

A COMPARISON BETWEEN THE POLITICAL ADMINISTRATIONS OF THE SOVIET ZONES
OF GERMANY AND AUSTRIA

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A B S T R A C T

o f t h e M . A . T h e s i s

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During the Second World War, the Allies agreed on a different post-war treatment of Germany and Austria. Germany, as an enemy country, had to be politically divided into four zones of occupation and administered by the Four Great Powers until the German people were denazified, demilitarized and democratized. Austria, on the other hand, was recognized as "the first victim to Hitlerite aggression" and was to be re-established after the war as a "free, united and democratic" country.

The post-war ideological conflict between the Western Allies and the Soviet Union led to the break-down of the Quadripartite Control, and split Germany into the two mutually hostile and exclusive states. Under Soviet pressure, the Eastern zone of Germany was gradually Sovietized and subjected to a Communist dictatorship.

The early creation of a democratic central Austrian government by Dr. Karl Renner, the establishment of an effective Allied Control that limited possibilities for Soviet interference, and a united front of the Austrian democratic parties preserved the political unity and autonomy of Austria.

Since 1949, the Soviet zone of Germany rapidly evolved into a satellite Communist state disguised by a pseudo-democratic constitution and a "democratic block" technique. Its government, culture and economy fell under total control of the Socialist Unity Party, subordinated, in turn, to the Soviet occupation authorities. However, the Communists failed to win the sympathy of the German people, and had to rely on the protection of the Soviet occupation troops, and

a system of terror and legalized injustice. Simultaneously with the Communization of all aspects of East German life, the Soviet Union exploited extensively the economy of her zone of occupation, extracting by 1953 more than 12 billion dollars in reparations. Aiming at the domination of the whole of Germany, the U.S.S.R. attempted unsuccessfully to exploit the German sentiment for unity, by offering a plan for the political re-unification of the country that would ensure her Communist domination.

After the failure of the local Communists to seize power in Austria, the Soviet Union limited herself to an economic exploitation of her zone, and an occasional interference with the Austrian administration. To preserve her economic and strategic gains in Austria, the U.S.S.R. persistently sabotaged conclusion of an Austrian State Treaty.

The political administrations in the Soviet zones of Germany and Austria are utterly different. The reasons for such a contrast lie in the different international status of Germany and Austria, their different economic and strategic value to the Soviet Union, the unequal strength of the Communist and Democratic parties, and the different attitudes of the world opinion towards the two countries. At the same time, this contrast may be explained in terms of the dual character of the Soviet Union which combines both internationalist Communism with a traditional Russian imperialism.

P R E F A C E

A comparison between the political administrations of the Soviet zones of Germany and Austria may seem, at first glance, a matter of purely academic interest and of little significance to the general public who tend to think in terms of two mutually exclusive power blocks separated by an impregnable Iron Curtain. A great many people identify the situation in Germany and Austria and would expect such an identity of administrations in the two Soviet zones.

However, a closer analysis of these administrations reveals an unusual contrast: while East Germany, now entirely isolated from the rest of the country, can be classified as one of the totalitarian Soviet satellites, the Soviet zone of Austria constitutes an integral part of a democratic Austrian Republic; and yet both zones are occupied by Soviet troops and both evolved from the same starting point, under similar conditions and pressures.

This study of the different political administrations in the two Soviet occupied territories ~~will~~ not only discuss and compare the two divergent political systems, but also attempt to explain the reasons for such a divergency. It is my hope that in this way ^{THERE} will emerge a clearer picture of the factors and tendencies, both subjective and objective, which shape and direct Soviet policy and strategy in Central Europe, and that ~~it~~ will be able to throw another ray of light upon the Soviet enigma - a central problem of our time.

In my work ~~it~~ have been handicapped by the scarcity of reliable sources: while official documents particularly on Soviet policy in Germany and Austria are out of our reach, much of what has been published on the Soviet zones of Germany and Austria, is in a larger or lesser extent coloured by propaganda. Even in the case of the latter, ~~it~~ was not able to have both

sides of the argument, relying mostly on West German and Austrian sources.

The major sources of the sections dealing with the Soviet zone of Germany were: J. P. Nettl's "Eastern Zone and the Soviet Policy in Germany" on East Germany and the publications of the Federal Ministry for All-German Affairs (Bonn), particularly the extensive series "Bonner Berichte aus Mittel- und Ostdeutschland", dealing with various aspects of the East German regime. Far less material has been available on the Soviet zone of Austria. Our major sources here have been R. Hiscocks' "The Rebirth of Austria", A. Schaerf's, "April 1945 in Wien" and "Zwischen Demokratie und Volksdemokratie", and Reports of the U.S. High Commissioner for Austria. Very useful in supplementing these sources was the "Ost-Probleme", a review of Soviet and satellite affairs and policies, published at Bonn, and "Der Oesterreich-Bericht", an official Austrian press review.

I am most obliged to Dr. C. R. Hiscocks for supplying most of my sources, and his invaluable advice and guidance in planning and writing this study.

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B.R.B.

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CHAPTER ONE

The War-Time Allied Agreements on Germany and Austria

Long before the end of the second world war, the Allies began to define their war aims and to consider their post-war policies on Germany. It was soon agreed that the unconditional surrender of Germany, the punishment of major war criminals, the economic weakening of Germany and the destruction of German militarism were the measures necessary to prevent another German aggression in the future.

There was, however, little unanimity among the Allies regarding the extent to which Germany should be weakened and punished, and the extent to which the German nation, as a whole, was responsible for the war and the crimes committed in its prosecution. An extreme view of German guilt and punishment prevailed during the war, particularly in Russia. The opposite view which made a distinction between a tyrannical Nazi minority and the jovial German people, hypnotized by Hitler's demagoguery, had many supporters in the West, particularly in the United States; it was generally adopted after the conclusion of hostilities and the beginning of Allied occupation of Germany.

