resulted in a 59.04% majority voting to remain in Austria in the so-called Zone A, where the 1910 census had reported that Slovenes made up 68% of the population. In the areas of highest concentration of Slovenes however, to the south of the River Drau, there was a very slight majority in favour of unity with Yugoslavia.⁹¹ Nevertheless;

"A regional analysis shows that many Slovenes... had voted for the retention of their homeland by Carinthia."⁹²

It appears that many hoped for a generous Austrian minorities policy and this had indeed been promised. Much of the clergy had been active in their support of the Austrian cause and much of the credit for the result goes to their influence. The result was the creation of a small Slovene-speaking minority in Austria and an even smaller German-speaking minority in Slovenia. The community of Slovenes in Carinthia identified themselves as clearly separate, but they were themselves relatively isolated from the Slovene heartland and had always had considerable contact with the German-speaking community around them. They spoke a unique dialect of Slovene influenced by German.

During the First Republic, although Carinthia remained one of the poorest parts of a struggling country, the Slovenes enjoyed the protection of the Catholic Church. They seem to have suffered no more than their German-speaking neighbours, although as recent Yugoslav propaganda points out, the Vienna Government took not a single measure for their protection.⁹³

The rampant anti-Slav propaganda of the Nazis took a deep root in Carinthia however. When the Germans declared War on Yugoslavia in 1941, the Carinthian Slovenes were extremely vulnerable;

"the last foreign-policy considerations about the Carinthian question disappeared."⁹⁴

The Germans began a policy of driving Slovene families from the land (about 300 in total) and many were incarcerated in Nazi camps. This led to the organisation of the only resistance movement of any size on the actual territory of the Reich itself. Many Carinthian Slovenes joined up with Tito's Partisans on the other side of the Karawanken. The bitterness of the war in Yugoslavia was virtually unparalleled. Indeed, the Slovenes suffered proportionally more than any other group except the Jews.

"The memory of World War II horror likewise explains the still partially effective tone of Yugoslavia's reaction to Carinthian German Nationalism(... something which many Austrians still cannot comprehend.)⁹⁵

After the defeat of the Nazis, units of partisans from Yugoslavia;

"fought side by side with Carinthian partisans to free Carinthian areas inhabited by Slovenes."⁹⁶

as Yugoslav propaganda puts it, or alternatively;

"The end of World War II witnessed encroachments onto German-speaking population and still more far-reaching claims to Carinthian territory"⁹⁷

as Austrian versions maintain. The British occupation troops insisted on the withdrawal of Yugoslav forces to the pre-1938 boundaries. Certainly it was widely felt that Yugoslavian territorial claims were

exaggerated, although not unexpected.

These collective experiences in the period 1919-1945 are held to be the cause of the very deeply felt fears or 'Uranst' of both groups in southern Carinthia, which contribute to the intractability of the problem for outsiders and insiders alike;

"It is hard to deny that a kind of collective psychosis exists."⁹⁸

Both communities now see the prospect of extinction at the hands of a perceived aggressive enemy as real.

Initial Yugoslav territorial claims were modified as it became clear that no outside power would support their cause. Nevertheless, when the State Treaty was signed in 1955, Article 7 specifically dealt with the rights of minorities in Austria, giving the Slovene and Croat groups

"the right to their own organisations and meetings, press in their own language" as well as "elementary instruction in the Slovene or Croat language and to a proportional number of their own secondary schools."⁹⁹

The Slovene and Croat languages were to be given official status where there were;

"Slovene, Croat or mixed populations... In such districts topographical terminology and inscriptions shall be in the Slovene or Croat language as well as German."⁹⁹

A further condition is also added outlawing anti-Slovene organisations. The Treaty provided for a comprehensive protection for the Austrian minorities, guaranteed by Yugoslavia as a signatory.

It should be pointed out that the proportion of the total Carinthian population calling itself 'Slovene' had already fallen to 22,367 or 4.7% by 1955. Obviously this too gives a distorted picture in that the concentration of Slovenes into one part of southern Carinthia is here statistically submerged. Nevertheless it is significant that the Austrians were prepared to concede comprehensive rights to groups much less statistically numerous than their opponents. By the 1970s they had fallen back on statistical arguments

to justify their failure to implement the full force of the State Treaty, even though the proportion of Slovenes in Carinthia still stood at 3.4%. It is easy to conclude that there was a degree of political opportunism.

The opportunity to enact the spirit of the treaty into concrete form in 1955 was not taken up. In 1945, compulsory bilingual instruction had been introduced in Carinthia. The Nationalrat introduced a new School Act in 1959. By this Act, parents could withdraw their children from instruction in Slovene and leading local figures (eg Provincial Governor Wedenig) urged the 'speediest possible reaction'¹⁰⁰ to the demands of German-speaking parents. As a 'counter-measure' a full-scale Gymnasium for Slovene speakers was established in Klagenfurt, an institution which was to become a major centre for the development of a Slovene intelligentsia. The Act was a response to a well organised campaign by the strongly Germanic 'Kaerntner Heimat Dienst' (KHD) who with the eventual backing of Wedenig organised a successful petition. Following an emotive debate in which loyalty and disloyalty to the 'tribe' were seen to be in question, over 80% of parents petitioned to have their children released from bilingual education. The School Act in parliament was an attempt from Federal level to mediate in this conflict. The result was that the Slovene language was no longer a compulsory subject in Carinthian schools.

"Slovene was not even put on the same level as English."¹⁰¹

As Haas and Stuhlpfarrer observe it showed how low the political priority of community relations came on the Carinthian Agenda.¹⁰¹

Non-Carinthian Austrians in general failed to grasp either the detail or the emotion of the Carinthian problem. Former Foreign Minister Erich Bielka regretted the fact that the measures agreed in the State Treaty were not enacted

"with the backing wind of the overwhelming enthusiasm of the entire Austrian nation over the return of national freedom"¹⁰²

Yet the nature of the dispute and its intensity suggested that this would indeed be a major problem were it not for the relative numerical insignificance of the minority. The intensity of the dispute at local level and the indifference at the wider level suggest a frontier dispute in which the frontier protagonists have been cut adrift from the 'parent' communities with only sporadic interest in the issue at national level when Yugoslavia threatens to draw wider implications from the dispute.

In general, the 1960s were a quiet period in Carinthia. Austria was anxious not to stir up problems with Yugoslavia at the same time as negotiating with Italy over the problems of the South Tiroleans. Nevertheless, a joint Yugoslav-Austrian Commission was set up to look into the possibility of developing relations into other spheres. Yugoslavia had strongly opposed the School Act of 1959 and the Legal Language Act of the same year. She objected that the creation of one Gymnasium in Klagenfurt did not represent the fulfilment of the conditions of the State Treaty. The Court Language Act had limited the use of Slovene to three small administrative areas (Bezirk) where the Slovene population was more concentrated. Both the Acts were interpreted as anti-Slovene and anti-State Treaty in character.

Despite this and the failure of a mixed Austrian Federal Government/Slovene set up to deal with the problems faced by the minority, relations between Vienna and Belgrade at bilateral level improved. In 1960, Kreisky visited Belgrade followed by a return visit by the Yugoslav Foreign Minister. The talks concentrated on wider bilateral issues - economics, border traffic, establishment of consular offices etc. A statement was issued expressing a desire to work around the Carinthian question, in the hope that;

"contacts between representatives of the minority and Austrian officials would make it possible to find a solution acceptable to all sides."¹⁰³

In 1965, the Provincial Governors of Carinthia and Styria accompanied Chancellor Klaus and Kreisky on a visit to Belgrade which was mutually acknowledged as constructive, resulting in the abolition of visa requirements on travel between Austria and Yugoslavia (the first such agreement with a Communist country). Tito made his first official visit to Austria in 1967;

"both sides expressed satisfaction over the further progress being made in regard to the realisation of the rights of the Slovene and Croat minorities in Austria, who, as the last few years prove, now play a binding role between the two neighbours to an ever greater degree."¹⁰⁴

As with South Tyrol in the 1970s, the issue had seemed to become one of the past. The Austrian habit of sweeping issues under the carpet seemed to have worked in this case. No further measures were taken in Carinthia, and the exigencies of the State Treaty were quietly forgotten. No large-scale protests were organised by either the Slovenes or the German Nationalists. Yugoslavia concentrated on building wider contacts with the Austrian Federal Government. A symbol of this was the new border bridge opened by the leaders of both countries in 1969. The Governments acted in concert in a combined approach to the UN's European economic Commission to underline the importance both sides attached to the Oder-Danube and Rhine-Main-Danube Canal projects.

Despite this, conditions in Carinthia remained unresolved. The five State visits between 1960 and 1968 did little other than register the existence of a problem. Chancellor Klaus was himself a Carinthian of reasonably pro-Slovene sentiment and the Provincial Governor Sima (SPOe) followed the generally conciliatory course of his predecessor Wedenig. Writing in 1971 the conservative Catholic, Theodor Veiter, internationally renowned specialist in minority affairs wrote however

that Austria had failed to implement the majority of the clauses of Article 7 of the State Treaty.¹⁰⁵ Veiter, himself a Carinthian with a self-proclaimed allegiance to a romantic notion of a German 'Volk' emerged as one of the champions of the Slovene cause in Austria. He himself had written that the Slovenes were better off under the Habsburg empire.

Troubles in Carinthia took root once more in late 1969 and early 1970 as preparations got underway for celebrations of the 50th anniversary of the referendum. Yet no Slovenes took part in these preparations;

"Reputedly, the governor was unable to arrange for a Slovene contribution because the German-nationalists threatened to boycott the observances. How great the chances of Slovenes being able to sit on the same tribunal were... is of course difficult to say. Be that as it may, not a single one of the high Viennese dignitaries could steel himself to express regret at the absence of Slovene representatives."¹⁰⁶

At the same time, the KHD published a special edition of their vitriolic propaganda vehicle 'Ruf der Heimat' (Call of the Homeland) announcing in effect a new offensive that would last "until one of the two peoples no longer exists."¹⁰⁷

In response, a few young Slovene militants erected makeshift bilingual signs. Sima and Kreisky decided that action on signs must now be taken. It seems to have been seen as a final attempt to pacify Slovenes without disturbing the fragile calm. The bill for presentation to the Nationalrat was put together by SPOe functionaries without reference to the opposition. A new Department of Slovene Affairs was set up by the Carinthian Government.

In July 1972 the Nationalrat passed the Act which triggered the outbreak of violence; the 'Ortstafelgesetz (Place Name Description Act) (BGBl 270/1972) with the votes of the SPOe against those of the combined opposition. As a result 205 place names (out of a total of 2875 in the Province of Carinthia ie 8.5%) were to be bilingual. They

were spread throughout 36 parishes (Gemeinde) where the 1961 census had shown a population of at least 20% Slovene speakers. The signs were not truly 'topographical' in that they referred only to districts and did not extend to all areas where some Slovene was spoken.

The resulting outbreak of German-nationalist resentment heralded one of the most regrettable stories in postwar Austrian politics. The Government began mounting the new signs at a rather unfortunate moment; two weeks before the anniversary of the 1920 referendum. In the middle of the night, when a mere 36 signs had been erected, bands of extreme German nationalists pulled them down. The leading far-right apologist in the FPÖ, Otto Scrinzi, described the action as;

"proof of the correctness of the FPÖ's objections to the Act."¹⁰⁸

On the 10th October, Governor Sima was showered with rotten vegetables by a crowd¹⁰⁹, while on a later visit, Chancellor Kreisky was subjected to insults from an angry crowd ('Jewish Swine' etc.). In an immediate reaction, Kreisky rejected any talk of a 'head count' to determine minorities, pointing out that the only demands for such a measure came from those on the far right. Yugoslavia immediately registered her own 'serious concern' at events to Vienna.¹¹⁰

Many observers felt that the lenient attitude of the police and courts to the activities of the German Nationalists amounted to cowardice and lack of resolve on the part of the Austrian State however.¹¹¹

"For all police measures, the Austrian authorities did not prevent pogroms against bilingual inscriptions. There were even cases of similar actions being led by responsible officials, and on published photographs there was also a policeman applauding chauvinist vandals pulling down an inscription."¹¹²

The most significant result in Carinthia was the 'palace revolt' within the Provincial SPÖ. Governor Sima's policy of generosity to the Slovenes was attacked by a group around Leopold Wagner. Communal

elections in Spring 1973 showed SPOe losses. It was clear that more votes were being lost than gained in the attempt to implement the State Treaty. At the end of September 1973, Sima was told to resign as Governor by the provincial SPOe. The press followed;

"If Governor Sima finally follows the policies of the SPOe... the next step should soon be due; Wagner should be Governor."¹¹³

In Carinthia the problem was not so much the legislation of rights enshrined in the State Treaty. The Croatian minority in Burgenland had also seen little action to bring the State Treaty into action, yet there was little pressure for change and no organised discontent;

"As Ljubljana nationalities theoretician Drago Druskovic has shown in detail, success does not so much depend upon the literal fulfilment of the law as on the spirit of the clauses to protect minorities."¹¹⁴

It is precisely this spirit which has been missing since 1972.

Bilateral relations between Vienna and Belgrade deteriorated sharply. On November 6th 1972, Belgrade sent a note to Vienna expressing 'deep concern' and pointing out 'Austria's very precise responsibility'¹¹⁵ to act in Carinthia; they also demanded action against the now strident KHD, threatening to bring the entire matter to international attention. Austria, in a pattern of exchanges which was to repeat itself, rejected all of Yugoslavia's charges and reacted in a notably defensive tone.

A Commission of Study was appointed in 1972 to look into the whole question of bilingual signs. This was a clear attempt to buy time; Vienna had little clear idea of a programme for the Carinthian nationalities. Slovenes themselves had considerable faith in Kreisky's support for their position. Yet Kreisky had also embarked on a policy to reintegrate the German-nationalist orientated FPOe into the mainstream of Austrian politics. The Germanic element in Carinthia was a considerable stronghold of both FPOe and SPOe. From the standpoint of party headquarters in Vienna the need to remain on intimate terms with the KHD may not have been obvious but locally it

was recognised that there were members of all parties in the KHD's structures. In the end, the Federal party and hence Government became the victim of these pressures.

Yugoslavia prepared to carry out her threat to bring the issue to international attention.¹¹⁶ In 1974, she raised the issue at the UN Committee on the elimination of Racial Discrimination (CERD). In a report to the Committee, the Austrians maintained that this was not an ethnic or racial issue. CERD's own report (A/9618) was more critical, demanding action against KHD activities, the ending of numerical criteria for the implementation of Article 7 and an extension of the legal provision for Slovenes. A further UN report, however, painted Austria in very flattering terms. Ermacora maintained that Austria had fulfilled all obligations under the State Treaty.

Meanwhile, the Government's Commission continued its work. The KHD's demand that any changes in law should be preceded by a group census or 'headcount' to determine the size of any minority was granted by both FPOe and SPOe, despite the bitter exchange of notes in 1974. In 1975, the Commission reported, outraging both Belgrade and the minority.

The final package in 1976, was the result of negotiations between the political parties in Vienna rather than the outside interests. The new 'Ethnic Groups Act' passed into law, under which a 'Minorities count' was to be organised throughout Austria. The Act made provision for special assistance and the placing of bilingual signs where more than a quarter of the population spoke Slovene. Advisors on Minority Affairs were appointed within the Federal Chancellor's office. The Act was passed unanimously and met with widespread apathy outside Carinthia. The exception was the outrage of the liberal intellectuals from all parties, whose views were widely reflected in the press. Anton Pelinka, the leading Austrian political observer wrote;

"The obligations [of the State Treaty] towards the powerful outsiders were punctually and exactly fulfilled. Only in those commitments towards the powerless are we still in debt."¹¹⁷

'Profil' editor Lingens wrote;

"Above all, there is no doubt that Austria is on the way to a continuation of the breach of the conditions of the State Treaty in the case of the Slovenes."¹¹⁸

Veiter and others recorded their disgust also. International press comment was widely hostile to Austria.¹¹⁹ Yugoslavia dismissed the Act, insisting that statistical enumeration of minorities could not solve the problem;

"Central to the Yugoslav view is the fact that in the Republic of Slovenia, the linguistic minorities - Croats (31,000), Serbs (13,500), and Italians (3,000) - enjoy fundamental rights under the constitution and have flourished far more than the Slovenes of lower Carinthia."¹²⁰

The KHD, in tandem with all of the major political parties, set about organising a huge anti-Slovene campaign for the count. The propaganda can only be described as incitement to racial hatred. The Slovenes were dismissed as the 'most privileged minority in Europe'¹²¹ and the old 'primordial fears' were played upon, with Slovenes described as 'nationalist communists'. Publications used emotional emblems, such as traditionally dressed Women and Children with the slogan 'The Border country pleads with you - 'Don't leave us in the lurch!'¹²¹

The Census itself was a fiasco. Most Slovenes boycotted the event or were involved in deliberate sabotage. Outside Carinthia, only 27% bothered to register a vote. In Vienna a solidarity campaign by youth and left wing groups, resulted in a higher number of Slovene speakers being registered in Vienna than in Carinthia.

The Government was left with a considerably worsened situation. They could not act as had been promised on the basis of the count playing into the hands of the KHD. As a result, the Government issued a decree establishing 8 'Gemeinde' and 2 'Bezirk' where bilingual

signs could be erected (BGBl 38/1977). Two further decrees announced that 91 areas were to have bilingual topographical signs (BGBl 306/1977, BGBl 308/1977), a considerable reduction from Sima's 205 in 1972, a number already considered too low by Slovenes. The means by which the areas were determined were never made clear. The FPÖ took out advertisements in all the pro-German press. Boasting of the stark reduction in concessions to the Slovenes the title ran 'Did the FPÖ not do all that is humanly possible for Carinthia?'¹²²

For many observers, the unhappy parallels with South Tyrol were clear, and there was a marked sense of shame in editorial comments outside Carinthia;

"The whole thing.. is a multidimensional disgrace. It is a disgrace for the SPÖ; this party, once dedicated to internationalism betrayed that tradition in Carinthia; by connecting tolerance to the actual total of those to be tolerated, by portraying itself as a German Nationalist party. When Bruno Kreisky became Chancellor in 1970, he attempted to solve the Slovene issue with the principles of tolerance. In 1972 in Klagenfurt he was attacked by extremists. Kreisky turned around and made right wing politics."¹²³

In terms of Austria's relations with Yugoslavia, the 1977 decrees allowed the issue to be removed from the immediate centre stage, and public (non-Carinthian) attention switched to other issues. Yet the situation in Carinthia, like that in South Tyrol is more of a problem on which a lid has been temporarily placed than a now-irrelevant anachronism. It remains a threat to bilateral relations to be revived when tension mounts or excuses are sought. The Yugoslavs have been prepared to revive the issues to divert attention from both external and internal attacks on the Federal Government.

In 1982, ten years after the attack on the bilingual signs, an event which had passed into folklore as the 'Ortstafelsturm', the Catholic journal, 'Die Furche' reported;

"The Carinthian Slovenes are bitter that in carrying out the conditions of the State treaty, their views were not taken into account. Since the Ethnic Minorities Act, the parties represented in the Carinthian Landtag constantly repeat that as far as minority rights are concerned, the State Treaty has been fulfilled... It is a

matter of some concern that they pay hardly any attention to the reemergence of the problems of the Nationalities."¹²⁴

The question did indeed come to life again in 1983-5 over the issue of schools. With KHD encouragement, the FPÖe raised the old question of bilingual education. Since 1945, all primary schools in the mixed language area had been bilingual. Arguing on the basis of parental choice, the FPÖe demanded that those who so desired should have the right to have their children educated in German alone. The KHD organised a petition of voters throughout Carinthia. A successful petition of over 20,000 signatures was delivered to the Provincial Government. Under the leadership of Joerg Haider (see Reder Affair), the FPÖe increased its share of the vote in provincial elections to over 11%, by far its best performance in any area of Austria, largely on the basis of this campaign. The manipulation of the ethnic issue in this manner shows the extent to which the German Nationalist element is feared in local politics. The speed with which the SPÖe sought to establish its credentials by passing a new Schools Act in 1985 confirmed this as fact. Haas concludes that the German Nationalists will stop at nothing short of genocide;

"If the German Nationalists had their way, Carinthia's nationalities struggle would end with the disappearance of the Slovenes."¹²⁵

A letter in the local press expressed this precisely;

"Those who do not like it in Austria, those who are constantly dissatisfied and constantly have something to niggle about should emigrate to our neighbour south of the Loibl Pass - and immediately. Nobody will stop them! But why do these complainers not do this after all?"¹²⁵

The FPÖe itself is completely unrepentant over its attitude on this issue. According to Haider the two groups have no problem with one another;

"The Slovene 'Volksgruppe' certainly does not feel under pressure. Their political leadership is worried that the ethnic question will come to a peaceful end because everybody is content and that they will no longer have a political sphere of action. This is the real background that I see, as somebody who travels around the province. I

have numerous friends in the Slovene Volksgruppe who confirm this impression."¹²⁶

As a result the FPÖ is happy to use the slogan of a 'parent's right to choose' in Southern Carinthia above the social need for a new concept. In this view the State Treaty has not merely been fulfilled, it has been exaggerated. Indeed in Haider's view the discrimination in Carinthia is against the German majority. As Haider says;

"We are used to living with the fact that the further one lives from Carinthia the more impractically the issue is dealt with. Often only emotional outbursts come from elsewhere and it is evident that everything functions without any problem and that the minority is advantaged in several areas. As for the 1972 problem, You must study the history of Carinthia carefully in order that you do not become a victim of disinformation which unfortunately is repeated in many foreign publications... The history of the events in the early seventies is that the Place Name Tables were attacked not by the majority community but from the minority community. They also started graffiti and letter-writing campaigns, from which the problem can be traced. This was of course regrettable, that it came to such emotions, however it was right that we solved it with the internationally verified census... from which certain areas were proven never to have been settled by the Slovenes."¹²⁶

All of this is heavily reminiscent of the historical selectivity practiced in other areas of ethnic conflict, in which the dominant group choose to speak for the satisfaction of the minority. Hearing Haider, it is surprising that anybody ever thought that there was a problem! Of course the parties outside Carinthia proved unable to act radically in the 1970s. This is true of all groups, but even the Viennese leadership of the FPÖ is unsure as to its position on Carinthia;

"The position of the Slovene Volksgruppe is entirely different from that of the South Tyroleans in my opinion. They have a much better position with regard to their rights than is suggested from time to time by the Slovenes. There are educational establishments in Carinthia which are internationally recognised.. What the Carinthian FPÖ does with regard to changing an already existant situation is first and foremost a Carinthian problem and not a problem of the Republic of Austria as a whole... In Carinthia the clocks always strike differently than in Vienna"²⁹

I have concentrated on the acute problems of the Carinthian Slovenes. The numerically larger group of Croat speakers in Burgenland have not played a parallel role. This can in part be

accounted for by their total dislocation and detachment from the Croats in Croatia and to their corresponding integration in Burgenland. The Burgenland was at one time part of Hungary in which the Germans too had a minority role and this may account for the harmony. The Croats of Burgenland have not been vocal in support of the Slovene cause and are used in Yugoslav propaganda rather than in substantive policy.

Slovene affairs have tended to overshadow Austro-Yugoslav affairs. Nevertheless the Governments at Federal level have both been anxious to extend relations in other spheres. In international terms, Yugoslavia's non-alignment makes her a less controversial partner for Austria than aligned neighbours in international forums. This was particularly true at CSCE, where both worked together as part of the resultant ad hoc 'N + N' (Neutral and Non-aligned) group.

As Yugoslavia's Foreign Minister Petric pointed out;

"Our relations to Austria are developing satisfactorily because both sides wish to develop them further."¹²⁷

The Austrians too have been anxious to concentrate on other issues.

A Foreign Ministry spokesman put it thus;

"In relations between Austria and Yugoslavia the Slovene Minority question plays no further role. I think that the solution which we found is satisfactory for the Yugoslavian side."¹²⁸

Former Foreign Minister Lanc puts it thus;

"The inter State relationship stands without doubt above that of the understandable attempts by Yugoslavia to support the Slovenes in Carinthia, who are fighting for their cultural existence. Yugoslavia knows that it is dependent on the stability of the entire region, at least as dependent as we are. Therefore they will not actively take part in crises in this geographical area which could bring the house of peace tumbling down, because they know that the roof would collapse on them first... The relationship between Yugoslavia and Austria has certainly contributed to the fact that there has been no war in this region for 40 years. The maintenance of this is vital for everybody in this zone, no matter what societal form exists. This is much more important than anything else."¹²⁹

This was of particular importance to the thousands of gastarbeiter from Yugoslavia employed in Austria. By the mid-1960s, Austria's

labour supply was no longer sufficient to fill the numbers of jobs being created, particularly in the unskilled and semi-skilled sectors. The high wages of Austria, enticed recruits from South East Europe. In Austria, 90% of gastarbeiter came from Yugoslavia, representing 8.7% of the workforce by 1973.¹³⁰ Vienna and the Western Provinces were the centres for immigration. Like West Germany and Switzerland, Austria saw this as an elastic supply of labour necessary to maintain growth. She attempted a so-called 'Rotation policy'

'..which aimed at an administratively controlled limitation of the length of stay in the host country."¹³¹

As elsewhere, this extremely functionalist policy led to considerable social stress; newcomers were usually housed in the poorest conditions and there was no provision for special facilities. The result was permanent ghettoisation and linguistic and cultural isolation. As Max Frisch remarked of Gastarbeiter in general -they sought labour and got human beings. The ghettos confirmed the hostility in the resident Community. An IFES poll in 1972 showed that 90% 'disliked' Gastarbeiter, and 57% wanted no contact. Only 25% accepted Gastarbeiter's right to a minimum wage.¹³²

The Austrians remained hostile, although immigrant numbers were far below the totals in Switzerland. There, a series of directly anti-immigrant proposals were passed by referenda. Swiss national unemployment rates of less than 1% throughout the recession was largely a result of refusals to prolong Work Permits for Gastarbeiter.

The benefits for the Austrian economy during the boom were enormous. As the oil crisis hit, the trade unions pressed for more restrictive legislation. The result was the 'Employment of Foreign Workers Act'(1975) under which foreign workers were given a function of merely balancing Austria's fluctuations.¹³³ Nevertheless, in 1977 there were still 196,800 gastarbeiter in Austria¹³⁴ although the workforce was

reduced by 17% between 1980 and 1983 to the lowest level since 1970.¹³⁵ The result is nevertheless a longterm direct interest in Austrian economic affairs in Yugoslavia with the subsequent implications for Foreign Policy.

At a more local level, Slovenia, Carinthia and Styria joined with the Italian Province of Friuli-Venezia-Giulia in November 1977 to create ArgeOst (Arbeitsgemeinschaft Ost). Despite strains over the Slovene minority, this institution tries to address possible areas of cooperation;

"The frame of themes to be dealt with is very wide, stretching from questions of transalpine connections through Electricity supply, forestry and tourism to current questions of environmental protection, planning, development and the maintenance of the cultural and recreational environment."¹³⁵

In 1977, Austria and Yugoslavia signed a treaty to build a Karawanken Road tunnel between Carinthia and Slovenia. Even this was attacked in 1985 by Haider and the FPÖe.

Overall, Austro-Yugoslav relations have followed a similar path to Austro-Italian problems. The contacts between the neighbouring States have been overwhelmed by the problems at the frontier. Yet in relations at a bilateral level the Austrians have been remarkably successful in the sphere of concrete agreements. The agreements on visa restrictions, the Karawanken tunnel, economic and trade matters and cooperation through ArgeOst emphasise the Austrian ability to utilise the conflicting pressures on the Yugoslav Federal Government and ensure that the Slovene problem does not restrict agreements in other areas. Nevertheless, the local problem cannot yet be considered a thing of the past and threatens to invade national relationships if unchecked. The experience of the 1970s and the bitterness aroused in Belgrade, Ljubljana and Klagenfurt seem to prove this beyond doubt. It is of course in Vienna's interest to portray events as fully problem free and to skirt the issue. Nevertheless, the local

determination of the KHD and their allies in the FPOe at least, would seem to ensure that the Slovenes will be attacked until some sort of 'final solution has been achieved'. In typically Austrian fashion, the scope of the problem is seldom admitted if only in the hope that it might disappear.

Austria and Hungary

The relationship between Austria and Hungary is a long standing one. The Habsburg territories were divided into 2 essentially autonomous parts, united only by the monarchy itself and foreign policy. Outside the German-speaking group, the Magyars occupied the position of greatest privilege within the dual State. In 1918, as the empire collapsed, trade and economic integration between the two areas was considerable. Years of separation, World War II, and the imposition of the Iron Curtain restrictions have reduced the degree of contact at a personal level, such that Hungary remains a less important trading partner than Switzerland with which Austria and Vienna in particular have no historic link.

Yet the Austro-Hungarian rapprochement is one of the most hopeful creations of the detente era, comparing remarkably with the relationships which have developed in other parts of the East/West frontier. It is a relationship which has continued to prosper in a climate which can only be considered hostile to such developments. It is all the more noteworthy given the crisis which engulfed Hungary in 1956 and is still the greatest threat which Austria has had to face.

The Hungarian revolt was always liable to present difficulties for Austria. The State Treaty in Austria and neutrality resulted in the rapid withdrawal of occupying forces from Austrian territory a fact which did not go unnoticed in Budapest. The brewing crisis in Hungary exploded just 18 months after the agreement on a new treaty

for Austria. The Austrian role was in part as model in the policies of Nagy, in part as a reception camp for fleeing Hungarians and in part strategic, as Hungary's only non-communist neighbour.

Although many reports by Nagy and his friends tend to omit the fact, there is no doubt that events in 1955 in Austria were very influential as a model for the future development of Hungary. Nagy himself went as far as to suggest a neutral Hungary on the model of Austria.¹³⁶ This was always a less likely parallel than it appears given the degree to which Hungary had come under Soviet and more directly Communist control since 1945. At Yalta, Hungary had fallen into the Russian sphere of influence, while Austria had been subject to division into four Zones of occupation. As a result, Hungary was fully integrated into the Eastern Bloc, whereas Austria gradually manoeuvred herself beyond Soviet control.

Nagy insisted on Hungary's right as a sovereign state to determine her own path, preferring co-operation with neighbouring small states to Russian overlordship. Yet in stating such a policy openly, he threatened to undermine not only the power-political ambitions of the USSR but the internal stability of other Eastern Bloc regimes. The neutrality of Hungary would mean the loss to the USSR of an allied territory. The same was not true in Austria by 1955.

The Austrian reaction to the invasion of Hungary was swift and outspoken. Unlike the NATO countries, Austria issued a direct appeal to the Soviet Union to withdraw a few days after the attack;

"The Austrian Government follows with painful sympathy the bloody events with such high losses which have now lasted 5 days in Hungary. It requests the Government of the USSR to help ensure that the military fighting be ended and the bloodshed stop."¹³⁷

The relatively harsh statement from Vienna may reflect a confidence, following 10 years of direct negotiation with the Soviet Union, but more realistically it also reflects the real danger felt in Austria about the proximity of the events. The threat to Austria came

not merely from the USSR but through her status as Hungary's non-communist neighbour. Any Western aid for Hungary could only have been deployed through Austria. As one American diplomat observes;

"Our planes could not fly over Communist controlled East Germany, Czechoslovakia or Yugoslavia, so we could approach only through Austria and Austria declared in no uncertain terms that it would resist any form of overflights."¹³⁸

Any attempt to breach Austrian sovereignty would have meant the end of detente's most prominent fruit, Austrian neutrality. The Austrian Government thus took measures not only on her borders with Hungary. Controls at crossing points into West Germany were tightened while the unguarded stretches between the border outposts were also subject to intensified control.

Of course the most serious threat came from events in Hungary. The Soviet authorities showed a determination to respect Austrian boundaries despite pressure from Czechoslovakia and East Germany to reoccupy the former Russian Zone of eastern and northern Austria. The most serious incident took place at Rechnitz in Burgenland in November 1956 when 2 Soviet soldiers pursued refugees onto Austrian territory. After a fight with local farmers, they were arrested by Austrian patrols. One tried to escape and was shot dead. In the aftermath, Austria expressed regret at the killing, but delivered a strong protest to Moscow at the violation of Austrian territory. Two days later, the USSR expressed regret at this

"..unpremeditated violation of frontiers"¹³⁹

... claiming that the two had merely been lost.

Austria's most remarkable achievement was as a receiver of refugees. The response from the populace was enormous and immediate. On 30th of October (7 days after the invasion) 'Wiener Zeitung' reported that Red Cross collection points were proving too small, the Co-operative movement 'Konsum' had donated AS700,000 and set up a

collection service point, the Trade Union Federation had donated vast sums of money, medicine and petrol, as had the Catholic Church and the political parties.¹⁴⁰

The stream of refugees increased by the day. By 21st November, 38,520^{141a} had arrived. Four days later the total was 73,000^{141b} rising to 95,700^{141c} within two days. By 2nd December, 103,000^{141d} had arrived. The Austrians made urgent appeals for other Western countries to help. By Spring 1957 over 170,000¹⁴² refugees had arrived in Austria.

By mid January 1957, 167,780 private donations had been received amounting to AS20m. In the month of November 1956, the Austrian Government spent AS31m rising to over AS80m by December.¹⁴³ One official estimate in May 1957 put the total number of refugees in Austria at 34,000, while 135,000 had gone to other countries.¹⁴⁴

This influx amounted to the greatest number ever to arrive in such a short time in any European State this century. We shall deal with other examples of refugee policy in a future chapter.

Internally, there was virtually unanimous support for Nagy and his supporters. The OeVP initially wished this group luck through its Press Service¹⁴⁵ but as defeat became inevitable, they toned down their statement. Although they maintained unity with the rebels they restated that nobody wanted a restoration of the reactionary prewar Hungarian Government.¹⁴⁶ The SPOe followed a similar pattern, with Interior Minister Helmer the most outspoken supporter of the Hungarian cause.¹⁴⁷ Yet by a later stage, even Helmer was criticising the reporting of events by the Austrian Press and appealed that newspapers restrict their coverage to official news.

"One can only make guesses at the grounds for this suddenly cautious approach of the Austrian Government. Perhaps the Government feared a Soviet protest about one sided positions, perhaps they had come to the conclusion that responsible action for a neutral State demanded a certain degree of restraint despite a general position in favour of a purely military interpretation of Neutrality."¹⁴⁸

Certainly after November 1956, the Eastern Bloc Press began a vocal campaign against Austria's press and its apparently 'unneutral' stance throughout the crisis. 'Pravda' and 'Izvestia' (3/11/56) both cited the newspaper of the Moscow-loyal KPOe and accused Austria of allowing supporters of Hungary's pre-Nazi leader, Admiral Horthy, to be transported into Hungary across Austrian territory. Austria was accused of supporting weapons aid for the rebels. Soviet officials claimed to have found weapons in parcels marked as Red Cross parcels. It seems as though a system of justification was being built up for a domestic audience.

The internal result in Austria was increased pressure for a self-censoring press. One of the OeVP Cabinet Ministers, Grubhofer, called for a law to restrict the freedom of the press in times of threat of war. The elation of the early success of the rebels (including a banner on the main Vienna/Budapest road proclaiming 'we thank the Austrian people') gave way to sober considerations. The KPOe was completely isolated within Austria as the only party to openly support the invasion. When a KPOe deputy tried to address the Nationalrat, all non-communist deputies left the Chamber in protest. The KPOe itself was internally split over the issue, some leaving the party. The party has never succeeded in having deputies returned to the Nationalrat since.¹⁴⁹

The crisis in Hungary also had wider implications. Austria voted in favour of the American motion condemning the USSR at the UN, emphasising the degree to which Austria attached herself to the West. In the USA, it was made clear that any attack on Austria would be a major threat to peace.

"Austria has scrupulously observed the military neutrality laid down in the Treaty[????]; but there is no doubt where its sympathies lie."¹⁵⁰

Allowing for the factual inaccuracies, this illustrates the degree

to which Austrians considered the Hungarians as engaged in a struggle for 'freedom'. Austria on the other hand represented the goal which the Hungarians sought. 151 Lomax reports that the camps in Austria were fertile recruiting grounds for Radio Free Europe, the American propaganda station, and for Gehlen's West German Intelligence. Yet although this impression has remained, there was a notable tendency for the 'Western' element to disappear in the later stages of the conflict once it became clear that the rebels' cause was doomed. The reaction to the crisis in Czechoslovakia in 1968 suggests that the Austrians learnt that they must be more cautious in their pronouncements in future.

In a wider sense, the 1956 experience established Austria as the most reliable refuge in postwar Europe for fleeing east Europeans. Austria has since been a leading advocate of all measures to humanise border crossings. (Hungary has removed minefields and automatic weapons along her frontier with Austria.)

For bilateral relations between Vienna and Budapest, the 1956 crisis was a catastrophe. The new regime in Budapest under Kadar represented a considerable evil to most Austrians. In a radio broadcast, Kadar accused the Austrians of aiding and harbouring counter-revolutionaries. Hungary's later reticence may well have been connected with the still-live issue of refugees. In January 1957, the Hungarian Government was allowed to produce a questionnaire for all refugees in Austria and this was circulated under the auspices of the UNHCR, the Red Cross and the Austrian Government. The result was the return of some 3,000 refugees to Hungary (Hungary claimed 17,000) and a claim to the UN by Hungary that Austria was hampering the return of refugees, a claim refuted by Vienna.¹⁵²

By February 1957, Austria had banned all sporting and cultural contacts. Hungary attacked Austria's reaction as 'hysterical' and

'incompatible with neutrality', reiterating her complaints of anti-Kadar complicity. In late February, the Austrian mission in Budapest was cordoned off and all personnel and visitors were personally checked by the guards. Around 100 Hungarian visitors to the embassy were arrested, followed by Austrian protests at this 'provocative measure'. The mission continued to issue visas. The Hungarians eventually lifted the cordon on the Austrians, but relations had reached a postwar nadir remaining poor until the 1960s.¹⁵³

By contrast, Austro-Soviet relations did not deteriorate further. In April 1957, the Soviet Deputy Prime Minister Mikoyan visited Vienna, the first such visit to a non-Soviet bloc European State after the invasion, symbolising a return on the Soviet side to coexistence policy and a restatement of Soviet commitment to a neutral Austria. It also symbolised the role which neutral Austria could play in overcoming diplomatic 'frisson' between the blocs. As Kreisky said;

"The Hungarian question did not play a special role in these discussions although Mikoyan emphasised the interest of the USSR that States bordering Austria have good and normal relations with Austria. On the Austrian side it was not forgotten to point out that 2 parties are needed for good and normal diplomatic relations."¹⁵⁴

In late 1957, the Hungarian Foreign Minister made a stopover in Vienna on his return from New York and after discussions with Figl, both sides let it be known that they were willing to negotiate improvements in relations.¹⁵⁵ Despite this, a series of attempted escapes and border incidents severely delayed normalisation. Even by 1968, Austrian imports from Hungary were less than those from either Czechoslovakia or Poland.¹⁵⁶

The thaw in relations began in 1964, when Kreisky as Foreign Minister made an official visit to Budapest. By then the two States had come to a new agreement over reparations for Austrian property in Hungary and over co-operation on the investigation of border incidents. Kreisky's visit was the first such visit by a Minister in

a non-Communist country to make contact with Budapest after 1956. During a later visit to Vienna by Fock, the leader of the SPOe, Vice-Chancellor Pittermann spoke of Hungary as the 'neighbour's flower garden'. Austrians considered these visits a considerable success; "a new phase in Austro-Hungarian relations."¹⁵⁷

The new emphasis was very much on the need to recognise that two different and competing systems were in operation. Any new era in relations would thus not take place;

".. because we have softened ideologically or are prepared bit by bit to sacrifice our principles because of our policy of trying to make relations with communist countries but, on the contrary, because we are convinced of our ideas and our picture of society."¹⁵⁸

This was to be the type of peaceful Coexistence which Kreisky was to advocate for two decades. When the Hungarian Foreign Minister visited Vienna, a number of treaties were signed on Passport control, customs regulations, technical agreements and individual legal matters. In September 1965, the Hungarians announced that the minefields on the Austrian border would be replaced with spotlighting techniques. In 1966, the Visa requirement was lifted for one day to allow Austrian tourists to visit Odenburg.¹⁵⁸

By May 1967, when Chancellor Klaus travelled to Budapest, relations between the two countries had clearly entered a new phase and both were anxious to maintain the cordiality. Klaus was at pains to emphasise the 'two peoples, one river' connection.¹⁵⁹

The first exchange of visits by Heads of State took place in 1970 and 1971, unaffected by events in Czechoslovakia and very much in the spirit of the detente which was by now an international fashion, at both superpower and at inner-German level. Trade, tourism, industrial co-operation and financial contacts were considerably improved. By now, Hungary had set in train an economic reform process which was to make her the most liberal of the Soviet satellites with considerable

flexibility built in to the economy.