The first public expression of Allied war aims was made in the Atlantic Charter in August, 1941. In this statement of basic values to be upheld in the post-war world, F.D. Roosevelt and Winston Churchill emphasized "the right of all peoples to choose their own government" and promised to restore "self-government . . . to those who have lost it". While Germany was implicitly denied that right of self-determination, until she was purged from the traditions and institutions of Nazism and Militarism, Austria was extended the promise of liberation contained in the Charter. The different treatment given to Austria in Allied plans was best summarized in Prime Minister Churchill's

speech of February 18, 1942:

"With the victory of the Allies, liberated Austria will again take up her place of honour. The British people will never abandon the cause of the liberty of Austria. We will fight for her liberation from the Prussian yoke. We on our island shall never forget that Austria was the first victim of Nazi aggression".¹

Of far greater importance to the future of Austria was the Moscow Conference of Foreign Ministers of the United States, U.S.S.R. and the United Kingdom (October 13 - November 1, 1943). The participating Powers agreed that "Austria, the first free country to fall a victim to Hitlerite aggression, shall be liberated from German domination". They proclaimed the 1938 annexation of Austria by Germany as "null and void" and declared that

"they wish to see reestablished a free and independent Austria, and thereby to open the way for the Austrian people themselves . . . to find that political and economic security which is the only basis for lasting peace".²

This Moscow declaration on Austria, of which the Soviet Union was one of the signatories, restored to Austria the status of a separate national entity and became later the basis on which her sovereignty was re-established.

As a result of the Moscow Conference, the European Advisory Commission, composed of the representatives of the three Great Powers, was established in London. It proved to be "one of the silently most constructive tripartite agencies of the entire war period".³

Its purpose was to study and plan the execution of post-war Allied policy on Germany and its basis was the principle, accepted by the Moscow conference, of joint occupation and joint responsibility for the policy in

¹ Memorandum by the Austrian Federal Government Concerning the Termination of the Occupation of Austria and Re-establishment of Her Full Sovereignty, Vienna, 1952, Annex 2.

² In Quest of Peace and Security, Selected Documents on American Foreign Policy 1941-51, U.S. Dept. of State, October 1951, p. 6.

³ K. Loewenstein, Government and Politics of Germany, Governments of Continental Europe, Revised Edition, McMillan, 1952, p. 482.

Germany. That principle, as J.P. Nettl noted, implying

"the continuance of a single united Germany, was . . . accepted . . . without critical examination or conscious realization of the fact that only very close Allied accord could make it work".¹

The first conference of the "Big Three" which took place at Teheran (November 28 - December 1, 1943) decided in principle to divide post-war Germany, reestablished to its frontiers of 1937, into two (Soviet and Western) or three (Soviet, American and British) zones of occupation with an additional inter-Allied Area (Berlin) to serve as the seat of joint Allied authorities in Germany. This project was passed over to the European Advisory Commission for further elaboration. During 1944 the E.A.C. worked out the Surrender Terms for Germany and elaborated the plan of a division of Germany into three zones of occupation with the joint occupation of Berlin to which the two Western powers were to be given free and independent access. These proposals of the E.A. Commission, were placed before the next meeting of the Big Three at Yalta (February 4 - 11, 1945).

The Yalta Conference was perhaps the most important inter-Allied meeting as far as the future of Germany and further co-operation among her victors were concerned. Although it signified the high tide of Alliance, it exhibited already in an embryonic stage the areas and problems of the post-war East-West conflict. The Conference settled the still outstanding issues of the proposed United Nations Charter, and prepared the way for inclusion of France into the circle of the Big Powers. The pattern was set for the

¹ P. Nettl, The Eastern Zone and Soviet Policy in Germany 1945-50, Oxford University Press, London, 1951 p. 37.

reestablishment of governments in the liberated countries of Europe (which applied also to Austria), through ^{the} creation of "interim governmental authorities broadly representative of all democratic elements in the population and pledged to the earliest possible establishments through free elections of governments responsible to the will of the people".¹

Yalta discussions and decisions on Germany centered around two main problems; the post-war political administrations of Germany, and German reparations. The political objectives of the Allies in Germany were again defined:

"It is our inflexible purpose to destroy German militarism and Nazism and to insure that Germany will never again be able to disturb the peace of the world . . . It is not our intention to destroy the German people, but there will only be a hope for a decent life and a place in the community of nations when Nazism and militarism are extinguished".

The Allied occupation of Germany was a method to ensure the realization of these objectives. For some time Germany was to lose her international status of an independent and sovereign state. Her administration was to be entrusted to a condominium of Four Great Powers, and the exercise of her sovereignty placed in the hands of a fiduciary inter-Allied institution, the quadripartite Allied Control Commission for Germany.

"The United Kingdom, the United States of America and the Union of Soviet Socialist Republics shall possess supreme authority with respect to Germany. In the exercise of such authority they will take such steps, including the complete disarmament of Germany as they deem requisite for the future peace and security".²

The Conference agreed on the allocation of the future three zones of occupation in Germany, inviting France to undertake the occupation of a fourth zone that

¹In Quest of Peace and Security, Protocol of the Crimea (Yalta) Conference, p.24.

²Ibid.

was to be formed out of the British and American zones.

On the basis of the post-Versailles experience, it was agreed at Yalta that Germany must pay her war reparations in kind rather than in money. They were to be exacted in the following three forms:

"(a) Removals within two years from the surrender of Germany . . . from the national wealth of Germany located on the territory of Germany herself as well as outside her territory (equipment, machine-tools, ships, rolling stock, German investments abroad, shares of industrial transport and other enterprises in Germany etc.) These removals to be carried out chiefly for the purpose of destroying the war potential of Germany.

(b) Annual deliveries of goods from current production for a period to be fixed.

(c) Use of German labour."¹

There was, however, no agreement over either the total amount of reparations or the Soviet share of reparations. The U.S.S.R. proposed that 80 percent of the German industrial potential was to be handed over to the Allies as reparations. On the basis of her contribution to the war effort and the war losses, the Soviet Union demanded at least 10 billion dollars out of capital goods and current production. Britain objected to both figures and proposed to leave the problem of reparations for further consideration to the Allied Reparations Commission, soon to be set up in Moscow. While the Russians were interested, above all, in the positive gain for their under-developed economy, the British made the amount of reparations dependent on German capacity to pay (which was not yet established) without becoming dependent on Allied aid. The United States sided in this question with the U.S.S.R. and their representatives proposed that the total of reparations should be provisionally fixed at 20 billion dollars with the Soviet Union receiving 50 per cent of that sum.² This difference of opinion on the question of

¹Ibid, p. 17.

²Nettl, Ibid., p. 40.

reparations, which later developed into one central issue of East-West conflict in Germany, was recorded in the Protocol of the Conference and left to the next meeting of the Big Three.

On May 7, 1945, with the Allied troops in possession of the three quarters of her territory, Germany surrendered. The next day Prime Minister Stalin issued his 'Proclamation to the People' in which he specifically repudiated the dismemberment of Germany and its destruction. Departing from the spirit of the Yalta agreement, this statement ~~was heralded as~~ heralded the beginning of a separate Soviet policy on Germany.