In 1973, when Bruno Kreisky and Foreign Minister Kir^{ch}schlaeger led a visit to Budapest and relations were described as;

"a classic example for coexistence in Central Europe."¹⁶⁰

On a personal level, the inability of Kreisky to meet Kadar was nevertheless considered a personal snub by some observers. It was interpreted in some quarters as a backhanded compliment to Kreisky's understanding of communist practice in eastern Europe;

"Austria's Socialists, who understand the practices of their communist neighbours much better than OeVP politicians, are for this reason more feared as mistrusting partners by the Hungarians. Kreisky, who considers the bread of a communist to be the main course at an executioners dinner for popular front-blinded Socialists (a reference to the obliteration of Social democracy in eastern Europe between 1945 and 1949) is considered a 'particularly difficult case' (Press officer Lorincz, Hungarian Foreign Ministry)."¹⁶⁰

Nevertheless, Kreisky used the visit to call for a small States Peace Zone.¹⁶¹

Austrian unease about human rights in Hungary has now virtually disappeared. In 1979, Hungary and Austria agreed to the removal of visa restrictions on travel by Austrian citizens to Hungary. Currency restrictions were also relaxed and investment by westerners (especially West Germans and Austrians) in Hungary expanded considerably. In 1981, Kreisky's official visit to Budapest was described by one accompanying journalist as a 'family meeting'.¹⁶² He reported a Hungarian commentator as saying;

"In the first place come our relations to the Soviet Union. Then comes Austria and after that there is a large gap."¹⁶²

In the 1980s, the stability of this relationship has been unique in East/West experience. The Hungarians made their first governmental investment in the West when a new hotel in Vienna was financed by the Magyar National Bank. The Austrians had also invested in Hungary, lending millions to finance a new conference centre in Budapest. In 1982, there were 200,000 Hungarian visitors to Austria indicating the

considerable degree of openness of the old monarchical boundaries.

Figures for 1983 showed a 30% increase. A jointly owned Austro/Hungarian travel company was set up in Budapest.¹⁶³

Neutral Austria is regularly praised in the Hungarian press.

According to some commentators;

'Bruno Kreisky achieved immense popularity in Hungary and the relationship was referred to as 'the new KuK' [a joke on the local name for the Habsburg monarchy, now referring to 'Kreisky und Kadar'.]"¹⁶⁴

The non-military aspects of relations were emphasised, ie Austria's neutrality vis a vis NATO is given less prominence than the cultural, economic and Foreign Policy benefits.

The relationship at bilateral level was close enough that deteriorations in the international climate left Austria and Hungary unaffected. The Austrian Government's official Foreign Policy Report in 1983 pointed out that;

"Despite the increased East/West confrontation, relations between Austria and Hungary were not restricted. They were in fact developed further."¹⁶⁵

Chancellor Sinowatz broke tradition by making his first foreign trip as Chancelloir to Budapest rather than Bern.

By the 1980s cooperation was close and cordial;

"These relations, characterised by a policy of open borders and frequent informal contact between the leaders of both countries bear close resemblance to the association that linked Austria and Hungary during a common past."¹⁶⁶

Both have a vital function for each other. Success in Austria's relations with Hungary provide a concrete example of commitment to detente, and an example of the effectiveness of neutrality in central Europe. A comparison with other East/West frontiers shows that Austro/Hungarian rapprochement is unique in the European experience. The openness of the relationship contrasts sharply with the conflict between Hungary and her fellow Warsaw Pact member neighbour, Rumania. Remarkably, this has continued unaffected by the new phase of the Cold

War. Hungary has also become an important economic partner for Austria.

For Hungary, her unique contact with the Vienna regime provides an acceptable 'window on the West' and a contact across the Iron Curtain which might not exist with a NATO neighbour. Economically, the benefits of this calm environment have been considerable. Cheaper Hungarian goods and prices have led to a revitalisation of local economies near the frontier; Hungarian border posts are often overwhelmed with Austrian consumers on Austrian Public Holidays and at Christmas.

Shawcross puts it thus;

"Under a bourgeois democracy, its [Hungary's] sibling, Austria, has suffered none of the horrors that Hungary has had to endure... The Austrian experience is immensely important to both Hungarians and Czechs. It is according to the successes of the Kaerntnerstrasse [Vienna's Main Street] and the standard of living in Graz that they measure their own countries achievements... Despite all that they have undergone, many Hungarians still think in much the same way as their Austrian neighbours."¹⁶⁷

Certainly there is evidence that political fashions cross borders. Following demonstrations in Lower Austria against the building of a planned Hydroelectric Dam at Hainburg, Austria in 1984/5, there were local protests in Hungary against plans for a similar project on a Hungarian part of the Danube, the first of their sort since 1956.

Austro-Hungarian relations stand as the major contribution of Austrian Foreign Policy since 1955 to stability and detente in Europe. Its significance should not be underestimated. The result, as Neuhold points out, is that;

"The central Danubian basin, for centuries a breeding ground of discord and war - both world wars started in and around Austria - has become one of the most peaceful regions in Europe."¹⁶⁸

Austria and Czechoslovakia

Apart from a brief period in which there was a cordial relationship in the 1960s there have been continued tensions, caused in part by

Austrian dissatisfaction with aspects of Czech policy and the nature of the regime itself. This made it a difficult relationship adding to a historical legacy of rivalry and antagonism. Within the monarchy, the Czechs had become by 1918 an important and vocal 'Volksgruppe' who contributed significantly to the cultural and economic life of the entire State. Indeed, after the end of World War I and the setting up of a new government in Prague, over 100,000 people of Czech origin still remained in Vienna, making it the world's second largest Czech city. This influence on names and culture can be seen today. Bohemia was the centre of the monarchy's industry, and Czech/German contact provided much of the cultural impetus in the Vienna of 1900.

While Austro-Hungarian rapprochement has been a significant feature of the post World war II era, the same cannot be said for Vienna's relations with Prague, despite the fact that the cultural and personal links between the Germans and Czechs is historically closer.

After World war II, the new provisional government's representative made his first contact abroad when Gruber drove to Prague. According to Shawcross;

"In 1968 the Czechs were infuriated that the Austrians had a higher standard of living; in 1914 it had been higher in Prague."¹⁶⁹

For many Czechs, as we noted in the case of Hungary, Austria remains the example of what is possible for small States. This admiration has never extended to the Czechoslovakian Government.

Initially after the signing of the State treaty, relations were made difficult by a failure to agree to reparations for Austrian property in Czechoslovakia. At the end of World War II, the Czechs, amongst the most intense opponents of the Nazis drove out the large German speaking minority who were widely blamed for their collaboration with Hitler. These Sudeten Germans flooded into West Germany and Austria and their position threatened to disturb attempts

to create neighbourly relations.

The sums at stake in the reparations dispute were considerably larger than amounts in other countries. Around 40,000 Austrians were directly affected by the Czech nationalisation of German property and the Austrian Government was insistent that normalisation of relations could only take place after agreement on this question. Because of a consistent failure to agree, a treaty was not signed for 20 years.

In 1958, Chancellor Raab suggested a personal meeting with his Czech counterpart. Yet relations deteriorated over the decision of the Austrian Government to allow a meeting of former Sudetenland refugees in 1959. This was a militantly anti-Czech organisation. The hostility between them and the Czech Government was immense, but the Austrians were unwilling to prohibit the meeting. On 22nd May, 1959 the Czech Government sent the Austrians an angry note;

"The fact that the Austrian Government has actively supported this performance, shows that Austrian officials identify with this revanchist propaganda, in total contradiction of Austria's neutrality and the obligations undertaken in the State Treaty. The Czechoslovakian government has further drawn attention to the fact that they consider the holding of the so called 'Sudeten German Congress' in Austria as an unfriendly act towards Czechoslovakia"¹⁷⁰

The Czechs made it known that the independence of Austria was largely a part of the problem of Germany after World War II.¹⁷¹ Their security more than that of any other single nation seemed dependent on the condition prohibiting Anschluss. Throughout the EEC debate, Czechoslovakia was a regular and vociferous supporter of the Soviet view that any Austro-EEC association moved Anschluss closer and as such was a breach of the State Treaty and neutrality law.¹⁷²

The Sudeten German meeting delayed Austro-Czech negotiations by an entire year, more than the invasion of Czechoslovakia in 1968. Only in June 1960 did a delegation of Czech civil servants visit Vienna, although this too was of little avail. Nevertheless, there were visits by Government members to trade fairs in Vienna (March 1963) and

Brno(1965) and there was some increase in trade volume between the partners.¹⁷³ Economic relations between the countries also improved and the visa requirements for travel were also reduced.

Following the 7-day war in Israel, Czechoslovakia broke off diplomatic relations with the Israelis and asked Austria to continue to represent her interests in Tel Aviv. This Austria has continued to do. Nevertheless, despite diplomatic cooperation, a border incident in August 1967 marred any real improvement. Czech Guards shot a fleeing East German, killing him after he had already reached Austrian territory and leaving bullet marks on the Customs House at Gmünd.¹⁷⁴

Even the breakneck pace of reform within the Czech Communist Party in 1967 and 1968 had only an indirect effect on bilateral relations. The same cannot be said of the crisis of August when Warsaw Pact troops invaded Czechoslovakia. On the morning of the 21st August, the Austrian Chancellor Klaus issued a statement announcing the recall of the cabinet and the imposition of a state of readiness. The statement on the evening of the same day on Austrian television is remarkably cautious when compared to statements at the outset of the Hungarian crisis in 1956;

"We do not want to and cannot interfere in the internal affairs of other States, this all the more because we must reject any such attempt at interference in our own internal affairs."¹⁷⁵

This is despite the fact that Austrian defence entirely depends on other people not calling an invasion of Austria from outside an 'internal affair'. The concentration by Klaus on the technicalities of the invasion and his failure to officially express sympathy with the Czechs or to demand the withdrawal of Soviet troops, led to widespread and loudly expressed criticism of his stance within Austria, especially from Kreisky and the SPOe. The most notable feature of the Austrian reaction was nervousness;

"The insecurity and latent nervousness of the Austrian Government showed through in the repetitions of declarations that there was no

danger to Austria because of her neutrality. This insecurity and the more than cautious judgement of the moral side of the Soviet aggression can be seen not only from the systematic infringement of airspace by the Soviet Airforce and the conceited handling of Austrian protests by the Soviet Foreign Ministry; they may also be to do with the lack of official American assurances that an infringement of Austrian sovereignty would be unacceptable."¹⁷⁶

There were indeed numerous infringements of Austrian airspace by Russian pilots on 21st, 22nd and 25th August. The Russians seemed most interested in the airports at Vienna(Schwechat) and Linz(Hoersching) and seemed to be on almost permanent control of their former Zone of occupation.¹⁷⁷ The Austrian Government protested through their ambassador in Moscow, but as Waldheim reported to the Nationalrat, the ambassador was kept waiting for 3 days before being able to deliver the note. This incident brought home the degree to which the Soviet Union felt itself answerable to Austria for breaches of Neutral territory. This is not to exaggerate the threat which Russian troops posed to Austria but to point out the impotence of defence in the event of Soviet plans to the contrary.

The domestic reaction to the crisis in Austria was muted. According to Eger, the official Information Service was anxious;

"to avoid any impression which could be interpreted on the Soviet side as interference."¹⁷⁸

and instead of criticism of the USSR, the government;

"tried to work on the media to try and achieve a reduction in the stridency of the tone in reporting of events in Czechoslovakia."¹⁷⁸

The Austrian mass media began by adopting an anti-Soviet tone although this modified in the light of continuing discussion about the nature of a responsible press in such circumstances.

The political parties found no such 1956 style unity. The OeVP spoke of sympathy with the Czechs but concentrated on the Government's emphasis on neutrality and national security.¹⁷⁹ The SPOe made a much stronger statement calling the invasion;

'... a strike against emergent democratisation in our neighbour. The SPOe expresses its full sympathy with the suffering people of

Czechoslovakia rooted in a commitment to neutrality."¹⁸⁰

On 26th August, five days into the crisis, the SPOe leader accused the OeVP of being 'appeasers' and accused them of failing to appreciate the brutality of the Soviet action.¹⁸¹ The OeVP appeared distinctly stung by the accusations. The State Secretary for Information, Karl Pisa, said;

"The Austrian people will not understand, when attempts are made to make party-political capital from the tragic events on the other side of our borders. They will, however, welcome it if all parties take up a statesmanlike approach in these times."¹⁸²

Klaus himself called Kreisky's attacks the biggest disappointment of his whole career. Kreisky also attacked UN General Secretary U Thant for cancelling a planned visit to Prague, which he said would have given the UN a presence in the Czech capital.

Almost more significantly, the previously Moscow-loyal KPOe broke ranks and condemned the invasion;

"In all alliance with the Soviet Union, the CPSU and the other socialist countries and their communist parties, the central committee of the KPOe objects to the invasion."¹⁸³

Although Austria remained the chief destination for refugees, there was no immediate flood as in 1956. In the immediate aftermath there were a mere 1355 applications for asylum. Although there was a large rise in the totals in the years following the crisis, the pressure on the Austrian system did not reach the same proportions as in 1956 or indeed in 1981.

Austro-Soviet relations were not seriously damaged in the long term, as in 1956. Nationalrat President Maleta visited the USSR in March 1969, the first Western politician to do so after the 1968 crisis and announced intensified economic relations and no major difficulties.¹⁸⁴ During the period of the invasion, the Soviet press had again attacked the Austrian press for a non-neutral attitude, but these had not been taken seriously in Austria and they had not reached the extent of 1956.

Neutrality was now clearly understood as involving more obligations than the mere avoidance of war. As Waldheim pointed out, neutral States must begin their policies in peacetime, and this involved the maintenance of good relations with neighbours and active participation in World events.¹⁸⁵ This is some distance from the definition of neutrality offered by Raab in 1956.

On a bilateral level, relations between Vienna and Prague were now virtually non-existent. Only in 1971 did relations begin to improve again. Yet a series of border incidents involving escapees in May 1972, July 1972 and September 1973¹⁸⁶ set relations further back. In the July and September incidents, 4 Austrians were killed after accidentally infringing Czech airspace. The Prague Government also refused to accept any Austrian protests on the matter and only in December of 1973 did the two governments agree on a procedure for border incidents. In early March 1974 there was a further infringement of the border, this time by Czech officials entering Austrian territory.

The reparations negotiations between the two States were constantly interrupted by these incidents. By the end of 1974 the new treaty was ready, however the incidents on the border had postponed any real thaw in the temperature. Even in the 1970s when much of Austria's diplomatic effort was directed at a policy of detente and peaceful coexistence, there remained severe problems in the immediate environment. Finally in late 1974, the longest running single issue, reparations, was brought to an end, and almost 20 years after the State Treaty a new agreement was reached. At the signing, the Czech Foreign Minister said;

"We are glad that we have agreed on this issue and both Austria and the CSSR are sure that the agreed treaty is above all a means towards the full development of good-neighbourly relations."¹⁸⁹

The visits at high level which followed the agreement were the

first such exchanges since World War II. In February 1976, Kreisky visited Prague and it was officially agreed that relations should be normalised. A joint Commission was set up to examine the possibility of cooperation. Kreisky declared;

"We should utilise this situation to provide an example of cooperation... all of a sudden there is such a wide range of possible areas of joint endeavour that can be prepared."¹⁹⁰

Yet it remained at heart an unsatisfactory relationship, always threatened by the basically uncooperative attitude of the Czechs and the reaction of the Austrian public to events in Czechoslovakia. The Charter 77 movement received widespread publicity in Austria, and many of those exiled as a result of their support for the Charter found a home in exile in Vienna. Kreisky himself made much of his support for the group and condemned the reaction of the Czech Government. A further problem arose in the 1980s over Church/State relations in Czechoslovakia. Fearing a revival of Catholic activism, the State placed the Prague Cardinal under house arrest and began a strict anti-ecclesiastical policy. The policy was largely a failure, illustrated by the large crowds at the celebrations of the jubilee of the Czech Saint, Methodus. Austrian church leaders pressed their government hard to support their own campaign against the Czech policy. The Pope's visit to Vienna in 1983 was seen in part as being directed against Czechoslovakia.

Despite a swap of presidential visits in 1979 and 1982, relations can still only be described as at best 'correct'. In November 1984, there was yet another border incident when Czech guards shot dead a fleeing man who had already reached Austrian soil. Austrian newspapers reacted angrily and the frontier was described as the 'Border of Death'. Czech cultural events were cancelled in Vienna, and there was widespread outrage at Czech assertions that Parliament was being manipulated by certain forces.¹⁹²

The first contacts at international level were made by the KPOe, whose leadere Muhri made contact with the Czech Politburo member Vasil Bilak.¹⁹³ At Government level the 'normal' unsteady equilibrium was reestablished.

On the local level, the Czech border is the most potent example of an Iron Curtain in Austria. Unlike border regions with virtually all of Austria's neighbours, those near Czechoslovakia have suffered from longterm disinvestment and depopulation.¹⁹⁴ There is virtually no local traffic, and Northern Lower Austria has suffered the steepest population decline of any region in Austria.¹⁹⁵ This can be traced by the failure to develop cordiality and openness at State level. Austrians must still apply for Visas for travel to Czechoslovakia, a requirement now removed at all other frontiers. The Austrian Government has faced severe problems in invigorating the local economies along the border and it remains a matter of profound regret. It is also in marked contrast to the close historical connections which existed between communities, such as Brno and Bratislava with Vienna and Ceske Budejovice (Budweis) with Linz.

In part, Austria's relations to Czechoslovakia must be set in another context. Although they may appear poor in comparison with relations with Budapest, Czech relationships to all western countries have remained strained since 1968. It seems unlikely that there will be any major improvement until there is a change in attitude in Prague and Moscow. These are after all foreign relations and in a relationship there must be two partners. Relationships with neighbouring states have the extra dimension that they have effects not only on the governmental level but on the local and hence the personal level also. Relationships cannot be considered truly stable until the personal aspect of contact and freedom of movement is satisfied.

Austria's neutrality has certainly helped to reduce the military antagonism and cooperation has been possible in some areas (electricity supply, Danube Convention). There have also been major battles over issues such as atomic power and pollution. The Czech experience is nevertheless a reminder that even States who make detente and peaceful coexistence the central plank of their foreign policy are not assured of the willingness of others to seek detente with them.

Austria and Switzerland.

Much of what is written on Austria's relationship with her western neighbour is of the nature of comparative studies or have concentrated on developments and divergences in neutrality policy. We have already dealt in some detail with the models of neutrality and will examine further aspects below (UN membership, military policy). The joint approaches to the EEC have also been dealt with elsewhere and hence I wish here only to identify bilateral aspects of the relationship which are not covered by the various other areas.

Economically, Switzerland has developed much closer ties with Austria since the war, especially through neutrality and EFTA. Nevertheless Austria and Switzerland have never been close international partners except in the Western province of Vorarlberg. This was in part due to terrain and also due to the fact that Habsburg ambitions were directed to German and Slavic lands. On a simple geographical basis, Vienna is further from the Swiss border than from any other frontier. In modern times, the Swiss frontier has been the securest of Austria's borders in military terms.

Swiss investment in Austria has been considerable since World War II¹⁹⁶ and Switzerland further acts as a base for investment for multinationals in Europe.

Chancellor Raab made his first visit abroad after the establishment of the Second Republic to Switzerland.¹⁹⁷ It became almost traditional that the first foreign visit of every new Chancellor is to Switzerland. This is of course linked to the desire in Austria to establish the centrality of neutrality on the Swiss model to Austrian thinking. Both countries have sought to avoid any impression of a quasi-alliance, and are anxious not to be seen as interfering in the determination of neutrality policy. As we have seen the result has been two divergent models. Thus Austria comes under the Swiss maxim; "The Swiss worldview is not to view the world"¹⁹⁸

This has not stopped several senior Austrian politicians openly admiring the capitalist political model that has developed in the West (eg Toncic-Sorinj, Mock)¹⁹⁹ and suggesting that Switzerland should be the political model for Austrian neutrality as well as the legal predecessor.

One major hiccup in Austro-Swiss relations came after the Kreisky government's decision to implement a reduced version of its election pledges on the Bundesheer and military service;

"Doubt about the effectiveness and credibility of Austrian defence preparedness was raised by Helmut Schmidt (but also by his Swiss colleague Rudolf Gnaegi) at the beginning of the 1970s at the time of cuts in military spending in Austria."²⁰⁰

Fears about the development of a military vacuum emerging in Austria will be examined at a later stage, suffice to say that there has been little public comment on this matter from Switzerland since then.

Establishment writers in both Switzerland and Austria have been at pains to underline the basic similarity between the two countries in order to make legal and political capital as we have seen. In 1986, a series in the Austrian news magazine 'Profil'²⁰¹ pointed out some of the advances in relations. While relations are effectively free of

major division they are not truly intimate. This is in part due to a reluctance on the part of the Swiss to develop close relations, but more significantly to the historical need in Austria to concentrate on the Superpowers and Germany. Nevertheless, Austria is always content to be a partner of Switzerland at international level. At CSCE, both cooperated within the 'N + N' group. In 1984 a new consular treaty came into force whereby each country represented the other in areas where only one of the two countries had diplomatic missions.

Vorarlberg has strong local connections with Switzerland including shared cultural and linguistic traditions. In 1919, there were attempts to join the Swiss Confederation but these foundered on the rock of Swiss, Allied and Austrian objection. There are strong provincial connections with the neighbouring Swiss canton of St. Gallen and there is considerable employment commuting, mostly from Austria into higher-waged Switzerland.

Conclusions

We are thus left to draw somewhat surprising conclusions. In many ways, Austria has been most successful in managing her relations with her potentially more difficult partners in Hungary and Czechoslovakia. Here there has been a clear discontinuity of relationship since World War II and previous problems (eg dating from the monarchy) have been obviously superceded. In both cases Austria has been replaced as an 'identified threat' by another power or group. In the case of the populace of both Hungary and Czechoslovakia the Soviet Union is now the clear occupier, while in terms of the regime NATO as a military unit is now a much greater worry than Austria. While Austrian and Hungarian historians meet to revise official histories of the Habsburg monarchy and agree that the empire can no longer be simply described as 'a prison for free peoples', relations at a bilateral level are a

remarkable example of detente, unique in the postwar experience. The continued success of this relationship is perhaps the most hopeful sign for detente in Europe now remaining. Relations with Czechoslovakia are, as we have seen, difficult on a practical level. Yet within this framework, Austria has successfully managed to prevent any escalation of military tension without retreating into an apolitical or apathetic position. In this sense, Austria has refused to become dominated by the Iron Curtain although taking note of its existence. As Kreisky pointed out, Austrian awareness of Czech issues is still a very important factor for dissidents.²⁰¹

Relations with Austria's western neighbours are on the other hand quite the reverse. On a superficial level, and in official communiques, they are without problem. Certainly there are not the systemic divisions apparent in relations with the Eastern Bloc. Yet here we must make a clear distinction between official government statements and the latent (cultural) undertones. As we have seen, relations with Belgrade and Rome function satisfactorily only as long as the frontier ethnic disputes which continue to exist are ignored or pushed aside. If they become issues affecting the political core, which they have done in the past and threaten to do in the future, bilateral official relationships may become more difficult. Austria has been remarkably successful at steering practical arrangements around emotional problems eg Karawanken tunnel, ArgeAlp, ArgeOst etc. Nevertheless, where human issues, deeply felt, come into play the structure looks remarkably fragile. In the case of these relationships it can be truly said 'Le coeur a ses raisons que la raison ne connait point'. The EEC developments have given Vienna a direct interest in developing wider contacts. If either of these reasons should change, there is little to suggest that cultural problems have been satisfactorily addressed and that the problems will not reemerge.

Typically, this danger is not recognised or admitted - a phenomenon common to many aspects of Austria's post-1955 balance. In part this can be attributed to a fear that recognition may encourage the instability.

Relations with West Germany remain highly problematic. The problems of economic over-reliance are nowhere admitted, nor are the political or even military implications addressed. The attacks by the West German press on recent Austrian practice (eg Der Spiegel, Die Zeit etc) suggest an underlying resentment in West German circles at Austrian ability to redirect all of Europe's accusing fingers away from herself. The degree to which West German attacks must be repelled from the highest level, suggests a highly unstable equilibrium. Most worryingly, any suggestion to Austrian politicians that instability is integral to Austria's postwar settlement or that there is a political danger in Austria's economic overreliance on the West German economy are rejected as nonsense, and there is an attempt to underline successes. The impression is left that while relations with Hungary and, to the extent that they exist with Czechoslovakia, are based on solid foundations, those with West Germany are based on sand.

I am not here suggesting that Austria has not contributed to a remarkably stable equilibrium in Central Europe. What is more striking, however, is that the mainstay of this equilibrium - perfect relations with the West - is fundamentally unstable. The Reder and Waldheim affairs and the Austrian, West German and wider international reactions certainly suggest that the official version of Austria's position may be seeking to divert attention from the underlying problems.

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CHAPTER FIVE

Austria and the East/West problem

Fortunately for M. de Renal's reputation as an administrator, a huge supporting wall was urgently needed for a public promenade... This disadvantage, which affected everyone, placed M. de Renal in the happy necessity of winning immortal fame for his administration..

Stendhal, 'Le Rouge et le Noir', Ch 2

On 15th May 1985, the Foreign Ministers of the four States which had signed the State Treaty gathered in Vienna to commemorate the 30th anniversary of the agreement. They hailed Austria as a model success in international relations and the celebration itself was followed by a meeting of the Foreign Ministers of the USSR and USA to try to reduce tension in the 1980s.

Newspaper columnists throughout the world joined in the congratulations;

"Austria is one of the great economic and political successes of the postwar period...it serves as an example of how East and West can live together"¹

'The Times' headed its editorial 'Thanks to Khrushchev - and NATO.'² Amongst all this self-congratulation on behalf of the Austrians and their partners, it was clear that while Austria's economic success was important the most important role of Austria was in the East/West division which has existed in Europe effectively since the end of World War 2. Britain's Foreign Secretary said that Austria..

"served as a model of what we now should be trying to achieve in East/West relations."³

In this chapter we will be concerned to look at Austria from the perspective of the East-West divide which gave Austrian neutrality its birth. We will consider the perspectives on Austria's role and function which have been derived from experience of this quasi-

conflict, although to understand the domestic controversies which have arisen we must consider detente in the context of Austria's increasingly global interests. For this reason, we will concentrate here on the importance of detente for Austria and a more detailed analysis of specific policy issues, leaving an assessment of internal division over the content of policy until the next chapter.

From the perspective of strategic power politics Austria's 'role' or 'function' is defined as part of detente. Indeed one could be forgiven for believing that it is the sole object of Austria's existence if one read literature published in the signatory States. While objecting to this facile circumscription of Austrian Foreign Affairs, it must be admitted that the overriding problem of the Iron Curtain has preoccupied the thinking of Austrian politicians. It is within the context of the East/West conflict that Austria's permanent neutrality can be most easily understood, both through its roots as a function of the 1955 Treaty and in the threat to world Peace which the East/West divide provides.

In the EEC debate, we saw the unstable triangular relationship between the USSR the EEC and Austria which was fundamental to an understanding of the 1972 agreements. On the problem of peace, the triangular construction is again informative.

"Austria's neutrality is above all military. It looks westward in every other respect although for geographical as well as historical and political reasons it maintains exceptionally good relations with its East European neighbours. When detente was the order of the day this posed no problem as Austria could claim to play an active role in encouraging better East/West relations. The end of detente has caused friction with the US over technology transfer to the eastern bloc and brought strong denunciation from the Soviet Union and its allies about plans to modernise Austria's tiny air force and defences."⁴

We have already seen that the success of Austrian policy depends on the fundamental Western/neutral dichotomy remaining an 'efficient secret'. Austria has, on a local level, been able to achieve stability more easily in her role as East/West bridge than in her

historically complex and domestically controversial relations with other neighbours. We will now look at how the wider dimensions of East/West relations and the threat of World War have influenced both Austria's foreign policy in specific interests and enforced a new approach to neutrality.

Oehlinger in the 1970s offered a view of neutrality; he began by asserting that it takes its point of reference from war. It is then arranged in layers around this possible breach of normal conditions; precautions in a case of conflict, precautions against secondary pre-conflict effects which in turn flows easily into the sphere of politics under neutrality whose maxims are only indirectly determined by 'war'. Thus politics effects the entire gamut of civilian and military affairs.

While this definition already represents a development away from the pure classical model, it remains unsatisfactory as a description of reality. In looking at post-nuclear Europe, we must accept that 'war' has become divided into two parts; military clashes and permanent military hostility. This second area has in fact dominated European strategic thinking for forty years under the name of the 'Cold War' and it is a reality which is here as easily classified as war than as peace. Its weapons are political and human and it has gone through periods of greater and lesser tension. Austria's own existence is thanks to one of the periods of lesser tension. Into this real conflict neutrality in Austria was born and within these parameters rather than the traditional Liberal norms Austrian neutrality has a role. It is this permanent conflict as much as outright war which has become a 'core' concern of policy makers, joining rather than ousting 'war' in its old form as the reference point for neutrality. It is the reality of this which has forced Austria into new radical departures from traditional concepts of neutrality. The two European military-economic groupings

between which Austria has to find a suitable role are now dominated by Cold War as much as by actual military war. The existence of weapons of ultimate destruction has led to the substitution of this form of hostility for the old forms, and the NATO and Warsaw Pact structures are geared to both Cold and Traditional types of war. Politics is now clearly as relevant to the maintenance of peace as legal norms established in a less uncertain age or indeed of military capacity. It is no longer a mere 'outer layer' but a direct consequence of the new circumstances.

It might be objected that Cold War is still preferable to actual war and is substantially different from classical notions. Indeed one might argue that it is the only alternative. I can only respond that modern 'war' which Cold War replaces is also so substantially different in scope and implications from that envisaged in the Hague Conventions that it is not a relevant base on which States can base their existence or policies. The survival of communities has never before faced such a threat from manmade sources. In other words, technological development has meant that if a European war takes place, neutrality would quickly become an irrelevance and its avoidance is not a matter of status within or without military alliances. Neutrality in the context of the Cold War has considerable scope and indeed in the Austrian case speaks directly to the conflict. Other less devastating wars might also allow one to speak of neutrality although this is likely merely to place the permanently neutral states alongside many aligned States. Nevertheless with this in mind we can speak of wartime neutrality in a traditional sense but only in conjunction with a recognition of its relegation. The reality of 30 years of Austrian neutrality is that it has been most relevant and potent in a cross Iron Curtain context. Hence the divides of Swiss terminology between 'neutrality' and 'foreign' policy become

more blurred.

The State Treaty as part of the detente process

The agreement between the four powers of the victorious wartime alliance over Austria was one of the most notable achievements of detente since 1945. The sudden relaxation of Soviet attitudes was seized upon by alert Austrian politicians and diplomats so that by May 1955 a State Treaty could be signed in an atmosphere of mutual congratulation. The withdrawal of NATO and Warsaw Pact troops is the only such negotiated withdrawal since World War II and as such must rank as the most far-reaching territorial agreement of the Cold War. Politicians in many countries were to use the Austrian settlement as an example of what might be possible in Europe. Gaitskell felt that it disproved the cynics who claimed;

"..that the Russians are never prepared to make agreements. This is quite obviously untrue - they signed an agreement over Austria."⁶

We shall not deal here with the intended or unintended signals which the State Treaty gave to West Germany. Suffice to say that there have been no similar withdrawals from allied or occupied countries by either military bloc since the treaty.

It has been a concern of Austrian apologists to try and define a 'role' for the new neutral Austria in Europe. As Kirs^{ch}schlaeger, then Foreign Minister, commented;

"Whoever has no function in the community of States has a permanently endangered existence, as historical experience shows, declarations and even treaties offer less protection for the existence of a State and its independence than the usefulness of the tasks which a State has to fulfil"⁷

For many, the problem has been to reconcile the possibilities offered by Austria's unique position in central Europe with the limitations imposed by her small size. The leading OeVP foreign policy spokesman, Franz Karasek, spoke for many when he said;

"Since 1968 the Austrian feels himself too small all of a sudden,

too unimportant, too irrelevant... Yet humanity has become a great 'community of destiny' in the light of the bomb. As a result, there is a responsibility for the running of events which no people in the world can withdraw from."⁸

In the period of the Hungarian crisis and later in the Czech and Polish crises, Austria's role as a receiver of refugees was more concrete. At the Conference on Security and Co-operation in Europe, the Neutrals and Non-aligned countries were to be among the most active and throughout the period of detente Austria's function as a middle territory was relatively obvious and widely acclaimed.

Waldheim commented on this as Foreign Minister when he said;

"The art of our diplomacy must consist in reforming the condition of the balance of power by using all the means available to legally secure the existence of Austria."⁹

This might be best achieved by using Austria's neutral status as a negotiating location between East and West or by seeking political goals which recognise the real problems. Politicians seek to minimise the ability of smaller actors than themselves to interrupt their own plans. Under the SPOe there was an attempt to manipulate this into a creative tension between Austria's opportunities and her limitations. As Kreisky pointed out in Moscow;

"I do not wish on any account to exaggerate the importance of small neutral States, but I think that they fulfil a useful task alone through the fact that they provide a territorial precondition for the meeting of antagonists. A second not unimportant precondition of detente is created through Austria's policy of normalisation with her Eastern Bloc neighbours."¹⁰

This illustrates the degree to which in the hands of a skilled communicator the achievements of a small country could be magnified against a background painted as fraught with difficulties. Kreisky was keen not to commit Austria to any role such as intermediary in Great Power disputes, maintaining that in the long run this can only be successful if carried out by the powers themselves. Nevertheless Austria's geographical position alone gives Austria a considerable forum for activity. Together with United Nations activism and refugee

policy, Austria's regional detente policy has been the most powerful contribution to the reduction of tension. As Kreisky pointed out;

"They [small States] are involved everywhere... Yet it is in fact the sign of European detente that no small State in Europe is involved in the conflict of the larger ones."¹¹

The four signatory powers have taken little direct interest in the domestic affairs of the State and indeed this has led some to complain of total disinterest especially in the West. In foreign policy terms the Eastern Bloc has been more concerned. The Rumanian Foreign Minister, Manescu, spoke for many when he gave this official evaluation of Austria's role;

"We consider Austria's neutrality a positive factor in the relations between the States of Central and South East Europe and in the international situation as a whole."¹³

The USSR was anxious to point to the example of Austria for much of the period after 1955. At the Conference of Foreign Ministers in Geneva in 1959 Gromyko said of the State Treaty;

"This act had the result of a considerable improvement of the political climate in Europe, as everyone remembers and is an example of how large the unused possibilities and reserves are."¹⁴

Other international figures such as West Germany's Helmut Schmidt spoke of Austria's influence being much greater than her physical or economic size and of the importance of the city of Vienna for the improvement of East/West contact.¹⁵

More cynical commentators on Soviet policy have been quick to debunk all talk of a real role for neutral States, maintaining that there is an 'essential assymetry' in East and West European designs on neutrals which..

"leaves no room for a convergence of policies of reconciliation. Active mediation by the European Neutrals as a consequence is a role without attainable purpose beyond that of providing assistance to gain time in efforts to prevent war. Detente in this relationship has unfortunately been little more than a common denominator for fundamentally different policies."¹⁶

Yet this is a very ~~crass and~~ easy over-simplification does not take account of the progress made at local level, the very fact of the

military distance between the opposing forces created by the existence of Austrian neutrality and the equally (if not more) limited contribution of comparably sized States within the Alliance structure. If nothing else the neutrals unlike the Allied States are able to break ranks with the superpowers much more easily. In times of tension these factors can all make a contribution. The degree to which Austria and Hungary have maintained and developed their bilateral relations has been very important for the continuation of military and political stability in South and Central Europe. By not being a contributor to East/West polarisation, Austria has made possible a neutralised zone in Central Europe. Neutrals like all small States may be unable to impose their views but they may be considerably freer to propose or mediate than small States in the blocs and seem able to use their position to propose and mediate ideas which might otherwise be rejected.¹⁷

The overlap between neutrality and foreign policy in Austria has grown since the State Treaty. The necessity for this activation of neutrality stems in part from radical changes in the wider environment and particularly in the nature and range of War. Austria has also contributed herself to this process with a clear desire on the part of the political establishment to avoid a repetition of the international neglect which hastened the Anschluss in 1938. Kreisky commented;

"After the signing of the State Treaty, as Austria had committed herself to perpetual neutrality, it was our concern not to use this neutrality as an excuse for a policy of isolation...but we gave our Foreign Policy a global aspect and therefore by definition an active character."¹⁸

Active Neutrality, pioneered in one sense by Sweden under the title NOT alignment, has become the most obvious distinction between Swiss and Austrian practice. The emergence of two separate models became most obvious after 1967 and the failure of the EEC negotiations in Brussels when Waldheim emphasised that Austria needed to be active in

all the forums of world politics.¹⁹ The concentration of the early 1970s on CSCE matched that of other countries bound as they were to particular allies. Yet Austria's geopolitical position necessitated a much longer term commitment to some form of detente than that of other countries. Austria's assumption is that East/West tension is the major factor in pan-European relations and the main obstacle ^{obstacle ?} ~~object~~ to Austria's expansion of trade and economy. Austria thus works towards detente

"..not on account of ideological indifference but because we are convinced that there is no sensible alternative. We do not understand it as a policy of appeasement but of a continual struggle to find a modus vivendi."²⁰

Neutrality has provided the means for Austria to minimise this instability. The assumption that the East/West dimension is the only one of importance has now come under attack from those demanding a global approach eg former Foreign Minister, Erwin Lantini;

"One can no longer speak of a 'bipolar' world... The relationships are much more complex."²¹

Thus the ability to work simultaneously on several levels has become much more important. Within this scenario Austria has considerably more scope than is widely assumed;

"The Austrian is not all that certain that he is at home in the big wide world... Every second self-description begins with the qualification that we are above all a small country with naturally limited perspective and ability to act. Within this is a bit of the coquette. This coquetterie is expressed by the saying 'dont make yourself so small, you're not that important.'"²²

The result is an inability to find a balance between under-estimation and overinflation of one's own position. Luckily on a more concrete level there exists considerable past evidence of areas where Austria has acted with considerable effect. The incentive of a disturbing historical legacy is to take a defined and active role in a more positive context, and this the Cold War scenario has provided for Austria. The added incentive that the search for peace can be painted in glowing moral terms goes some way to explaining the image of the

'Island of the Blessed' juxtaposed against the image of a nation unable to come to terms with its previous history.