The third and ~~the~~ last meeting of the Big Three took place at Potsdam, on July 17 - August 2, 1945. Its purpose was to establish a long-range Allied peace policy and, in particular, to define ^{the} political and economic purposes of ^{the} Allied occupation of Germany. The Conference established the Council of the Foreign Ministers of the Five Great Powers (France and China were invited to participate in that body) to continue "the necessary preparatory work for the peace settlements". The European Advisory Commission was dissolved and the co-ordination of Allied policy on Germany and Austria transferred to the Allied Control Council at Berlin and the Allied Commission at Vienna.

The three Great Powers agreed on a series of general political principles "to govern the treatment of Germany in the initial control period. In respect to Allied administration of Germany it was decided that

"the supreme authority in Germany is exercised, on instructions from their respective governments, by the Commanders-in-Chief of the armed forces of the United States of America, the United Kingdom, the Union of Soviet Socialist Republics, and the French republic, each in his own zone of occupation, and also jointly, in matters affecting Germany as a whole, in their capacity as members of the Control Council".¹

¹ Protocol of the Berlin (Potsdam) Conference, In Quest of Peace and Security, p. 27.

To eliminate the political and structural evils of Germany and to prevent the revival of German aggression, the occupying powers were to realize the following political aims: demilitarization and disarmament, denazification, decentralization, and, most important, democratization of Germany.

"The administration of Germany should be directed towards the decentralization of political structure and the development of local responsibility. To this end:

- (1) Local self-government shall be restored throughout Germany on democratic principles and in particular through elective councils . . .;
- (2) all democratic parties with rights of assembly and of public discussion shall be allowed and encouraged throughout Germany;
- (3) representative and elective principles shall be introduced into regional, provincial and State (Land) administration;
- (4) for the time being no central German Government shall be established. Notwithstanding this, however, certain essential central German administrative departments, headed by State Secretaries, shall be established, particularly in the fields of finance, transport, communications, foreign trade, and industry . . . under the direction of the Control Council".¹

At the same time it was agreed that freedom of speech, press and religion and the formation of free trade unions should be permitted, and religious institutions should be respected.

The main economic objectives of Allied occupation in Germany were to be: elimination of her war potential, extraction of reparations, and reorganization of German economy along the lines of decentralization with emphasis on the development of agriculture and peaceful domestic industries. These policies should, however, leave Germany enough resources to provide the average standard of living not exceeding that of the United Kingdom or falling below that of the U.S.S.R., and to "enable the German people to subsist without external assistance". Germany was to be treated during occupation as an economic whole. It was obvious that the zonal boundaries had to be

¹ Ibid., p. 28.

non-existent in economic matters if the above decision of the Potsdam Conference was to be carried out. It was decided that

- "common policies shall be established in regard to
- (a) mining and industrial production and allocation;
 - (b) agriculture, forestry and fishing;
 - (c) wages, prices, and rationing;
 - (d) import and export programmes for Germany as a whole;
 - (e) currency and banking, central taxation and customs;
 - (f) reparation and removal of industrial war potential;
 - (g) transportation and communications".¹

The question of reparations was not completely solved at Potsdam. The absence of any definite reparation figures in the Protocol of the Conference reflected the lack of Allied agreement in the Moscow Reparations Committee. The establishment of German capacity to pay and further negotiations regarding the total amount of reparations were left to a committee of technical experts. However, an agreement was reached concerning the sources of Soviet reparations.

- "(1) Reparation claims of the U.S.S.R. shall be met by removals from the zone of Germany occupied by the U.S.S.R. and from appropriate German assets
In addition . . . the U.S.S.R. shall receive from the Western zones:
- (a) 15 per cent of such usable and complete industrial capital equipment as is unnecessary for the German peace economy in exchange for an equivalent value of food, coal, potash, zinc, timber, clay products, petroleum products, etc.,
 - (b) 10 per cent of such industrial capital equipment as is unnecessary for German peace economy . . . without payment or exchange of any kind in return".²

The Conference also agreed, "pending the final determination of territorial questions at the peace settlement", to transfer to the Polish administration the German territories east of the rivers Oder and Neisse, and to divide the administration of East Prussia between Poland and the

¹ Ibid., p. 29.

² Ibid., p. 30.

Soviet Union.

Austria was also on the agenda of the Potsdam meeting. It was decided that for the time being Austria should be divided for the purpose of Allied occupation ^{to} in four zones with a joint occupation of Vienna. The Allied Council in Vienna would supervise the administration of the country. The Conference examined a proposal by the Soviet government on the extension of the authority of the Austrian Provisional Government to all Austria; however this problem was left unsolved until the entry of the British and American forces into Vienna. It was agreed that "reparations should not be exacted from Austria".¹ But all the "German assets" in Eastern Austria were to be transferred to U.S.S.R. on account of German reparations. Lack of a precise definition of "German assets" at Potsdam proved to be later, a justification for ^{the} wholesale economic exploitation of Eastern Austria by the Soviet Union.

Viewed from the distance of time, the Potsdam Conference was a failure. It created ~~the~~ a system based on the assumption of ^a continuing unity of the Allies ~~which~~ was already in process of rapid deterioration. It was still hoped that the issues on which the great Powers were unable to agree might be settled afterwards in technical committees of the Control Council and other subsidiary organizations. But not all the Allies were willing to make every effort to reach a compromise and while the problems were still under Allied consideration, some of the powers were solving them by ~~the~~ arbitrary and unilateral actions.

The Potsdam Conference signified the end of the approach to ^{the} German

¹ Ibid., p. 33.

problem which characterized the Allied policy during the war years. Doubts regarding the wisdom of harsh treatment of Germany began to appear. It was soon apparent that if Germany was to survive the critical post-war years, substantial Allied aid had to be rendered to yesterday's enemy. It was increasingly clear that the agreement at Potsdam which was to guide Allied policy on Germany for a considerable time, was founded on uncertain information accumulated during the past, and did not take into account the post-war German reality.

One of the fallacies of the Potsdam policy was the assumption that by providing for ^{the} technique of democracy in all zones of Germany its moral values would be automatically created. The equation of decentralization with democracy also proved erroneous. ^{The} Basing of the Allied Control machinery in Germany on the unanimous decisions of all the Four Great Powers was an invitation to deadlock. And the deadlock soon came, turning into a scrap of paper the plan ^{the} for economic unity of Germany, for central German economic authorities and ^{the} unified development of German political life in all four zones. The zonal frontiers became, even before the date of the Potsdam Conference, much more than the lines of demarcation. Behind them, different policies were taking shape; different interpretations of particular provisions of Potsdam (to take only the principle of "democratization") changed the political and socio-economic patterns of the Eastern and Western Zones. One cannot escape the conclusion that the political and economic provisions of the Potsdam agreement were beyond practical realization even if all the parties to that agreement had faithfully adhered to it.

For the years that followed, the Potsdam Conference had fateful influence on post-war German recovery. It created a legal basis for ^a lasting

split of Germany into two ideologically, politically, socially and economically opposite countries and placed the problem of German unification at the mercy of an East-West "cold war." While the more fortunate three Western Zones gradually succeeded in ^{the} reestablishment of almost complete freedom and economic prosperity, the Eastern Zone fell ~~as~~ ^{the} victim to ^{the} Soviet policy of economic exploitation and political Bolshevization and was gradually turned into ^a Soviet satellite ^{the} controlled by ^a terror and propaganda of ^a Communist minority.

On the future of Austria Potsdam had more indirect, but no less important influence. Directly, it underlined the different international status of Austria by freeing her from any part of responsibility for German aggression and from any reparation payments; however it legalized the Allied occupation of Austria and ~~the~~ ^{the} control of her government. Failure to define "German assets" in Austria gave an unlimited opportunity for Soviet exploitation of their zone. Indirectly, by binding together the future settlement of ^{the} German and Austrian problems, or rather leaving it to an uncertain future, the Potsdam Conference made it later possible for the Russians to obstruct the conclusion of the Austrian Treaty.

CHAPTER TWO

Break-down of the Quadripartite Control and the Split of Germany into Two Mutually Exclusive Republics

At the time of its surrender in May 1945, Germany was in a state of total chaos. From East and West Allied armies were occupying the last portions of German territory. No German government survived, - no administrative machinery^{remained}. Means of communication were partially or totally destroyed. Trade came to a standstill. The social structure of the country was disintegrating; life took refuge in the smallest social unit - the family. With an apathy bordering on stupor^{the} Germans were meeting their victors, prepared for the worst.

The immediate task of the Allied military forces in Germany was to provide basic administrative machinery to re-establish order and to ensure both the destruction of the remnants of Nazi military and political structure, and the democratic organization of German life. The basis for the Allied administration of Germany, which had been advanced during the war by the tripartite European Advisory Commission; the practical application of these, sometimes unrealistic, plans fell to the Allied military commanders, first of all to the commanding officers of the locally stationed units.

Short-Lived Four Power Control of Germany

On June 5, 1945 the Commanders-in-Chief of the U.S.A., the U.K., the U.S.S.R. and France issued on behalf of their governments three important documents that set the foundations for the Allied occupation and administration of Germany. The first document was the "Declaration regarding the defeat of Germany and the assumption of the supreme authority with respect to Germany"; it followed a plan drawn up at the Yalta Conference¹. By this

¹ The Declaration was further supplemented by the Four Power agreement of September 20, 1945.

declaration the governments of the Four Powers assumed "supreme authority with respect to Germany including all the powers possessed by the German Government, the High Command and any state, municipal or local government or authority" with the right to "determine the boundaries of Germany and the states of Germany".¹

The second document, entitled "Statement by the Governments of the U.K., the U.S.A., the U.S.S.R. and the Provisional Government of the French Republic on Control Machinery in Germany", provided that

"Supreme authority in Germany will be exercised, on instructions from their governments, by the . . . Commanders-in-Chief, each in his own zone of occupation, and also jointly, in matters affecting Germany as a whole. The four Commanders-in-Chief will together constitute the Control Council . . . whose decision shall be unanimous . . . It will ensure appropriate uniformity of action by the Commanders-in-Chief in their respective zones . . . and will reach agreed decisions on the chief questions affecting Germany as a whole".²

The Control Council was to be assisted by two advisory bodies: a permanent Co-ordinating Committee composed of one representative (a ranking general) of each of the four Commanders-in-Chief, with a status of Deputy Military Governor, a Secretariat, and a Control Staff organized in the following divisions: Military; Naval; Air; Transport; Political; Economic; Finance; Reparations; Deliveries and Restitution; Internal Affairs and Communications; Legal; Prisoners of War and Displaced Persons; Manpower.

The third Document entitled "Statement . . . on the Zones of Occupation in Germany" designated four zones of occupation and stated that

"the area of "Greater Berlin" will be occupied by forces of each of the Four Powers. An International Governing Authority (in Russian, *Kommandatura*) consisting of four Commanders . . . will be established

¹ Early Agreements on Germany, p. 4.

² *Ibid.*, p. 7.

to direct jointly its administration".¹

Constructed on the basis of these documents, ^{the} Quadripartite Allied Government in Germany existed formally until 1949, although it ceased to meet already after March 20, 1948, when Marshal Sokolovsky walked out from the meeting of the Control Council.

The Allied Council, usually meeting three times monthly in the U.S. sector of Berlin, headed a hierarchy of quadripartite bodies. Most important of them, the heart and brains of the system was the Co-ordinating Committee, where all the negotiations were conducted, and from where agreed policies were passed for approval to the Control Council. Under the Co-ordinating Committee worked 13 quadripartite functional Directorates, composed of technical experts doing the actual work. Chairmanship rotated monthly on every level.

The quadripartite administration of Germany was hampered from the beginning by serious obstacles. Trilingual proceedings, frequently shifting personnel, incessant high-level policy conflicts, alien national environment could not provide for efficiency in the Council. Overlapping of jurisdiction of the Control Council and zonal commanders, delay, and ^{the} necessity of unanimity, ~~in the Council~~, different interpretation of Council's decisions, and ideological contrasts combined to make zonal Military Governments the real legislative and administrative bodies. In this situation the Control Council had to confine itself to general policy statements, leaving their actualization to the individual zonal commanders.

Yet the work of the Control Council did not remain without positive results. The balance of its activities consisted of three proclamations, four orders, sixty-one laws and fifty-seven directives. Its action met with

¹ Ibid.

relative success in the fields of demilitarization, disarmament and the abolition of the state of Prussia (Q.C.L.W. of February 28, 1947). Less successful were its actions on denazification, reform of taxation and finance system, labor regulations, and elimination of Nazi legislation.