Refugee Policy

Since the Second World War, Austria has served as a destination for refugees particularly from the Eastern Bloc. In the earliest postwar period there were large numbers of German-speaking refugees driven from their homes or seeking to flee from Russian occupation. Although the majority made their way to the emergent West Germany, several hundred thousand remained in Austria. In the debate on the Neutrality Act in the Nationalrat Chancellor Raab made it clear that it was Austria's intention to maintain her liberal policy on political asylum as a part of her neutral status;

"The right of asylum will remain in Austria in all its fullness, as is right in a free and democratic nation."²³

As we have already seen, Austria's policy was put to the test as early as 1956 when the populace and government reacted immediately to the wave of Hungarian refugees. Austria committed herself to a comprehensive policy of aid for political refugees in cooperation with the UN agency responsible UNREF.²⁴ Nevertheless, problems existed in the sheer weight of numbers arriving. As time progressed the numbers of long term inhabitants in refugee camps also rose while there were several major health problems. In addition there were large numbers of old, sick and difficult cases adding to the already high costs of the operation. As we have seen, the UN voted thanks to Austria for her role as a refugee reception country.

The 1968 crisis in Czechoslovakia also led to a rise in the number of those seeking asylum, though the numbers and speed of the crisis were more restricted. Throughout the early 1970s the number of people seeking asylum declined to an annual level of below 2,000 per annum. This included the first large intake of refugees from the developing

world when 1,550 Ugandan Asians arrived in 1972. Two years later, 200 Chileans sought refuge from the Pinochet regime, a figure which had risen to 700 by 1981. In 1975, the first Far Eastern refugees arrived (200).²⁵ Yet the concentration has tended to be on Austria's role as receiver for refugees from Eastern Europe, for whom Austria is the preferred destination. Sometimes they arrive as tourists over the so-called Green Border between Austria and Yugoslavia.

The deterioration of international relations has a direct if imprecise effect on the numbers of refugees leaving Eastern Europe. From 1976 when there were approximately 2,000 applications for political asylum, the numbers rose sharply so that by 1979 the numbers stood at 6,000.²⁶ As we shall see, the Polish crisis of 1980-1 pushed the totals much higher, and in 1981 there were some 35,000 applications. After the imposition of travel restrictions under martial law the numbers dropped sharply and have stabilised at 5-6,000 annually.²⁷

By July 1981 there were 200 people per day arriving at Traiskirchen Refugee Camp. The camp, built for 1,500 people, already housed 2,500. The result was a further overstretching of the Austrian Governments, already relatively established refugee system.²⁸ There was considerable anger at the failure of Western countries to match their political rhetoric with positive action and accept refugees themselves. By November 1981 of 27,000 Poles newly arrived, only 6,000 had found permanent homes. The Austrians estimated that over AS1,000m was spent by the Austrian Government on aid for Polish refugees. By late November there was rising pressure in Austria for the introduction of compulsory entry visas for Poles.²⁹ The imposition of martial law and the subsequent sharp reduction in the numbers of Poles arriving relieved the situation somewhat, and there was a slow movement of refugees to other destinations especially in

North America and Australasia.

The question of further immigration remains controversial. If a refugee is not granted permanent residence in Austria, he/she may seek to emigrate. Receiver countries for immigrants have now been largely reduced to Australia, Canada and USA. West European and Scandinavian countries are only prepared to act during extraordinary influxes. If a refugee fails to find a destination, he/she is confined to the official camps without real employment. It appears that destination countries are more willing to help where refugees are clearly victims of East/West politics. Economic value (eg youth, profession etc.) is also treated generously. Where the refugee comes from a country not considered to be part of this crisis especially if there is suspicion that they are trying to manipulate 'Gastarbeiter' status, eg Yugoslavs, he or she may even fail to be given an interview.³⁰

Refugees who do receive direct recognition in Austria are then granted full status including residence permits, access to social security benefits and work permits. Under these circumstances, the state of the economic cycle may well determine the generosity of the policy despite the Geneva Convention. Nevertheless Austria has an active record in this area of humanitarian aid. This has created difficulties when the policy involves refugees from or for the Middle East (see the Maršchegg incident 1973).

Refugee Policy has cost an estimated AS6.5bn since 1945.³¹ In that period Austria has been a stopping point for some 1,750,000 refugees at some point in their flight.³¹ Austria's neutral status has no doubt increased the ease by which Austria can carry out this policy. As Erhard Busek points out, this is one area in which a human aspect of the Cold War can be dealt with by a neutral where the intervention of an allied country would be less effective. Austria has herself accepted a considerable number of refugees as permanent residents,

such that one in every 246 residents had been a refugee in 1985 (cf. Switzerland 1:150, UK 1:390, Sweden 1:416, West Germany 1:617).³² It should be pointed out however that only 5% of all refugees are in Europe although Austria has taken a considerable share of this number.

Within the context of East/West relations, this has been an important contribution. Austria's neutrality ensures that it does not become an immediate political football of a crass East/West type.

Conference on Security and Co-operation in Europe (CSCE)

Austria as a smaller State and, as we have seen, as a State within the German 'Rechtsstaat' tradition, tends to support efforts to legally enshrine her national security.

"Austria proclaims her allegiance to the fundamental principles of our western tradition in her international relations, to loyalty to treaties (pacta sunt servanda) to respect for accepted obligations and to the principle of 'Right before might'."³³

This tradition and the geopolitics of the Iron Curtain made Austria an enthusiastic supporter of detente as it developed through the 1960s and 1970s. The highpoint of this movement was beyond doubt the signing of an international agreement on Security and Co-operation in Europe, the Helsinki Final Act in August 1975.

The suggestion for such a conference came initially from the Soviet Union, shortly after the fall from power of Khrushchev (Report of the Central Committee of the CPSU, March 1966). For many in the West this was part of Soviet policy to reinforce and stabilise the political divisions in Europe which had existed de facto since the end of World War II. Additionally the USSR wanted to bring the East Germans into the sphere of international negotiation as a fully recognised partner. The early attempts at freezing the West out of Berlin had failed and the propaganda round of the 1950s had failed to persuade Adenauer or the West German electorate against membership of NATO.

"The postwar 'possession' of the Soviet Empire in the West was thus still in doubt in legal terms, while support for the reunification stance in West Germany remained an axiom of every NATO meeting. In the face of these facts, Khrushchey's successors were obviously intent on achieving new ways ^{of recognition} ~~recognition~~ by the international community for the status quo in Eastern and Central Europe."³⁴

The situation in Vietnam together with deteriorating Sino-Soviet relations also encouraged the USSR to seek this 'Ausgleich' in the European situation. They thus sought to emphasise the doctrine of peaceful coexistence and to intensify economic exchange between the blocs, while remaining anxious to encourage scientific and technical exchange (more likely in an atmosphere of detente than one of confrontation).

From a Soviet point of view, the Czechoslovakian crisis appeared as a problem internal to her sphere of influence, now propounded in intellectual circles as the so-called 'Brezhnev doctrine'. The political repercussions of the Czech invasion were remarkably limited and the USSR found increasingly positive response to its proposals.

In Austria the OeVP as governing party accepted the idea of a security conference in principle as early as 1969. It was the SPOe government of Bruno Kreisky however which was to be most closely associated with Austria's contribution. Enthusiasm for CSCE was tempered by a fear of Soviet intentions.

"Enthusiasm for CSCE as a real instrument for the improvement of individual security and extension of freedom of action in foreign policy was not equal everywhere appearing greatest in governments made up of left-wing parties."³⁵

Nevertheless, even in traditionally cautious Switzerland, agreement on participation was reached. Another neutral, Finland, had by now undertaken the role of organiser and had issued the first official invitations for the setting up of a conference. This was indicative of the degree of involvement and the role of honest brokers which the neutral States were to maintain throughout the negotiations.

The Austrian Government for its part took up the issue of the

conference with considerable cross party agreement, and the first official statement was made in July 1970 when the Government issued its 'Memorandum to all European Governments, USA and Canada';

"The Republic of Austria as a permanently neutral State between the great military blocs, has a natural interest in all genuine efforts towards detente. The suggestion of calling a conference which would deal with questions of Security and Co-operation in Europe was therefore favourably viewed from the beginning."³⁶

In the memorandum, the Austrians focussed on the strategic elements contained in the proposals underlining their policy of two-sided reduction of military potential;

"Because of her own longterm geographical and military position and because of the military realities in Europe, Austria believes that longterm progress can only be expected if the Conference which deals with Security in Europe also leads to consultation on and the solution of the central security question, ie a mutual and equal reduction in military power."³⁶

Austria offered to join Finland in providing facilities for preparatory discussions at 'expert' level.

As early as 1971, Kreisky introduced the proposal that any conference on European Security must deal with the crisis in the Middle East;

"I believe - though I am well aware that many people on many sides will react with annoyance to this reflection - that a Security Conference will not earn this name if there is not a place on its agenda for the problem which poses a direct threat to the peace and security of Europe at the present moment - the nearby war in the Middle East."³⁷

In making this assertion he was also developing his own personal conviction into a national policy, a confusion which was to mark Kreisky's association with the Middle East. In this instance, he was loyally supported by Foreign Minister Rudolf Kir^{ch}schlaeger. Despite the outbreak of the Yom Kippur war in 1973, it did not prove possible to persuade sufficient numbers in the CSCE to support him. On the grounds that the issue was not sufficiently European, it did not appear as an official part of the Conference. The USSR and USA appeared anxious not to threaten their hoped-for status quo

arrangement in Europe and Israel reacted angrily to Kreisky's suggestion. Subsequent events tend to support Kreisky's assertion that the Middle East remains a source of instability threatening Europe. Nevertheless, his insistence that the problem appear on the agenda of CSCE required considerable diplomatic effort on the part of the Austrian Foreign Ministry.

"The timing of the Kreisky suggestion (Council of Europe, Feb. 1972) left Kirschlaeger in a deeply embarrassing situation. The Foreign Minister - at the same time involved in difficult negotiations with Gromyko and Kosygin in Moscow - knew what the Chancellor intended to say in Strasbourg but could not communicate the text of Kreisky's speech to the unprepared and surprised Russians. The atmosphere at the discussions became remarkably more unfriendly."³⁸

By February 1973, the Austrians had reduced their demands to a request for a discussion on a European contribution to peace in the Middle East.

Nevertheless, despite this lack of success the Austrians co-operated with other neutral and non-aligned countries in proposing and negotiating other areas of the treaty. Both geographical position and neutrality ensured that Austria would take an active role in the content of the agreement especially in the area of security. Despite the fact that no united front between the neutrals was ever negotiated a high level of informal co-operation and consultation emerged. Switzerland proposed a system of compulsory arbitration in all conflicts in Europe. This was in line with the juridical tradition of Swiss neutrality. The proposal expressly suggested an ~~obligatory~~ ^{obligatory} court which would be empowered to adjudicate the justice of the claims of the various States.³⁹ The Austrians were supportive of this proposal though they suggested a slightly more flexible mechanism.⁴⁰ As might have been expected the larger states were very unenthusiastic about the idea, underlining the fruitlessness of an idea of abstract legality as a principle of international relations. Such an objection has never before stopped the Swiss jurists from trying.

Nevertheless, Switzerland played an important role in the final agreement when she was made responsible for its structure and the 'Basket' system which finally resulted. The neutrals began to develop a collective identity as the negotiations continued. Austria openly called for human rights principles to be part of the agreement as..

"one of the principles which will guide the mutual relations of the participants."⁴¹

Austria put emphasis on the need to ease travel restrictions and create easier movement of newspapers and information. The neutrals also jointly proposed (and saw accepted) a resolution which provided for a 30 day notification of all military manoeuvres including those at sea and in the air.⁴² By the time of the signing of the Final Act, the so called 'N + N' group had made a substantial contribution to the text of the agreement.

For Austria CSCE was of more than passing significance.

^{ch}
Kirschlaeger summed up its importance as follows;

"For a small State with these special considerations, the securing of peace through foreign policy has become a very essential part of our international relations."⁴³

This can be seen as a tacit admission that the Cold War had introduced a political element into neutrality which was as essential as the military or legal sections of the status and indeed was the basis on which the legal and military aspects were revitalised. CSCE provided an opportunity to enter into dialogue with all States in Europe and North America and attempt to broaden its scope so as not merely to confirm a 'Great Power'; status quo but also to reassert an independent element. Here, as we shall see neutrality proved a considerable advantage.

Clearly Yugoslavia, Finland and Austria have a common political need to encourage a relaxation of East/West tension given their geographical location. The neutrals did not form a group so as to act out a role as the 'Good Samaritans' of Europe. This is particularly

apparent in the field of Basket 1 (Security). At the conference, Austria co-ordinated the editorship of all agreements regarding 'human contacts' and 'military aspects of security', Switzerland undertook similar functions on 'information' and Sweden for 'education and learning'. Interestingly, divisions between States on textual matters were not always on the basis of East/West dichotomy but sometimes between the Great Powers and the N + N States (together with a collection of other small countries). This tends to support the thesis that at such times the concept of 'small States' with small State behaviour has some validity.

In an analysis of the text of Basket 1, Hopmann found that the N + N Group proposed some 33.7% of the final wording. Of this, Yugoslavia was the most active (59.9% of this proportion) followed by Sweden, Austria, Switzerland and Finland often acting in concert. Yugoslavia was the single largest contributor to the final text of Basket 1. The neutrals were able to propose compromise texts where East and West were divided. The USSR suggested exchanges of military observers under mutually acceptable conditions⁴⁶, the UK preferring some more rigorous arrangement. In the end a joint N + N proposal was accepted whereby the wording was altered to read

"at each State's own discretion as a sign of goodwill and with due regard for reciprocity."⁴⁷

The neutrals also contributed to other areas of the treaty. Austria proposed a common energy and raw materials fund and wider co-operation on third world issues. In the Human Rights section, she also proposed an Initiative for better dissemination.⁴⁸

At the signing of the Final Act in Helsinki, Kreisky again returned to the theme of the Middle East, and underlined the need to extend the implications of CSCE to a wider global context. In many ways it was the symbolism of the actual signing of a postwar East/West agreement

which was most important. The fragility of its actual contents was already apparent. Kirsch^{ch}schlaeger wrote that it was a mistake to believe that a fundamental change had taken place;

"Viewed realistically, Helsinki seems to me to be a programme of work that in some parts between some States was already fulfilled at the time of signing, for example in the case of Austria's relations with her neighbours.. and in other parts or between other States it still has to be created with great patience and effort."⁴⁹

So it was to prove, and the post-1976 period has been one of virtually uninterrupted deterioration in East/West relations. As we have observed elsewhere Austria's 'local' politics remain an exception. Austria took a cautious approach to President Carter's emphasis on 'Human Rights' and preferred a policy of stealth;

"We cannot remain silent about the basis of our ideological position... However, we must avoid any superfluous overemotional outburst in order not to give those who already see some of the clauses of the final act as a burden any excuse to question the continuation of this development."⁵⁰

On the whole, this deterioration was already very apparent by the time of the Belgrade follow-up conference in 1978. The issue of violations of some of the aspects of the Human Rights clauses in Basket 3 had already become a matter of great controversy. Between Belgrade and the mid-1980s a series of major crises returned the situation to complete confrontation. We shall deal with these events in detail below. Suffice to say that at a CSCE follow-up meeting in 1980, Austria's Foreign Minister, Willibald Pahr, was left pointing to local achievements as evidence of real progress. Nevertheless the commitment of Austria to this severely weakened process remained by necessity total;

"The basis of communication which was created by CSCE and its follow-ups must be maintained. Only on this basis of a permanent dialogue can we come any nearer to the goals of detente. If this meeting is a failure then we will all be losers."⁵¹

At Madrid in 1984, Austria remained an active participant proposing in the context of Development Policy a 'Unitary Raw Materials Fund'. Under Basket 3, Austria also took part in a joint initiative with

Spain and Switzerland for better dissemination of information. Nevertheless in many ways the problems had not changed. As had been the case for the initial agreement, the N + N countries found themselves able to propose considerable amounts, yet faced the veto of one or both of the Superpowers. In many ways the other important role lay in the psychological and strategic importance of dividing the blocs physically. In many international negotiations, neutral countries could act as host (eg CD, CSCE, SALT II, INF, START in Geneva; MBFR, SALT I in Vienna, SALT I and CSCE in Helsinki, CBSBMD in Stockholm and the presence of UN Centres in Geneva and Vienna.)

Austria's commitment to the process was never in question. The theme of detente ran through the entire security and foreign policy of the country under Kreisky. After 1972, integration with the EEC was no longer an issue of public debate. The problems of South Tyrol had also been removed from centre stage. As a result the effects of East/West tension already central to Austrian political experience since the war took on a new primacy. The result of all these changes was a considerable strain on the now traditional bipartisan approach to Foreign Policy. We will examine this in more detail below. First we must examine the issues which changed the political climate in Europe after Helsinki.

Afghanistan and the Olympic Boycott

The Afghanistan invasion in December 1979 precipitated a major deterioration in East/West relations. Initially the Austrian Government tried to remain outside the resulting round of Cold War moves, although critical of the USSR. In the light of later criticism that Austria was 'soft' on the USSR for opportunistic reasons it is interesting to note how Austria's ambassador to the UN, Klestil, defended;

" Austria emphasised in its declaration that it could not remain silent at the infringement of these principles... and that it must therefore be demanded that the troops be immediately withdrawn. Austria had simultaneously declared that it would support the relevant resolution, the first country to do so."⁵²

Nevertheless Austria's failure to demand a recall of the Security Council following the invasion was widely criticised.

"In March 1938, Mexico was the only country on earth that protested against the occupation of Austria. In 1980 there were 43 States which demanded a recall of the UN Security Council. Austria was not one of these 43."⁵³

The domestic controversy took on international dimensions when at a meeting of EEC Foreign Ministers in Rome, the British Foreign Secretary Lord Carrington suggested the "neutralisation of Afghanistan on the Austrian mode."⁵⁴

There was an outraged reaction in the Viennese press. The Austrians protested that comparison with Austria was invalid as such a Carrington solution would involve the imposition of a plan from outside whereas the Austrian model had been a voluntary political choice.⁵⁵ The degree to which domestic and international sources disagree on this interpretation is startling to say the least and of considerable importance for the future security of a neutral State.

Kreisky himself reacted angrily;

"It does not seem to me to be a very appropriate comparison to make. First and foremost because Austria was occupied by four Great Powers 25 years ago which all had to withdraw simultaneously. Afghanistan is only occupied by one power, its large neighbour, however. That would imply more thoughts about a 'Finnish' solution. However even this idea would be neither realistic nor appropriate."⁵⁶

Kreisky then proposed a solution which shows a remarkable adherence to 'Great Power' mentality, suggesting the withdrawal of troops and the establishment of a government loyal to the USSR.⁵⁷ It is interesting to speculate whether such Austrians as Kreisky also feel that Germany could have legitimately demanded that Austria have a satellite status in 1938.

Kreisky also sought to be highly critical of the USSR calling the

invasion a major error of calculation⁵⁸, but it contributed heavily to the deterioration of Austria's relations with the USA. Kreisky himself felt that the initial mistake had been made in response to the revival of Muslim fundamentalism in Iran after the fall of the Shah. He rejected any suggestion that the invasion of Afghanistan was part of a wider-conceived plan of Soviet expansionism.⁵⁹ Had such a view received widespread support Kreisky's policy of detente might have come under increasing pressure at home also. Austro-US relations had already been strained by a public row over sanctions against Iran. The Austrians had objected to the US government's request for sanctions being sent to them on the same basis as it had been addressed to NATO allies. The underlying insecurity of Austrian neutrality could seldom have been more openly exposed. At a point of tension for the USA, Austria was immediately included among the 'friendly nations'. Austria could not politically afford to accept this title in the given context yet could not oppose the USA too openly. The notion that neutrality in crises is entirely self-determined remains a political nonsense.

The US suggestion that the Olympic Games in Moscow should be boycotted was also unpopular. Officially the government tried to sidestep this stark choice between the Superpowers by leaving the decision to the National Olympic Committee. Yet in Austria this attempt to pass the buck of political decision-making into the realm of sport was rather unconvincing given the extent to which all major sports organisations in Austria are dominated by the political parties themselves. As Neunhold points out;

"The question of whether Austria got away with her legalistic approach in the eyes of the States participating in the boycott, especially in view of the fact that the Austrian Olympic Committee is headed by leading Austrian politicians is still valid."⁶⁰

With the backing of public opinion, Austria decided to take part in

the Games. Only after balance appeared to return through the Olympic Boycott of 1984 was the uneasy feeling erased.

Poland and Eastern Bloc Debt

When the US Senate failed to ratify the SALT II Treaty signed in Vienna by Carter and Brezhnev there was a further deterioration in Austro-US relations. The vote signalled a rightward drift in US politics confirmed by the election of Ronald Reagan in November 1980. The imposition of Martial Law in Poland by General Jaruzelski precipitated an even more severe crisis for detente and indirectly for Austria's relations with the United States. The attempt by the USA to impose trade sanctions on Poland and the efforts to persuade West European States to do likewise exposed the financial insecurity of Austrian relations with the Eastern Bloc and led to direct conflicts of interest and policy with the Reagan administration.

Austria had long supported the development of economic contacts with the Eastern Bloc and for obvious reasons. As early as 1965, Kreisky made speeches in favour of increasing credits to the East.⁶¹ As the oil crisis set in in Western economies and East European economies also fell into recession, Kreisky continued to reject suggestions that the rising level of debt to Eastern Europe posed a significant problem for Austria's still-prosperous economy;

"The question is asked whether the debt is dangerous. I say clearly that I do not consider it to be at all dangerous. The net debt of all Comecon countries was approximately 3.5% of Gross National Product in 1975... The level of debt does not appear to me to be in any way alarming."⁶²

This can be seen as the response of a politician aware of the importance of financial confidence in capitalist transactions. In part, it must be considered an inaccurate assessment of the depth of the East European depression. Particularly in Poland there was an alarming acceleration in the level of debt.

By April 1981, the Industrialists Organisation issued a special statement in which they warned that the country was threatened by its excessive dependence on Polish coal and the extent of the credits now extended. Austria ranked fifth in terms of credit and first in per-capita loans.⁶³

The Polish crisis had already been a distinct possibility since the founding of the Solidarity Trade Union and its rapid spread to all sections of Polish industry and agriculture. During the growth of Solidarity, Poland's indebtedness accelerated rapidly. Indebtedness to Austria alone rose from AS52bn in 1980 to AS60bn by June 1981. By April 1981, Kreisky was warning the Socialist International meeting in Amsterdam that should the Russians be forced to choose between maintaining Poland as a Communist State and detente, they would choose the former.⁶⁴ Speaking in Sofia, Bulgaria in May he warned that while the Government may need to be reestablished, the continuation of detente depended on no intervention from outside sources;

"Every action of this type must lead inevitably to an end to the detente process and for a long time to come."⁶⁵

The danger of the process in Poland was already clear. Also in May 1981 Kreisky warned of the dire consequences of a mishandling of the Polish crisis;

"Imagine for one moment, Poland suffered a fate similar to Hungary or Czechoslovakia. How would those who in their parliaments speak so strongly for disarmament come across? They would be shouted down, as if they were preparing their own people for a similar fate as the Poles. An arms race with no holds barred would be the result and all hope of arms limitation, of substantive negotiations on these questions would be ruined. All these observations must be put to the Soviet Union."⁶⁶

The vast increase in the number of people applying for political asylum in Austria throughout 1981 underlined the extent of the crisis. As we have seen it led to considerable domestic controversy and recriminations. In December 1981, the Austrians suspended their agreement with Poland whereby Poles could enter Austria without a

visa. In part the Government justified this action by claiming that a high percentage of those applying for visas were not in any political danger. Unlike the Hungarian and Czech refugees these people were escaping a situation that had not yet reached military crisis. It was estimated that there were 50,000 refugees in Austria at this time. The costs threatened to reach over £25m in food and accommodation alone. Austrian anger at Western response was heightened by a sense that policy in Western capitals amounted to a dangerous attempt to isolate Poland through an ill-conceived attempt at sanctions and a simultaneous indifference to the wave of refugees flooding into Austria.⁶⁷ The pressure for trade measures increased. Kreisky began a vociferous campaign against this policy, convinced that a pragmatic approach was essential. Any direct intervention would inevitably risk all out war.⁶⁸

Austria's trade exposure also put additional pressure on Government policy. Austria ranked fifth among Poland's creditors, at £1bn by January 1982. About 80% of the lending was covered by official export guarantees, which provided some safety but left a large amount of exposed debt as well as considerable liabilities should Poland have opted for bankruptcy instead of renegotiation of her debt. The fact that a default in Poland might have a domino effect on other exposed countries in Eastern Europe further threatened Austria's position and that of other Western nations likewise exposed.⁶⁹ By the end of 1981, Comecon net debt to Austria had reached \$1bn, an increase in over 25% in one year. Although Austria accounted for only 5% of the West's total exports to Eastern Europe, her share of bank loans was over 8%.⁷⁰

Anger with US policy became more apparent throughout 1982. He openly attacked supposed American sympathy for Polish Trade Unions, given their own attitude to strikes and Trade Unions under Reagan.⁷¹

He suggested a humanitarian approach together with the Roman Catholic Church, which he saw as the only organisation capable of administering such a project. It may be worth noting at this point, the extent of domestic political interest in the Polish crisis which emerged over this period. Clearly concern over the flood of refugees created considerable pressure, but the direct economic interest of Austrian banking and trading interests was matched with a humanitarian concern in other circles. This was marked both in the Catholic Church and in the Trade Unions. As Kreisky remarked Poland appeared to be a country of extraordinary symbolic importance for European peace.

"There are countries which have a vital significance for this continent. Poland is undoubtedly one of these countries."⁷²

The Austrian press devoted large amounts of space to developments in Poland, (eg Profil devoted an entire edition entitled 'Requiem for Poland').

Nevertheless, Kreisky insisted that Polish policy must not be aimed at bankrupting the economy. He travelled to Washington and Moscow to emphasise this point. He suggested that the countries involved in CSCE should draw up a long-term aid package for Poland.⁷³ All of this was important to preserve the impression that alternative policies to Reagan did exist although it was never likely that they would be enacted. Kreisky's desperation is evident from some of his speeches at the time;

"If Poland were to declare itself bankrupt... the consequences would be disastrous not only for Austria but for the whole of Western Europe and it would be the result of United States outrageous policy towards the Soviet Union and other Eastern Bloc countries."⁷⁴

In the final analysis, the threat of economic disaster in the event of Polish default must have played the major role in Austrian reflections on the situation.⁷⁵ Thus commentators have often not given full attention to the implications for neutrality of the Polish crisis. The attacks on the USA were unprecedented in Austria at

least since World War II and completed Austria's shift from 1950's policy. Then the USA had been the great defender of Western Europe, but in the 1980s Austrian Government Policy reflected the ambiguity towards the USA widespread in Western Europe.

For this reason there was considerable domestic unrest at Kreisky's policies. The rift which had been developing in Foreign Policy throughout the 1960s and 70s was widened. The OeVP was now openly critical of what they saw as a dangerous arrogance on the part of Kreisky, whose personal dominance of foreign policy was portrayed as complete.

Relations with the Superpowers

Throughout the period of Austria's occupation between 1945 and 1955, the US was seen in much the same positive light as was normal in countries in the Western Alliance; ie as a guarantor of democratic freedoms against the totalitarian threat posed by the Soviet Union. As a recipient of massive amounts of US aid through the European Recovery Programme (ERP) Austria had some reason to be grateful to US Policy. On withdrawal the USA left equipment for the use of the fledgling Bundesheer and the counterpart funds raised from US capital were released for the disposition of the Austrian government. Further loans were granted and property formerly frozen was released. As we have seen, the US was unhappy about a German settlement in Europe which encouraged neutralistic tendencies, nevertheless in the light of the strategic possibilities available, Dulles signed the State Treaty in 1955.

The Hungarian crisis provided a possibility for tension between the two States. In fact, Austria emerged from the crisis with the reputation of her neutrality strengthened in the West, where the strength of Austrian pronouncements on events in Hungary was seen as proof of her determination not to be drawn into an ideologically

neutral stance.

The single most damaging incident occurred in 1958. American transport planes were on their way from West Germany to supply troops in the Lebanon. The planes including an entire division of US troops, overflew Austrian territory on their way to the Mediterranean. It was reported that the USSR offered to make jet fighters with crews and air defence troops available to Austria. The Austrian Government's protests to the US Government were swift and outraged.

"The Federal Chancellery-Foreign affairs has expressly brought the attention of the Embassy of the United States to the fact that an overflight of Austrian sovereign territory by foreign military aircraft without express permission is an infringement of Austrian airspace which the Austrian government can tolerate under no circumstances."⁷⁶

The US government assured the Austrians that their sovereignty would be respected in the future and apologised officially for the incident. Trust had nevertheless been breached. On return from the Lebanon, Austria was again overflown, but this time with the permission of the Vienna authorities. The Austrians remained extremely irritated that their air vulnerability had been so crassly exposed, at a time of only limited world tension and that that exposure had been at the hands of the Western Power.⁷⁷

The US Government has been accused of ignoring the neutrals, particularly those in central Europe. They were distinctly cool on attempts to widen the EEC to include neutrals, but the development of detente as a political trend in US policy brought about a period of neglect. The lack of interest in neutrality except where interests are directly affected is notorious. It is worth noting that at the UN in the period 1960-63, Austria's voting record was 100% in agreement with the West in votes of East/West significance (cf Ireland - 81%, Sweden -78%, Finland - 59%).⁷⁸ As we will see later this underwent considerable change during the next 20 years.

In public statements, Kreisky generally supported the overall principles of US detente policy within the sphere of the maintenance of a form of power balance. From the late 1970s onwards, and especially after NATO's 'double decision' of 1979, the climate of growing irritation with the US was more than shared by Kreisky. Successive crises over Afghanistan and Poland led his government into direct and public conflict with the Americans. On his resignation, the first Foreign Minister of the new Sinowatz Government, Erwin Lanc, was generally perceived as continuing this anti-American bias. Recent events did not improve the climate for his supposedly more pro-US successor Gratz who saw further crises over Libya, Reder and Waldheim.

Anti-americanism in Austria thus paralleled developments in other countries, particularly West Germany. In the 1960s and early 1970s, Austrian politicians were keen however to minimise their differences and emphasise the common cultural and political (and financial?) commitment to the Western system. Speaking in Kansas City in 1963, Kreisky outlined his view of the US;

"America today is for us in Europe the power which carries the greatest political and moral responsibility for the fate of the world."⁷⁹

A close associate of Kreisky's commented;

"Despite all the reservations, America remains a bulwark of freedom and democracy; ideals which Austria is committed to from her deepest roots and neutrality changes none of this."⁸⁰

In the 1970s, the progress of events leading up to the CSCE Final Act was remarkably smooth. As we shall see later, Kreisky was a dedicated and active supporter of 'detente as containment' as opposed to seeing detente as appeasement. This accorded well with US policy under Nixon and Ford. Their pragmatic approach to diplomacy was personified in ~~Kissinger~~^{Kissinger} who enjoyed a cordial working relationship with Kreisky. Both men shared a taste for a diplomacy sometimes higher in media value than in actual content. At Helsinki, Kreisky

paid tribute to Ford's contribution to the success of the process.

"The meeting was only made possible because the President of the USA, Gerald Ford, despite all the ups and downs had consistently followed a policy of detente between the Great Powers."

Kreisky was insistent on the need for a balance of forces, again according well with Kissenger's thinking.

"Detente requires a balance of power and also a balance of armed potential... As much as I wish to understand and value the motives of a consistent pacifism... I can nevertheless see little chance for such an ideology in today's world."⁸²

Kreisky's later disillusionment was thus not so much with the US but a political disagreement about the nature of Realpolitik. This later shift in policy, however, allowed him to regain the respect of the strong internationalist/pacifist tradition in the SPOe with the growing anti-Americanism of some of its wings. His concrete policies and statements suggest that this was a convenient side-effect and that he retained a political realist worldview.

As we have seen, the SPOe government opposed trade as a weapon of political warfare against Eastern Europe. Austria remained extremely wary of any measures which might expose her trade dilemmas. Austrian opposition to trade sanctions does however date far before the Polish crisis. During the 1970s when grain embargoes against the USSR were being discussed Kreisky remarked;

"The most dangerous development would be to make political capital out of the needs of ordinary people... To refuse wheat supplies to the Soviet Union would only have raised the anger of the Russian masses. People would have said; there are your Western capitalists for you - they want to let us starve, even when we pay for their wheat. Therefore I was always in favour of delivering grain."⁸³

Afghanistan and Poland added major strain to an already disturbed relationship. The election of Ronald Reagan, the continuation of a trend towards direct confrontation with the USSR and the subsequent demise of the spirit of the Helsinki agreement posed considerable problems for a country situated at the point of contact between the two blocs. The self-confidence of the Austrians by the 1980s in the

viability of their status was confirmed in the vocal nature of the opposition to these changes in US policy. When parallels between Austria and Afghanistan were followed by an aggressive attitude to the situation in Poland there was increasing irritation.

Speaking to the Party Conference of the SPOe in Graz in 1981, Kreisky expressed his frustration;

"It is obviously the will of the American people that they are to be governed so. As democrats we have to accept this. However, over there one will also have to accept that within the democracies of the world there are also different political philosophies."⁸⁴

By the end of 1982 the overriding impression was of rapidly deteriorating relations. This led to a major outbreak of criticism from the right about Austria's increasing distance from the Western Superpower.

As a result, on the 14th of December 1982, the Federal Government adopted a 'USA Konzept' in an attempt to reassess and improve Austro-US relations for the period 1983-6. Officially the reason disclosed was the 35th anniversary of the Marshall Plan.⁸⁵ In reality its political significance lay in its attempt to improve Austria's image in US public awareness. The need for such a policy was officially justified in terms of the special structure of the USA which required a special and specific response;

"An intensification of Austro-US exchange visits at governmental level is sought in order that through this intensification Austria's attitude to bilateral and international economic questions can be made clear."⁸⁶

Austria's tourist and cultural presence in the USA was to be strengthened. The increasing reliance on North American sources for high technology products was also recognised, and a new post of Scientific Attache was established at the Austrian embassy in Washington. This in its turn was the result of increasing strain between the USA and Western Europe over trade, which increasingly concentrated on the transfer of high technology products.

The embargo on the transfer of technology to the Eastern Bloc strengthened in the light of the Polish crisis had already led to major division over the co-operation of West European countries in the construction of the building of pipelines to supply Western Europe with energy from Siberia. Despite assurances during Kreisky's visit to Washington in January 1983 that the technology question was now 'mutually satisfactory'⁸⁷ this was clearly not the case. The carefully arranged trip after which Austro-US relations were described as 'completely smooth, perfect friendship'⁸⁷ had more to do with General Elections in Austria than with the underlying reality. In truth, relations after the Polish crisis had never been more strained. Kreisky's somewhat cynical aside that with Reagan he had "found no new common factors - except that we are both old"⁸⁷ would seem to give a more accurate assessment of the wider bilateral state of affairs. On his retirement, Kreisky described US policy under Reagan thus;

"The western world is over-involved in places where a non-intervention policy would be better. As well as over-engagement there is also one-sidedness; we cannot speak for Trade Union freedom in Poland and look on in Chile where there is also a Christian Trade Union. All this weakens the West; it ruins its credibility. It is all the result of an overideologising of US politics, as was never before the case. It was not like that under Dulles or Eisenhower or Truman."⁸⁸

Former Foreign Minister Pahr rejects all OeVP claims that through an arrogant neglect of Austria's longterm Western friend Kreisky had distorted Austrian Foreign Policy;

"In every country there is the possibility for every responsible official to express his opinion. But there was never a discrepancy with Kreisky. The line was always clear"⁸⁹

As we have mentioned, Foreign Minister Lanc was anxious to extend the political horizons of Austrian foreign policy beyond the sterility of Cold War bipolarity, and this is said to have contributed to his replacement by Leopold Gratz. Further crises have prevented any real improvements however.

One further issue should be mentioned; technology transfer. The US

threatened to remove 'most favoured nation' status from Austria and suspend technological exports to Austria unless a mechanism was found to plug supposed leaks whereby US technology of use to the Soviet Union was being transferred through Vienna. The result was agreement to change trade regulations;

" 'The proposals are for an adapted foreign trade law... intended to close technology export holes to the east and avoid possible sanctions. For 'sensitive items' export licences could be made compulsory... The future supply of individual countries with US high technology products will depend on the quality of controls in these countries' declared the US Embassy officer for trade... 'A satisfactory control for Austria might be a prohibition on the re-export of US technology.' Austria however wants to find her own solution.. In any case, a sharpening of the East/West conflict must not take place on Austria's back."⁹⁰

A law was passed in November 1984 with the consent of all parties in the Nationalrat after secret negotiations. The result was a much stricter control of imports and exports of high technology products, by allowing for a system whereby imports can receive a classification against re-export at the request of the exporting country with penalties of up to 2 years imprisonment on violation. The difficulties for Austria can be seen in the comments of Foreign Minister Gratz about the new Act;

"he emphasised that Austria had taken the 'minimum possible ' measures, which in his opinion did not contain any admission that the situation had not been acceptable previously. Expressly the Minister underlined that these decisions were Austrian and that no negotiation had taken place with any American agency."⁹¹

The problem for an analyst of the situation is that all Austrian politicians continue to argue that legal form is the same as political actuality ; i.e. that because the Americans were not consulted officially they thus had no influence on the law. This can only be seen as a further example of political salesmanship.

Despite this, Austria was placed together with all the neutral States on the so-called 'Grey list' of 'potential technology offenders', as a result of which stricter rules on technology export

from the USA applied. This was in spite of official expression of satisfaction at the measures by Washington.⁹²

This dilemma illustrates the problem that Austria faces if detente becomes not identical with but an alternative to Western policy. Technology transfer provides a useful example of the dilemmas which might be intensified if the economic pressure were to come from the EEC or more specifically from West Germany. The myth perpetuated understandably in Austria and Switzerland that economic dependence has no effect on internal or external policy is neatly exposed by this episode. Indeed it provides a useful example of how the continuation of the Cold War requires a response from neutrality although the outbreak of fullscale war would expose the problem yet more starkly. As Vice Chancellor and Trade Minister Steger said, the technology transfer issue was directly related to detente - Austria did not want to lose credibility in Eastern eyes yet not to act would anger the USA. Gratz' insistence that the new regulations were a purely Austrian affair can only be understood as a fairly unconvincing if predictable attempt to deny that Austria had acted as a Western poodle. It is equally sure that the USSR was fully aware of the dilemma and at times of relative calm might choose not to comment on such a matter. Nevertheless, the potential for claims against Austria in times of crisis is gigantic. The crumbling of the Austrian facade of pure legal neutrality happened once more at the hands of the West.