Growing tension and conflict between the Western Allies and the Soviet Union undermined the working of the Quadripartite system in Germany, which was based on an assumption of continual Allied unity. Disagreement centered around the problems of economic fusion of the four zones of occupation (agreed in Potsdam), the Russian reparation claims, and the establishment of a provisional central German government. In March 1947, at the Moscow meeting of the Council of Foreign Ministers, U.S. Secretary of State, George S. Marshall stated that the Allied Control Council was no adequate substitute for a German government. He proposed to authorize the Germans to establish a Provisional Government to deal with matters of nation-wide concern under effective Allied guarantees. After such a provisional government of popularly elected heads of the Land Governments was created, a democratic federal constitution of Germany was to be drafted with limited powers of the central government and with all residual authority vested in the Laender.¹ However no agreement was reached in Moscow on Marshall's proposal due to Soviet opposition, and the matter was again discussed at the London meeting of Foreign Ministers, late in 1947. Again, no agreement was achieved with ^{the} Soviet Union on the questions of German unification and the Soviet reparation claims from Germany.

In this atmosphere, with the quadripartite action in Germany paralyzed by Soviet vetoes in the Control Council, Germany's Eastern and the

¹ Elmer Plischke, The Allied High Commission for Germany, Office of the U.S. High Commissioner for Germany, 1953, p. 3.

Western zones were drifting apart. Four-Power Control was becoming a fiction. The Soviet Russians, realizing that they could not use the Control Council for gaining influence in Germany as a whole, did not hesitate to interpret the wide frame of Council's enactments to suit their own political needs and to embark on the actual Sovietization of their zone. In the West, the realization of the failure of the Potsdam policy, and the recognition of the need for economic recovery and political reconstruction of Germany called for action. In July 1946 the American Supreme Commander in Germany formally proposed to the other members of the Allied Control Council an economic fusion of the American zone with that of ~~any~~ other Occupying Power on provisional basis, pending eventual Four Power agreement on all of Germany; only the United Kingdom accepted the invitation, and on December 2, 1946, as a result of the joint U.S.-U.K. negotiations, the Washington Bi-zonal Fusion Agreement was concluded. It led to the economic merger of American and British zones of occupation ^{called} into a ~~so-~~ Bizone, with a German bi-cameral legislature, and executive branch responsible to the legislature, separate judiciary, division of authority between the Laender and the German bizonal government, and an American-British supervisory body. These arrangements served as a basis for the extension of the Bi-zone in the Tri-zone, after the French agreed to join the Bi-zone.

After the break-down of the London Conference of the Four Foreign Ministers, the three Western powers decided to proceed with tripartite integration in West Germany. A conference of the Deputy Foreign Ministers of France, the U.K., the U.S.A., and with the participation of the representatives of the Benelux countries, convened in London, in the Spring of 1948; it decided on economic fusion of the three Western zones and authorized the German people to

form a democratic federal government which would help eventually to reestablish German unity. The Soviet Government was invited to join its zone with the Western zones in establishing a united Germany but it failed to reply. In accordance with the London decisions, the Military Governors of the Three Western Zones met in July 1948 with the Premiers of the eleven West German Laender. The Governors authorized the Premiers to convene a constitutional assembly to draft a democratic constitution of a federal type, and presented them with the "Occupation Statute" enumerating certain powers that the Military Governors reserved for themselves in order to ensure the accomplishment of the basic purposes of the occupation; For the time being the Allied Powers would direct Germany's foreign relations, control her foreign trade, provide for the security of the occupation forces and ensure the observance of a future constitution. The Premiers of the Laender insisted that the proposed federal government should have provisional status in order to avoid widening the rift between Western and Eastern Germany. Therefore, their suggestion, accepted by the Western Allies, was to substitute^a "Parliamentary Council", appointed by the legislatures of the Laender, for a popularly elected constitutional assembly and, instead of popular ratification of the constitutional draft,^{to} authorize the legislatures of the Laender to ratify the new constitution. "Popular elections and popular ratification, they argued, would lend that document a distinction afforded only to the final constitution of a united Germany".¹ The Parliamentary Council met in September of 1948, at Bonn, and under the chairmanship of Dr. Konrad Adenauer, completed by May of 1949 the drafting of the Basic Law of the Federal Republic of Germany of the that was ratified in the same month by all but one (Bavaria)/Landtage. The

¹ E. Plischke, Ibid., p. 14.

City Assembly of West Berlin, although Berlin was not one of the participating states, approved the Law unanimously. With the approval of the Basic Law by the three Western Powers and the effectuation of the Occupation Statute on September 21, 1949, the Federal Republic of Germany came into being.

The London Conference of the Deputy Foreign Ministers of the Three Western Powers and the decision to merge the three Western zones into one economic and political organization ~~were~~ challenged by the Soviet Union as a breach of the Potsdam Agreement. It gave the Russians the opportunity ~~for~~ of terminating the Quadripartite Control in Germany and embarking openly upon the Sovietization of the Eastern zone, while putting the blame on the Western Allies. On March 20, 1948, Marshal Sokolovsky served ^{the} coup-de-grace on the Quadripartite Control in Germany by walking-out from the meeting of the Allied Control Council in Berlin. It was the last meeting of that body. The collapse of the Control Council marked the last stage of the disintegration of the "Grand Alliance" that had won the war against Germany.

Developments in Berlin

The developments in Berlin reflected the general trend of the Allied policy in Germany.

The one-time capital of a great power, ~~which~~ suffered extensive damage from the Allied bombing and Soviet siege in 1945, remained in theory the capital of the country, being chosen as a seat of the Allied Control Council for Germany. Although placed in the middle of the Soviet Zone, Berlin was made in the decision of the Yalta Conference a separate administrative unit, to be occupied and jointly administered by the Four Great Powers.¹ For that purpose

¹ The original plan, elaborated by the E.A.C. in September, 1944 provided for the tripartite administration of Berlin, but in 1945 it was decided that the French would participate in the occupation of the city.

the area of "Greater Berlin" (880 square miles) was divided into four "sectors"; East Berlin (with a population of 1,170,300 in 1946) remained under Soviet occupation, while the western part of the city, with a total population of 2,008,900 in 1946, was allocated to the United States, the United Kingdom and France. Before the Western Allies took over their sectors on July 12, 1945, the Soviet Military Administration had already appointed a new city government which was largely controlled by Moscow-trained German Communists, and unilaterally seized more than 80% of the city's remaining industrial equipment and nearly 70% of its stocks of raw and finished materials.¹ After the creation of the quadripartite Berlin Kommandatura, that status quo was affirmed by all the Four Powers; only later^{did} the consequences of these initial Soviet measures begin to be felt, and much effort was subsequently devoted by the Allied and German administrations of Western Berlin to ^{ing}undo this precipate action, which was rendered doubly difficult by frequent Soviet veto in the Berlin Kommandatura.