In considering Austria's relations with the Soviet Union, I should like to point out that the detailed debate over EEC membership and the crises of 1956 and 1968 have been dealt with elsewhere. The theoretical challenges posed by the doctrine of peaceful coexistence and the Soviet attitude to bourgeois international law have also been examined. Nevertheless it is worthwhile investigating bilateral affairs and more importantly the conduct of the detente policy with

the superpower normally thought to pose the greatest threat to Austrian neutrality.

According to Felix Ermacora in 1975;

"the 20 years of neutrality policy have clearly shown that equally in legal and political spheres, Austria has a specific neutrality partner in contrast to Sweden and Switzerland (though not Finland) and that is the USSR."⁹³

This arises because of the constant need to assure the Soviet Union that Austria views her permanent neutrality as being as important as her attachment to the West. We have already noted that the threat of a reintegration into Germany has been a constant Soviet theme. Kreisky, himself present at the negotiations with the Russians in 1955, saw this very clearly;

"On the Soviet side, Germany is not seen as divided into three, but, I think, in four; the Federal Republic, GDR, Germany east of the Oder-Neisse line and Austria. One fears, from the Soviet side that were a united Germany of 70m re-established, it would strive to create a land of 80m - which would only be possible through a reintegration of Austria."⁹⁴

For this reason Austria is forced to constantly reanswer the political challenges of the Soviet Union. This fear of an enlarged Germany is also common in France; *L'anschluss, c'est la guerre*' remains an unspoken assumption of French policy. France acted as an important western monitor of Austrian behaviour for the USSR. When Khrushchev appeared to compare Adenauer to Hitler while on a visit to Vienna there was further embarrassment in Vienna. (Khrushchev remarked that while the outer similarity on photographs was not great, the policies were the same.)⁹⁵

Throughout the difficult days of 1956 and 1968 Austria sought to maintain friendly relations with the Soviet Union. During the 1960s the constant pressure on Austria from Moscow was largely responsible for the restrictive nature of Austria's final agreements with the EEC in 1972. This dialogue over the EEC was replaced by the issues of detente in the early 1970s. Despite a growing anti-

Americanism there was little sense of close co-operation with the Russians. The USSR remained the real bogey in all Austrian policy. The relief expressed in 1961 after Khrushchev's visit is still valid today;

"As the Turboflot aircraft took off from Schwechat to take the Soviet Prime Minister eastward once more, a great weight was lifted from the hearts not only of the police, not only of the government but of the entire Austrian people."⁹⁵

Seven years later the editor of the same publication wrote of Podgorny's visit;

"Whoever believed that a State Treaty type miracle would happen in relation to Russian opposition to Austria's EEC plans, may finally have come down from the clouds."⁹⁶

It is a necessity for post-1955 Austria to address the problem of ideological divide and neutrality within such a structure before the onset of actual war. This has been the most important reason why Austria has supported the development of detente and has entered into dialogue with the USSR over the meaning of peaceful coexistence.

We must now turn to the issues raised by these policies. Their roots lie in the optimism so current in the 1960s. An example of this can be found in Kreisky's speech in 1963 in which the normal realism of his comments gave way to a vision which reads in the more sober 1980s like a flight of utopian fantasy;

"The greatness of our times lies in the fact that at this very moment in the middle of Europe, we are experiencing such a process of the disappearance of hatred. In front of our eyes hatred, suspicion and contempt is disappearing between Germans and French people and between other peoples. But we are also experiencing something every day which was clearly not visible to the great psychoanalysts at the time of their work, namely how in our free community through the co-operation of all the formative powers in our society - education, psychology, politics and journalism - respecting freedom of the individual and with daily interchange, people are being educated into ever more positive ways of behaviour."⁹⁸

It was with this kind of optimistic outlook that the policy of detente was approached. When speaking to an audience in Yale, Connecticut Kreisky was able to argue plausibly;

"Khrushchev's so-called peace policy was not a propaganda manoeuvre

but corresponded to the actual needs and wishes of the Soviets."99a

Nevertheless he warned even then that a detente policy did not mean that communism would simply disappear;

"There will be communism in Europe at least for the foreseeable future, even if it is in a different form. Anyone who believes that one can buy these countries from the communist camp through various economic relief measures is making a mistake."99b

In 1968, Kreisky was more subdued less than a month after the invasion of Czechoslovakia by Warsaw Pact troops;

"One can indeed follow a policy of normalisation with communist States only by strictly respecting the limits of what is possible, and one cannot follow a policy based on self-delusion or fraternisation... The communist States also expect no political reconciliation from us..."100

As he pointed out;

"These events [Hungary 1956, Czechoslovakia 1968, Poland 1970] show in a very crass way, that the fascinating idea of convergence as it is represented by influential academics and politicians is refuted by events in the final analysis."101

Kreisky saw detente as a policy of containment rather than appeasement and accepted the challenges of peaceful coexistence. Here we will be concerned merely to outline what the policy of peaceful coexistence has meant for Austria. In 1968, Kreisky put his position thus;

"The ending of the Cold War in Europe seems to be expressed in the realisation of the principle of peaceful coexistence - despite the proliferation of irrelevant or misleading phrases around this. It represents the maximum that is achievable in our times. For this reason I see the Austrian State Treaty as a visible expression of this coexistence."102

In 1975 at Helsinki, Kreisky put the position in a more comparative perspective;

"It is noteworthy that it is now often made clear that Coexistence ... cannot be valid for the realm of ideology. I welcome this clarification because from the side of the democratic states as well, we are firmly resolved to bring about the breakthrough of the philosophy of democracy, and we are also convinced that democracy is such a creative governmental form that within its structures and by strictly observing it's principles, great social reforms have taken place and will take place in the future."103

It seems apparent that the confusion arises in part through shared

terminology. At its most literal, Austria has adopted a policy aimed at the survival of a small State, and as such peaceful coexistence is a statement of a necessary precondition. As Oehlinger points out, the understanding of neutrality as being in the service of peace has now become a central maxim. This can only be understood within the context of the Cold War in the shadow of weapons of total destruction. Nevertheless there is a clear difference in the understanding of what constitutes a peace-loving nation to that specified by Marxist-Leninist propaganda;

"Although this concept of peace is open, it is not immune to other ideological views. This, however, is a general sign of liberal democratic concepts of law. The ideological openness of this concept of neutrality results in norms not for opinions themselves but for methods of allowing conflicts of opinion."¹⁰⁴

The Austrian Social Democrats reject war as a method and thus need international contact, but they do so in a clear spirit of competition. The fundamental dilemma, so oft repeated, is here perhaps more apparent than elsewhere. The role Austria is to play in any conflict during peaceful coexistence is clearly ideologically one-sided. As long as peaceful coexistence remains intact, this may be an acceptable role to play. Were a deterioration to occur, such that war might once more appear to be a real possibility, the credibility of neutrality will depend on the USSR's view of this past. The USSR must be prepared to accept the bourgeois definition of neutrality whereby Austria cannot be asked to undertake an ideologically neutral stance, and must thus make a concrete separation in policy towards Austria's 100% alliance with the West in one period (Cold War) and her equidistance in another (Full War). The Austrians have thus sought to play a very dangerous double game, seeking to limit the competition, but nevertheless seeking to profit by it. The decision under Kreisky's leadership to gamble on a policy of war avoidance (positive peace) and avoid the conflict which would expose Austria's vulnerability is

balanced against the consistent allegiance of the Austrians to all other forms of competition except military. It is not a policy without risks.

The success or otherwise of the strategy may lie in its not being discovered as a strategy. Foreign Policy towards the USSR involves a fundamental credibility gap and hence a permanent crisis for Austria. Although Finnish experience may have tantalising parallels in this respect, the constellation of interested parties surrounding the two States is slightly different. After the failure of two KPOe led General Strikes, and the continuing strength of the Vienna Government, it was clear that Austria was not going to be a Soviet satellite. Neutrality was conceded fundamentally as a mechanism to achieve national unity and a degree of sovereignty. Finland has had to struggle to establish her place in the West against a much less certain background. Swiss and Swedish models remain historically entrenched enough that they can resist outside attempts to 'define' what constitutes a suitable policy. Finland, as we have seen understands clearly that there are ideological constraints to her policies in the international arena. Austria attempts to maintain a Swiss-style model but is aware that the situation is dependent on the present equilibrium not being superceded by Soviet domination. To this end, the policy of peaceful coexistence becomes obviously attractive.

Two pan-continental issues; Energy, Rhine/Main/Danube Canal

The problem of technology transfer and its specific reference to the Siberian Gas Pipeline, leads us on to a slightly more detailed examination of Austria's Energy Policy which has left her exceptionally dependent on the Eastern Bloc for her energy supplies. In terms of power yield, 51.6% of Austria's imported energy came from

Comecon countries (cf 22% from OECD countries).¹⁰⁵ This exposure was most acute in the areas of natural Gas, where Comecon accounted for 98.6% of imports and of coal, where Comecon provided 70%. In the field of crude oil and allied products, the Comecon share showed a sharp rise 1982-3 from 27.2% to 33.4%, although this was mostly caused by a fall in supplies from OPEC countries.

As energy became a more crucial issue in the 1970s, Austria faced a serious problem. As her own reserves were dwindling, she faced the prospect of increasing dependence on either OPEC or the USSR. At present we will concentrate only on the development of relations with the Eastern Bloc within the context of Cold War and detente.

Austria was the first non-Comecon country in Europe to sign a Natural Gas Supply Treaty with the USSR in 1968. The outstanding features of this agreement such as the trade and credit conditions were later used in treaties between the USSR and West Germany, France, Italy and Finland. The 1968 agreement lasts for 23 years. The USSR now supplies Italy, France and Yugoslavia from the same border delivery point on the Austro-Czech frontier. The pipeline to Italy and Yugoslavia was opened in 1974, that to France and West Germany in 1979. Nevertheless, the exposure to international crises in energy policy was underlined when a consortium of West European countries signed a supply agreement with the USSR and Iran, whereby Iran supplied southern USSR with supplies and the USSR diverted equal amounts to Czechoslovakia, Austria, France and West Germany.¹⁰⁶

By 1973, the exposure of the Western economies to OPEC and hence predominantly Middle Eastern pressure, led to a severe crisis in energy politics. Most Western economies searched desperately for alternative sources of supply. While large finds emerged in the North Sea and the Americas, Western Europe was left with a considerable shortfall. The natural gas arrangements between USSR and Western Europe and the

existence of crude oil agreements with France, Holland, Belgium, Sweden and Italy allowed Kreisky to argue that energy could be seen as a symbol of a new pan-European integration and a part of detente;

"I wish merely to point out that a pan-European Energy Policy would easily fit into conceptions of global detente."¹⁰⁷

Was Austria merely making a virtue out of dire necessity? Since the 1950s, Austria had seen her net import dependency grow from 20.5% in 1955 to 70% by 1980.¹⁰⁸ Although this left her less dependent than some other OECD countries (Japan, Switzerland) the speed of increase in Austria's level of dependence was a severe economic and political headache. In 1977, Science and Technology Minister Firnberg returned from Iran with the announcement that supplies were secure and that Iran had agreed to accept Austria's atomic waste from the proposed new Nuclear Power Station at Zwentendorf. The double irony of this was apparent by 1979 when the Iranian revolution finally destroyed the government's calculations which had already been upset when, against most expectations, a national referendum had rejected the nuclear power programme in November 1978.¹⁰⁹

The government's assurances of a steady supply from the East as an alternative were greeted with considerable scepticism. In Poland at the end of November 1979, Kreisky dismissed domestic fears of growing dependence on the Eastern bloc;

"I must say, that in the light of the unstable situation in Iran and the Middle East, this form of dependence is to be accepted more readily than dependence on Iran or on other States."¹¹⁰

He therefore appealed for an East/West Energy Union and maintained his support for the Siberian Pipeline project despite the Polish crisis and American protests.¹¹¹

The political implications for Austria are enormous, as we have seen over technology and now over energy. It is clear that dependency characterised as a purely one way process is also misleading, in that Soviet dependence on revenues from exported energy grows in proportion

to spending undertaken on the basis of calculations of income. The hard currency generated through energy sales is essential for the economies of the Eastern bloc. Nevertheless, the integrative forces of the economy provide a severe challenge to neutrality, especially in the event of the crisis in which it is designed to operate. Austria has been active in the international electricity market, encouraging East/West co-operation and exchange. In part, this may be

"an effort to become an important transit point for power exchanges between East and West."¹¹²

Austria is integrated into the West European Electricity Supply network(UCPTE) and also into the South East European System(SUDEL). It also acts as a switching station between both systems and between the two and COMECON, through power lines with Hungary and Czechoslovakia. A Transit agreement signed in 1968 allows Czech electricity exports to Switzerland.¹¹³

Austria has built a new switching station at Duernrohr to improve the interchange facilities between Austria and Comecon, the first of its size.¹¹⁴ In total, Austria's exports of electrical power exceed her imports, but this covers deficits in electricity trade with Czechoslovakia and large surpluses in trade with West Germany. In addition, imports are greater in winter, meeting shortfalls in hydroelectric output.¹¹⁵

We now turn briefly to a topic which was very much an Austrian priority but which has so far failed to materialise - the proposed linkage of Europe's two most significant waterways - the Rhine and the Danube. As early as 1961, Kreisky was encouraging such a development and foresaw its results as almost revolutionary for Austria.¹¹⁶ This theme was constantly reiterated by both Kreisky and Waldheim and formed one of the methods by which Austria sought a form of economic integration more suitable to her inter bloc status.

By 1974, in a climate of detente, Austria appeared to have convinced others of the need for such a connection. The Austrians had reckoned without the triple opposition of increasing unwillingness to embark on such gigantic capital investment projects during recession in the West, the increased US pressure to restrict East/West trade and thirdly the growth of the environmentalist lobby, who objected to the destruction of parts of Bavaria. Despite the support of the Land Government in Bavaria (Bavaria also stood to gain economically from the project) spending plans were rejected by the West German Government in 1982 with 36km uncompleted. West German Minister Hauff called the project;

"the most stupid since the tower of Babel."¹¹⁷

Into this modern Babel, the Austrians had poured investment especially into new harbour facilities in Linz, Enns, Krems and Vienna. Industrial planning had also calculated on the Canal. Although Kreisky assured his 1970s audience that the project would be completed by the 1980s, the link will not be completed until 2020, and even this is far from certain.

These two examples serve to illustrate the difficulties involved for Austria in developing practical policies in Cold War circumstances. They are unable in the short term to force any policy changes either in West Germany or beyond. Nevertheless, they also underline the degree of importance Austria attaches to a climate of coexistence. We should, however, not underestimate the minefield which becomes so apparent if we look at neutrality in the light of competing dependencies in the fields of technology and energy. Nevertheless within this very constellation of conflicting pressures the opportunities for activity of a small State appear. For either side to push too hard would have consequences for their own longterm strategies. Also short term difficulties met with creative proposals

from the neutral may secure the neutral credibility in the medium and long term. The logjam at bilateral superpower level may reduce the possible number of sources for suggestions at breaking the stalemate to countries which maintain relations across the military frontier. The fact that at CSCE small countries proposed while large countries disposed should not be understood only in terms of the limitations of small power abilities but also in terms of the degree of flexibility and creativity it exposes. Sweden had a considerable role in setting up the 1983 meetings on disarmament at Stockholm where US Secretary of State Schultz and his Russian counterpart Gromyko were able to meet. The Austrian's insistence on alternatives to US trade policy in the 1980s may frighten some of the most pro-Western elements in the Austrian polity, however they may also encourage other West European countries, more formally attached to USA to develop alternative strategies.

Nonetheless, the difficulties and frustrations remain. The energy problem outlines the degree to which economic problems and desires cloud political or juridical certainties, while the Canal project shows the degree to which Austria is dependent on external powers and decisions.

Final Remarks

Detente is not really a matter of choice as such in Austrian Foreign Policy. The foundation of a State in postwar Austria was only possible in the light of a thaw in the Cold War and its survival remains linked to the continuation of at least 'non-war' coexistence. Austria has thus adopted a positive approach to East/West relations even in the 1980s. Nevertheless, the detente policy followed by Kreisky's governments and more especially the criticism of US Foreign Policy in the 1980s threatened to shatter the domestic unanimity

traditional in foreign affairs. The increasing controversy of the late-Kreisky and early-Sinowatz years has abated somewhat despite the political dynamite of the Reder and Waldheim scandals. Much of the proporz-provincialism swept away under Kreisky has returned and has invaded the sphere of foreign policy also. We can only discuss the debates on the nature of detente policy with reference to the increased globalism of Austrian policy. This we will do in the next chapter. The true importance of detente is that it is fundamentally linked with the purpose and origins of neutrality. The success of this status still depends on the success of a coexistence policy. Although many observers talk of a death of detente, it will continue to remain essential for small States to follow a policy of co-operation whatever euphemism is chosen for the policy.

The reality is that Austrian neutrality is a product not of full War but of Cold War and this has altered the nature of that neutrality just as the bomb has altered the nature of war. A break in the Cold War to physical war would bring this neutrality in its train as just another victim. Hence the role of foreign policy has grown at the expense of a purely military approach. This too has been attacked as appeasement towards the USSR, but there is little evidence of this in reality. To understand the need for coexistence is not the same as embracing the principles of Marxism/Leninism.

It should be pointed out that the implications of much of Austria's policy are that should detente be succeeded by a mutually compatible Europe, Austria would then be able to integrate into trade organisations unfettered by the protests of either superpower. The further latent implication of this is that neutrality would lose its meaning ie neutrality as an institution is entirely a function of the Cold War in Austria's case. There is no history of full wartime survival as in Sweden or Switzerland with which to root neutrality in

the collective experiential consciousness. Should Cold War become full war, it means annihilation. Should it improve neutrality loses its function. Neutrality in its modern form must refer to the Cold War; ie it must address questions of Foreign Policy, ideological questions, economic integration and can no longer take its basis from the dictates of 1815 Law.

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CHAPTER SIX

Austria and the Global System

"Why should I war without the walls of
Troy,
That find such cruel battle here within?"

W. Shakespeare, "Troilus and Cressida"
Act I Sc I

Even when compared to other European states, Austria's connection with events beyond her continent has been underdeveloped. In part, this can be attributed to the historical legacy of the previous century. While the rising and dominant powers gradually acquired overseas possessions in their imperial conquests, the Austro-Hungarian Empire was concerned more to maintain its own unity than to expand in the "new" continents. As a result the international connections of Great Britain, France, and even of Germany never developed in Austria. The inter-war Austrian republic was itself too small and unstable to participate in the extension of international interests. Austria remained essentially removed from the processes of globalisation.

Geographically, Austria's most immediate contacts were, of course, European. The lack of a sea boundary ensured that the trading pattern which emerged in Western Europe would not be natural for her landlocked situation. The emergence of extra-European issues is thus an important new chapter in Austrian foreign relations.

It would be unrealistic to deal with the development of Austrian global policy without examining the importance of the United Nations. This is true of most of the so-called "Small States", both in terms of the role they can play in such a diverse organization and also in the weight which a smaller country attaches to more formal forums in which they have a defined role. For Austria, an extra dimension was present; namely, the significance attached to her acceptance into the

international community after 1945. For seventeen years Austria was the sole German-speaking country in full membership of the UN, further strengthening her separate development from West Germany, and establishing an independent image.

We will also examine the development of Austrian links with the poorer countries of the world. This has been more significant in the 1970s, though the question of development aid remains somewhat controversial. Some of the political implications of this have been very obvious in the establishment of relations with the countries of the non-aligned movement. The theoretical debate over the relationship between permanent neutrality and non-alignment will be examined here.

Finally, we will look at Austrian involvement in the questions of the Middle East. This has been highly original and at times equally controversial. The personal involvement of Bruno Kreisky will emerge as central.

Austria and the United Nations

For Austria as we have remarked, membership in the United Nations was an issue of considerable symbolic importance. In 1947, an application from still-occupied Austria for membership was surprisingly vetoed by the Soviet Union. The first bitter phase of the Cold War had begun, and the Russians were more interested in consolidating their role in the part of Europe which had become their sphere of influence after Yalta. Within this scheme, the future of Austria was by no means certain. Austrian politicians such as Karl Renner were anxious to reanchor Austria into world affairs in order to quickly reestablish the State as independent of the occupying powers but also to underline Austria's independence from Germany. The UN obviously provided the most hopeful option for Austria. All these strands are apparent in Renner's words in April 1946.

"Austria lies at the point of intersection between all the Continent's interests and there can barely therefore be imagined a polity that would be as keenly interested in peace as Austria. But by reason of this position Austria cannot either turn or politically tie herself to the east, west, south or north without unsettling the equilibrium of those interests and even helping to invoke a repetition of 1916 and 1939. Austria is in the serious yet encouraging situation of not being at liberty to choose any other partner other than the UN."¹

One government memorandum in November 1945 suggested Schoenbrunn Palace in Vienna as a possible UN headquarters.² Nevertheless, Austria remained outside the General Assembly. Within its forum, Brazil was persuaded to raise the holdup of Austrian negotiations in 1952, and the Assembly voted to call on the powers to accelerate efforts towards a settlement of the disputes. Following the breakdown of the Berlin conference in 1954, a second application for membership was rejected.³

With the signing of the State Treaty and the declaration of neutrality in 1955 the question arose of the compatibility of neutrality with membership in the UN. At the negotiations in Moscow in 1955, the Austrians sought and received assurances from the USSR that they did not regard neutrality and UN membership as incompatible, assurances reiterated by all signatory powers at negotiations for the State Treaty.

On 14th December 1955, Austria was accepted unanimously into membership of the General Assembly along with fifteen other states. This unanimity at international diplomatic level should not blind us to the legal manoeuvring necessary to reconcile the UN Charter with the dictates of permanent neutrality. Indeed the ability of the international community to rationalize a clear, logical contradiction in the principles of international law by simply denying the existence of that contradiction in the face of political desires is highly instructive.

The problem lies in the notion of Collective Security. This

doctrine was adopted at the end of World War II when, as we have already seen, neutrality's popularity was at a distinctly low ebb. The UN Charter enshrined the principle that all nations should act collectively against an aggressor. In 1945 Paul Boncour on behalf of the French Government proposed that the UN Charter should expressly not allow neutrality as grounds for evasion of the obligations of the Charter. Although the resolution was not formally adopted, it was clearly the spirit behind the Charter. The committee stage of the Charter states that the incompatibility existed.⁴ Article 2(5) of the final document obliges all members to give the UN every assistance. Thus Kelsen argued that the charter of the UN had made permanent neutrality obsolete. The first Secretary General of the UN, Trygve Lie, noted that the UN did not know the word neutrality since it was nowhere mentioned in the UN Charter. Sweden when joining the UN in 1945 dropped all reference to neutrality, well aware of the negative climate.

The acceptance of neutrality is a function of international affairs. Perhaps it is worth quoting the US legal commentator, Quincy Wright, once more:

"This implies that the states of war and neutrality, recognizing the power of the constituent part through violence or indifference to invalidate the will of the whole are by nature inconsistent with law."⁵

This view is indicative of the spirit of 1945. Certainly the Swiss felt unprepared to join the UN. This was of course due in part to the very low esteem in which neutrality was held. It was also due to Swiss experience with the League of Nations which had resulted in them being faced with the possibility of imposing compulsory economic sanctions on neighbouring Italy (see chapter on neutrality). In 1935, Swiss politicians and the entire nation drew the conclusion that no state can be expected to regard another state as neutral if it is

faced with 'neutral' participation in economic sanctions of other nations. This contrasts sharply with the Bundesrat's declaration in 1919 that neutrality did not include any obligation to maintain equality of treatment in the trade and economics sphere which had opened the way to acceptance of League of Nations' sanctions. As we shall see below, Swiss suspicion of the UN remains extreme.

Even writers in neutral countries have had to recognize that at a literal level, the notion of collective security is incompatible with the concept of neutrality. Yet after the Korean War and the experience of ten years of virtually continuous East/West antagonism at Security Council, the idea that a third way must be feasible was widely accepted. This manifested itself in two forms - the emergence of the non-aligned movement encompassing most of the new states of Africa and Asia together with Latin America who refused to have their agendas predecided by the Superpowers and, secondly in the re-emergence in Europe of neutrality as a legitimate political and diplomatic stance for the Cold War. The UN had been envisaged in its charter as a unity, taking this as a presumption. It concerns itself with the threat to peace from medium and small countries. By 1955, the disunity of the Superpowers was an established political fact.⁶ The very fact that the Austrian agreement depended on neutrality rather than reintegration into a unified world community indicates the degree to which this antagonism was ingrained. Nevertheless, it is clear that in its essence, a notion of permanent neutrality cannot be reconciled with the UN Charter.

Austrian political figures (eg., ex-UN Ambassador Jankowitsch) point out that this change from collective security predates Austria's accession to the UN.⁷ While this cannot be denied, the implication - that the changes have compromised collective security leaving neutrality intact - cannot be admitted without the collapse of all the

aspects of the UN which continue to strive after the fulfilment of collective security as a doctrine. Neutrality is clearly compromised so long as the UN continues to espouse collective security as a goal. Until then the uneasy coexistence of the two concepts, must be based on the non-functioning of one of them (or even both).

What we have here is a classic example of political pragmatism overcoming legal objections. It is beyond doubt that were any state to have an axe to grind, the legal ambiguities would immediately be brought into play. In the Cold War, there are sufficient larger threats to successfully divert attention from the problem. It is clear that where the leading political actors (in this case East, West and Austria) are unanimous, codified law becomes a somewhat trifling, if irritating, footnote. It appears certain that the historical and political necessity for Austrian membership preceded any legal qualms. This is not in itself objectionable, if we accept that dynamic political circumstances must always lead static legal dictates. What is important is to underline that where the political will exists in enough strength, the law can be dealt with through none-too-convincing post-hoc rationalizations. We have already seen the genesis of this process in the EEC debate. It becomes essential where it is argued in the defence debate that disarmament cannot take place in neutrals because it is stipulated by international law, when as we see the true significant objections are political, ie. lack of sufficient agreement. Put more clearly the truth is that the role of legal dictates depends entirely on their widespread acceptance. Where a strong body of opinion exists, the "law" can be overridden.

Kelsen's initial position as we have noted is that Article 2(5) is in itself insufficient to prevent membership. As we have pointed out the committee responsible for drafting the charter expressly limited the role of neutrality:

"the status of permanent neutrality is incompatible with Article

2(5) in as far as the State cites the status of a permanent neutrality to remove itself from the obligations under the Charter."⁸

This very use of 'as far as' allowed the first attempts at reconciling the two approaches. Chaumont argued that this article implied no necessary commitment to sanctions, and hence as long as the Security Council did not insist on Austrian participation, neutrality was compatible.

"Neither the text of the charter nor the experience of the UN nor even the concept of collective security seen from a certain angle postulate or require an obligatory, uniform or generalized intervention for the maintenance of peace."⁹

Other writers questioned whether the Security Council could ever free a country for all times without losing its own power. Thus De Nova argued:

"By doing so the Council would create the framework to create a legal posture for one member State...which would differ from the legal position of the majority of the members, while the Charter is dominated by the principle of the legal equality of States."¹⁰

Some Austrian observers, influenced by Swiss experience urged Austria to seek just such an assurance from the UN. Peter Berger wrote prior to full membership:

"It should be the precondition of our potential membership to demand above all a dispensation from active and passive participation in sanctions, as far as such a dispensation would be considered possible under the charter."¹¹

In order to get around a possible contradiction the notion of priority was introduced. In admitting Austria the powers were fully aware of her permanent neutrality. Thus Kunz wrote:

"Austria's permanent neutrality came into existence in international law by the recognition of the Security Council and many other States; recognition binds the recognizing states to respect neutrality. This respect for permanent neutrality therefore obliges the members of the Security Council not to call on a permanently neutral state in economic and military sanctions."¹²

Ermacora sees in this a new change.

"The members of UNO, who on the one hand recognize Austrian neutrality and on the other applauded the entry of Austria to the UN have thereby further developed modern neutrality law."¹³

Verdross maintains that the question is less sure and that the

Security Council is still the ultimately decisive body:

"There can be no neutrality if the Security Council puts all members into action."¹⁴

Nevertheless, the Council could exempt some countries from taking part in the action.

Article 103 of the Charter states that should a conflict between the obligations of the members under the Charter and obligations under any other international agreements emerge, then the Charter's stipulations must have precedence. Some have argued, especially from Eastern Europe¹⁵, that neutrality is not breached when fighting for peace through UN-determined collective security. Yet if we allow this then there is no purpose whatsoever in neutrality. The UN can become party to a conflict, whereas neutrality cannot.

It is clear then that at the very least the legal position is confused. In the end, Austrian membership confirms that neither a pure isolationist neutrality nor collective security adequately meets the needs of the cold war. Hence the messy compromise. The Austrians are in a similar position to the Swiss in 1919 when the League of Nations made an agreement:

"The neutrality of Switzerland in the League of Nations seems to defeat the purpose of the organization but it is actually justified. Like all historical institutions the League of Nations is not only based on abstract principles but also influenced by the geographical and historical characteristics of its members."¹⁶

Unfortunately it remains dependent on the compromise not becoming apparent as it did for Switzerland in 1935, where instead of a compromise carefully and even generously justified the result was a nightmare choice, the memory of which has kept Switzerland out of UN affairs since. As yet Austria has not been faced with this problem. Some have argued that the higher goal of peace unites both neutrality and UN. The Swiss Bundesrat reported to the Bundesversammlung in 1949:

"The spirit of the charter does not lead to the conclusion that there is a basic incompatibility between membership and neutrality. True, the charter's latent concept of collective security is theoretically irreconcilable with neutrality... The essential point remains that both aim to maintain peace. In this sense, neutrality is in no way opposed to the provisions of the charter, but is in harmony with its highest objective."¹⁷

What is so striking about this kind of argument is that it is so similar to Soviet arguments that neutrality should be in line with Soviet 'peace' policy. Nevertheless, one is 'acceptable' the other rejected in bourgeois circles.

The point to underline here is the ease with which the dictates of law can be discarded even by Austrian and Swiss commentators where 'necessary'. The real irreconcilability lies with the contradiction of arguing 'unbreakable law' for one aspect (eg. defence) and the 'unity of purpose' for another (eg. UN). The notion of collective security is at least as central to the UN as the concept of armies to permanent neutrality. The discovery that the UN is a political not juridical organisation applies also to permanent neutrality in the Cold War. As a Dutch commentator wrote:

"The UN's position is the product of a majority vote of the members (or of one of the "big five") though this majority does not always result in the upholding of international law but mostly in producing political compromise."¹⁸

The same is true for permanent neutrality.

On 28th April 1970, the new Socialist minority government under Dr. Kreisky announced that Austria would seek election to the Security Council, the controlling organ of the UN (Article 28, Charter). Although not elected at the first attempt, the way was clear for Austria's election at the next juncture. On 20th October 1972, Austria was elected as a West European member by 115 of 118 votes cast. This merely strengthened the need for juridical and/or political justification. In this respect it is interesting to quote former Vice Chancellor Bock on the reasons for this significant departure from Swiss practice:

"Swiss considerations start from the legal standpoint that the neutral state cannot allow any restriction on her sovereignty. The Security Council is the organ of the UN which can decide compulsory decisions for her members, and can do this repeatedly. If we take a strict formalistic legal interpretation, Switzerland is correct in her attitude, but the living practice of World politics no longer justifies such a strict interpretation of neutrality towards the World Organization any more in Austrian opinion."¹⁹

Here we have laid bare the dilemma for Austria, finally admitted in the knowledge that it is relatively uncontroversial in this context, ie. UN. Membership of the Security Council did have important implications. Austria was now called upon to judge over a breach of peace and to decide over military measures against an 'aggressor'.

There followed a short if significant debate in Austria on this question. As Konrad Ginther puts it:

"In contrast to the much heralded principle of intervention only in the case of agreed request of the conflicting parties, a neutral state in the Security Council could find itself in the position of obligatory intervention where it could be placed in embarrassing and unavoidable decision-making situations."²⁰

The Social Science Working Group, a group close to the OeVP expressed fears that membership of the Security Council would mean that Austria must take up positions on conflicts over and over again, even where she abstained. This might lead her into conflict with the power blocs:

"Why therefore do we annoy either the West or the Eastern Bloc voluntarily, without necessary reason or political profit."²¹

Most interestingly, the OeVP member Alois Mock expressed fear that membership of the Security Council might lead Austria into a partisan position. Neutrals he said could not always usefully take sides.²² (This from a future leader of the International Democratic Union, a federation of Conservative and Christian Democratic Parties including the US Republicans and Democrats.)

On the other side, the SPOe Deputy Czernitz expressly rejected the idea that neutrals could not take sides. Kirschlaeger, as Foreign

Minister responsible for the decision to seek election, saw it thus:

"Only if one is a well known quantity can one have any worth in the Power Game at our size."²³

He was supported by some elements of the OeVP in (Bock, Ermacora). Ermacora argued that membership of the Security Council could not be ruled out a priori, and that each issue had to be considered separately:

"Here it will be the high art of the politician and the diplomat to find the correct way. It cannot be said in advance ie. in the abstract that Austria is acting mistakenly in seeking membership of the Security Council."²⁴

As the Swiss observer Wildhaber pointed out:

"Austria could be a very suitable member of the Security Council, precisely because of her neutrality. As an objective non-partisan active state...Austria will be in the position to play a role of conciliation and arbitration."²⁵

On the other hand, the arguments of the opponents have to be recognized:

"The membership of the Security Council is not without neutrality policy risks, not even without neutrality law risks. In the final analysis, it is a principle or article of faith whether a permanently neutral state should follow more of a restrained and cautious policy or a more risky, active and constructive policy."²⁶

In the end, the Austrian Government managed to achieve wide enough domestic support to take up membership of the Council. In his first declaration to the Council, Jankowitsch stated (16/1/73)

"It is the firm opinion of the Austrian Government, that the status of permanent neutrality...provides a secure basis for her work on the Security Council."²⁷

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Kirschlaeger put its significance into perspective both as part of the new activism of the SPOe government and as a statement of Austria's position in the international community when he called it "a proof of Austria as a perpetually neutral state."²⁸

Nevertheless, the pitfalls for traditional neutrality are immense. No matter that Sweden, Ireland and Finland had already preceded Austria to the Security Council. In none of these was there any legal

objection in their 'Non-alignment'. The significance of the shift is twofold. First it symbolizes a fundamental change from Swiss practice, and is indeed the most tangible divergence in concrete terms. Secondly, it is clear that Austria's policies in a forum of such high profile as the Security Council were now part of the substantive not optional aspects of neutrality. In every Security Council decision the credibility of Austrian neutrality is on the line. It can no longer be credibly held that Austria's neutrality is not founded in the reality of politics. We shall see below how the Kreisky government attempted to attract UN organizations to Vienna as part of a long-run security strategy. With the Cold War the dictates of politics have once more been seen to be necessary.

Before we go on to examine the substance of the issues raised by the UN for Austria, we will now look at a contemporary event of some significance in this context; the Swiss referendum on membership of the UN which took place in March 1986. The need for political will, not legal justification, in determining neutrality was seldom more starkly highlighted.

In late 1984, the Swiss Bundesversammlung decided to call a referendum in which the government parties proposed to call for Switzerland to join the UN. As the time for the referendum drew closer, it was clear that there was considerable resistance to the proposal, not from organized groups but from the grassroots. What happened on the 16th March 1986 was a very Swiss rejection of rule from above.

The opponents of the government warned against all adventures which could eventually even call Switzerland's neutrality into question despite attempts by the established parties and their newspapers (eg. Neue Zürcher Zeitung) to insist on Switzerland's 'interdependence';

"A realistic view of the UN, which is not a special union, a realistic view of Swiss development in this system and a sober self-evaluation without conceit or false modesty point to a Yes vote without illusions as reasonable, and thus to a step to equal rights in the community of States."²⁹

In more regimented political cultures the call by three of the four parties represented in the governing Bundesrat to vote 'yes' (FDP, CVP, SPS) supported by the trade unions, the consumer organizations, women's organizations, student organizations and the church groups would have been sufficient to ensure a fairly convincing margin of victory. Only the parties of the extreme right (NA) and the SVP (sixth largest) were strongly in favour of a 'No' vote. The 'No' campaign itself remained largely a group of committed independents who played on fears about sanctions. Swiss neutrality, so essential to her independence in this view, was once more at stake. The arguments of the establishment went unheeded;

"Neutrality, as an irreplaceable instrument for the maintenance of Swiss independence, has to prove itself where conflicts take place. Correctly understood it does not stop us bringing our Swiss concerns and viewpoints also into international organizations."³⁰

By implication, then, the Swiss people, the 'root of sovereignty' in Switzerland, and hence the source of Austria's 'Swiss model', do not correctly understand neutrality. The underlying assumption that legalists interpret neutrality was rocked to its core.

As the Neue Zuercher Zeitung reported after the result:

"The No of the 'Volk' and 'Staende' to Switzerland joining the UN could not have been more clear cut. More than three quarters of those who voted and the collected cantons and half-cantons have thrown out the proposal in a relatively high turnout of 50.2%. The, generally forecast, negative result was not expected to be this massive."³¹

In no canton did the 'yes' campaign achieve more than 40.2% (Jura), and overall averaged only 24.3%. Even in UN Headquarters Geneva, the proportion of 'yes' votes was a mere 30.2%.³¹ The Federal Council was left with no option but to accept this embarrassing slap in the face. Bundesrat Pierre Aubert (Foreign Affairs) said:

"The Bundesrat regrets this decision, but respects the will of the

sovereign expressed in all freedom...with this decision...Switzerland rejects an instrument which the Bundesrat and Parliament regard as important for our foreign policy. Not to be a member of UNO in today's world is tied up with disadvantages which are hardly possible to make up."³¹

The impotence of political elites in Switzerland in such events has seldom been more effectively demonstrated.

Abroad the reactions were muted if amazed. In Austria the reaction was mixed.

"Historians see in the Swiss attitude a historically conditioned reflex reaction more than an act of foresight.... In the Austrian press there is incredulity over the degree to which a recommendation of the Bundesrat and all the large parties has been rejected. It is no exaggeration to see in the independent thinking of the Swiss a certain calculation and hatred of foreigners."³²

Elsewhere there was a more critical response (eg. Italy, France).

It appears clear that the suspicion of all foreign influence, historical fears and trust in the 'fortress' all contributed to the result. The potency of these political factors was underestimated by the elite. The Berner Tagwacht called the 'No' campaign

"a campaign which is hard to beat for primitiveness and lies."³³

Nevertheless the elements of warning for political elites were there;

"The 'No' vote is not least a repayment for a foreign policy which has all too long been the exclusive affair of the Government, diplomats and a few interested parliamentarians. All too often Bern tried to cloak foreign policy actively in silence, broken only with explanations which said nothing. Foreign policy, emphasized the experts again and again, is a difficult and complicated business--too difficult for ordinary people to understand much of it. Then, as it became important to bring Switzerland into the UN, one expected suddenly foreign policy maturity from the same people."³⁴

The distance between elites and their supposedly sovereign citizens in foreign policy is immense everywhere. As such, the result of the Swiss referendum is a timely reminder of the long run instability of such a situation. The right of Governments to interpret neutrality was fully challenged. The argument that the State is neutral but the people remain free, appears a very unnatural division after 16th March. The idea that legal experts determine whether neutrality is compromised by UN membership was given a final push in the referendum.

In the light of Austrian activism, it widens the cleft between the models of the two states. One is free to be a Security Council member, fully rationalized by juridical logic while the other cannot be persuaded by its own elite that mere membership of the General Assembly is not a danger to independence and neutrality. It no longer suffices to call this 'differences of emphasis'. The centrality of the UN to much of Austrian thinking leads to the conclusion that we are here dealing with two different models meeting different political conditions, both past and present. Again the notion that law could be applied in the same manner to all 'neutrals' appears to crumble.

The only item which still unites them fully is their military non-alignment, but even this is differently conceived. Swiss neutrality is clearly not a Cold War phenomenon linked to the failure to solve the German problem, decided upon and directed by a political elite as might be argued for Austria.

Before we attempt to examine the role of the UN for Austrian foreign policy let us look at some of the issues which have involved her directly. We have already seen how Austria appealed to the UN during the Hungarian crisis, and received the thanks of the General Assembly for its humanitarian role throughout 1956 and 1957. The South Tyrol question was brought before the General Assembly in 1960 and 1961.

"Austria did not hesitate to take the conflict to the United Nations. Despite the marked reluctance of Italy's western allies to expose Rome to this type of pressure and despite a similar lack of enthusiasm on the part of the Soviet Union and its Eastern European clients, Austria, largely owing to Third World support, won its case. On the basis of General Assembly resolutions in 1960 and 1961 a genuine process of negotiation was able to start."³⁵

As in the 1980s Austrian impatience with Italy at lack of implementation of the 1970 "Package" grew--the issue was again raised, though in speech rather than resolution form.

"In our relations with Italy...the problem of South Tyrol is of

particular importance... Last year I informed this Assembly of the increasing importance of this to the South Tyrolean people and the increased concern of the Austrian government about this delay. I regret that I must report today that the situation has not improved since."³⁶

Even as late as 1984, Leopold Gratz was raising the issue:

"Despite a basic agreement reached by May 1983 between the Italian Government and the minority there has still regrettably been no action to pass the necessary acts."³⁷

In 1960, the UN dispatched troops to the Congo. Austria sent a medical battalion after considerable internal debate in Austria on the ability of Austria to participate in these issues. The UN requested that Austria provide a fieldpost and a veterinary unit. In supporting the government's decision to participate at this level, Kreisky pointed to Sweden's prior example. Nevertheless there were many sections who were unhappy with this decision. The conservative *Tiroler Tageszeitung* warned

"There must be no Austrian blood spilt in the Congo."³⁸

It became clear fairly quickly that Austrian law, designed to restrict Austrian troops to Austrian soil in order to inject credibility of Austrian neutrality did not allow the dispatch of troops abroad. Nevertheless, the government felt from the records of Sweden and Finland that there was a considerable role for neutrals as third parties under the flag of the UN.

In 1965, the Nationalrat passed two laws which enabled the troop movements under specific conditions.³⁹ According to this law the Main Committee of the Nationalrat has the power to dispatch army and police units at the request of an international organization. The troops are all volunteers. The request can only be granted after consideration of the compatibility of the action with neutrality. This is under constant review during any period of action.⁴⁰ Austria attempted to reduce controversy by insisting on the voluntary agreement of all participating States.

"If UN troops are to be sent in in conflicts between States,.. they can thus not take sides. They can not fight but take up a role as a thin dividing wall between the opposing lines. They make use of thier weapons only in self-defence. Mere participation in such action cannot be considered a breech of neutrality."⁴¹

In 1964 Austria had already sent a small field contingent to Cyprus as part of UNFICYP. In 1972 this was increased to nearly 300 men. Also, Austrians took part in units sent to the Middle East both through UNEF II (1973-5) in Israel, UNTSO (1968-), and most importantly in UNDOF. In 1983, 61% of UNDOF stationed on the Golan Heights were Austrian troops (530 men). By January 1984, 18,617 Austrians had seen action under the UN flag.⁴² Officially, Austria counts this feat as one of her greatest practical contributions to the UN. Nevertheless this participation was not without those who questioned both its validity and its usefulness:

"It is important to point out that our neutral example, Switzerland, only takes part in the Vatican Guard, but not elsewhere. The Swiss still appear at zones of conflict, but as workers for the Red Cross... In Austria one believes that Austria's presence in every international gremium where intervention might be possible (no matter whether it might be in the Middle East or Cyprus) underlines the importance of our country and at the same time guarantees our state international help where there is a case for neutrality or defence. Nobody can measure this assumption against reality. But one thing should be pointed out: for the international press, the death by napalm bomb of three Austrian UN soldiers in Cyprus was not worth a footnote."⁴³

One very difficult area for neutral states has been the problem of how to react to the imposition of sanctions. The potential problem has been outlined above. The reality of the problem came to fruition in 1966 over rebellion in Southern Rhodesia. Sanctions were imposed by the Security Council on the UDI-State under Ian Smith on the grounds that Rhodesia maintained a policy of white supremacy. Resolution 232 (1966) included the feared warning that the Security Council..

"reminds member states that the failure or refusal by any of them to implement the present resolution shall constitute a violation of Article 25 of the charter."⁴⁴

Once again there was an interesting split between Switzerland and

Austria on this issue. The Swiss declined to take part in sanctions;

"The Bundesrat has considered the questions which arise for our country and had come to the conclusion that Switzerland as a neutral country cannot herself stand behind the obligatory sanctions of the UN."⁴⁵

In order not to become a clearing house for trade behind the sanctions the Swiss once again decided on the principle of 'courant normal';

"If in relation to the present situation in Rhodesia, the 'courant normal' is once again called upon, this is in no way something new, but merely the reestablishment of a principle which showed itself useful in the framework of Swiss neutrality in the past."⁴⁵

Austria as a member of the UN was confronted with the clause binding all members to its implementation. As a result Austria reluctantly decided to support the UN. The permanent representative of Austria at the UN circulated a note "that neither tobacco nor tobacco products would be imported into Austria from Rhodesia."⁴⁶ As these made up the vast bulk of Austria's trade with Rhodesia, this was portrayed as a major step. Certainly there were no armaments or energy contacts between the two countries. The Austrians agreed

"to try to ensure that Austrian territory would provide no opportunities for Rhodesian trade, which would be against the decision of the Security Council. Austria will not give Rhodesia either financial or economic aid."⁴⁶

This policy split again underlines that politics rather than principles decided attitudes. Historical experience with sanctions influenced Swiss thinking while Austria experienced considerable pressure stemming from its commitment to the UN. Some observers even called for a new neutrality law on this subject indicating how exposed the neutrals felt on this issue.⁴⁷

Austria's actual commitment to the boycott was as questionable as in other Western States. In several cases, e.g. Veitscher Magnisit AG (Chrome) 1971, Gutstahlwerk Judenburg 1971 and Anna Presshus 1971, the UN demanded an investigation. In early 1974 the London 'Sunday Times'

brought to light that the giant state-owned Steel Complex VOEST had been breaking sanctions. According to UN investigators VOEST had supplied a complete Linz/Donawitz Steelworks to Rhodesia. This was done through secret deals with the Rhodesian Iron and Steel Company.⁴⁸

The involvement of a State-owned firm in the breaking of sanctions highlights the problems of neutrality based on separated spheres of politics and economics in the corporate state of today, with implications for a notion that neutrality binds the state and not the individual.

The overall dilemma was clear in Austrian ambivalence towards sanctions. As elsewhere in the capitalist states, this ambivalence towards sanctions in general is even more apparent in attitudes towards proposed sanctions on South Africa. After much protestation that sanctions do not work as a political tool, Foreign Minister Gratz announced to the UN General Assembly that Austria would take limited action by forbidding future investment in South Africa by state corporations and a ban on imports of Krugerrands. Export credits were also suspended. As the conservative 'Die Presse' wrote:

"The consequences of the measures will be more symbolic than of any graspable results and are admittedly a concession to the state of worldwide opinion."⁴⁹

The majority of Austrian politicians remain extremely wary of sanctions and their implications. On the political right, as elsewhere there is a kneejerk reaction to interference with profit-making;

"In the case of South Africa, this is not a war between legal subjects, ie it is not a case for Neutrality. It is simply a State against which one wants to impose certain measures. We can do this if we wish. Only, I am in principle no friend of Sanctions against South Africa, though against Aprtheid. I believe the South African government to be extremely unwise. I am nevertheless against sanctions because they have proved themselves unhelpful."⁵⁰

Perhaps Austria's position was best put by Peter Jankowitsch in an interview when he said that Austria would probably ultimately follow

the directives of the Security Council if it acted collectively.⁵¹

An official of the Foreign Ministry underlined the discomfort when he confirmed that Austria was basically opposed to sanctions, but added that where the 'entire community of States comes to believe in them, then they are justified'⁵² Of course this once again makes the imposition of sanctions not so much a matter of principle, but rather a reaction to the depth of opinion elsewhere. The fact is that South Africa is far enough away to pose no direct threat to Austria. The phantom of Swiss experience in the 1930s prevents the Swiss from taking measures even in such a case, but Austria still seeks international approval of her actions. Austria remains committed to the UN and the Cold War which dominates it.

It is perhaps worth examining Austria's overall voting pattern at the UN. Waldheim said

"It would of course be false to create the impression that all the neutrals within the UN follow similar policies or always have the same approach in individual questions."⁵³

Yet in a more detailed analysis, various commentators show that it is increasingly the case. In 1956 and 57, Austria had a voting record 87% the same as the USA, surpassed only by the 89% with the Republic of Ireland. Even by 1962 the figure had fallen to 67% identity with the USA now surpassed by many countries including Italy, Ireland, and Holland.⁵⁴ In 1965 Strasser found an identity between USA and Austria of 82%, compared with 90% for Italy, 87% for Finland and Canada.⁵⁴ If voting with the Western Bloc is taken as a base, Paul Luif found that from 1960-63 Austria was 100% within the West (cf Ireland 81%, Sweden 78%, India 32%, Finland 54%) which had changed by 1977 to approximately 60%.⁵⁵ Heinz Fischer also points out that Austria's closest colleagues by 1980 were Sweden, Denmark, Norway, Iceland, and New Zealand.⁵⁶ In North-South, this places Austria firmly in the North as might be expected.

While on the Security Council 1973-74, Austria participated in a total of 47 votes. Austria abstained only twice during the period. In fact, thirty of the decisions reached were unanimous. During the two year period several major international crises blew up. The most serious was caused by the Yom Kippur War in the Middle East in October 1973. Austria condemned previous Israeli intrusions into the Lebanon (Res. 332/1973) and voted for an ending of hostilities after the outbreak of the war. The international implications of war in the Middle East were huge. Even the US was persuaded to abstain to allow the sending of a peace-keeping force to the Golan Heights between Syrian and Israeli troops (Res. 360/1973).

"Austria was one of the first countries who sent troops at the disposal of the new UN peace-keeping force... In June 1974, the Austrian batallion took over with the Peruvian contingent the task of building up a peace-observation troop of the UN (UNDOF)..."⁵⁷

The second major crisis was the Turkish invasion of Cyprus, which Austria stongly condemned, basing her position on the sovereignty of territory. As we have seen they provided a batallion for UNFICYP, peace-keeping on the now geographically divided island.

The now chronic problem of South Africa also required a Security Council decision. Austria underlined the distance her politics had travelled from the Swiss when she voted for Resolution 338/1973 which condemned South Africa and Portugal for their failure to apply sanctions to Rhodesia. Austria further backed a motion (Res. 326/1973) condemning provocation and disturbances against Zambia stemming from Rhodesia and South Africa.

While Ermacora may be right in saying that neutrality has been developed by UN acceptance, this is clearly only true for one country of the two permanent neutrals⁵⁸, i.e. it depends entirely on political and psychological factors such as goals and a notion of "credibility". The issue which led Switzerland to be much more cautious (i.e. the imposition of international sanctions against a close and powerful

partner) has happily not arisen at UN level for Austria but we saw already in the case of technology transfer the difficulties such a pressure might pose. Austria has adopted neutrality in a new form--a base from which to act positively, as an honest broker at Cold War level. But she must seek to be more than a pawn in this game. The UN provides a forum in which to widen the scope both of issues on which independence can be established, and a forum of appeal should Austria feel squeezed by the superpowers. These pressures are much less for Switzerland, where the internationalist leadership faced considerable resistance from an independent and structurally powerful domestic audience.

One further feature has characterized Austria's role in the UN; the use of Austrian territory and indeed the encouragement of the Austrian Government for the siting of UN agencies and subgroups. Vienna has now officially become the third centre of the UN housed in the Vienna International Centre, known widely as UNO-City.

This development began soon after the signing of the State Treaty when in 1957 the International Atomic Energy Agency (IAEA) moved to Vienna into accommodation provided free of charge by the Austrian government. The development was further enhanced by the decision of the UN Industrial Development Organization (UNIDO) to set up its headquarters in the Austrian capital in 1967. This was later followed by a decision of the UN to move the Secretariat of the Scientific Committee for the Examination of Atomic Radiation (UNSCEAR) to Vienna.

The concept of developing Vienna as an international centre had long been attractive for many Austrians and in 1967 the Government and the City of Vienna agreed to build an International Conference and Agencies Centre. Austria financed the building (489 bn) handed over to the UN in 1979.⁵⁹ The Conference Centre is now being completed against the opposition of the OeVP who organized a mass petition

against its completion. Despite doubts about its viability Kreisky and his successors have supported the project both on grounds of international commitment and as a mechanism for public works investment in the depressed construction industry. The UN eventually hopes to house its Centre for Social Development and Humanitarian Affairs (CSDHA), the International Drug Control Bureau and funds for Narcotic Abuse ((UNFDAC) as well as its trade law section (UNCITRAC) in UNO City. Further the Palestinian Refugee Organization (UNRWA) and the High Commission for Refugees will also come to Vienna.⁶⁰ Austria has hosted major UN legal conferences which have resulted in a series of Vienna Conventions covering such areas as diplomatic exchange (1961), Treaty Rights (1967 and 1968) and the representation of States in International Organizations.⁶¹

In 1983 a major crisis blew up over US attitudes to the UN. The American UN Ambassador was reported as saying to the USSR delegation;

"We will stand at the docks and wave off your departure"

The USSR made it clear that they would be quite happy to see the UN headquarters move to Vienna. The Austrian government aware of the symbolic value that such a destructive move might have on the UN's prestige moved quickly to scotch the rumours.⁶²

This attempt to attract international organizations (including OPEC and IIASA) in Austria has been a marked feature of the SPOe period. Kreisky is reported in its defence as saying

"A large army would cost us more and bring us less."⁶³

We will look at this strand of policy later, but it is worth pointing out that this project was part of security strategy.

"The presence of international civil servants is in itself a security factor, because isolated actions against a country in which they are staying can only take place in full view of world public opinion. Thus far it is very important that there are 4-5,000 international civil servants in Austria... The worst thing for Austria in the years 1934 to 1938 was to be squeezed out of the consciousness of the world's public.... One thing we can do is to be

constantly present in the awareness of this public... For a small state there is no presence through military strength. One achieves a profile by causing the world no worries, by proving that one can maintain order at home and is prepared to take part in international action."⁶⁴

This political defence goes some way in expressing Austrian thinking on UN policy. Postwar Austria has been very committed to policy within the UN framework. The symbolic value of the UN for Austria quite specifically should not be underestimated. The UN was set up in response to the World War which had meant total breakdown in Austria. As part of the German Reich trying to reestablish a separate identity acceptance as an independent operator was of central importance. Few other countries have so desperately sought the approval of international opinion as Austria. Secondly as we established above it provided a forum in which Austria's voice was relatively equal. It offered the possibility of escape from Cold War sterility. There are two competing notions of Austrian statehood: the one claiming that Austria is a creation of the Superpowers, the other seeing the Second Republic as the will of the Austrian people. The UN provides a forum where Austria can further the latter of these interpretations. At the very least they have established their own position as no more interdependent than countries in specific alliances. As Kreisky put it in the South Tyrol debate in 1961:

"Where else should a small State turn when it is in a conflict with a large State except to the universal community of peoples in which the large and the small state both have the same vote, the small and the large also have the same rights. Thus the UN offers the smaller States, where they believe they are in the right, the possibility of mobilizing the conscience of the others."⁶⁵

Further, the UN is the largest forum for Austrian activism. As Jankowitsch put it:

"The Neutrality chosen by Austria has the purpose of proving good deeds to the international community, that means to do everything possible to prevent the extension of conflicts, to strengthen cooperation and to stand for world peace and international security."⁶⁶

Again this shows the distance that Austria has travelled from Swiss

roots. Austria's role as an honest broker neutral depends at least as much on her political reliability and credibility as on a nominal status. As time passes and the policy is ever further developed, the legal roots become what they always were, guidelines appropriate to a particular period and offering limited protection in diplomatic debate but themselves superceded by international practice. As such they are 'processual' not 'static'. We have seen how where political will exists (eg. at the UN) this is admitted and any seeming contradictions are merely untidily rationalized. Where sufficient numbers wish to prevent a particular move (eg. shift away from military defence) the law is presented as absolute and beyond rationalization. It would be difficult to present any direct connection between Austria's current stance on UN membership and neutrality and the view of the disillusioned Belgian Rolin when he said

"The organization of the community of States is the negation of neutrality. The Charter of the League of Nations is its death sentence."⁶⁷

He further predicted that when all states were members, the end would be final. The fact that conflict has now become institution-
alized does not prevent the ultimate dilemma, but it has allowed a positive involvement of states prepared to take a less legalistic approach to neutrality.

The UNO City, the peace-keeping troops and between 1972-82 the role of Kurt Waldheim as UN General Secretary were matters of considerable importance for Austria.

"The election of Dr. Waldheim was not only the successful coronation of the career of an Austrian diplomat who was able to collect important experiences in the realm of multilateral diplomacy, but was also an example for the success of the foreign policy of a small state."⁶⁸

Although Waldheim had been a candidate for the OeVP in the presidential election of 197¹~~7~~ his candidacy was supported by the SPOe government. On his election Kirschlager^{ch} announced

"Austria is happy and proud to see the Austrian Dr. Kurt Waldheim in the responsible position of the General Secretary of the United Nations."⁶⁹

All of this met the need of a small country to play a role of some profile at international level. Given Austria's past history the UN provided a unique opportunity to prove Austria's commitment to the concept of international solidarity, even if there were severe doubts about collective security. The continued dormancy of the latter made it a chance too good to miss.

Nevertheless there have been negative voices;

"One will learn to value the caution and sense of the Swiss who preferred to work within the UN on the technical, apolitical level but to remain distant from the political forces."⁷⁰

The experience of the intermediate thirty years seem to have shown that independence of this kind, particularly for a trade dependent country, on the East-West divide with no links to emerging areas and question marks over her wartime role, was not an option. As a means of maintaining a trustworthy and independent image, the UN has served Austria well, and in commitment to the goal and limited achievements of the UN few countries have surpassed the Austrians. Whether this affects the long term security of Austria we will examine in the next chapter. Nevertheless it plays an essential role. Jankowitsch's successor Klestil wrote:

"The recognition that the entirety of Austrian foreign policy must be aimed at this one goal, namely to ensure security of our state. This determines the high priority which Austria accords the UN."⁷¹

In the midst of atomic Europe, the maintenance of the peace appears to be the only hope for any small state. Within this the UN provides at least one forum of action. As many have pointed out, if Kurt Waldheim had been a citizen of a state on either side of the East-West divide, he could never have been a UN General Secretary. Within the recent constellation of politics it is ironically the neutrals and non-aligned who can push most effectively for the goals of the

Charter.

Austria and the Developing Countries

Austria's relations with the continents of Africa, Asia and Latin America were very underdeveloped until the 1970s. We must truly speak here of a new and important aspect of international relations which has developed out of the dynamics of capitalistic expansion, the increasing political and diplomatic interactions and the particular interests in the development and impoverishment debates in the Catholic Church and around Bruno Kreisky. As Foreign Minister Lanc acknowledged in 1983;

"Austria is no isle of the Blest. Europe's security is not ensured by detente within its continental boundaries. Conflicts in Asia and in Africa can be a threat."⁷²

Even in 1955, Austria had considerable grounds to feel indebted to tropical belt states for their intervention on her behalf. This applied particularly to India whose Prime Minister Nehru intervened at Austria's request to encourage the USSR to adopt a more positive stance on a State Treaty. The Brazilians, too, drew up a resolution supported by, among others, Lebanon and Mexico.

Even by 1980, twenty-three years after the State Treaty, Austria's trade relationships with the Third World were less intensive than many other small countries (including Switzerland, Sweden and the Benelux countries). Nevertheless Austria had several advantages in the modern world. Her lack of colonial background was now a political plus. As a reestablished state Austria was expanding her relations all over the world. Nevertheless there was no institution like the Commonwealth which might bring political attention to world wide issues.⁷³ In 1963, Kreisky saw this as an issue of political education.⁷⁴ By 1970 only 6.3% of all Austrian exports went to developing countries rising to 10.7% by 1973 and 12.4% by 1976. Capital exports rose by a factor

of ten between 1967 and 1976.⁷⁵ By 1979 the proportion was around 13%, while in Sweden this proportion was 15%, in Switzerland over 22%. In 1976 9.34% of imports came from LDCs. Of this total 40.6% of exports and 41% of imports were with the oil-producing states in the Middle East. Structurally the export trade was made up mainly of industrial goods (90% = 35-40% machinery, transport equipment, finished and half-finished goods, 10% chemicals, 5% consumer goods) while the import trade is energy raw materials (ie. oil 50%), foodstuffs 26% and other raw materials 14% and industrial goods 21% (all figures 1977).⁷⁶ In the 1980s a rising trade deficit emerged in Austrian trade with the LDCs rising from US\$ 310 million in 1981 to \$620 million by 1983.⁷⁷ Total trade with non-OECD and non-Comecon states had risen to 18.5% of exports and 12% of imports by 1983.⁷⁷

The pattern in the 1970s was one of increasing trade deficits from a peak surplus of \$288 million in 1975 to a deficit of \$368m. Yet this hides considerable variation within the regions. By 1980 the trade deficit with OPEC countries was \$701.4 million and with non-European developing countries a mere \$144.2 million. The share of OPEC countries in trade also must be taken into account and indeed growth in this area accounts for virtually all the growth in share in Austrian trade. Indeed export share to OPEC countries rose from 1.8% (1970) to 6.8% (1976) and 5.1% (1980) while with non-OPEC, non-European LDCs the figures were 4.6% (1970) 5.5% (1976) and 5.8% (1980). The figures for imports are even more unbalanced, rising from 0.9% (1970) to 6.5% (1980) in the OPEC area and actually falling from 5.2% (1970) to 4.9% (1980) in the case of the non-OPEC area.⁷⁸

Since 1972 Austria has operated an 'import preference scheme' for developing countries despite an overall tendency towards trade liberalization. This was extended in 1975, the same year as the EEC's first Lome Convention which makes similar provisions, to affect

tropical agricultural products, most small scale materials (except textiles) at a zero tariff. Most other products can be imported at reductions of 50% from normal tariffs, though this does not include textiles or clothing where tariffs are only reduced by 35%. The government includes this in its estimates of help for developing countries at AS451 billion (\$60 million). As Skuhra suggests however

"it must be considered whether the figures could not have been exaggerated by the government."⁷⁹

Most of the countries affected by the bilateral agreements are not among the least developed fifty of the UN. At the UNCTAD V meeting in Manila in 1979, Austria joined almost all industrialized states (except Australia) in opposing any improved preference system. In the trade agreements Skuhra concludes that Austria is neither an especially hard opponent nor a particularly generous partner.

"The Third World has become the hope of Austrian foreign trade. All the more because Austria like so many developing countries is itself trying to reduce her relatively strong concentration of trade on a few countries, notably West Germany through the acquisition of new trading partners... Under the name of "partnership", efforts to sell Austrian goods and know-how to the Third World have been intensified in a very pragmatic way."⁸⁰

This of course is the rule rather than the exception in the North-South question. In the Austrian case the most striking contrast is with the political rhetoric, in which the SPOe at least has tried to line itself up with the group of 'like-minded countries' who have theoretically adopted a more open-handed attitude in North-South attitudes. We will examine this below. First let us consider Development Aid as a component of Austrian policy.

Austria had no real policy of development aid until the 1970s. Between 1965 and 1969 0.13% of GNP was devoted to official aid programmes annually. This made Austria the least generous donor in the OECD beside Switzerland (comparative figures--Holland 0.47%, Denmark 0.24%, Norway 0.24%, Sweden 0.29%). Although at this stage

most of the small non-colonial states lay below the OECD average Austria was one of the least generous. By 1978 the OECD average had fallen to 0.35%, but the role of other smaller countries had vastly increased (Holland 0.82%, Norway 0.9%, Sweden 0.9%). Austria remained anchored at the bottom with 0.27%, compared only to Switzerland (0.2%) and Finland (0.17%).⁸¹

"A Swedish social democrat maintained recently that the Austrian has become the meanest person in Europe... Printed in absolute figures, the public Development Aid in Austria in 1976 was \$39 million or 702 million schillings. In other words 88 schillings per year per person. For comparison--the Swedish government gives 12,260 schillings per citizen to the developing countries."⁸²

In the 1980s the situation became even more embarrassing when the OECD Development Assistance Committee (DAC) objected to the method of calculation whereby Austria's 1982 aid was valued at 0.34%, a considerable increase, moving Austria into the middle field of international aid politics for the first time.⁸³ The result was a reduction to below 0.3% once more.

There are further problems with Austrian development aid. Part of the problem in 1983 was the method of calculating credit as aid. The DAC constantly criticized the fact that Austrian credits have extremely tough conditions attached to them, while the number going to the poorest countries was exceptionally low, particularly if compared to other countries with Social Democratic governments. In Sweden over 70% of aid goes to the poorest countries. This is far from the case in Austria where the middle group have benefitted.⁸⁴

The percentage of finance available to LDCs which can be counted as aid is low (25%) compared with an OECD average of 63% (Sweden 90%). At the same time while Austria's multilateral financial aid is mostly paid through the World Bank (IDA--World Bank subsidiary) which is seen as a relatively sympathetic if 'soft' agency. Nevertheless although Austria paid \$20 million in development aid to the Bank, Austrian firms received contracts to the value of \$27.8 million in 1979 and

\$39.8 million in 1978.⁸⁵ Again it must be pointed out that this situation is by no means unique, but it contrasts unfavourably with the political rhetoric and with the performance of other 'like-minded' countries.

None of the political parties has a detailed concept of Austria's relations to the Third World, although since 1978 it has been a part of the SPO's programme. In general, much of the pressure has come from the private sector, where Austrian giving puts her eleventh among European OECD states, compared to seventeenth in State Aid. By 1971 the private groups had developed 'an Austrian concept for development aid and economic cooperation with developing countries.'

"Although this concept was developed at the request of the Chancellor, its conclusions found little echo in the concrete practice of Government policy until the late '70s except in the area of organization."⁸⁶

Much of the pressure came from the radical wing of the Catholic Church who developed the most coherent policy well before the parties. Kreisky has long been defensive about this;

"I must admit here", he told the Socialist International in 1981, "that Austria has not done anything remarkable for Development Aid, compared to other Social Democratic governments. I must add however, that we had a very extensive State Treaty that cost us hundreds of millions of dollars, that we had to develop a land destroyed by war, that we took over a land that was backward since 1918 and finally, that we are the fifth largest creditor of Poland."⁸⁷

While this might be reasonable in 1971, it is hard to reconcile with the remarkable economic performance of Austria in the 1970s. The ritual handwringing of SPOe politicians on this matter shows a considerable degree of political humbug;

"I would welcome it if we were more generous. The real reason may lie in the fact that here development aid has a high church component and is mainly left to Caritas. The State only became aware of this duty very slowly and there is no sense in hiding the fact that we were not generous enough - its true"⁸⁸

"The Sinowatz government has announced that development aid will reach 0.7% of GNP by the end of this parliament in 1987. I am rather sceptical as to whether this will be achieved, but the tendency is at least rising. In any case the practical fulfilment of this trend will

be made easier if the economy is not stagnant as in the last few years but rather is improving."⁸⁹

Mock showed a degree of satisfaction at SPOe failure when he said;

"I always assumed that the SPOe would do more than us on this issue, but as you see it doesn't turn out that way"⁹⁰

Perhaps the most honest comment came from former Foreign Minister Pahr who remarked that as on all issues, the Austrian Socialist Party might be socialist but it was primarily Austrian!⁹¹

We must now turn to the policies which Austria has developed at a multilateral level. Here the interest and influence of Kreisky was decisive. As Foreign Minister, he sponsored a conference in Salzburg with the support of India's Prime Minister Nehru, after which the 'Vienna Institute for Development Questions' was founded with Kreisky's personal participation. This undermines Kirschlaeger's^{ch} observation that the State and parties were ill-informed on this issue until a later stage. Development questions went beyond the normal bounds of party debate in Austria.

"Today young Catholics and young Socialists find themselves united for a radical policy for development. However inside their own SPOe it is impossible to persuade many older people for a socialist development policy."⁹²

There was thus at least a degree of personal consistency when during the oil crisis he said at the 1974 UN General Assembly that it was the right of all raw-materials producing countries to demand a fair price for their products.⁹³ In the same year he wrote to his Social Democratic counterparts in West Germany and Sweden (Brandt and Palme):

"It is certainly not enough to complain about the high price of oil if one has sold high priced industrialised goods to the countries of the Third World until now."⁹⁴

It was only in the 1970s and particularly after the oil crisis shifted attention away from the industrialised world that development became part of the Austrian political agenda. In 1970, Kreisky said

"The coming decade which has been declared the Second Development

Decade by the UN will make increased efforts by the industrialised nations necessary in their cooperation with the peoples of the Third World. Austria will support the efforts of the UN...in this extra-important area of global solidarity, will strengthen her development aid within the realm of the possible."⁹⁵

Despite this, Austria failed to do anything substantial.

In 1975 at the Final Act in Helsinki, Bruno Kreisky in line with the policy of trying to extend the scope of the CSCE beyond the boundaries of Europe, suggested a pan-European approach to aid.

"I realize that my country has not fulfilled its obligations as we should have. But I have come to the opinion that we could all fulfil these duties more easily if they were part of a concerted and pan-continental action."⁹⁶

This was an important stage in the crystallization of Austrian thinking on development policy. There is no original document from whence this idea stemmed. In the Declaration of Government Policy in 1971, Kreisky suggested using unused capacity in the western economy by expansion into markets in the Third World. This was gradually linked to Austrian experience from the European Recovery Programme using the idea of 'drawing rights' for capital exports. In 1976 the Austrian representatives at the DAC (OECD) outlined the plan in greater detail.

The idea was to transfer resources from North to South by using unused capacity in northern economies. Each donor country should identify its unused capacity. The receivers would then have drawing rights on those facilities they needed. As under ERP the receiver countries could sell these goods on the domestic market and the national currency generated put into a counterpart fund which could be used for further development. Industrialized countries should see their part as a gift and finance this either through their budgets or increased debt. As Kramer-Fischer points out the advantages are intended to accrue as much to the industrialized donors as the receivers.

"Through the industrial development sought by the New Marshall

Plan, one hopes to be able to fight the crisis in the industrial states at the same time. One of the key roles belongs to the development of the Third World. The increased transfer of resources is intended to be in the form of goods worth \$1 billion per annum rather than capital in order to help the overcapacity in the industrial states."⁹⁷

The Austrian proposal for a new Marshall plan appeared more concrete than other concepts based on vague parallels.⁹⁸ Yet it found no support at OECD. The delegates at the OECD doubted whether the programme was realizable, fearing inflationary consequences;

"Further it was pointed out that the unused production capacity was to be found precisely in those branches which did not correspond to the import needs of the Third World."⁹⁹

Kreisky continued to advocate his plan, speaking often in his role as Austrian Chancellor. At the International Oil Symposium in Vienna, Kreisky again drew attention to the importance of counterpart funds.¹⁰² He did this throughout the world culminating at UNIDO in New Delhi in 1980 when Kreisky despite considerable scepticism on the part of other states announced that he wished to initiate a pilot project.

"If only three or six fairly small like-minded European industrialized states and two or three oil producing countries were to come together with a few developing countries in order to implement concrete development projects similar to these that I have suggested, it could be proved that ideas of this kind are capable of making a contribution to the solution of development problems."¹⁰¹

Kreisky was with Mexican President Lopez-Portillo one of the leading lights in organizing the World Summit at Cancun 1981 in Mexico. Although he did not ultimately chair the meeting, he once again emphasized the importance of counterpart funds.

Criticism remained intense. How far is post-war Europe comparable with the Third World? Any industrialization in LDCs would require major cultural and economic restructuring. The goods on offer are not required in the Third World. How then are counterpart funds to be generated? The main reasons for overcapacity in the North are technology and cheap imports. Why then does the Third World want

suddenly to buy things it itself produces? Further development based on this type of capital investment (eg. Brazil, South Korea) has not helped the poorest, and seems to encourage the spread of multinational control. For some the similarity with the Marshall Plan lies in the attempt to dump excess capacity and stop the USSR.¹⁰³

"The impression arises that Austria as a small state whose generosity in development aid is extremely modest is looking for parties with the ability to pay in order to jump on an already rolling bandwagon."¹⁰⁴

In many ways the significance of the New Marshall Plan is not its content but in its existence. It signifies the first Austrian attempt to formulate a coherent policy on the issue. From the last section, we observed that Austria's performance in the UN is in part dependent on establishing links beyond the Cold War. With this development strategy Austria was able to argue with at least some consistency at UNCTAD and UNIDO. The failure of Cancun and the altered political climate since the advent of Ronald Reagan as President, have made this kind of proto-Keynesian policy widely unpopular. The consistency of Austria's advocacy may win her political friends, being seen together with the Scandinavian and Benelux 'like-minded countries' and distracting attention from her aid performance. Certainly the discovery that ulterior motives lie behind development policy is not new. A look at Austria's UN position (eg. in discussions on a New Economic Order) show that although officially it may be politically supportive of LDCs, Austria is among the hardliners, although flexible on matters of principle or programmatic details.¹⁰⁵ Some observers have called Austrian policy a 'free rider strategy'.

"According to this interpretation Austria conceals her genuine preferences and speaks out in favour of the developing world leaving the articulation and defence of her interests as an industrial state to other states who she expects to be unable to go along with the demands for major changes in the international system."¹⁰⁶

The UN Conference on Science and Technology for Development

(UNCSTD) took place in Vienna in 1979. Austria's active involvement in this had also been criticized,

"not because of the conference as such, but because it was part of the general policy of bringing international organizations to Vienna (eg.UNIDO) and of becoming a UN centre, the chief aim of which was to strengthen Austria's weak position, receiving extra security through international recognition."¹⁰⁷

At this conference, Austria and Canada alone supported the LDCs' "Group of 77" motion for an separate international technology transfer organization instead of using current UN agencies. This was nevertheless attacked as an opportunistic attempt to woo the developing countries without real cost to Austria.

This line of criticism is not always useful. At times it is so convinced of conspiracy that it is impossible to escape from its own smothering logic. Bruno Kreisky's activities in this field have been energetic. As in much of the rest of Austrian politics his role is comparable to that of Palme in Sweden and Brandt in West Germany. This group has developed a policy of support for 'self-determination' separate from that of the US. Thus Austria took up distinctly different positions on events in Iran and Nicaragua, corresponding to the distance we have already seen over Poland and Afghanistan.

"It has always been Austria's view that a solution to the crisis in Central America can only be found by the states of the region themselves... Austria will thus continue to support the Contadora process as an independent Latin American initiative for peace and progress."¹⁰⁸

There has been a slow extension of interest and concern on development issues, with the youth wings of the parties and also within the Catholic Church which has become the most consistent advocate of policy change.

Nevertheless as elsewhere, parliamentary time devoted to development issues is minimal. After 1973 when development was brought under the Chancellor's office, an advisory committee was set up composed of sixty members - one third from private aid organizations, a

quarter from parties and provinces, five experts and five civil servants. By 1976 the number of party and provincial representatives was reduced to two(!) on "the grounds of disinterest."¹⁰⁹

Kicker found that the council had no real control, and that the public had little grasp on the situation, seldom pressurizing parliament on this issue (unlike Sweden): eg. immediately after Cancun which Kreisky helped to initiate and organize, only one-third could give a definition of the "North-South dialogue".¹⁰⁹

At the UNIDO Conference, Kreisky explained the policy developed with State Secretary Nussbaumer in more detail. He placed North/South as of equal importance with East/West. The New Marshall Plan would provide infrastructure and motivation for industrialization and create sufficient advantages for the North to make it "realistic"¹¹⁰. This was not what the radicals wanted to hear but it was at least direct.

Austria had been caught between two stools on development. On a diplomatic level Austria has made considerable overtures to the Third World. Yet aid and economic level performance has fallen pitifully short of the rhetoric. In all the interviews conducted with SPOe politicians there was a ritual wringing of hands, (see above) but still concrete action at home seems unforthcoming. Despite Kreisky's enthusiasm Austria has not developed a coherent development policy. In this she is far from unique. In no way has Austria been neutral in the North/South divide. In official circles the fact that there is no 'war' or that North/South is a 'social' not a 'political' issue (a very interesting liberal division) is cited as reason for this failure to extend neutrality. At diplomatic level, the like-minded countries have tried to develop a 'bridge function' between the Third World and the industrialized states (eg. Cancun, Brandt Report, Swedish Aid) but Austria has failed to meet this on the economic level.

Austria's security depends on no North/South war developing even on

a terrorist level. A 'courant normal' policy would merely convince the Third World of Austria's northern status. The very same people who preach fortress neutrality in East/West issues reject any neutrality in the North/South question. The result of this logic is once again to suggest that Austrian neutrality is only as permanent as the Cold War, within which it has a meaning and to which it must relate, with all the political implications for neutrality which we have developed elsewhere. At least Social Democratic policy differences with USA have enabled a development to a 'third party' at diplomatic level.

In addition to the Neutral/Western dilemma we have now seen a latent Neutral/Northern dilemma. Diplomatic and economic factors seem to pull SPOe policy in two directions. In the Palestine question, over Nicaragua and in relations with the non-aligned movement the OeVP, more sure where their loyalties lie, have attacked mercilessly.

"This development to a strong 'equidistance' to both the Superpowers which can be traced to the middle of the 70s has been seen by both the parliamentary opposition parties (pre-1983) as extremely questionable both in terms of foreign and neutrality policy, and has been sharply criticized."¹¹¹

We will now look at two of the most domestically controversial aspects of policy; non-alignment and Palestine.