In August 1946, a Provisional Constitution of the City of Berlin was ratified under which new elections to the city government were held, and ended in a serious Communist defeat. These were the last city-wide elections. Since that time, unable to achieve control through the legitimate channels, the Soviet Union turned to other means: they paralyzed the Kommandatura by their vetos; they opposed the constitutional reform proposed by the Western Powers and boycotted the city elections of 1948 and 1950; they imposed economic and financial pressure upon the people of the city.

With the breakdown of the Quadripartite Allied control, the Berlin

¹ E. Plischke, Berlin: Development of its Government and Administration, Office of the U.S. High Commissioner for Germany, 1952 p. 3.

Kommandatura shared the fate of the Control Council. On July 1, 1948, the Soviet representative formally withdrew from the Kommandatura, hoping to wreck the collective Allied Administration. Three weeks later followed the Berlin Blockade, a cold-bloodedly planned total siege of Western Berlin. Ostensibly, ~~only~~ it was a retaliatory measure against the currency reform in West Germany, with an aim to prohibit the import of the old and the new West German currency into the Soviet Zone.¹ Actually, the Blockade was an attempt to force the Western Allies out of Western Berlin ~~which~~ was becoming an increasingly embarrassing gap in the Soviet "Iron Curtain" and an asylum for a rapidly growing number of refugees from East Germany.

On June 23-24, 1948, a meeting of Foreign Ministers of the U.S.S.R. and its satellites took place at Warsaw; its resolutions charged the London Conference ^{being} ~~with~~ a violation of ^{the} Yalta and Potsdam agreements and a measure against the unification of Germany. For nearly eleven months (June 22, 1948 to May 12, 1949) the Russians, supported by the German Communists, tried (by means of starvation, lack of fuel, unemployment) to force West Berlin to accept ^a Communist minority rule. Only the courageous and imaginative Allied counter-measure - the Berlin air-lift and the unified anti-Communist front of the city-population saved that "island of freedom" from being absorbed into the Communist East. The firmness and resoluteness of the West finally forced the Russians to lift the blockade and to concede ~~the~~ humiliating defeat in their struggle for Berlin.

As a result of the Berlin blockade, the city split into two administra-

¹ In their letter of June 18, 1948, to Marshal Sokolovsky, the Military Governors of the three Western Zones explicitly stated that the currency reform in Western Germany was not an interference with the quadripartite status of Berlin and that the West mark was not to be introduced in the Western sectors of Berlin.

tive entities with separate governments and constitutions, each presuming to exercise jurisdiction over the whole city. At the same time, there came to be dual Allied controls in Berlin: the tripartite Allied Kommandatura in West Berlin, and the unilateral Soviet Control Commission for Berlin, located in the Soviet sector.

In March 1949 the West Mark became the sole legal tender in West Berlin, and in 1950 a new constitution was promulgated by the Berlin City Assembly. Only the possible complications with the U.S.S.R. prevented Berlin from becoming a separate Land in the (West) German Federal Republic. Nevertheless, the non-voting representatives of West Berlin joined the West German Bundestag at Bonn, manifesting ^{the} spiritual unity of Berlin with the democratic Germany.

As pointed out by E. Plischke in his study of Berlin administration, Berlin became

"one of the strangest governmental phenomena of our time. It is the "capital" or the "headquarters" of seven major governmental units, including: (1) four occupation regimes (the dormant but technically existing Allied Control Authority, the Allied Commandatura, the Soviet Control Commission for Berlin, and the unilateral Soviet Control Commission for Germany); (2) one German "National" Government (the (East) German Democratic Republic); and (3) two metropolitan governments. In addition there are four unilateral Allied occupational sector administrations, and twenty city "boroughs" with their own respective local governments."

The precarious position of West Berlin inside of Soviet controlled East Germany made it both the most important source of Western information about the conditions in Eastern Germany, and the best instrument for dissemination of information about the West. It became both the tribune for Communist propaganda spectacles, and the centre of anti-Communist resistance among the Germans. On the front of the East-West "cold war" Berlin occupies a most exposed position. It is a miniature of divided Germany, and the mirror in which hopes and fears of the German people are reflected. It

is not surprising that it was Berlin where the first open anti-Communist uprising in East Germany started on June 17, 1953, which, if not for Soviet tanks, could have shattered the Soviet-sponsored S.E.D. regime.

The importance of this enclave of freedom in the Soviet Zone of Germany cannot be overestimated.

"West Berlin stands today as a symbol of political and social freedom to a great many Germans living in the Soviet Sector and the Soviet Zone who are politically disfranchised in terms of modern democratic standards and are subject to arbitrary arrests and confinement in concentration camps, or worse . . ."¹

Isolation and Gradual Sovietization of East Germany 1945 - 1949

The territory of the future Soviet Zone of Germany and its division into five Laender was agreed upon in the European Advisory Commission already in 1944 and was ratified by the Yalta Conference. The total territory of the Zone amounted to 46,000 ² square miles and consisted of the following Laender: (1) Brandenburg; (2) Mecklenburg, to which the western part of the former Prussian province Pommern was joined; (3) Saxony, with the western part of the former Regierungsbezirk Liegnitz; (4) Saxony--Anhalt, a newly established province composed of various fragments, mostly of former Prussia; (5) Thuringia, with some of former Prussian areas. Since Prussia was abolished as a state by an Allied law in 1947, the only two Laender with a historical tradition of their own and local loyalties were Saxony (a Kingdom until 1918 and a Free State in the Weimar Republic), and Thuringia (established in 1919).

¹ A Four Year Report, July 1, 1945 to September 1, 1949, Office of Military Government, U.S. Sector, Berlin 1949, p. 22.

² Excluding Berlin.

The population of the Soviet Zone in 1946 was 17, 313,058, with about two million refugees from the territories under Polish and Czech administration.