Austria and the Non-aligned Movement

The development of wider links with the Non-aligned movement was a significant feature of Austrian policy in the 1970s. In Lusaka in 1970, Austria took part as a guest.

In Austria the controversy over 'neutralism' was well established before the State Treaty (see chapter on Neutrality). Within both parties there had been a clear attempt to limit the ideological content of neutrality. When the KPOe began to espouse neutrality pro-Western elements became extremely suspicious. Foreign Minister Gruber

described the suggestion as a 'Trojan Horse'. Nevertheless the party accepted a formula which, it seemed, would allow Austria to be Western. The one group who supported neutrality throughout the period of occupation, the so-called 'Democratic Union', accused in its time of neutralism, pointed out the real implications early on (1952);

"The people's representatives and government would have to accept a decision in celebratory form, as a result of which Austria, on the day of the signing of a State Treaty, of the withdrawal of all troops and the recreation of Austrian sovereignty would be obliged to follow a policy of neutrality in the sense of international law, in a bloc-free foreign policy which would make it forever impossible that the finally freed Austria could ever become a strategic or political instrument of one or other world power."¹¹²

Other Austrian politicians were at pains to distinguish between neutrality and neutralism. Yet the Cold War ensured that Austria would have to develop a policy based on co-existence. This had been long suggested by many Socialists and left-wing Catholics.

"Their critics accused them even in the 60s of naivete and utopianism. With the advent of actual detente between East and West, which meant an acceptance of the status quo for Europe, especially in the German question, there was an end in Austria to the fight against neutralism for the time being. The question became virulent again only when the Socialist-led government moved closer to the Non-aligned movement in the '70s."¹¹³

This is not to say that neutrality and non-alignment in their present contexts are the same. However both are seeking new perspectives on the East/West question and the neutrals especially Austria have sought to broaden the scope of their relations both in order to take advantage of developments in economic markets and in an attempt to escape an isolation within Cold War Europe. Nevertheless there are clear differences of emphasis.

"There exists in respect of permanent neutrality a clear cut legal prohibition to this effect [on joining military alliances]: the refusal of non-aligned countries to enter into military arrangements is solely based on a political maxim."¹¹⁴

In the case of the non-aligned movement membership of the military alliances around the Superpowers is incompatible with membership of the movement as such. This extends beyond NATO and the Warsaw Pact to

include CENTO and SEATO although France's agreements on Africa, the Commonwealth, OAS or OAU do not affect membership.

These principles are not codified and membership can be terminated unilaterally. Given the conditions under which Austria regained her independence and the international context of the State Treaty this is not the case for her, although Sweden may be in a different position. Traditionally, neutrality involved indifference whereas non-alignment was seen as an attempt to shift the debate positively. This is no longer true. The Non-aligned are not indifferent to East/West questions and do not take a 'neutralistic' ie. 'ideologically neutral' stance. They nevertheless decide on a more issue-by-issue basis than military allies. In a Cold War context this has become the substance, goal and method of Austria as well. As Daniel Frei points out the development of the N+N group and its activism at CSCE shows that apparently different policy methods can be reconciled in Europe.¹¹⁵

This is perhaps the most important point. The Non-aligned movement as such is a unity against an outside hegemony of East/West. It has little internal unity beyond an insistence that the reduction of world politics to the superpower struggle is sterile and dangerous both from a general perspective and from the point of view of their individual interests, as a 'great powers' view of the world threatens to reduce their interests to a minor footnote. This does not specify which issues should replace East/West but there is sufficient to find common interest between Yugoslavia, Nigeria, Brazil and India. The inherent logic of this interpretation is that AT THE MARGIN the interests of the neutrals and those of the non-aligned states coalesce. Some might argue that this is true of all states beyond the Superpowers who constantly wish to emphasize their own powers. It is certainly more obvious for neutral states barred from membership of alliances than it is for alliance members. It is also more attractive

for neutrals more directly involved in Cold War politics (Austria, Finland) than the older neutrals for whom neutrality has different roots, traditions, and implications:

"European neutral countries, although they are different by the character of their neutrality and formally do not follow the policy of non-alignment in their political actions, proclaim for instance as follows: respect of sovereignty, independence and equality of all peoples, repugnance of the policy of force and of interference into the business of other countries. If one compared the policy of Yugoslavia...with the foreign policy of Austria, Finland and Sweden, it is sure that their views on important international questions would be identical and in many cases even more so than in the case of particular non-aligned countries."¹¹⁴

Thus the possibility of overlap exists. This explains why permanent neutrality cannot be said to be in legal contradiction to membership of the Non-aligned movement, less so than UN membership.¹⁰⁹ As Luif points out, political grounds are the main problem.

The more obvious differences such as the different positions on North/South from the majority of the Non-aligned movement remain true, but as the Cold War has continued the neutrals have adopted the non-aligned notion of active promotion of peace.¹¹⁶ The financial pressures involved in poorer countries maintaining large armies has also led both groups to actively promote disarmament. Despite disclaimers that neutrality, neutralism, and non-alignment cannot be confused¹¹⁷ the continuity between neutrality and non-alignment as practiced by states such as Yugoslavia is at least as great as the internal continuity within the Non-aligned movement such as Cuba and Malawi. The proposition that military non-alignment provides the minimum requirement of a credible permanent neutrality serves our purposes best. X

Austria's UN voting record shows that her connection to small West European and neutral states is closest. Luif shows that in 1979 Austria's closest identity was with Sweden, Finland in sixth place, Ivory Coast in twenty-first, USA in fortieth, Yugoslavia in sixty-third, Cuba in one-hundred-sixth, and USSR in one-hundred-fourteenth

out of one-hundred-seventeen.¹¹⁸

Austria did not take part in any of the Summit Conferences of the non-aligned in the 1960s. In 1964, Finland attended as the first West European neutral, taking up observer status in Cairo. Austria was at this stage engaged in extending her connections with Africa and Asia under the influence of Bruno Kreisky as Foreign Minister. In 1970, with the SPOe now forming a minority government, Austria attended the summit in Lusaka. In order to avoid any impression that observer status might be a precursor to full membership, the Austrians had the special status of 'Guest' created.¹¹⁹ This status was also adopted by Finland. In 1973 (Algiers) Sweden also took up Guest status, joined by Switzerland at ~~Columbo~~ ^{Colombo} (1976). Austria has always been represented by a civil servant (Ambassador Jankowitsch in 1970) but in 1979 in Havana, Finland was represented by a State Secretary (ie. political representation). Luif concludes

"In terms of numbers, geographical location, economic development and systems, political structures, legal status and basic positions in the global conflicts [!!] of our age they are indeed fundamentally dissimilar" but however "In terms of actual behaviour... permanently neutral states and non-aligned are not as far apart as they might be expected to be against the background of the above distinctions."¹²⁰

By 1980, SPOe Club leader Fischer was reassuring conservatives that Austria would not join the Non-aligned movement, despite no fundamental contradiction between neutrality and non-alignment.¹²¹ This has remained Austria's position. We will examine this below when examining domestic debates on foreign policy.

Austria and the Palestine Question

Austria's far from obvious preoccupation with Middle Eastern politics has already been mentioned at CSCE. Indeed Bruno Kreisky more than perhaps any other non-American outsider has taken up this issue. In many ways this is a classic example of an individual influencing foreign policy and underscores the dominance of Kreisky's

position. Despite disclaimers by close associates that

"it would be exaggerated and mistaken to speak of 'Kriesky's Middle East Policy'"¹¹⁶

it is clear that he exerted the major driving force behind the policy. Nevertheless SPOe politicians often feel obliged to deny any personal domination;

"It is not possible in a democracy. One can force nothing through in a democracy if one does not maintain at least the passive understanding of the majority of the voters, otherwise one cannot be re-elected three times as in Kreisky's case."⁸⁹

While the passive acceptance of the SPOe on this matter must be granted, it is quite clear that the obsession was Kreisky's. Although, as Lanc points out, there are parallel interests in developing economic contacts with the Middle East, and as others are keen to underline there is some historical connection through the Crusades and contact with Ottoman Forces in the Balkans, Austria's involvement with Middle East Affairs in the 1970s and '80s cannot be derived from these facts alone. This is also widely conceded.

"This interconnection with Arab matters has a historical root; the Kaiser was also King in Jerusalem as well... Kreisky became the spokesman for the Palestinians. This certainly brought us economic advantages in Arab countries, but it also caused us political difficulties, for example with the UN"⁸⁸

Kreisky's position as an Austrian of Jewish birth if not practice perhaps explains his unique position. His first direct involvement in Middle Eastern affairs was participation in a conference in Cairo as Austrian foreign minister in March 1964. It was to be the start of twenty years of personal obsession. In the newly published book Das Nahostproblem¹²³ the development of Kreisky's thought since his most important single initiative as head of the fact-finding mission for the Socialist International (S.I.) in 1976 until the mid-1980s can be admirably traced. I do not propose merely to precis this work. Rather I will now concentrate on the degree to which Austria became involved in Palestinian affairs and some of the individual events

which affected perception on the issue.

In 1964, Israel was under threat of having the flow of all the Jordan headwaters cut off by Arab States. Kreisky's visit was thus attacked by Israel's Prime Minister Golda Meir who asked "why the first western statesman who had to travel to Egypt had to be an Austrian Foreign Minister of Jewish background?"¹²⁴ This was the first sign of strain in the relations between Kreisky and the Israeli State which were to develop into a long-running saga of hostility.

In the 1967 War, Austria attempted to avoid taking any particular side. This was difficult to maintain at the UN. Many criticized the government for being over-cautious. In the end, Austria voted against a Yugoslav/Indian proposal for an immediate withdrawal from occupied territories and for a Latin American proposal which called for a halt and asked parties to reconstruct relations on the basis of good neighbourliness.¹²⁴ In the event, many Eastern Bloc countries broke off diplomatic relations with Israel and were represented by neutrals. Austria took over responsibility for Czech, Bulgarian and Yugoslavian nationals.

On coming into government, Kreisky quickly brought the Middle East question to the fore. In 1971 at the Council of Europe he raised the problem as a necessary part of CSCE. This was a repeated Austrian theme in the build up to the conference.

Austria's own vulnerability to attack by terrorists became real at the end of September 1973. Since World War II, Austria had been the first western stopping point for Jews emigrating from the Soviet Union. Many passed through the Soviet camp at Schonau near Vienna run by the Jewish Agency. It was an important symbol for many Jews, visited by Golda Meir and Abba Eban among others. Even by 1972, security chiefs in Austria were showing concern about the camp.

"In the last eight years 164,000 Jews have emigrated to Israel by

Schonau"125

.. wrote 'Profil' pointing out its central importance. Yet even before the attack the role of the Jewish Secret Service within the camp was in question.

"For at least half a year officials in the foreign ministry have been concerned about Schonau and in the Interior Ministry worries that the Israeli Secret Service which has built an inner security ring around the camp have risen considerably."¹²⁶

'Die Furche' wrote:

"The Schonau camp has never been a problem-free affair. It is uncontested that armed Israeli Secret Service agents were based in Austrian territory in and around Schonau... state within a state, foreign secret service agents in Austria."¹²⁷

Plans for attack were uncovered as early as February 1973. The attack actually took place on 28th September. A train carrying refugees from the Soviet Union was attacked by Arab terrorists as it crossed the border from Czechoslovakia into Austria at the village of Marchegg. They took four hostages and forced railway officials to give them a car which was driven to Vienna airport at Schwechat.¹²⁸ All planes were diverted while negotiations took place. The hostages were freed while the Austrian government agreed to the closing of the transit camp at Schonau as their part of the bargain. The terrorists were flown to Libya. International reaction was widespread and hostile. 'The Observer' wrote;

"Even if Kreisky's resignation were necessary to reverse the promises to the men with revolvers, it would be a smaller price to pay than to burden a country with responsibility for a voluntary act of cowardice."¹²⁹

Although the Austrians immediately set up a new camp under Austrian control and the flow of Jews was not stopped the Government's attitude was condemned as weakness in the face of terrorism and caused uproar and outrage in Israel. Things were not helped by the official messages of thanks from Arab countries that the camp had been closed.¹³⁰

Kreisky for his part defended his government's role on the basis

that on no account would he allow Austria to become the scene of a Middle East conflict. The outrage in the Israeli media resulted in a visit to Vienna by Prime Minister Golda Meir, who tried to persuade Kreisky to reverse the decision on Schonau. She, like others, had little success.

Nevertheless, there followed a remarkable series of events which pushed the incident into the background:

"Just after Golda Meir's departure from Vienna, President Sadat sent one of his close associates, Ismael Fahmi...to Austria [3/10/73]... In a long discussion with the Chancellor, Fahmi declared that a new Arab-Israeli War was unavoidable and that the outbreak of war was to be expected before the end of the year."¹³¹

A matter of days later the Yom Kippur War began, catching Israel by surprise. At the same time, the Israeli press was preoccupied with its attacks on Kreisky.

After the War, the S.I. held an emergency meeting in London at Meir's request. After considerable personal disagreement, Kreisky persuaded the S.I., against Meir's wishes, that they should set up a fact-finding mission to the Middle East, under the leadership of Kreisky, with representatives of eight (later three, then four) member countries. In March 1974 the first visits took place in a process which ended in 1976. Kreisky himself wrote:

"I do not deny that I consider the problem of the Middle East as the decisive question for world peace in the present phase of our history and if we succeed in hastening a peaceful solution then this peace would be an historic achievement of such a size that has not been man's pleasure for centuries, and I believe that this possibility exists for the first time."¹³²

Despite the official acceptance of the mission, the commission found the Israeli Labour Party suspicious and sceptical. Sadat on the other hand appeared cooperative.

When the report was published, it had a six point recommendation: return to 1967 borders, creation of West Bank Palestinian state, return of Egyptian and Syrian territory, special arrangements for

Arabs left in Israel, agreement on refugees and Israeli settlements, and a "Rome" solution for Jerusalem where all would have free right of access.¹³³

The publication of the report coincided with turmoil in Israeli politics which resulted in Likud winning power in 1977. Hopes of a solution based on the report were soon seen to be unfounded. Begin had himself met the mission and declared his opposition to ever returning to 1967 boundaries. He had rejected any possibility of ever accepting the rights of refugee Palestinians. This theme of the Palestinians now became dominant in Kreisky's thinking. His frustration with Begin exploded in an interview with a Dutch magazine Trouis when he said:

"Never before was a vision so close to realization. Never before has shortsightedness on the part of human beings so hindered its realization."¹³⁴

His frustration with Israel in the S.I. also emerges;

"I had to accept one defeat after another from Golda Meir. For years it was taboo to speak of Palestinians in the S.I. I was the first to speak of Palestinians. I remember how bitterly Golda Meir reacted: "Palestinians? Who are they?" This is an endless arrogance which Jews do not recognize in themselves, but it shows how Palestinians are discussed."¹³⁴

Most damning of all he dismissed Begin with an arrogance and anger extremely uncharacteristic of most of his political pronouncements.

"I went to Israel and met my friends in the Israeli Labour party. I told them, Sadat is the man who wants to make peace. They thought I was naive and was poking my nose into everything. But he (Sadat) had to deal with idiots, with political idiots (Kramen) like Begin, that little Polish lawyer or whatever he is. They are so distant from normality they think in such perverse ways these Eastern Jews. They have no sense of political responsibility."¹³⁴

This degree of personal emotional involvement in the affairs of a region beyond the immediate realm of responsibility is obviously very unusual. Although the Mission had taken place in the name of the S.I., Austrian persistence at CSCE and Kreisky's dual role show that Austria's entire policy reflected his opinions. Certainly it is acceptable to say that Kreisky did use both his positions to create a united front between Austria and the S.I. Austria's foreign policy

differed in no respect from the views expressed by Kreisky throughout the world, though there was some embarrassment in SPOe and Foreign Ministry circles over the degree to which a personal obsession could become national policy.

Kreisky's most controversial 'intervention' or initiative in the Palestinian question came in 1979/80 when the Austrian government became the first and so far only western government to officially recognize the PLO. In response to a letter from Yasser Arafat, leader of the PLO, in which Arafat named a representative to the Austrian government, the Chancellor's office replied:

"Considering the fact that the PLO is the representative of Palestinian people, the Austrian Federal Government take note that Ghazi Hussain has been appointed the representative of the PLO to the Austrian Government."¹³⁵

Israel accused Austria of a one-sided approach. Within Austria, the OeVP increased their attacks talking of a clear break with legal tradition whereby states are recognized not governments or organizations. Kreisky defended his position at the UN:

"It appears to me that the time has now long come to create some clarity on this question. If all Arab peoples including Egypt recognize the PLO as the legal representative of the Palestinians, if the non-aligned group does the same, if the representative of the PLO has a seat in this Assembly, practically unanimously, then it cannot take much longer until all states in the great community accept that the PLO is the representative of the Palestinian people."¹³⁶

According to Benedek, the recognition of the PLO was designed to reach specific goals. Kreisky declared that Austria has chosen this path to give other states the opportunity to follow suit. The PLO greeted Austria's attitude as a 'turning point in the attitude of western Europe'.

At the Venice summit meeting of the EEC (June 1980), Community leaders followed the Austrian lead only insofar as they recognized Palestinian existence and their right to self-determination. Gaston Thorn was dispatched on a further EEC fact-finding mission, meeting

with Arafat in ~~Beirut~~^{Beirut,} but no recognition resulted.

Kreisky himself broke somewhat with Arafat in the 1980s. Internal disputes within the PLO lead to the death of Kreisky's personal friend Sartawi, with Arafat as the suspected killer. Despite continued support for Palestine and outraged response to events in the Lebanon, Kreisky has not since met with Arafat.¹³⁷ He has withdrawn from active involvement in Palestine, judging his own performance with both satisfaction and disappointment.

The spectacle of a non-Zionist Austrian Jew becoming close to the PLO and perceived at times in Israel as being anti-Semitic, something which Kreisky strenuously denies, is indeed unusual. As Thalberg points out

"The irony of fate determined that Kreisky's efforts for peace in the Middle East were considerably more successful with the Arabs than with the Israelis. The change in Arafat from radical terrorist boss into a relatively moderate politician is not least due to the influence of the Austrian head of government."¹³⁸

Even more interesting is the degree to which one man's obsession shaped a state's policies, moving into a vacuum of disinterest. He managed to mobilize both Austria and the S.I. behind his opinions - a considerable achievement. Shortly after Sinowatz took over he recognized this when he said:

"We wish to continue in the same way though I do not want you to forget that much that was identified with the personality of Chancellor Kreisky--his profound involvement with foreign policy--cannot continue as though nothing has changed."¹³⁹

Domestic controversy over policy issues

During the 1970s and the continued dominance of the foreign policy arena by the popular Chancellor Kreisky, frustration with longterm exclusion from direct formulation of foreign policy began to grow in the OeVP. Protest was focussed on the supposed deviation by the SPOe from the principles of foreign policy agreed by the two larger parties at the time of the Grand Coalition and which had formed the basis of a

successful alliance of the two parties. The OeVP thus attacked the SPOe's neglect of relations with the Superpowers, in particular the USA, the laxity of SPOe approaches to the EEC, the development of contacts with the non-aligned movement and Austria's close association with events in the Middle East through Kreisky. Steiner put the objection as follows;

"Kreisky left most issues to the administration for a short while, for example when Kirschlaeger^{ch} was Foreign Minister. He only intervened in a few cases which appeared to him spectacular, although even then it was with these mad flings to one side or another. At least when the administration had reestablished equilibrium he was glad of it. This equilibrium was totally lacking under Minister Pahr, and of course with Lanc. His statements became more and more accepted by the administration. Until Kirschlaeger's^{ch} time, despite Kreisky's occasional interference, the basic principles remained the same, and this was visible from outside... Kirschlaeger^{ch} merely continued the policy of the coalition... Kreisky is an amazing snowman. The 'truth' he states one second changes the next second... In the last 'Spiegel' he makes a statement about the mistakes of Austria's South Tyrol policy 1945-6; he only came back from Sweden in '48! He wasn't even there - but he knows how it was!.. Recently in a magazine article, he said something typical for him; 'The truth is when one says what one thinks.'.. That means I can think up any old nonsense and say it and it is true. Such statements are phenomenal!"¹⁴⁰

Steiner's frustration is obvious. However what is not so immediately apparent is the subtle thrust of his critique. According to his analysis, Kirschlaeger^{ch}, now widely regarded as a remarkable moral guide in Austrian political life is absolved of most of his responsibility for the breach of coalition policy. Of course, the OeVP supported Kirschlaeger^{ch} as candidate for the presidency at his second attempt in ~~1974~~¹⁹⁸⁰, and Kirschlaeger^{ch} himself was politically more popular than the party. As we examine the issues, eg Palestine, Non-alignment, EEC agreements etc. we will see that divisions between the parties on foreign policy can in no way be said to stem from the post-Kirschlaeger^{ch} period alone. This small example should at least make us aware that OeVP critique is much more readily comprehensible as the frustration of a desperate opposition than as the call for a more principled policy.

One of Kreisky's sharpest conservative critics, Andreas Unterberger

of Die Presse, wrote in 1981;

"Neutrality, Detente and Bruno Kreisky; these are the three things which have formed Austrian foreign policy over the last decade."¹⁴¹

Nevertheless we must quickly dispel the illusion that division emerged only under Kreisky. Certainly given the period of absolute majority enjoyed by Kreisky's Socialists the split developed further, however we have already seen that this breakup had begun at least as early as 1963 with the disagreement over the 'go it alone' to the EEC. During the Klaus period, the SPOe openly attacked the Government at the time of the Czech crisis. In addition the SPOe voted against the South Tyrol package agreement in Parliament. Together with differing approaches to the EEC it is clear that party-political divisions on major foreign policy issues were becoming widespread early on. Pahr rejects OeVP claims thus;

"This attack is completely false. One only has to look at the foreign policy disagreements in the time of the OeVP majority government. These disagreements between 1966-70 took place with the greatest division, for example over the Czech conflict in '68. These fights took place in the immediately subsequent period under Kirschlaeger over the question of the recognition of China or the question of Austrian membership of the Security Council. These are allegations of the OeVP which are based on no evidence. On the contrary, in fact during my time we began to inform Parliament over foreign policy events much more than in the past on the one hand through the Aussenpolitischer Bericht and on the other by making embassy reports available to all three parliamentary groups. Also in my time there were regular meetings of the three foreign policy spokespeople of the parties with the Foreign Minister. All this did not exist before."⁹¹

This analysis is hard to dispute. Nevertheless the impotence and frustration of the OeVP continued to grow. Until 1975 the chief mechanism for information had been the 'Foreign Policy' section of the Budget debate. After 1975, the emphasis shifted to an annual 'Foreign Policy Report'. The OeVP used this forum to attack Government policy every year. It was in the debate on the report in 1977 that the frustration boiled over. OeVP chairman Mock attacked almost every aspect of Government policy. He accused the government of changing

agreed practice forcing the OeVP to support measures with which they fundamentally disagreed;

"The reasons for this are mainly historical. For a long time, foreign affairs were the preserve of the executive.. The notion of the autonomy of foreign policy and the necessity of a united approach seen abroad has maintained its force into the present day. The emphasis on a united foreign policy is in an attempt to increase Austria's impression of reliability to outsiders."¹⁴²

As Rottensteiner points out, apparent unanimity will become a sham if it merely masks permanent division. Mock traced the roots of the government's 'shambles' to the lack of coherent strategy. He thus proposed a surprise motion of his own, in which he formulated principles for Austrian foreign policy. Following protest, the motion was withdrawn, replaced by an OeVP motion to be considered in committee. The SPOe countered with their own proposals six weeks later setting off a new debate.¹⁴³

The OeVP demanded new priorities in policy especially with 'those superpowers decisive for Austria and her region', with neighbouring States. They demanded increased trade cooperation with Western Europe and with Eastern Europe as a contribution to stability. In response, the SPOe maintained that improved relations meant emphasis on neighbouring States and on the Security Council, but pointed out that in a global system there could be no fixed areas of concentration. The centrality of the UN in SPOe thinking contrasts with OeVP preference for direct dealing with the superpowers. There is a subtle difference between OeVP insistence on 'Western Identity' and SPOe contact with 'the democratic States of Europe'. Nevertheless the most striking difference was in the degree of detail and longrun application of OeVP conceptions set against the SPOe proposal which was largely a vague statement on the current state of Government policy. Both proposals were dealt with by committees of the Nationalrat but the re-election of the SPOe in 1979 effectively ended the OeVP's motion. As a result no foreign policy doctrine could be

agreed and the oppositionalism of the OeVP merely increased. In 1984 Khol linked SPOe policy to Austria's difficulties over technology transfer.¹⁴⁴

It is nevertheless true that SPOe policy remained far from radical. Indeed, it developed along similar lines to that of other Social Democratic groups in Europe. The frustration of the OeVP at being dwarfed in the international arena by Kreisky's policy also allowed them the luxury of maintaining that they had held policies with a direct lineage to the State Treaty. In reality this is a complete myth. The main problem for the SPOe was that they had virtually no strength in depth in the foreign policy arena. The short period when Lanc continued Kreisky's policy floundered due largely to lack of support within the SPOe in 1984. His replacement by Gratz was motivated more by an attempt to provide the then-prospective Presidential candidate with foreign policy experience than with a real change in policy. The OeVP on the other hand had developed a larger body of oppositional opinion mobilised and able to influence the SPOe in the guise of consensus. The difficulties over the Reder and Waldheim affairs merely confirmed SPOe inexperience in foreign affairs. Ermacora almost concedes this;

"There was no money for the military because.. in my opinion there were over-pacifist Ministers. Lanc was such a Minister and Salcher. But we don't have this kind of Minister any more, thank goodness."¹⁴⁵

The fact was that none of Kreisky's Foreign Ministers had been SPOe members. Kreisky's preeminence was as much due to lack of interest as vice versa. There are clear cases where change in policy can be shown to have come from the OeVP rather than the SPOe. In seeking closer ties to the West, the OeVP sought to justify rather than reject NATO rearmament. In 1980, Mock warned against;

"the dangerous and unrealistic fantasy.. that Europe can release herself from America without putting freedom into question"¹⁴⁶

In 1984 with continued Austro-American strain, Mock seemed to support the Reaganite view that Detente was an 'illusory foreign policy concept' which had led to rearmament in the USSR and neglect of the West's defences. He further blamed Cuba for the situation in Central America;

"All the states in Central America are united in believing that Cuba wishes to influence internal development. Thus this region is dragged into the East/West conflict. Concrete examples of this are Nicaragua and El Salvador."¹⁴⁷

We have also seen that the OeVP has witnessed a much more radical reassessment of relations with the EEC than the SPOe. The Austrian 'new right' around Khol are now determined on an eventual full membership for Austria. As he says;

"Today's discussion cannot take place merely with a view to neutrality... The new aspect is about survival as an industrial nation."¹⁴⁸

It is clear that the OeVP is the party which seeks to break the consensus of the 1960s. We must stand back and see OeVP claims of SPOe deviance not so much at their face value but part of frustrated oppositionalism from a conservative position. There are clear elements who fear that Austria under Kreisky failed to stress its western leanings sufficiently. Of course, the OeVP objects where government policy is at variance with the interests of their supporters. We must conclude that OeVP policy is aimed not so much at consensus but at an attempt to shift the dominant strand in Austria's dilemma in favour of the West. We are confronted with the domestic political reality that the nature of neutrality here too is not so much a matter of law but of political conception of what is possible within that law!

Let us look briefly at controversy on three specific issues; Non-alignment, Palestine and Detente policy, though a clear separation of these issues is impossible. The SPOe government based its argument for participation as a guest in the Non-aligned movement summit on the

need to extend contacts beyond Europe;

"The Non-aligned movement is today.. the largest and most representative group of developing countries in the world"¹⁴⁹

In retrospect, as Luif observes, Waldheim's candidacy for UN Secretary-General was almost certainly helped by attendance.¹⁵⁰ The reality was that Austrian contacts outside Europe were negligible. In seeking to build relations to a wider network, Kreisky and ^{ch} Kirschlaeger were thus obviously drawn to the Non-aligned Movement. [^] This paralleled the increased awareness in Social Democratic circles of Development issues and of the global nature of Superpower conflict emerging in Vietnam.

The decision was nevertheless heavily criticised by the OeVP. Karasek sought to emphasise the differences between neutrality and non-alignment or 'neutralism'.

"The Neutral has to keep out of political groupings of whatever type- be they East, West or Third World"¹⁵¹

By the 1980s of course a significant group within the same party was prepared to argue that membership of the EEC was quite acceptable under neutrality!

The approach to the non-aligned was paralleled by involvement with the Middle East, recognition of Red China and election to the Security Council. All this emphasised the new 'Global' aspect of Austrian policy. At the very least at the Security Council, Austria had to make decisions on the Middle East, North/South and Development. We must see this development not only in domestic terms, but also as consistent with the general trend of Social Democrat thought as personified by Brandt and Palme. The development strategy attacked as over-radical by the OeVP is viewed as inadequately conservative and unrealistic from a Third World perspective. The truth is however that despite OeVP claims, Austria risks at best becoming a marginal irrelevance or a western attachment if no coherent strategy on world

issues is developed. classical war in Europe has been replaced by the Cold War. This has had an enormous effect on neutrality. Neutral States must now also address their foreign policy to the North/South question, especially within the other centrepiece of Austria's neutrality, the UN.

The one area where Austrian policy was clearly more radical than elsewhere was on Palestine. Here as Pahr and the rest of Kreisky's defenders point out, Kreisky's identification of the Palestinian issue as the crucial one has proved as least as accurate as the views of his detractors. It is hard in the nuclear age to fault Kreisky's diagnosis that European security is threatened by superpower conflict in the Middle East. He thus justifies his own involvement;

"Small and middle-sized States must do all they can to solve existing conflicts among themselves if they want to avoid the danger of interference from the Superpowers"¹⁵²

Pahr highlighted the degree to which Austrian policy now has to be global, by identifying the crises of 1979;

"the revolution in Iran, the situation in the Middle East after the peace treaty between Egypt and Israel, the conflict between Vietnam and China, the tragedy of Cambodia, the growing unrest in Africa, the expulsion of the dictatorial regime in Nicaragua, the dangers of a new arms race in Europe"¹⁵³

In such a world, guest status of a neutral at the Non-aligned movement appears as a minimal step. Nevertheless, a domestic controversy broke out in 1979 over SPOe initial support for Cuba as a member of the Security Council. The Afghanistan crisis intervened, but domestic divisions were now exacerbated. The problem, westernism within neutrality, was unconsciously identified by Pahr in 1980;

"With the proviso of clear maintenance of our ideological alliance with the Western World, we will continue our foreign policy equidistance to the Great Powers and both military systems into the future as well."¹⁵⁴

The debate on non-alignment showed more than in other debates the degree to which there is a permanent ambivalence in Austria's

position. The SPOe were now clearly following a policy in line with Swedish Social Democracy and NOT-alignment. This involved a high profile activism in peacetime. It is notable that the German SPD in opposition now reflects similar thinking. This position is unacceptable to the right of the OeVP, though it may reflect some of the left/Catholic thinking around figures such as Busek. Unterberger attacked such thinking as ultimately tending to Moscow. This 'abyss' is justified as the road to independence.¹⁵⁵ He claims to note a progressive softening of Austrian attitudes to the USSR over Hungary, Czechoslovakia and Afghanistan. Kreisky's neglect of military matters is more important than his detente policy. Unterberger proposes an emphasis on military matters (officially a REemphasis), a careful conduct of relations with the USA and improving the scope of relations outside Europe. Austria, he claims, has doused everything with a mistakenly 'total' view of neutrality.

Yet this is very hard to prove conclusively. Throughout the 1960s Austria supported coexistence policies. There is more evidence that the opinions of NATO member States changed than that SPOe policy has undergone radical reassessment. The reality is that OeVP Austria justified its neutrality by pointing to improved East/West co-operation, being neither NATO nor Warsaw Pact. Unterberger seems to see a similar policy in the SPOe-led 1980s as pro-Moscow. Additionally, the critique of the USSR over Czechoslovakia came from the SPOe and not the OeVP. In 1981, Kreisky clashed with both USA and USSR over Poland. The deterioration of Austro-US relations paralleled a deep cleft which developed between the entire European left and the United States. In NATO countries this only reached party-official level when the left-parties were in opposition (UK, West Germany), however its vocalisation in neutral Austria cannot be held to be evidence of latent softness on Moscow. The same is true of splits

over Nicaragua, Olympic boycotts and trade sanctions. Within the realm of detente, the OeVP position shows more change than that of the SPOe.

In the end most of the OeVP attacks on the substance of SPOe policy bare the hallmarks of frustrated oppositionalism. This is not to say that SPOe policy in the 1970s and '80s cannot be radically criticised, but rather underlines the paucity of political debate in Austria over foreign policy. The most coherent contribution came from the New Right represented by Khol and in part by Ermacora, who argued in effect for a fundamental societal shift away from neutrality to a non-military but effective alignment. This debate on the nature of neutrality has not yet run its course, but its significance lies in its centring of the debate within peacetime. It is indeed the assumption of both Khol and Ermacora that war will not happen provided that deterrence holds. As such neutrality, even if admitted as having peacetime significance, has certainly lost its wartime relevance. The reaction of the right appears to be to reduce any further relevance it might have.

The SPOe since Kreisky has been overwhelmed by domestic and international difficulties stemming from the Kreisky period. This seemed to allow the OeVP appear more coherent on foreign policy than the ruling Socialists, for the first time since Raab and Figl. Nevertheless, it will not be possible for any government to restrict the horizons of Austrian policy to those of the 1960s. As such, the priorities of the OeVP appear largely impractical.

Final Remarks

Austrian foreign policy under Kreisky clearly developed new dimensions in the 1970s. In all of these developments (Security Council, Non-aligned movement, New Marshall Plan, PLO) there has been

considerable opposition, and the Proporz unity of the State Treaty has been shattered. The trend has been to a high profile in international affairs. Kreisky's personality and that of close associates such as Kirschlager, Lanc, Jankowitsch and Pahr has been clearly stamped on much of this development. Certainly, Austria cannot be accused of lacking initiative in the world stage. The SPOe has used neutrality as a means of gaining access based on a status as an honest-broker forged at regional level and now extended to the realm of issues.

Austria under Kreisky can certainly lay claim to being the western country which was most serious in its search for a solution to the conflict of the Middle East. In many respects these new dimensions and the record of Austria in detente questions allowed Austria the illusion that she had escaped her past very effectively. Austria's international image seemed forged in the present not the past. The recent affairs (Waldheim/Reder) may have confirmed that despite Kreisky's efforts, the impression of the 1970s was illusory.

Certainly after the departure of Lanc from the Foreign Affairs ministry, Austrian policy returned to a new calm. Kreisky's very dominance may have created a highly unstable equilibrium which his successors have been unable to maintain.

Kreisky has continued in retirement to be active in this new global sphere. This has by turns been interpreted as helpful and interfering. Nevertheless in 1986 he named this area as the sphere of his abiding interest;

"The foreign policy area in which I still want to get quite involved in this last period of my life is that called in diplomatic circles the North-South Question. I mean a new cooperation between the rich industrial states and the poorer developing countries."¹³⁴

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CHAPTER SEVEN

Austrian Neutrality and Defence Policy

"A prince therefore, should have no other object or thought, nor acquire skill in anything, except war, its organisation and its discipline... The art of war is all that is expected of a ruler... The first way to lose your state is to neglect the art of war, the first way to win a state is to be skilled in the art of war."

N.Macchiaveli, 'The Prince, Ch. XII

The role of the military in neutral States since the war has become a matter of some controversy. This is particularly true of Austria, where defence has been a party-political and electoral issue. I will be concerned with the role of a defence policy under neutrality and the changes and adaptations which have taken place in Austrian practice. I will not try to describe Austrian military capability or strategy in any detail.

During the four-power occupation there was no real development of an Austrian defence force. National sovereignty and independence had first to be achieved. In the civilian realm, a police force (gendarmerie) was organised, but the presence of the allied armies prevented any credible notion of 'national security'. In any event, the experience of the war and the starvation years after 1945 had left a deep impression. The destruction was a strong element in preventing pressure for any military expansion. As Spannocchi points out;

"the victorious powers... had a relatively easy task convincing a people of seven million who had mourned 470,000 dead and missing in action, that the root of all evil in the world was the military."¹

In 1955 the Austrian Second Republic established a Federal Army (Bundesheer). The basis of this was the so-called B-Gendarmerie set up after the Communist seizure of power in Czechoslovakia in 1948 and led by ex-army officers since 1952. By 1955, this troop consisted of 7,000 men, 340 officers and 200 NCOs. The creation of the Bundesheer

was a matter of some political controversy. The Socialists had an extremely ambiguous position towards armies. The Arbeiter Zeitung expressed the feelings of many when in 1945 one of its headlines ran "Away with the Barracks".² The memories were not merely confined to wartime. In 1934, the professional army of the First Republic dominated as it was by supporters of the right wing Dollfuss, was used to fire on the homes of Social Democratic Workers in the short Civil War of February. The OeVP was happy to establish a professional army in the Second Republic under the notion of the 'apolitical soldier'. The SPOe insisted on a broader-based institution, with minimum cost and more democratic organisation, including party representation.³

There was another problem of historical continuity. Officially the Bundesheer had ceased to exist between 1938 and 1945. Despite the fact that Austria was (officially) a victim of Nazi aggression, the regiments fought with considerable strength for the German Reich. The new institution of 'Bundesheer' had no official connection to this fact. Here we see one of the most blatant examples of contradiction and manipulation of half-truths in the Austrian myth. The only feasible hierarchy for an Austrian army came from those tainted by their full participation in the Civil War and/or the Reich Wehrmacht. In 1984, the FPÖe Minister of Defence, praised one regiment as follows;

"After further great achievements in both world wars, it was possible to let this historic troop live on in the Landwehr regiment"⁴

Of course the officers of the new Bundesheer came from the ranks of the Wehrmacht. The State Treaty did impose some restrictions through a specific prohibition on the recommissioning of soldiers who had reached the rank of General or Colonel during the War. The result was that the new Bundesheer was structured as a miniature reproduction of the Wehrmacht.

With this background in controversy it is not surprising that

Austrian defence policy and more importantly policy-making has had to develop differently from that in other neutral States. The domestic environment has been markedly different in Sweden and Switzerland. We will see also that there has been considerable and remarkably successful opposition to aspects of the arms industry. All of this has given rise to considerable political debate in Austria on the entire role of defence. This has not emerged to the same degree elsewhere.

Neutrality and the duty to defend.

According to the Swiss notion, Neutrality has always been an armed concept. Among the duties indicated by the political department, the prevention of the violation of neutral territory through War, the transport of troops, munitions or even supplies is an absolute duty of neutral States. This also applies to overflight in the modern era.⁵ In general, no neutral should conduct military negotiations or agreements with outside States.

"A neutral must defend its neutrality and its independence. In this duty lies the guarantee of the maintenance of neutrality against other powers and the complementary response for recognition of the legal status. This is also a practical pre-condition of a successful neutrality."⁶

In seeing this absolute obligation to maintain a national defence system, Bindschedler reflects the tone of the vast majority of legal experts on this subject. Writing in 1957, the Austrian observer Peter Berger wrote;

"In any case, a neutral State like Austria must make efforts in defence in the sense of the decisive legal principle carried out 'in good faith'"⁷

In this he is supported by all the leading legal experts on neutrality law.⁸ In the words of Felix Ermacora;

"Today, as before, the duty of a neutral to defend itself militarily is regarded as an absolute condition for the existence of permanent neutrality under International Law."⁹

Certainly it is the view of all State systems that this is the case, and the SPOe itself has never officially questioned the need for an army. In 1955, the speaker for the OeVP in the Neutrality Act debate, Toncic-Sorinj put his party's position;

"In the long run, Neutrality is only present where there is strength and a successful will to defend stands behind it. This is the principle of armed neutrality. This armament is so closely tied to any true concept of neutrality that it is stated at the very beginning of Swiss neutrality. There is no neutrality without an army. This creates one undoubted obligation for Austria; if that which we are at present planning proves insufficient, then we must extend our military muscle far enough to be truly effective."¹⁰

The immediate problem with such a harsh definition is that in making an essential of military strength it effectively precludes any modern Neutral being successful. The most extreme positions in this respect have claimed that neutrality is merely military. Gerhard Henk believed that;

"there is only military neutrality; everything else is in my personal opinion merely legal additions around the core."¹¹

On the other hand there are those who maintain that neutrality law implies no direct obligations. The clause in the XIIth Hague Convention on War at Sea (1907) which imposes defence 'by all the means at her disposal' is here interpreted as not implying a military strategy with the argument that these clauses apply only to wartime and as such apply to ad hoc as well as permanent neutrals. It is clear that ad hoc neutrals cannot have any prior obligations imposed on them and thus;

"In conclusion, one can say that a defence or arms obligation of a neutral State as a generally applicable legal norm can be deduced neither from generally nor partially applicable treaties."¹²

The only possible basis for a legal obligation comes from the insistence of the powers in the treaties establishing Swiss and Belgian neutrality whereby the powers refused to aid the neutral if it did not participate in its own defence. Nevertheless the Kellogg Briand Pact and the Charter of the UN has changed the scenario in that

the Neutrals' part of the bargain, ie the duty not to start a war has been extended to all States. Thus this is no longer merely a principle of neutrality but of collective International Law. Were a conflict to emerge between States protecting neutrals or obeying the Charter of the UN, the UN would by normal legal principles have priority. Yet many writers have overlooked the importance of these new laws, eg Verosta still wrote;

"Alone among sovereign States, only perpetually neutral States have given up the right to declare war of every sovereign State through the obligations of neutrality."¹³

Since the Kellogg-Briand Pact and the UN Charter, this is no longer the case;

"The statute of permanent neutrality is today protected to the same degree as the status of every other State; the guarantees of territorial integrity and sovereignty are the same for all member States of the UN."¹⁴

All this of course assumes a law no longer capable of controlling absolutes but in the service of a higher ideal which is variously described as 'freedom', 'peace' or 'independence'. As we have seen, many Austrians are themselves insistent that neutrality is not an end in itself but a means to that end. Kirschlaeger^{ch}, in support of this said;

"Herr Berger emphasised that he places higher value on independence and that neutrality is only a means to an end. I can only underscore this completely and without reservation."¹⁵

This has brought them criticism from many anxious to restrict neutrality but this logic had already proved essential in the rationale provided for a new-found compatibility between neutrality and collective security at the UN; ie compatibility of higher ends. The majority of course see no contradiction between the duty to defend and the service of higher goals and as such reject any position which seeks to counterpose them as options;

"Independence is the same as peace for us... Austrian and Swiss perpetual Neutrality are so strong that they can stop the spread of

war onto their sovereign territory... "16

But others again accept the contradiction, including ex-Army chief Spannocchi, who argued that here was a question of the higher good. We are herewith clearly back in the realms of political and not legal decision-making;

"On the question of whether the prohibition of defensive weapons is not implicitly contrary to International law, I am more of the opinion that this is true... I am of the opinion that Missiles are totally prohibited by the State Treaty. It is a question of the higher good. The higher good is in my opinion the maintenance of permanent neutrality."¹⁷

It is refreshing to be treated to a direct confrontation with the underlying question. After the Czechoslovakian invasion in 1968, Foreign Minister Waldheim seemed to move the emphasis away from military matters;

"In the past, much was made of so-called 'military neutrality', which in any event does not exist under International Law. It would be an all-too simplified interpretation of the concept of permanent neutrality to see in neutrality only the duty to be neutral in wartime or to be non-aligned in peacetime and to forbid foreign bases on sovereign territory. I wish to expressly warn against such over-simplification."¹⁸

There emerges a somewhat more confused picture than might have been assumed at the outset. Even the duty to maintain an army can no longer be assumed an absolute if neutrality can always be interpreted as a temporary means to a more permanent end. It becomes a decision of political relevance rather than a legal presupposition. In this debate, the argument would seem to be bounded not by law but by possible political absolutes; ie 'total' defence or unarmed neutrality. Between these poles party-political and international fashion and considerations would appear to be decisive.

Before we go on to examine the series of political alternatives, we must look at another aspect of Austria's legal heritage which has profoundly affected defence thinking - the prohibition on the possession of missiles or 'Raketenverbot'. As an integral part of the State Treaty, Article 13 forbade the possession by Austria of any

self-propelling or guided missiles. In part this was at British request, because of UK wartime experience with offensive missiles such as the V2 and V1 bombers. Similar clauses had also been part of the Peace Treaties with other States. Although it is then argued that the implications of technological developments were unknown in 1955, and hence that the spirit of the clause (ie the prevention of the possession of offensive systems) should now take precedence over the letter, it is certainly the case that as early as 1957 the implications of the clause were clear. Berger wrote in 1957;

"A serious barrier to the fulfilment of the duty under neutrality to provide an effective defence is found in the military limits in the State Treaty, indeed they are directly contrary to this duty."¹⁹

The Article itself directly forbids the possession of, testing or experimenting with Atomic weapons, all weapons of mass destruction which might be developed in the future, any form of guided missile or torpedo any submarine or biological or chemical weapons for war purposes. In addition, the signatory powers maintained the right to extend this list in the light of technological change.

Military writers have long tried to change the attitude of the allies on this issue. Allmayer-Beck wrote;

"Austria was obliged by the Moscow Memorandum... to follow a form of neutrality "as carried out by Switzerland" and yet one month later [the Allies] were not prepared to provide the Republic with the means to secure this."²⁰

This of course merely shows that the nature of the 'Swiss' connection has been ambiguous from the beginning. We have already seen how the Russians were prepared to accept Austrian UN membership without further question despite Swiss fears and the legal contradictions were merely rationalised on the grounds of parallel aims to achieve the desired political result. Once again we can see a pattern emerging; legal arguments appear mutually inconsistent but are consistent at a political level. The Allies had no intention of

creating a strong Austria which many regarded as a part of Germany, and thus they agreed to military restrictions which suited their own policies and left the legal implications for jurists to make consistent. The French were insistent at the negotiations that the Austrian army should not be restricted in numbers if only because of remaining fears about the Anschluss. They accepted the need to restrict offensive weapons even if this resulted in a parallel reduction in defensive capabilities in some spheres. It is certain that in 1955, the division between offensive and defensive weapons was as imprecise as it was by the 1980s. As such the argument that the Article merely intended to forbid offensive weapons is only valid if we accept that this always entailed defensive implications.

Within military circles and among those who believe that the Balance of Power is the basis of Austria's defence, it is the Article which is regarded as fundamentally flawed, not neutrality;

"In any case it must be made clear that an eventual revision of Article 13 of the Austrian State Treaty would raise not only the efficiency and thereby the credibility of Austria's army, but it would also improve Austria's unifying function."²¹

In this view, the nature of neutrality as military cannot be changed and therefore it is the State Treaty which is wrong, even though it is the primary document.

"The permanently neutral State has not only the right but is obliged to arm its forces in such a way as to achieve its logistical needs that it can effectively meet an attack from an opponent armed with the most modern weapons, after calculation of the quantitative factors."²¹

Many have argued that Austria should be allowed to change her interpretation of the Article in the manner of Finland. In Article 17 of the treaty reestablishing Finnish independence after World War II, the Finns agreed to a clause of identical wording to Article 13 of the State Treaty. Through a new interpretation it was agreed by both the signatory powers (UK, USSR) to restrict this to a prohibition on

offensive missiles. Yet Austria has failed to achieve this kind of international recognition for such an interpretation. In March 1976, Possaner wrote;

"If Austria does not attempt a revision of Article 13 of the State Treaty, then she will have put her troops up as cannon fodder."²³

Ermacora, Kaminski and Hummer²⁴ among others have all called for a similar revision. Ermacora put it thus;

"For me today there are no prohibited weapons due to the State Treaty. This is a theory which people who don't want weapons use... It is a purely political question.. The interpretation which forbids Austria defensive weapons is wrong."¹⁶

Mock²⁵ and Khol²⁶ both supported this position;

"Missiles are of two types; only speciality weapons are forbidden by the State Treaty. There are missiles which are speciality weapons and others which are not. Missiles which are not should and must be provided"²⁶

Nevertheless there is another audience in Austria for whom the question of disarmament is more important than that of rearmament. When we examine the most recent policy of the Austrian Government, we will see that the SPOe has been in trouble with its own supporters more through policies of militarism than through those of neglect. This explains the notable caution on the part of the SPOe in its attempts to justify the purchase of fighter-interceptor planes in 1984;

"When the question of the purchase of observation aircraft arises, the question of missile rearmament always rears its head. The assertion that the possession of these aircraft automatically leads to the purchase of these weapons is not true."²⁷

As one pacifist observer points out;

"Even the State Treaty brought no such obligation for Austria with it [to rearm]; rather the opposite in fact as it included incisive prohibitions on armament. In the Allies conception, Austria was not so much meant to prove its still-to-be-achieved neutrality by having the best equipped army, as through a neutral peace policy."²⁸

According to this view, the only obligation for defence comes from Austria's own declaration of neutrality.

It must be conceded that this view is a minority position both

domestically and internationally. The point, however, is to illustrate that this issue lies well within the sphere of what might be called the 'political' ie a matter of debate and choice. It is already apparent in the legally confusing decisions of the Allies that their first concern was to reestablish the Austrian State in such a way that it would pose no threat to them either alone or in some future alliance with the opposing bloc system, while at the same time they wanted to create sufficient independence that the old 'Anschluss' mentality should disappear, thus successfully 'hiving off' one part of the Reich from the rest.

When Allmayer-Beck complains that the hypocrisy of the Allies was;

"grotesque, in the sense that they wanted to prevent Austria doing something which she had no intention of doing, while the Great Powers were already doing precisely the same thing by rearming Germany..."²⁹

...he unwittingly confirms this hypothesis. At the same time he identifies the real alternatives that faced Austria - non-threatening neutrality was one way to meet Superpower needs, the other was a split territory with the rapidly rearming armies of the Bloc systems facing one another across the Iron Curtain as was happening simultaneously in the two parts of the former Reich still called 'Germany'. Neutrality by international agreement must be primarily relevant to the politics of the participants in this case Austria and the signatory powers. As such, the 'Raketenverbot' is part of this agreement and neutrality must be within the scope of these politics. Certainly SPOe politicians offered a different view to that of Ermacora and Khol.

"Every limitation of weaponry is a limitation on defence. But we accepted the State Treaty and we must live with it... I do not believe that a vacuum exists" ³⁰

"In any case nobody in Austria would seriously suggest that we buy missiles for ourselves which could keep pace even in the realm of defence with those of both pact systems... Thus preparation for neutrality has moved AUTOMATICALLY to the political level and the military/technical side has without doubt a reduced importance."³¹

When Austrian 'experts' argue that the right of reinterpretation

allowed to other countries since 1945 must be extended to them, they neglect the fact that political considerations in this case have not changed sufficiently. The political infeasibility also defeats those who seek to argue that by accepting neutrality after the State Treaty, the Allies in fact accepted the negation of Article 13.³² Until now the Soviet Union has been unwilling to renegotiate any part of the State Treaty, possibly for fear of setting a precedent in the 'Anschluss' problem.³³ In the case of the UN, the political will existed on all sides to simply ignore the problems of reconciliation. This is clearly not available in the question of the State Treaty. The simple fact is that the three successive treaties or laws - State Treaty, Neutrality and UN membership - have a political consistency appropriate to the conditions of the postwar world, ie Cold War and the existence of the UN, but have no consistency with the legal principles established in 1815, 1907 and 1921.

One further legal point arises. In the dominant school of thought the problem of the Raketenverbot lies firmly with Article 13, and not with neutrality. According to this school neutrals must be the last to disarm³⁴ and cannot disarm others. Those behind the Volksbegehren (popular initiative) of 1970 who proposed the abolition of the Army argued a different position. Maintaining that the goal of neutrality was to further the cause of peace, the neutrals were thus in a position to be the first to disarm. This point was developed by Anton Pelinka when he wrote;

"The unilateral reduction of military aspects of defence and the upgrading of 'social' defence aspects can be expected most realistically from a State whose defence measures are negligible to the military balance. Whether Austria doubles or halves her military budget.. is irrelevant for the balance between NATO and the Warsaw Pact."³⁵

As we have seen, the notion of compatibility of higher goals has been used by both neutrals and superpowers to reconcile the UN Charter with permanent neutrality. The extension into the defence sphere

would appear no more problematic. Why should not neutrality in its old form give way to the new challenges? As Lanc says the armaments clauses era have become technologically overtaken.³¹ Austria could thus be in the forefront of movements to challenge traditional defence codes.

The reality has remained stubbornly between these poles. This too, reflects political reality. Foreign Governments have also not been keen to encourage any tendency to disarmament. As Zemanek points out the US State Department put particular weight on the ability of Austria to defend itself calling it;

"extremely important; it is actually a precondition for the collective recognition of the neutralisation."³⁵

The French Prime Minister Faure declared to the French National Assembly;

"We have accepted the Austrian declaration not to participate in alliances only with the proviso that Austria is in the condition to effectively defend herself"³⁶

The political will for total disarmament does not exist. In the sense that effective law depends on the willingness of the ruled to accept the validity of the law it thus becomes legally impossible to change the law. Nevertheless, it cannot be held that some aspects of the law (eg collective security) can be reinterpreted in the light of international consensus, while others cannot (eg military obligations). What is missing in the second case is not the legal sanction but the political will, in this case both domestic and international. At the same time Austrian Governments have not sought to increase the share of defence in the national budget. They too have contentedly coexisted with neutrality law and Article 13 for 30 years. The USSR continues to put the brakes on any discussion of the expansion of the range of weapons in the Bundesheer. According to Ginther, the strength of Austria's forces was a precondition of

Western approval for the State Treaty.

"the question was put in a Russian press commentary as to why a peace-loving Austria would need an increase in its forces."

The fact is, the State Treaty and neutrality contain both these messages and this is at the very core of Austrian neutrality.

As a postscript to the above, it is worth noting the cryptic nature of the replies by politicians to interview questions. When asked whether Austria already trained using missiles, Spannocchi replied that when asked by journalists about reports of missile parts being discovered at Bundesheer training grounds he professed ignorance;

"Perhaps an anecdote will be sufficient for you. A few years ago at a training session for hunter-bombers.. a missile lay somewhere outside the training place. There was considerable excitement about this. Where did that thing come from? Stupidly, a divisional captain said that is a training missile. I was asked the same question at Army command and I said 'That has absolutely nothing to do with you!' I contacted the regimental commander and said 'the next time that happens', and one cannot be sure that it will not, 'if you're asked what it is say simply 'it is a military version of a cuckoo clock.'" This says everything- one doesn't have to talk about everything one has, and one doesn't need to have everything one talks about."¹⁷

President Kirschlaeger pointed out that in the event of any attack, the ban would lose its validity and that in the event, missiles would be available(!).

"At that moment where a case of defence begins the restrictions no longer apply, exactly like neutrality. If I defend myself, then the other has broken my neutrality and then I am no longer restricted by my obligations as a neutral or by the State Treaty."³⁷

The implications for defence policy would appear to suggest at least three options. The first would emphasise the need to maintain effective defence against the enemy. By this logic, the primary duty of the neutral is to prevent the creation of a military vacuum; the ultimate extension of such a theory would require the neutrals to possess nuclear weapons to deter the nuclear threat of others. The second possibility would be to emphasise that neutrality is a means to an end, i.e. international peace. At its most extreme, the security of the country is handed over to the international community in a

unilateral gesture of peaceful intentions i.e. the abolition of the army. In the Nuclear Age the small States are almost in this position in any case and hence there is some appeal in this argument. The government of Austria has continued to maintain a third, less decisive position which bares a remarkable relation to the ambiguity of the legal and political agreements at the time of the State treaty. Every decision is then justified with reference to the flexibility introduced by the phrase 'all the means at her disposal'.

Austrian defence policy since 1955

It is perhaps worth reiterating that the phrase 'all the means at her disposal' leaves the entire range of policy between the poles of atomic weaponry and military abolition completely open. The result has been considerable disagreement as to the nature and organisation of Austria's defence forces.

"On the one side... the level of defence spending is defined using such terms as 'all means available' or 'all practicable means, in good faith'... On the other side - those representing an expansionary interpretation of the military obligations under neutrality portray these descriptions as a 'perversion' of the demands of neutrality and the thesis of 'all possible means necessary or required to meet any possible threat' set against it."³⁸

To make a mathematical allusion the one definition tends to zero, the other to infinity. The 'Defence Doctrine' of 1965 and 1975 chose a compromise wording;

"with reference to the possible options, [Austria] will make the necessary contribution"³⁹

Austria is distinguished from Sweden and Switzerland by the strength of those who tend to minimise the importance of military defence. In the other neutrals there has been considerably more support for the other tendency including nuclear armament as a form of deterrent. Recent revelations of the secret involvement of Swedish Ministers in discussions in the early 70's in this regard tend to support such an assertion. In Austria;

"there is the strong attempt to want to prove that defence of one's own country in the Atomic Age is impossible and the attempt to achieve it is foolish."⁴⁰

According to Daniel Frei;

"Neutrality is in no way less costly than defence by alliance."⁴¹

Yet in Austria's case, it certainly does appear to have been cheaper. In comparison with other neutral States, Austria's % per capita GNP spending on defence has been notably low;

	1965	1970	1975	1982
Austria	1.2	1.1	1.0	1.2
Sweden	4.4	3.4	3.4	3.1
Switzerland	2.5	2.5	1.8	2.1
Finland	1.7	1.4	1.4	1.7

Source, Military Balance,
various years

Thus, even allowing for differences in the actual size of budgets, the share of spending on the military has been consistently lower in Austria than elsewhere. At all times, Austria's GNP was less than that of both Sweden and Switzerland and only a small amount greater than Finland's so that the difference in actual totals was even more acute (eg in 1967, 1.1% of Austria's GNP amounted to \$138m, whereas 3.9% of Swedens was \$917m).

Some observers suggest that rather than a fundamental conceptual difference, different levels of defence spending are best explained by the relative strengths of the economies. Yet if we widen the scope of our comparison to include even the other non-aligned State in Europe, Yugoslavia, this theory collapses completely. With a lower absolute GNP than Austria, Yugoslavia nevertheless devotes 4.5% of per capita GNP to defence. When Grosse-Jutte and Jutte state that;

"from a comparison of defence profiles, the best explanations are achieved throughout by a comparison of the economic conditions... The two traditionally neutral States... are simultaneously those with the most powerful economies both quantitatively and qualitatively and whose defence conceptions are the closest."⁴²

they fail to account for differences in the share of defence let

alone for the difference in absolute amounts (Sweden's budget 8 times that of Austria in 1967). Indeed a country with a smaller economy might be expected to spend a similar level so as to reduce inferiority. This is borne out if we look at the spending share of NATO small States, also with smaller economies (Norway, 3%, Portugal 3.3%, Turkey 5.2% (all 1982)).⁴³ In addition, Austrian defence spending has remained around 1 - 1.5% of per capita GNP throughout the 1960s and 70s, despite the fact that the Austrian economy outgrew most of the other OECD economies during this period. Military spending actually fell to a mere 0.9% at the height of Austria's relative boom in the mid 1970s. Ireland, another non-aligned country in a strategically much more privileged position than Austria spends 1.8% of per capita GNP on defence. Indeed only Luxembourg among all European States, richer or poorer, spends less per head on defence than Austria. We must look elsewhere for an explanation of the low level of spending. A similar stance on many Foreign Policy issues to that adopted by Sweden has not been reflected in defence policy nor is shared legal status with Switzerland a signal for a similar approach to defence.

Comparison with Switzerland gives a very interesting result. The total nature of Swiss conscription means that she can call on 625,000 men armed at home within 48 hours of any crisis. In Austria the corresponding figure is 160,000. The Swiss also have 800 tanks (Austria - 373), eleven times more aircraft and twice the amount of money. The missiles totals are of course distorted by the Raketenverbot.⁴⁴

In 1980, Austria spent 1652 Austrian Schillings per head on defence while Switzerland disposed of 4031. It is clear that in defence policy, despite the propaganda of the Army and the Austrian Government, the policies on defence are as different as on other foreign issues.

In Switzerland there has certainly been a greater reliance on the military. As Fuergler said as early as 1967;

"As long as the Great Powers get no further with disarmament, then the development of a strong defence is our best contribution to peace, and the old maxim 'if you want peace then prepare for war' is valid for us."⁴⁵

In many ways, we must look at historical roots for the differences in defence policies. Earlier, we identified an idea of significant time. Experience of the War in Switzerland and in Sweden has left a very different collective impression from the experience of Austria and to some extent of Finland. It appears that faith in fortress defences remains deeply ingrained in Swiss thinking (see referendum on UN membership in 1986). This is certainly not the case in Austria. Austria has not had any long tradition of an armaments industry, and hence there is a danger of slowing growth by spending in a relatively unproductive sphere. In addition, Austria's geographical location means that any attack on her territory would automatically precipitate an international crisis, even if this took the form of war by proxy (stellvertreter Kriege). Schulmeister points to;

"...the extremely disadvantageous position of the northern and eastern areas of the Republic, the impossibility of repelling any attack in a major war, the need to catch up economically and socially which precisely because of the importance of internal stability has a position of importance set against the savings from a political approach to neutrality..."⁴⁶

...as the main factors determining Kreisky's defence policy. Kreisky explained this at its most basic when he said;

"A large army would cost us more and bring us less."⁴⁷

The objections of many to concepts of neutral disarmament assume that this would create a military vacuum. This would act as a magnet for aggressive forces. As Spannocchi wrote;

"Only from one side, that of neutral Switzerland, can aggression be totally ruled out. Two of our neighbours belong to NATO and two to the Warsaw Pact. Militarily the North South divide is closed by us and this is an operational obstacle for NATO. The Danube Valley leads in both directions into the deep flanks of possible lines of conflict. Additionally, the relatively good and geomorphically easy

connection from Szombathely to Villach by Graz is a possibly tempting line of attack... to overrun the Upper Italian Plain."⁴⁸

The significance of this so-called vacuum is held to be its 'inviting' nature and the ability of other States to believe that Austria will defend itself.⁴⁹ Yet this actually begs the question of the last 30 years ie is it not true that without an effective air defence and no missiles that Austria has in fact been a vacuum?

"The lawgivers repressed the self critical question as to whether Austria, in spite of the arms limits in the State Treaty can effectively protect its borders against the military apparatuses of the Warsaw Pact and NATO who stand beyond those borders; whether in fact despite the Bundesheer, Austria has to be a factual vacuum between the eastern and western blocs. Austria accepted a previously formed pattern of behaviour uncritically."⁵⁰

When in 1980, the commander of the Austrian Defence Academy speculated as to the future of the Raketenverbot, Pravda replied under the headline 'Come off it, General!'. The inability of the Austrians to stop the infringement by US aircraft in 1958 is a classic example. In 1970, the last OeVP Defence Minister Prader indirectly confirmed this fact when he said;

"An army based on defence must in the first place be able to oppose the threat of tank and air attack. Thus tank and plane defences are a further special requirement in the equipping of the Bundesheer."⁵¹

Yet after 16 years, there has been little or no change in spending levels or radical improvement of air defences. Bindschedler's maxim

"as long as there are independent States there will be wars... If the danger of war in Europe is reckoned to be less today than it is because there is no military vacuum but instead a balance of power"⁵²

is only true in a qualified sense and certainly can only lead to a future of permanent sterility. The lesson of the 1980s appears to be that this balance is unsatisfactory to both powers and is fundamentally unstable. It certainly no longer appears as stable as previously. More centrally, the importance of any invasion of Austria in these circumstances would be equally significant if Austria was armed or unarmed.

The development of Austrian Defence Policy 1955-1980, Domestic debates

As we have seen, the Austrian defence forces were a compromise between the interests of the signatory powers to the State Treaty. From the point of view of strategic interest it was long the accepted view that the Soviet Union had been the major beneficiary of the withdrawal of troops in that as a result, NATO was split into two geographically distinct parts.

"The withdrawal of the red army would not have disturbed our neighbours, but that of NATO Powers certainly did. From the point of view of Switzerland, the protective cloak of the Western Powers had been removed and Austria now proved to be a military vacuum."⁵³

Gasteyger writing in the 1970s points out that the advantages and disadvantages now accrue to both sides. Italy is more rather than less protected by the securing of her flanks now possible.⁵⁴

On the 8th July 1955, Austria was given back her military sovereignty. The new Bundesheer was to be equipped by the items left behind by the allies. In September 1955, a new Army Act was passed by the Nationalrat imposing compulsory conscription. In October, the Austrian Parliament passed the new 'Neutrality Act' promising to defend neutrality 'with all the means at her disposal'.

We must pause to consider the order of events in 1955; In April, Austrian representatives agreed in Moscow to a type of neutrality like that practiced in Switzerland. In May, they accepted the State Treaty including the weapons restrictions, in October neutrality was declared and recognised and by December Austria was a full member of the UN. The argument that in 1955 the Allies tried to create a second Switzerland is simply untenable on the basis of the contradictory evidence. There is, however, a political consistency appropriate to the Cold War. One of the most penetrating critiques is that of Kolba who says;

"Thus began the lifelong lie of the Bundesheer. Ostensibly founded to defend Austrian Neutrality against external enemies, it is

precisely this role which it can hardly make credible. How can it? Surrounded by military blocs with the most modern equipment, limited by the Armaments clauses of the State Treaty and the relative lack of will in the population to give out money for the Bundesheer, this army leaves an impression of a character in an Operetta."⁵⁵

The first test for the new force came in 1956. Although the Bundesheer mobilised its 5,000 troops from barracks and the border to Hungary was closed, there was no need for military action. This tiny force in no way able to withstand any active aggressor⁵² was largely token. One interpretation, that of the establishment, is that the Bundesheer was the necessary proof that Austria was prepared to defend itself. A second interpretation might suggest that the fact that Austria survived was entirely due to the foreign policy and historical constellation which anchored the security of Europe from another war in that of Austria. In this view, the very fact that the Russians stopped at the Austrian border, despite the tension of the times and in a position of total superiority, shows that the 'military vacuum' was not the decisive element in policy.

Within the coalition government, the Defence portfolio had gone to the OeVP, where it was to remain until 1970. The SPÖ had lost the debate on a people's militia and were unable to win support for their plan to restrict military service to 6 months. The final compromise was 9 months.

The design of the army into 8 divisions was closer to the plans of the OeVP. As Allmayer-Beck concedes;

"In the higher commands and organisational positions, the Socialists had only occasional officers and officials whose political viewpoint was akin to theirs. The result was that the party could only force itself into an attitude of 'mistrusting suffrance' towards the army."⁵⁷

Despite this, the demands of rapid economic growth took priority even for the OeVP. Facing SPÖ and widespread popular opposition, spending on the army which might affect growth was curtailed. This choice was apparent even by 1959 when Chancellor Raab stated in the

Government's declaration of intent;

"The Federal Government supports an effective defence... and is at the same time aware that the defence developments must be within the framework of what is realistically possible."⁵⁸

In 1958 air defence deficiencies had already been exposed by the flyover incident. In July 1961, aware that a mere copy of large power armies was unsuitable for Austria, the Coalition agreed to the new doctrine of 'Umfassende Landesverteidigung' (all-inclusive defence policy) or ULV which extended the concept of defence beyond the purely military to include economic, educational and civilian spheres. Despite the government's declaration that defence was a special necessity which required sacrifice⁵⁹ the coalition was unwilling to increase spending significantly. In 1965, the cabinet produced a more detailed outline of the ULV⁶⁰ defining the areas of operation and the three types of threat Austria might face described in ascending order as Crisis (international tension), Neutrality (war between other States) and Defence (attack on Austria).

Nevertheless, the persistent unwillingness of government and populace to invest in military expansion was already worrying those close to the army who began providing legal objections to the state of affairs. These included Henk and also Pahr who wrote;

"Serious and justified doubt exists as to whether Austria is sufficiently fulfilling her duties as a permanently neutral State. The funds which Austria makes available for military uses are to be calculated not only in absolute terms but also relatively, where they are far below the amounts which comparable States spend on armament."⁶¹

We will return to the question of calculation of amount below. OeVP politicians like Bock now defended the army not on the basis that it could compete with the forces of the blocs, but rather that it could be operative in regional disturbances, while any delay in the advance of an attacking force was to be welcomed, in that it provided time for the arrival of outside help.⁶²

In 1968, following the perceived failure of the Bundesheer to

provide an impression of adequate security, the defence establishment faced its greatest crisis. Ginther maintains that the tone of Waldheim's statements in which he denied the existence of a 'military neutrality' were a major change. More plausibly, it can be argued that while there was a change in political rhetoric, this was because the underlying facts of 13 years of lack of investment in the Bundesheer both through deliberate policy and disinterest made any other statement look ridiculous.

The government was heavily criticised by the SPOe and in parts of the press for its decision to halt the issue of Austrian entry visas to Czechs during the crisis, for its attempts to influence the domestic press and for its failure to alert the international community to the danger to Austria.

"The days of the occupation of Czechoslovakia have made plain how weak the legs on which Austria's neutrality stand actually are"⁶⁴

Militarily, the ease with which airborne infringements took place gave rise to considerable concern. More importantly, a groundswell of opinion that the Bundesheer was a military and political irrelevance began to develop. In 1963, an SPOe Nationalrat deputy had published a book entitled 'More security without weapons' which had challenged the concept of Bundesheer. In December, a group of left-wing Catholics around the journal 'Neues Forum' began a campaign for the army's abolition, culminating in the 'Popular Initiative for the abolition of the Bundesheer'. Although this had little chance of success, being rejected out of hand by legal commentators (see Zemanek), the proposal to put Austrian defence into the hands of the Security Council and to establish in international law a new status of unarmed neutrality had considerable appeal in late 1969 early 1970, especially among young left wing Catholics and intellectuals within the SPOe. In the 1970 election, the SPOe campaigned using the slogan 'Six months is enough',

a reference to conscription and symbolic of the anti-Bundesheer climate. This is considered one of the factors which persuaded a decisive number of less committed voters to vote for Kreisky. Various neighbouring States, notably Switzerland and West Germany expressed concern that Austria might become a military vacuum.

Despite this, the emphasis in security policy was now firmly away from the army and on to the successful conduct of foreign policy. Although in retrospect Ermacora dismisses the Popular Initiative as an event not to be taken seriously, the symbolic value lies in the fact that it was a topic for discussion at all levels and underlines the lack of public support for the Bundesheer in the late 1960s. It is interesting to note the degree to which this debate paralleled a similar argument in West Germany.

A reform commission was established leading in July 1971 to a new Army Act Amendment. To the disappointment of many of the disarmers, military service was reduced to eight months, six months service plus 60 days further weapons training. Nevertheless access to alternative community service was made easier.

The SPOe, itself long ambiguous on the question of the Bundesheer and without any specific concept, made overtures to more sympathetic military leaders. By 1971, a military man, Luetgendorf, was made Defence Minister. The rising star of the army was the head of the Military Academy, Emil Spannocchi. Later made commanding officer of the Bundesheer, Spannocchi's ability lay in his gift for public relations. An admirer of Swiss practice and aware of the low standing of the Bundesheer in Austrian society, his ideas were presented as a new concept for defence.⁶⁵

The new plan assumed that Austria itself would never be the goal of any attack. Nuclear wars were declared unlikely - in any case, Austria could not be defended in such a scenario. As Spannocchi said;

"In the most extreme and deadly danger of an aimed armed attack, Austria alone cannot rely on the effectiveness of her materials which are sufficient only for the defence of neutrality."⁶⁶

The new concept was based on the calculation that the Austrians could hope to hold up an invader for up to 3 days. The theory came from models of guerilla warfare, and the defence of such open areas such as Vienna, Linz and Graz was declared impossible as such. The plan involved avoiding standing battles with superior forces, attacking them at key points and withdrawing into the more easily defensible areas in the Alps. The war would thus develop into a war of attrition based on a standing army of 15,000 and a militia to number 300,000 by 1990. According to this plan, any army tempted to use Austria as a through-route to other targets would hence be deterred.⁶⁷ This is akin to the Swiss policy of 'raising the cost of entry'. By holding up any attacking troops, resources would have to be diverted by the aggressor. According to Spannocchi;

"150,000 is decidedly too few for a people of 7 million."⁶⁶

The entire purpose of the exercise is to be achieve the same goal as Swiss defence and to prove that;

"an attack on Austria will be an adventure with painful long-term consequences."⁶⁷

Despite this, the standing of the Bundesheer remained very low. In 1971, 'Die Furche' wrote;

"The Austrian today believes less than ever in a real function for the Bundesheer; he mistrusts every statement about the army, whatever party it may come from... The fact is that from now until early 1972 we will live with an army that does not even have a quarter of its forces ready for action."⁶⁸

Throughout the early 1970s, this feeling continued as the SPOe struggled to agree upon a defence concept. In 1974, 'Profil' wrote;

"The figures would make a coward of the bravest. Though there were still 1800 one-year volunteers in the forces in 1969, last year there were only 300, this year there will be 200. In the past, 80 army officers graduated from the military academy annually; last year 23 finished, this year it will be 35. Whereas at the end of the 60s there were 3 classes of 270 NCOs annually at the NCO school in Enns, in 1973 there was one single class with 50 students."⁶⁹

Given the nature of confidence, this makes a nonsense of academic objections to a military vacuum. The emphasis in security policy in the 1970s had shifted from defence to foreign policy. In 1971, the Government Declaration of Intent put the SPOe position;

"It is in no way my intention to reduce the significance of defence when I make the observation that our neutrality and security in peacetime can be best achieved through a successful foreign policy."⁷⁰

This was to be a consistent theme of SPOe policy under Kreisky. There was a corresponding increase in activity in Detente, at the UN, in Palestine and in the Non-aligned movement. In defence of the policy of encouraging international organisations to site their headquarters in Vienna, Kreisky placed the policy within the realm of national security;

"Bringing international organisations here is a measure that certainly has implications for security in Austria. It is certainly as valuable as great arsenals of weapons which may never be used."⁷¹

Foreign Minister Kirsch^{ch}schlaeger also underlined this connection when he said;

"Our strength does not lie in military arms, but rather in our policy of encouraging peace and in the capacity of our culture to encourage life. The great task of Austria's foreign policy is so to anchor Austria in world consciousness.. that the international community accepts that Austria, as it is, is of international value.. If this succeeds.. -our hope to be of real value to others - then foreign policy would appear to me to have made an essential contribution towards the freedom and security of our country."⁷²

The SPOe continued to support the Bundesheer, which was seen as valuable in civil wars, regional conflicts and in war by proxy.⁷³ Nevertheless the SPOe accepts that there are limits imposed by the existence of atomic weaponry. The emphasis in the security policy of a small neutral in central Europe has now got to be directed to prevention rather than the treatment of symptoms. As Lanc pointed out, Austria was invaded in 1938 when it possessed an army which was relatively stronger than the present Bundesheer. What was missing was not so much defence as the will to resist and international support.³¹

In May 1975, the OeVP brought a motion before parliament which condemned the condition of the defence forces as 'completely unsatisfactory'.⁷⁴ They contended that the budget share for defence in the 1960s had never fallen below 4.13% while under the SPOe it varied between 3.6% and 3.7%. Ermacora, acting as defence spokesman for the party further objected to the SPOe's concentration on foreign policy;

"The position of a small neutral State is not simply dependent on one's own 'good foreign policy' but is determined by events on which a small neutral State has no relevant influence."⁷⁵

For non-calculable international events, the Bundesheer remained the primary method of defence. Yet in terms of GNP per capita (a separate measure to that used by the OeVP in their argument) the OeVP Government had been equally unwilling to devote resources to the Bundesheer. The size of the Budget had increased over the period and this accounted for most of the change in budget share.

In reality, there is a limit to the degree of security which an army in Austria can provide; in the final analysis Austria depends on an unspoken system of collective security at local or even continental level, whereby an infringement of Austrian territory by the forces of one bloc would bring immediate retaliation from the other. Neither side would tolerate the presence of the other in strategic zones. Swiss neutrality has never faced the same scenario. The basis of Austrian neutrality lies in the existence of two permanently opposed groups on her borders, formerly actually occupying her territory. Swiss neutrality is the result of a domestic communal historical experience, with the dominant power constellations of 1815 long superceded.

In July 1975, the Nationalrat unanimously passed a new Constitutional Law anchoring the ULV in the Federal Constitution (BGBl 1975/368). The SPOe left behind its initial reservations about the

ULV by arguing that the core of the Bundesheer was a militia and not a professional army. As the political tide in the later 1970s changed, it became customary for SPÖ politicians to refer to the 'three pillars of security'; foreign policy, ULV, and domestic stability. In part, this was also reflected in growing emphasis on an expansion of the domestic arms industry, which itself was to lead to considerable controversy within the party in the 1980s. The ÖVP constantly referred to the neglect of the military.

There were a number of attempts to assess the degree of awareness about neutrality in the wider population. In 1973, Neuhold and Wagner, in a sample of 1500 found that 90% thought neutrality had brought more advantages than disadvantages to Austria. A further 83% believed that Austria had an obligation under International Law to maintain an army, while 74% found this sensible. Nevertheless, 72% felt that the government did enough to protect neutrality. Perhaps more disturbingly for the SPÖ, 60% felt that neutral States should never take up a position in external conflicts.⁷⁰ There were very few variations in response according to age group. Only on the question of the relative importance of military issues did ÖVP supporters differ markedly from SPÖ supporters.

In 1978, there was a further survey of attitudes to security. In this only 2% believed that there was a high chance of Austrian involvement in a war in the near future, though only 31% thought it impossible. When asked to ascertain the role of a defence force in Austria, 77% suggested border control against small bands and terrorists, 73% as a protection against border infringements and only 51% as a deterrent against outside countries. As Gehmacher says;

"The overwhelming majority of Austrians see the essential task of the Bundesheer in the limited deterrent function of this kind of small scale border incident."⁷⁷

In many ways, this accords with the realities facing the

Bundesheer. Nevertheless the SPOe came under increasing fire from the right for its position;

"The attitude of the Socialists has quite obviously restricted the integration of the Bundesheer into society. Demands such as that currently from the ranks of trade union youth for the abandonment of the Civilian Service Commission fit into this distorted understanding of history on the left."⁷⁸

The fact remains that all governments since 1955 have arrived at the same position; none has yet been persuaded to invest heavily in military expansion despite the certainty of the juridical and political experts who argue that it is an essential. The atomic threat would seem to have introduced different considerations into policy-making Austria.