The arrival of the Soviet armies in East Germany was followed by a wave of looting and raping that could not but spread fear, hostility and resentment among the Germans. These initial excesses of Russian troops did not make many Germans believe the sweet music of Soviet propaganda, whose Leitmotiv now became Stalin's statement: "Hitlers come and go, but the German people and the State do remain". In the first weeks, long before the Potsdam Conference met in July - August, 1949, the Russians seized huge amounts of German industrial equipment and stock, railway, telephone, telegraph and public utilities equipment, justifying all dismantlings and removals to the Soviet Union as war booty and reparations (although that question still remained unsettled among the Big Three). At the same time, massive arrests were made by the M.V.D. of the prominent Nazis, as well as of known anti-Communists, followed by the deportation into the Soviet Union of many prominent German scientists and economic experts.

In their zone of occupation the Soviet Armies faced^a complete breakdown of the German administrative machine, aggravated by the mass flight of the administrative personnel to the Western zones, where they expected less harsh treatment. The immediate establishment of^{the} most essential administrative units was the first problem that faced the Soviet Army in Germany. This task fell to the local Soviet commanders who mastered the chaos by arbitrary appointments of administrative and police officers, without much inquiry ^{-to} in their qualifications and political background; only generally known Nazis were unacceptable. Yet from the beginning, preference was given to the German Communists and the former inmates of the Nazi concentration camps, without

much discrimination between political and criminal offenders. In this way a new administration on the municipal, city and circle (Kreis) levels was improvised, with little uniformity in its jurisdiction, structure and methods of administration, and with local Soviet commanders often issuing contradicting orders to German organs.

On June 9, 1945, the Soviet Military Administration in Germany (SMAD) was established in Karlshorst, in East Berlin, with Marshal Zhukov as Military Governor and the Commander-in-Chief of Soviet Occupation Forces, General Sokolovsky, as his Deputy¹, and Colonel-General Kurassov, as his Chief of Staff. A series of divisions were created in the framework of SMAD, with Political Division and Economic Planning Division taking a place of importance from the beginning, in accordance with traditional Soviet emphasis on politics and planning. As Marshal Zhukov had to combine his administrative and military functions with the membership in the quadripartite Allied Control Council, the staff of the different divisions of the SMAD served simultaneously as ^{the} Soviet Element in the technical quadripartite organs of the Control Council.

Simultaneously, Soviet Military Governments were established in five Laender of the Soviet Zone, each modelled on the central SMAD and headed by a Colonel General. According to the agreed quadripartite policy the Land was regarded as the highest administrative unit in Germany, and already in the summer of 1945 the German civil administrations were created in all five Laender, subordinated to the provincial SMAs. This administrative

¹ Elevated to the rank of Marshal in 1946, Sokolovsky replaced Zhukov as Military Governor of the Soviet zone in June 1946.

decentralization as well as the difficulties in communication, strengthened considerably the position of provincial SMAs against the central SMAD in Karlshorst. To this original weakness of the SMAD contributed its dependence on orders from Moscow, which not only frequently passed by Karlshorst issuing direct orders to the provincial SMAs, but also established in the Soviet zone, a number of agencies directly subordinated to various ministries of the U.S.S.R. Among these were: the Soviet political police - M.V.D.¹, reparation and dismantling commissions, technical and scientific delegations, Soviet trade missions, and since 1946 the Soviet Joint Stock Companies (SAG)². Only gradually was that administrative mosaic streamlined and subordinated to the central SMAD, although some agencies (e.g. SAG enterprises) remained under direct jurisdiction of Moscow. That initial decentralization of the administration in the Soviet zone had its advantages: it encouraged initiative and stimulated imagination of local Soviet authorities; it helped to adapt Soviet objectives to the existing local conditions; it encouraged Germans to participate in the work of reconstruction and left them temporarily free of detailed bureaucratic plans sent from above, which plagued the administration in the years to follow.

In July 1945, the central Soviet Military Administration decided to create a German extension of the SMAD, which was to insure a better realization of the Soviet orders in East Germany, a closer contact with the German population and their wider co-operation with the Soviet authorities. Since there was no equivalent of the East German Central Administration in the Western zones of Germany, "these German organs . . . could be regarded as a nucleus of the central German administration mentioned in the Potsdam Agreement, and the Soviets hoped at that time to persuade the other Occupying

¹ Ministerstvo Vnutriennykh Dyel, known before as the NKVD.

² Sowjetische Aktien-Gesellschaften.

Powers to recognize them as such".¹

Accordingly, this German extension of the SMAD was named German Central Administration for the Soviet Zone of Occupation², its structure being modelled on that of the technical apparatus of the SMAD. Each of its original twelve departments created between July and October 1945, was placed under a German president and staffed largely with the first rate Prussian administrative technicians. Until the middle of 1947, each department was directly subordinated to the respective division of the SMAD. All higher positions were filled by appointments of the latter, with an evident preference given to the Communists. They^{were} divided into two unequal groups: economic and non-economic. The first group included the following divisions: (1) Industry and planning; (2) Energy and Fuel; (3) Trade and Supply; (4) Agriculture and Forestry; (5) Transport; (6) Finance; (7) Statistics; (8) Labor and Social Affairs; (9) Refugees; (10) Post and Telegraphs. The second group included three divisions: (1) Education; (2) Justice; and (3) Health.

The German Central Administration worked at first only as^{an} advisory and executive agency of the SMAD at Berlin, but by the end of 1946 its authority had been increased by a SMAD decree, granting to it a direct jurisdiction over the administrations of the Laender. In February 1947, a formal agreement was concluded between the German Central Administration and the Laender giving to the former the right to co-ordinate all economical activities of the Laender. At the same time two more departments were

¹ J.P. Nettl, Die deutsche Sowjetzone bis Heute (Verlag der Frankfurter Hefte, Frankfurt a.M., 1953), p. 17.

² Deutsche Zentralverwaltungen fuer die sowjetische Besatzungszone (DZV).

created: the Department of Internal Affairs (developed later into the Ministry of Police) and that of the Nationalized Enterprises. In June 1947, simultaneously with the establishment of the Bizone in West Germany, the Permanent Economic Commission¹ was created, centralizing the activities of the economic departments of German Central Administration. In all but name, the Permanent Economic Commission was the actual central East German Government, which was given unrestricted authority in September 1948 for supervising and instructing in all economic fields in the entire Soviet zone. The Commission consisted of (a) a policy making Secretariat, (b) a technical staff divided into seventeen departments, and (c) an Assembly ("Plenum"). The Permanent Economic Commission was permeated by the German Communists, appointed to the key positions by the SMAD which continued to intervene on all levels of the German administration.