In a further survey in 1980 by the Social Science Studies Association, 60% laid 'very great value' on the foreign contacts of Bruno Kreisky as a means of protecting Austria abroad. By comparison only 45% relied on western protection, 40% on international organisations, 34% on relations with the USSR and only 29% on military defence. More significantly, 33% found the Bundesheer to be 'irrelevant' for the task.⁷⁹

All this is far from the Swiss pattern of overwhelming support for and belief in military defence. It also challenges the renewed confidence in the Bundesheer towards the late 1970s, especially the success of manoeuvres in 1979. Much of the credit for this was given to Spannocchi, who was praised for his PR and efficiency;

"Something like a completely new spirit is around in the army, personified in the form of Emil Spannocchi, probably the most popular army commander in Western (!) Europe at the moment. The old Austrian aristocrat has succeeded in the military realm where Kreisky succeeded politically - he has given the Austrians back their pride in the army shaken by the experience of the Third Reich."⁸⁰

In the light of the survey above, the arms debacles of the 1980s and the Reder affair this success has begun to look shaky.

The new army did not escape criticism. From the right the critique concentrated on the continued lack of resources and

materials;

"Any serious trial would be like a fight between the Aztecs and the Spaniards at the present state of weaponry.⁸⁰

Later in 1980, a former chief of the Military Academy, General Duic published a book⁸¹ which attacked Spannocchi's plans as fundamentally flawed. By appearing to reduce the threat from Austria's unprotected airspace, the plan misled both domestic and international observers. Duic further argued that the capabilities of the army were severely restricted by the failure to build a Swiss-style militia.

The 25th anniversary of the State Treaty was a further reason for inter-party recrimination. The SPOe maintained that after a difficult period the reforms of the army had succeeded. The OeVP spoke of a 'catastrophic budgetary situation' speaking of '25 years of insufficient defences'.⁸²

Writing in 'Profil, one commentator concluded;

"With Emil Spannocchi's 'doctrine' Austria at least has an army which indicates to an environment filled to the brim with weapons that there is a credible will to survive and some power of self defence. Yet as long as comparable efforts are not made to protect the civilian population and a functioning 'crisis economy' organised then the saying remains true; 'Swiss defence stands; Austrian defence stands in the constitution'.⁸³

The issues of air defence, spending and missiles were to become even more critical in the 1980s, especially after the new SPOe/FPOe coalition took office in 1983. But by 1980, a new problem had emerged - the growing alienation of a large section of Austria's youth from the arms industry.

The Austrian Arms Industry.

The complications for the armaments industry began in earnest only after the expansion of VOEST-Alpine and Steyr-Daimler-Puch companies into the weapons exporting trade especially in the late 1970s. In general the problems become most acute for neutrals when there are

contracts of supply with countries in areas of high tension. These have been the inspiration of groups of young people, leftist Catholics and Socialists, who have persuaded other sections to join their cause.

The first major scandal affected the industry only indirectly in the Spring of 1977. It emerged that Austria was making clandestine deals with the Syrian Government during 1976 through the Defence Ministry. In a letter written in March 1976, Defence Minister Lutgendorf had suggested;

"The Austrian army is very willing to invite experts from the Syrian army to get to know the arms wares made and used in Austria at closer hand. I would be very grateful if you could at some time inform me as to which items might be of special interest to you. As you know, there are very close contacts between the defence ministry and Steyr-Daimler-Puch."⁸⁴

It emerged that these clandestine deliveries of rifles and ammunition had taken place while Syria had been at war with Israel. There were further suggestions that Kreisky might have known more than was openly admitted.

The public scandal which followed led to the resignation of Lutgendorf and eventually to a new law on the 'Import, Export and Transit of War Materials' (BGBl 1977/540). Under this law, all arms transactions became subject to stricter controls. Where Austria's neutrality 'would be in question', either in International Law or in foreign policy terms, a licence cannot be granted.

In 1976, Hans Malzacher was appointed new chief of the Steyr concern, a State owned company with interests in vehicles and armaments. There followed a huge expansion of the arms production with new markets being sought in Latin America and the Middle East. Between 1977 and 1982, Steyr had customers in Tunisia, Thailand, Bolivia, Argentina, Nigeria, Saudi Arabia and much wider. Reports published in 1981 by the Innsbruck based Austrian University Institute found that Austria was now the world's seventh largest arms manufacturer although these were greeted with widespread scepticism.

Malzacher confirmed however that Steyr alone produced arms valued at AS7.9bn.⁷⁹ during 1976-81. In justifying this huge expansion, Kreisky tried to bring in neutrality;

"Without a recognisable defence capability, neutrality would lose its credibility. With this in mind, we cannot overlook the fact that we must also consider creating an arms industry of note, because import dependence in the armaments realm would bring the threat of political dependence."⁸⁵

It is notable how threatening this 'dependence' becomes when job-creation is involved, while economic dependence on neighbours apparently has no effect on political dependence!

The next, and most damaging crisis came in the summer of 1980. In 1979, the Government had refused export credits on the proposed export of AS2bn of tanks to Chile. Nevertheless, Malzacher, with considerable support from the SPOe right wing around Benya (OeGB) and Deputy Chancellor Hannes Androsch, declared;

"We got this order in the face of the stiffest international competition. If we are now not allowed to deliver, then I cannot rule out redundancies."⁸⁶

This threat to jobs, split the SPOe. Kreisky himself had been an active and vocal opponent of Pinochet. In September 1974 he said;

"No form of activities will develop which might help the (Chilean) government such as development aid or cultural exchange."⁸⁷

There were considerable objections from the emergent leftwing youth groups who had gained in confidence after the rejection of the Government's policy on nuclear power in the referendum of November 1978. The SPOe split between those on the left (Fischer, Blecha, Lanc) who viewed any deals with Pinochet as destroying Austria's credibility and those on the Right who supported Malzacher. Soon arguments about the requirements of neutrality were floating about. Malzacher saw in the deal the

"duty of a neutral to recognise the positive development of neutrality."⁸⁶

OeVP spokesman Ermacora said;

"Since we have already supplied Argentina, this new deal with Chile could contribute to the re-establishment of military balance in this area."⁸⁶

Neutrality can be used to justify just about any political value! Others in the OeVP were more critical. Development aid spokesman Steinbacher questioned the whole morality of the involvement of neutrals in the arms trade;

"He who delivers tanks cannot expect that they will be used as replacement tanks. Weapons are always used one day."⁸⁸

There were major demonstrations in Vienna, including one by Chilean exiles, one of whom declared;

"My dead comrades would turn in their graves if they knew that tanks would be delivered to Chile by a Socialist Government."⁸⁹

In 'Die Presse', Defence Minister Roesch declared that his policy was to approve arms exports when there was no risk that they would be used against Austria.⁹⁰ In the end, despite threats of 500 redundancies, the cabinet decided not to grant the export licences.⁸⁵ The result was a considerable blow to the arms industry in Austria.

The next crisis emerged during the Falklands War. As the 'Financial Times' remarked as early as January 1982;

"Anton Benya, President of the Trade Union Federation, actively supports arms deals as a prop to the economy and Chancellor Kreisky not only tacitly accepted the deals with the military rulers of Argentina, but has done his best to promote arms exports to Africa and the Middle East."⁹²

The outbreak of the Falklands War meant that the contract between Steyr and Argentina for 70 tanks had to be suspended. The deal had been very controversial during 1981, leading to street demonstrations, but this time the SPOe agreed to the sale. The suspension because of the outbreak of war was thus a considerable embarrassment to the Government. Heinz Fischer, one of the most vocal opponents of these sales demanded legislation to spell out that Austrian arms must not be exported to countries 'guilty of Human Rights violations.'⁹³

The continued search for markets merely brought further problems.

In January 1984, it was reported that ex-Chancellor Kreisky had intervened for Steyr in Libya. According to 'Profil';

"The de facto nationalised firm wants to export tanks beside lorries, tractors and mopeds... Whether Austria can sell tanks to Ghaddafi on grounds of neutrality, Kreisky leaves for the 'Foreign Office to judge'"⁹⁴

In 1985 there was a further problem when tanks for Morocco were refused an export licence due to the outbreak of conflict in the Sahara. The indecision of the Austrian Government in this issue was obviously considerable. When Steyr had originally approached the Foreign Ministry, then Foreign Minister Lanc had refused a licence. In November 1984, new Minister Gratz was more positive and in January 1985 he wrote;

"that hope of a general settlement in the conflict in the Western Sahara exists and if this occurs it would be possible were an application for the export of Steyr tanks to Morocco to be made, for the Foreign Ministry to react positively."⁹⁵

When war broke out in February, the application was rejected. It was reopened in April 1985, and was finally closed in June. As one commentator observed;

"The thesis thrown around from Sinowatz (SPOe) to Mock (OeVP) that the Bundesheer needs a domestic weapons industry is turned around; the weapons makers need the Bundesheer far more than the other way around."⁹⁵

When in 1986, there was further controversy over the exports to VOEST to Libya and Iran (Gulf War)⁹⁶ there was open speculation on the future of the Austrian armaments export trade. The 1980s had seen a considerable reverse for the arms trade in Austria. Both Steyr and VOEST suffered losses, Steyr laying off 10000 workers and losing over AS600m in 1983/4. The sales of armaments slumped from a high of AS8bn in 1978 to less than AS4bn in 1984. As with most European firms, Austrian firms found 90% of their new markets in the developing world 1983/4.⁹⁷ It was clear that many were unhappy with the uncertainties of the export laws.

All in all, the position of neutral Austria with respect to weapons

exports has become very difficult. Compared to the exports of Sweden and Switzerland, the military concentration in Austria is remarkably small. The increased problems in the domestic political arena have undermined the credibility of the industry and have made it a matter of some embarrassment to many Socialists. The employment question is of course the biggest obstacle for SPOe politicians. Kreisky himself has had an ambiguous relationship to arms production;

"'Doing without a red-white-red (Austrian) tank production was always my opinion' says the old chancellor. 'We must move from this production to something new. A management must be capable of this.'"⁹⁵

The arms trade highlights the impossibility of a clean division between State, economy and neutrality. The export of arms has clear political and security implications for a State's credibility as a neutral, made more blatant if the firm is State financed. The realisation of this in the field of armaments must now be extended into a concept of dependence throughout the economy. It is apparent however that the simplicities of neutrality in its old form provide no guidance. The growth of interdependence has forced a fundamental change in neutrality to suit the less clear cut choices of the 1980s.

Air Defence and Missiles Controversies in the 1980s

The question of air defence, linked as it is with the question of missiles remains the obsession of the military and their supporters. As we have seen, an interesting argument has developed to justify this; air defence is required by neutrality. To make it effective missiles will be required, which are an unfortunate breach of the State Treaty. In this logic it is always the treaty not neutrality which needs to be changed.

In December 1974, the cabinet agreed to set up a system of airspace monitoring to be called 'Goldhaube'⁹² The Defence and Interior

Ministries agreed that this should have joint military and civilian use, although it is clear that the chief purpose of the system is military. The system was to be controlled by the Bundesheer. This powerful radar system was to give Austrian monitors radar vision into Poland, West Germany and Yugoslavia. Equipment was provided from Italy and Japan. Despite rising costs, (from AS 1.3bn in 1974 to a real cost of AS4bn) and delays in installation, this provided the Bundesheer with a powerful system. In March 1977, the Defence Advisory Council unanimously called for the installation of aircraft which could take an active role in monitoring.⁹⁹ Nevertheless, the SPOe continued to stall in the actual ordering of new aircraft. Various types of plane came into question; the OeVP preferred the American F-5E 'tiger' although the Bundesheer tended towards the French 'Mirage 50'. In March 1980, General Duic told 'Salzburger Nachrichten';

The procurement of 24 fighter-interceptors of Mirage 50 type from France appears to be fairly certain."¹⁰⁰

Because the Austrians were hoping to buy secondhand fighters they intended to make the whole purchase part of a wider trading deal. In May 1980 Defence Minister Roesch returned from France with the proposal that France would take the atomic waste from the unopened power station at Zwentendorf. By 1980, however, the approaching recession was putting brakes on any purchase of new equipment. In the meantime, the price of potential planes was accelerating. In June 1981, the Defence Advisory Council decided on the purchase of 'Mirage 50' fighters. The USA did not appear satisfied with this solution. Anxious to avoid confrontation, OeVP spokesman Ermacora came up with one of the most amazing proposals in postwar Austrian history. He suggested that the Swiss Air Force defend Austrian airspace;

"We must be aware that from the point of view of a 'total war strategy' Austria is regarded as a buffer for Switzerland in every form of conflict. What happens if Austria is not in a position to protect

its airspace? Would we prefer that NATO or Warsaw Pact aircraft protect our airspace? I don't believe so. I believe that here, cooperation with a permanently neutral State would double neutrality and I can imagine that certain interception functions would be taken over by Swiss Air forces to protect neutrality."¹⁰¹

FPOe spokesman Josseck described such speculations as 'grotesque'. It is all the more surprising because it was put forward by one of the leading conservative 'legalists'. Portraying Austria as a buffer zone for Switzerland shows clearly from which direction the Austrians expect an attack. The principle of Western orientated military defence is in this view more important than the obligation not to undertake military alliances. This surely establishes beyond doubt that those people who presently portray themselves as supporters of 'legal' neutrality are using the law merely as a veil to hide political choices.

In any case, Kreisky announced that in 1982 there would be no money for planes, repeating his assertions that foreign policy was the most effective form of security.

In 1983, the SPOe lost its overall majority and entered a coalition with the FPOe, who claimed the support of 50% of the professional army. There were still strong elements in the SPOe opposed to the purchase of the aircraft. Finance Minister Salcher and Foreign Minister Lanc both opposed FPOe Defence Minister Frischenschlager's plans. As late as June 1984, Lanc said;

"Interceptors will merely make possible the identification of aircraft detected by radar and then enable us to protest afterwards. A further solution does not come into question for Austria because of the State Treaty. Even if one could achieve the ending of the Raketenvorbot, we would have to ask the question whether such guided missiles would raise Austria's security. The danger would then emerge that the bases for these weapons would become enemy targets, as would the people living there!"¹⁰²

Yet by July Lanc fell in with party pressure leaving Salcher as the only opponent;

"A part of the existing law, even if it is technologically obsolete in my opinion, obliges the perpetually neutral State to defend itself not only on the ground but in the air."³¹

In September both were removed from Cabinet positions. In October 1984 the praesidium of the SPOe voted for the purchase. They still felt it necessary to assure their supporters that missiles were not imminent. They argued that as the Saab 1050E in use since the late 60s were now obsolete, the purchase of fighters constituted a 'standing still';

"The replacement of these aircraft is not rearmament but the continuation of the task of Austria's neutrality policy."¹⁰²

There was nevertheless considerable opposition to the purchase. Opinion Polls showed a majority against. The decision to buy Saab Draken aircraft led to further opposition in the provinces which were intended to be the bases for the new additions. As one West German newspaper commented;

"Now no Austrian Province wants to let the Saab Draken, reputed to be extremely noisy and high polluting onto their territory. Styria in particular is resisting vehemently the place where Defence Minister Frischenschlager would like to see the 24 aircraft based at Graz-Thalernof."¹⁰³

There were further fears in the OeVP that their opposition to these aircraft might stir up anti-Bundesheer feeling. As a result, the OeVP was at pains to distance itself from the leftwing opponents of the planes.¹⁰⁴ The issue had become a test of party political strength, especially of the ability of the FPÖe to push through its proposals. Despite the Reder affair, Frischenschlager pushed on with his plans. The result was a Popular Initiative supported by Styrian Provincial Governor Krainer, which gained the active signature of a third of the Styrian population.¹⁰⁵ The Government seemed resolved nowever and the contracts were signed.

In the longer term, the aircraft debate has raised a number of very serious issues for Austrian defence. Firstly, there is the fairly clear resistance in the population to a large increase in funding for the Bundesheer, especially at a time of cuts. As 'Profil' editor

Lingens wrote in 1985, to propose an increase

".. is almost treason.... Not even in Tyrol and Vorarlberg where there is more support for the army than in eastern Austria would the Government gain a majority for more spending."¹⁰⁶

Secondly, there is the extreme difficulty of defending Austria with or without missiles and aircraft. Army commander Bernardiner, when asked whether 24 Interceptors would improve Austria's defence replied;

"No, in the case of a war they would hardly be sufficient to protect Austrian airspace even to the extent that one could delay or prevent the entry by enemy aircraft. For that, 24 would not be enough nor three nor ten times as many."¹⁰⁷

In addition, opponents have pointed out the geographical and strategic problems facing Austria; an aircraft of Draken type requires 13 minutes from East to West. To emphasise the exposure to NATO planes in Tyrol, Tyrol can be overflowed in less than one minute. Additionally, Austria has no buffer zone. She cannot react until enemy planes have actually crossed her borders. Thus any attacker would have deeply penetrated Austria before the Bundesheer could even react. The Swiss on the other hand do have a buffer to the East in Austria.¹⁰⁸

Thirdly, the problem of missiles has only begun, despite the assertions from certain quarters to the contrary (eg Frischenschlager Sept. 1985).¹¹¹ In part this is due to domestic opposition to spending. More importantly, there is a large group in Austria which remains sceptical of the value of military defence. These have managed with the help of widespread disinterest, to ensure that the arguments about vulnerability in the case of a military vacuum look shaky after 30 years. As Lingens points out, the purchase of 14 second-hand fighters does not show any commitment to expansion;

"In reality, the Government has shown through the purchase of this aircraft that it is merely paying lip-service to defence."¹⁰⁶

As Defence Minister Roesch said in 1981, to avoid being a military vacuum, Austria should have bought planes 26 years previously.¹¹⁰

The argument that Austria's air defences are radically improved by the purchase of interceptors is highly dubious. The point here is not to argue one side or the other, but rather to underline how each side attempts to co-opt the 'law' in its political wrestling match. The very lawyer who has for years insisted on the need for sovereignty in defence (Ermacora) suggests a quasi-alliance with Switzerland.

Furthermore, the argument that missiles are a defensive purchase is clearly grossly unrealistic. They maintain an offensive and a defensive capacity and a clear division between the two is impossible. Is the nuclear bomb an offensive or defensive weapon? The purchase of missiles runs clearly against the text of the State Treaty; today's missiles retain all the ambiguity between defence and attack of those forbidden in 1955. The defensive aspect has not replaced the offensive category, it has supplemented it.

As things have stood, Austria has certainly not survived 30 years because of the deterrent effect of the Bundesheer. Would international tension have been reduced had the Austrians shot down the infringing aircraft of 1968 or 1956? In the end, the international scenario which required a three-way Treaty (Austria-Eastern Bloc-Western Bloc) for the setting up of the State has not changed. In the final analysis, Austria is not an isolated unit either self-determined or determined from abroad. The strategic role of Austria at present ensures that she is a concern not only to herself but to both East and West, both as a political and military goal and as the only symbol of successful postwar co-operation in Europe. The present military situation in Austria is only partially the result of the 1955 agreement. It is also attributable to the actual political priorities of both the large parties in Austria. During the heyday of detente, the Western powers too put little pressure on Austria for rearmament. The political function was not

dependent on military strength. It too suited the political priorities of the era.

Final Remarks

The military argument remains unchanged;

"Without the help of more sophisticated weapons, there is less chance of countering a full scale attack on Austrian territory."¹¹¹

As a final comment it is worth looking at the comments of Benelux writers on this subject, whose experience of neutrality and its abandonment precedes the genesis of the Austrian model. Writing in the 1980s one Dutch writer wrote;

"As was the case for the Benelux countries in 1914 and 1940, the European neutrals are threatened primarily by the strongest military power in Europe, which is the USSR. Individually they are unable to resist this threat. All they can hope to achieve by these foreign and defence policies is to convince the Kremlin that it is more advantageous from a military point of view to bypass their territories in the case of war."¹¹²

This rather cynical view reflects the Benelux experience that attributes Switzerland's survival to its strategic difficulty and overall irrelevance. For the same reason Holland survived in 1914-18 while Belgium was the showplace of much of the war. Yet even if we accept this analysis, there remains another option; an active peace understanding. This indeed has been the real conception of the Austrians. Few would hold out much hope of survival in the event of all out war. The sovereignty of the State is thus only secure as long as wartime neutrality does not emerge. The State must therefore work to remove all pretext for war. Within a two-power system such as the cold war, neutrality is not irrelevant, freeing those States not bound in advance to one side or the other to undertake different roles; eg local detente, small scale brokerage. The real choice is not between defence or no defence but between neutral status in peacetime and battlefield status in any war.

In Austria's case, there has been no willingness to seriously

divert resources into the armed forces. The attempts in the 1970s to suggest that Austria breached neutrality law by falling short of the regional norm on military investment were quickly dismissed by politicians wishing to maintain the scope of Austria's choices under neutrality.¹¹³ This is not to say that some future party programme will not seek to justify future spending plans as an 'obligation under International Law.'

The intentions of the negotiators at the various stages in 1955 were not based on concepts of precedent. This has seriously complicated the field for political argument. The present near-vacuum can be proved to conform to international law yet others argue that rearmament is a necessity if Austria is to fulfil her legal obligations.

The SPOe continues to be split between its two groups on this issue. The confusion over the arms trade highlighted this. What is emerging is a new form of neutrality by consensus. By relating Austria's status to that of Switzerland its function and success in staying out of wars was rooted. Nevertheless the new neutrality was based on those powers which invested most in its success; the Austrian political elite and by proxy the electorate, the bloc powers and international diplomatic effort. As such it was largely externally orientated. Swiss neutrality on the other hand is rooted in 'the Sovereign' ie the electorate and culture and only by proxy in the elite. They have maintained it twice in the face of the opposition of the international community and hence it is from them that Switzerland defines its policy.

The result in Austria was a very untidy compromise on defence. The restrictions recall that Austria was formerly an integral part of the Third Reich. On the other hand, the powers did not truly countenance 'unarmed neutrality' a foreign notion in the 1950s, the heyday of

Great Power Realism. They themselves appear to have been unconcerned about the confusion of signals. The SPOe justifies its own present position by arguing that defence spending cannot be increased without endangering the other pillar of ULV, inner stability;

"The question is whether one could have done more without endangering one of the other elements. The money for defence is limited; if I spend more on defence then I have less for Social Services and thus the inner stability comes under threat. It would of course have been desirable for every government to do more."³⁰

Of course, the SPOe found money for Abfangjaeger in the recession where none had been available in the boom! Austria can now be seen as a unique if unplanned experiment. The disaster of 1945 left a distaste for war and its paraphernalia, stronger than in the victorious allied powers. There is a discontinuity between 1815 and 1985 caused by the emergence of the Cold War in the shadow of Armageddon. Post-nuclear Austria could not simply adopt Swiss practice which recognised no discontinuity. This was particularly true with reference to the military and military technology.

The constant use of 'obligation' and 'law' in this context must be set against the ease with which they are ignored at other points. Khol talks about the debate over missiles as a "discussion between idiots".²⁶ Of course he as a working politician would at the same time like to assert the unbreachable nature of the laws on armed neutrality while merrily ignoring the conditions of the State Treaty. The contradictions of collective security and traditional perpetual neutrality were set aside. Participation in the world community has become a central plank of modern Austrian foreign policy. The nature of defence policy under this contradiction has not been tested.

As yet the political consensus does not exist to create unarmed neutrality. What is important is that we recognise that it is a political argument in which the 'law' does not invalidate one position rather than the other for all time. Ultimately there is no court to

validate or invalidate 'legal' perceptions, merely political consensus. The emergence of a new approach to neutral defence in Austria may be an historic change; the result of a defence policy set up after Hiroshima in West European conditions. This has relativised the value of sacrificing economic and diplomatic success in order to build up a powerful military.

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Conclusions

" O Philosopher, you who see nothing save the things of the moment, how limited is your vision! Your eyes are not made to follow the underground workings of passion."

Frau von Goethe

At the outset, we identified the task as the deconstruction of the existing versions of Austrian postwar activity which would also entail a reconstruction of sorts. In concluding, we must now examine the nature of the model of Austrian development which has emerged out of our analysis.

In considering 'conclusions' on the development of a political /cultural community, we must always bear in mind that they will always be provisional in themselves. In the process of research for this project, several events have occurred which have confirmed, in a manner more radical than might have been expected, that the official version of Austrian history since 1955 is no longer tenable in relation both to neutrality and to Austrian involvement in World War II.

Both the SPÖ (Reder-Frischenschlager) and the ÖVP (Waldheim) have shown their primary loyalty to political pragmatism and have preferred to try and defend their immediate power base rather than confront the now obvious crisis. The most far-reaching result to date has been sweeping gains for the FPÖ under Joerg Haider at the Nationalrat elections of 1986.

Political commentators have pointed to two processes at work behind this electoral shift; first Haider manipulated rightwing populism so long dormant in Austria, but made respectable by the ÖVP's campaign for Kurt Waldheim, and secondly there was a protest vote against the stifling effect of the permanent power of the Proporz parties. In either case, the processes I have attempted to outline with their origins in 1955 or earlier would seem to be confirmed.

Austria's development since 1955 as an actor on the international stage has been conditioned, as ever, by the historical circumstances out of which it came and into which it was catapulted. In facing four-power occupation, Austria shared the fate of Germany, but unlike the Germans sustained an internal coherence in the face of this situation. In no other country was there the same degree of ambiguity in relation to the occupiers; Austria's status as part of the Third Reich or as the first victim of Hitlerian aggression remained in doubt. In retrospect it is clear that the order of the day was the invention of an explanation which would credibly justify the policies of the occupiers and the occupied. To this extent, there was a collusion between the Allies who sought to ensure a permanently weakened Germany and those in the new political elite for whom the creation of an Austrian State was a goal in itself.

The circumstances into which the new State was catapulted can loosely be circumscribed by the term 'Cold War'. As it became clear that this was a longterm condition, the primary goal was to ensure that Austria did not become part of Stalin's post-Yalta 'sphere of influence'. 'Anschluss to the West' was effectively achieved when Austria joined the OEEC, and domestically secured with the defeat of two KPOe-inspired strikes. Nevertheless, the presence of Soviet troops in the Lower Austrian heartland ensured that the Soviet presence continued to overshadow the debate.

From this rather sketchy outline it is clear that the Austrian State was thus not only ambiguous about its past, but also about its new circumstances. With this background, we can now see the concept of neutrality for Austria as an attempt at one and the same time to bridge, break and disguise these ambiguities.

By pointing to a Swiss model, the Austrians also ensured that their destiny could not be decided alone, i.e. any policy directed against

them could be said to have implications for Switzerland and hence would become not just a matter for Austria and her powerful partners but a wider issue for the international community. It is in this sense that we can understand the Austrian insistence on the Swiss model, and in this sense that we can understand why Austria's actions must always be seen to be justified in terms of this law.

The Austrian legal tradition can now be seen as a system designed to rationalise political necessity. This tradition managed to perform excellently as a filter of the 'undesirable' in official positions, but ultimately its purpose has been to disguise the ambiguities arising out of Austria's background. Austria is not unique in this phenomenon, but, as we have seen, there are few (if any) States in Europe whose postwar status has been more ambiguous. The scope for a complex system of ex-post-facto justifications was enormous, and so it has proved.

The pre-eminence of 'stability at all costs' thinking and the massive electoral majority of the parties committed to a particular version of events has resulted in attempts to stifle other versions, variously dismissed as cranky, ridiculous or illegal. The result is of course that 'stability', far from being ensured, is permanently at risk, and ultimately destined to collapse as the myths expounded by the large parties are shown to be untenable.

The complex rationalisations required to make the underlying ambiguities consistent and the increasingly fine distinctions required to bring practice into line with theory are evidence not only of preciousness but more importantly of the increasing unreliability of the position. In our study we have been confronted with a large number of these contortions. There is an inherent disequilibrium where there are large areas of societal and cultural 'taboo' so that practice is justified in terms of ultimate law. The problem has remained because

any acceptance of this 'loose' view of the role of law would seem to provide only instability. Given the nature of the problem, it must be admitted that this fear is not without foundation. Nevertheless, this state of affairs may reasonably be described as an 'incitement to rationalise'. We have recently seen the USA justify the bombing of Libya as self-defence under UN Charter Article 51. Previously, Austria successfully argued that collective security is not in contradiction to permanent neutrality. In the Austrian case, the rationalisation was also accepted by the international community. From these two ~~ex~~ ^{ex}amples alone it becomes obvious that law can be made the servant of political necessity, and this is what the Austrians have sought to do.

A classic example of the contorting effect of legality in this form lies in the legal arguments over the status of the Moscow Memorandum. Austrian legalists have agonised over this problem for many years. Because the Memorandum was signed by a group of politicians (Chancellor, Vice Chancellor, Foreign Minister etc.) and not ratified by a law-giver (Nationalrat) it cannot be International Law. Yet it clearly has a central role, leading directly to the State Treaty i.e. it cannot be separated from the process and is not reversible or open to alteration in the manner of other political agreements. In a world of categorisation, this is a subversive discovery which illuminates the ambiguity and highlights the pretensions of any 'absolute of category'. Yet we cannot get away from the central importance of the Memorandum whose relevance is more total than many laws, even the State Treaty and Neutrality Acts themselves.

The same ambiguity exists for 'Cold War'; not war but hardly peace and with an immediate relevance for every European. As we have seen, those who in some areas stand for the absolute of codified law in the military sphere have found it necessary to insist that the Cold War

poses no threat to Austrian association with the EEC because it is not War. In fact, the notion of Austrian neutrality becomes irrelevant, were Austria to join the EEC in the shadow of the Cold War. Swiss law was based on assumptions drawn from nineteenth century patterns of trade. As external economic relations become central to the internal functioning of all individual economies, so the complexities of the politics highlight the inadequacies of the law. Neutrality was not developed to overcome problems of trade. The Swiss discovered this in 1935 (Abyssinian Crisis), and responded by re-emphasis on the 'courant normal'. The problem of the EEC in postwar Europe provides a more intractable problem, however.

The underlying ambiguities existent at the foundation of the State have never been truly faced. Thus in Austria we have seen a growing dichotomy between the apparent and the real, the official and the actual highlighting the perceived need to re-express everything in terms of law. Officially, neutrality is primarily relevant to war: actually it is relevant to crisis or Cold War. Officially, there is no contradiction between western ideology and neutrality: actually there is a central problem. Officially, neutrality was self-chosen: in fact it is part of an international consensus etc. etc.

It is our contention that all these seeming contradictions can be reconciled if they are seen in a political context. Thus the insistence on the primacy of bourgeois law developed for nineteenth century Switzerland must be seen as a political choice. In 1955, 'neutrality' seemed to allow bourgeois Austria its independence in return for certain military guarantees. It seemed also to distance Austria from Germany and create a new sense of 'national' identity. This became the consensus myth between Austria, USSR and the West. Nevertheless, at times of policy divergence, this consensus breaks down, and where the Austrian position is compromised by the ambiguity

of her own position, so national credibility is also destroyed.

We have seen that even on the basic question of the role of the military, Austrian and Swiss practice has diverged. In general, the blocs treat Austria as a territory 'neutralised' between them which is not the case for the Swiss. As such, Austria has moved to the sidelines only so long as the policy of either of the blocs is not openly confronted. Hence, in periods of calm (e.g. detente era) Austria has developed largely unobserved, but in times of crisis pressure from the superpowers is considerably more than is the case for Switzerland, e.g. EEC, technology transfer, Reder-Frischenschlager, East-West trade, Waldheim, South Tyrol etc. At such times, Austria falls back on the rationales provided by the agreement of 1955 i.e. leans heavily on her status as a victim of Hitler and/or on the 'rights' of Neutrals according to International Law.

Austria has found her most vital role not within Swiss 'fortress' practice but within the Cold War into which the Second Republic was born. As a non-bloc State entirely devoid of adequate means to defend herself Austria can perhaps lead the world in the recognition that in the Nuclear world the military threat is collective. Thus Austrian neutrality was not adopted, as Swiss was, merely to stay outside others' conflicts (fortress) but rather was a child of that conflict itself (i.e. involved) and was incapable of extricating or exempting itself by merely protecting borders. Austrian Neutrality was not fundamentally a question of security but of existence. From the start or at least by 1956, the Austrians were aware that they would not or could not escape the consequences of others' conflicts once they had begun.

The norms of political realism regarding the need for a powerful military now appear somewhat irrelevant in the light of the increasingly more equal threat to all European States. Of course, the

nuclear war decision remains in the hands of a very few individuals, but the effects are likely to be similar everywhere. For political observers this may be the most important implication of Austria's experience of neutrality. This recognition of collectivity has led Austria to the forefront in the detente debate, seeking rapprochement with her neighbours.

However, there is a more deeply rooted Austrian delusion about the role of Austria in World War II. Verosta managed to 'prove' that in legal terms Austria was the first victim of Nazi aggression and not an integral part of the Third Reich. This is a classic case of non-recognition of the actual because it cannot be justified officially. As a result everything must appear to confirm the official view.

Thus, the Austrian State Treaty negotiators fought tooth and nail for the removal of any reference to 'War Guilt', Austrian officials insist that West Germany is just another neighbour and reject all outside attempts to argue otherwise while Kurt Waldheim claims he had no part in Nazi Balkan atrocities, to the point of rather sad lies or 'rationalisations'. Unfortunately for the Austrians, where the conflict predates the Second Republic, the aggrieved groups have no reason to suppress their objections. Thus while Belgrade may see good reasons not to press the Slovene case, the Slovenes in Carinthia do not. Despite superpower policy to encourage Austria in all moves away from her 'German' past, Jewish groups refuse to stay silent on the question of whether Reder was a good soldier or not or on Waldheim's suitability as Austrian President, while even Adenauer sniped bitterly when Austria appeared to be accorded a role as 'honorary wartime ally' rather than German heartland. The fact of Austrian popular collusion with Nazism severely compromised Austrian claims over South Tyrol and the Allies were unwilling to punish Italy for Austria's benefit.

The official story no longer convinces. For some time, the Cold War

and Austria's new and creative role within it have drawn attention away from 'minor' areas eg Slovenes, Austro-West German Trade, repressed history etc. Austria's successful economy, role in East-West trade and rapprochement with Hungary have seemed to confirm 1938-45 as an aberration of relevance only to the past. This was helped by the speed with which the Cold War superceded the Second World War and the degree to which Austria was a showpiece for this confrontation. Every cause now appeared to require a superpower advocate or be classified 'irrelevant'. If a superpower could be persuaded to drop a cause, its very existence appeared in doubt. Thus when Tito broke with Stalin, the Slovene question was 'solved'.

In the same manner, the 'Swiss myth' is used to divert attention from Austrian historical ties with Germany. To uninformed foreign observers, Austria's size and geography, not to mention the preponderance of Alps in both, may suggest a natural comparison with Switzerland. Yet until neutrality, Austrian ties with Switzerland were limited to Vorarlberg, which is itself linguistically separate from the rest of Austria. Neutrality put Austria into the category of 'Neutral' rather than 'Post-Reich'. Neutrality is thus key to Austria's historical 'escape'. This is indeed as it was planned. It reflects precisely the interests of those who seek to ensure that Anschluss can never happen again, i.e. the postwar Austrian elite and the victorious allies. On this issue the Soviet Union and the West agree.

Older issues were marginalised in the all-consuming importance of the Cold War. Local conflicts became precisely that - local. Yet the issues do not necessarily die. When the OeVP decided to run a campaign of jingoism to ensure the election of its candidate for the Presidency, it made acceptable hitherto taboo or marginalised issues. In the hands of a skilful populist such as Haider, they may once again

become issues relevant to the centre.

Under Kreisky, the preeminence of issues of wider international importance (Detente, EEC, North-South, Palestine) served to provide Austria with a new moral glow emphasising Peace and the UN. It must again be said that the wartime allies encouraged this as a further step away from Germany. Kreisky's widespread popularity and his Jewish heritage served to allay any fears about remnants of anti-Semitism in Austria. His attempts to reintegrate the FPÖ now appear to have badly misfired, with a resurgent Party now in the hands of the rightwing. It is clear that accusations of closet-Nazism cannot stop until there has been a thorough examination of the past. That is why rightwing resurgence in Austria has even more significance than resurgence elsewhere.

It is clear that the image of the 'island of the blessed' is no longer valid. The election of Waldheim brought back international derision in a manner both unexpected and largely unforeseen. This indicates the degree to which the Austrian political establishment underestimated the depth of the problem. From our study, it is clear that the 'day of reckoning' with the Nazi past had to come. In some senses, the 'affairs' of Reder and Waldheim were 'accidents waiting to happen'.

The primary point is not that Austria has hidden some closet Nazism for forty years, but rather to point out that the past has come back to haunt the present because the official rationalisations always tried to present the fundamentally unclear as a consistent story. In not admitting the links with Hitler, the ambiguities of being neutral and western, the impossibility of applying nineteenth century notions of defence to Austria's twentieth century situation etc. etc., the actual situation was made more vulnerable than ever. A challenge to the Austrian myth can or could have come from any quarter and the

whole ambiguity would have been exposed. This has only been exposed openly of late. Austrian history is more complex than was officially admitted.

The attempt to present a coherent model for Austrian practice in the twentieth century based on pre-World War One concepts of neutrality has failed. For a realistic understanding both of the meaning of International Law and of Austrian policy we must examine the historical circumstances in which neutrality has been implemented. At present it is difficult to make a meaningful appraisal of the nature of Austrian neutrality within the confines of the old assumptions, and the contortions required to achieve consistency within that old system merely become less and less credible.

Nevertheless, very few powerful States have an interest in critically re-evaluating aspects of International Relations which might show-up their complicity and we shall probably see continuing gaps between practice and theory punctuated by 'snock' revelations from the past about identified individuals. This was the case with Waldheim. It would be easy to end merely attacking Austria as a State on the same grounds, to little useful purpose. Both such attacks could easily be degenerate into simplistic scapegoating.

In effect, the politics of the post-1955 era can be seen as an attempt to 'realise' the myths, i.e. to resolve the ambiguities in the desired form. Neutrality has been used effectively as a positive tool in the search for an identity separate from Germany. The high-profile of Kreisky also created an identity for Austria free of association with a particular past, and his attempts to reintegrate the last remnants of the 'Germanic nationalists' into the new system can be regarded as being aimed at a similar outcome.

The ambiguities could only be resolved finally, however, if this new perspective afforded a more honest confrontation with the past.

Instead, despite some movement in this direction, the recent events have conspired to produce such a shocking effect as to leave the impression that the Austrians have repressed the truth for forty years. It is clear that the time was not used to prepare the nation for a new open reappraisal of the past but, rather, the period 1934-45 had been presented as an aberration, about which one would rather not be reminded.

Attacks from abroad have led to a reinforcing of the ambiguities, now openly expressed by different sections of Austrian society in a manner that is far from wholly positive. Nevertheless it presents an opportunity for a realistic reassessment of Austria's status in the twentieth century. We have sought to reappraise Austria's development as a neutral State; ultimately it is a process to which the Austrians themselves must contribute the largest part.

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