In contrast to the development of the administration in the Western Zones of Germany, where decentralization, as decided at Yalta and Potsdam, remained a permanent feature and was later realized in the federal structure of the West German Bundesrepublik, central planning and direction became the guiding principle of the East German administration as soon as the initial chaos was mastered in the fall of 1945. With the establishment of the German Central Administration, the autonomy of the Laender was rapidly curtailed, and their administrative apparatus was turned into the arm of the GCA. The latter was in turn under extensive control of the SMAD, whose authority did not diminish with the growth of German administration and the extension of its jurisdiction, but rather became less evident. The new

¹ Die Staendige Wirtschaftskommission.

channel of Soviet control over the German administration became the German Communist Party (KPD) which, after fusion with the German Social Democrats in the spring of 1946, took a new name of the Socialist Unity Party (SED)¹. The story of development of ~~the~~ East German politics and creation of the SED is essential to the understanding of the changes in the political, social and economical patterns of East Germany, which separated her from the Western zones and created basis for her later evolution into a Soviet satellite.

The breakdown of the Nazi Reich left a complete political vacuum in occupied Germany. Twelve years of Nazi domination left no political organization intact; the only exception were the German Communists. Their organization survived in little well-camouflaged cells in Nazi Germany; due to their numbers they exercised a considerable influence in the Nazi concentration camps which served as incubators for indoctrinating younger generations of prisoners with Communist ideals. Many of them survived in the Soviet Union. They went through the Communist party schools and gained extensive experience in Communist strategy and tactics, many of them carrying out important tasks on behalf of the Comintern or Soviet intelligence beyond the borders of the U.S.S.R. They helped to indoctrinate German and Austrian refugees from Nazism and, later, to spread Communist propaganda among the numerous German prisoners of war. When the Soviet armies entered Germany, they were among the first wave of Soviet administrators. These Moscow-trained German Communists--Pieck, Ulbricht, Zeisser, Herrnsdorf, Hoernle and many others--became obedient instruments of the Soviet policy and a primary factor in the process of gradual Sovietization of East Germany.

¹ Sozialistische Einheitspartei Deutschlands.

In many respects the Soviet Russians were ahead of the Western Allies in Germany. Not only had they a reliable political tool in the form of German Communist Party (KPD) the ~~SPD~~ (and later SED), but they seemed to have from the beginning a definite plan to mould the Eastern zone according to their political philosophy and the interests of the U.S.S.R. It was in the Soviet Zone that the first German political parties were allowed; these were the German Communist Party (KPD) and the German Social Democratic Party (SPD). Although the Communists were openly favoured by the SMA and were more disciplined and active than any other party, the reborn SPD became the strongest party in East Germany. It attracted many Germans who saw in it the compromise choice between Communism and the soon established two "bourgeois parties" - Christian Democratic Union (CDU) and the Liberal Democratic Party (LDP), tolerated by the Soviets, but regarded as reactionary. By the end of 1945 these four parties were also in existence in the American and British Zones of Germany¹, with their all-German party executives and conventions; of these parties, KPD relied almost exclusively on the Soviet zone, the two "middle class" parties concentrated on the Western zones, where their organizations were much stronger, while the Social Democrats attempted to find footing in all zones and to remain neutral of both the East and the West.

In the Soviet zone, the Communists from the outset, took the initiative in their hands. The "liquidation of National Socialism" became a convenient platform for an extension of their political influence and party membership, and an excuse for almost any communist measure. The charges of "Nazism" were sufficient to silence their political opponents; the pressure to "combine forces in the struggle against Nazism" was exploited to paralyze

¹ French authorities for a long time obstructed the development of the German political parties in their zone of occupation.

the initiative of the other political parties and to harness them into "Antifa Committees" (Anti-Fascist Committees), the forerunner of the later "Democratic Block". Originally intended to ensure all party co-operation in such measures as denazification, socialization of industry and Land reform, the "Antifa" turned gradually into an instrument of Communist control of their opponents, particularly after the compulsory fusion of the ~~SPD~~ ^{Socialists} and the ~~KPD~~ ^{Communists} into the Socialist Unity Party.

That fusion was a major Communist success and a turning point in the development of East German politics. Alarmed by the growth of the ~~Socialist~~ ^{Democratic Party,} and an increasing tension between the two "working men's parties", the Soviet Administration exerted a considerable pressure on the SPD leaders towards the "union of the working class movement". At the same time a considerable minority of the SPD members were calling for the fusion with the ~~KPD~~ ^{Communists (KPD)}, many Social Democrats expecting to dominate the common organization with their superior numbers. In April 1946 the fusion was announced in Berlin, with Wilhelm Pieck (KPD) and Otto Grotewohl (co-chairman of the SPD), as the two chairmen of the new party; both the KPD and the SPD were officially dissolved in the Soviet zone.

Not all the SPD members approved of the fusion. Many ~~had~~ refused to join the ~~S/D~~ ^{Socialist Unity Party (SPD)}. Many had resigned from the new party or were purged out later. The majority of the Social Democrats in Berlin retained their separate organization in the Western sectors. The West German SPD led by Dr. Kurt Schumacher condemned the fusion with the KPD as an attempt to destroy Social Democracy in East Germany.

The Western Social Democrats were right. Although originally all the positions on the new party were filled on a parity basis, from then on

there began a piecemeal process of assimilation and demoralization of the former SPD members inside of the SED. The ones who would not follow obediently the Communist line were branded as "deviationists". "Social Democracy" became a serious form of deviation.

To extend its influence to all classes of the population and to provide for a "democratic" camouflage for their actions - the Communists created a number of "mass organizations", whose leadership they took firmly into their hands. These organizations that were to play an important part in the development of total Communist isolation of the "bourgeois" parties and churches from the masses of population were:

- (1) Federation of the Free German Trade Unions (FDGB);
- (2) Association of the Political Persecutees by Nazism (VVN);
- (3) Free German Youth (FDJ);
- (4) Farmers' Mutual Aid Association (VdGB);
- (5) Democratic Women's Federation of Germany (DFD);
- (6) Society for German-Soviet Friendship (DSF);
- (7) Cultural League for Democratic Restoration of Germany (Kulturbund).

With a membership of 1,298,000¹, not including the "mass organizations", and with an open support and material aid of the ^{Soviet Military Administration (SMAD)} ~~SED~~, the Socialist Unity Party/decided to stage in October 1946 the first popular Landtag elections in the Soviet zone. In spite of the huge Communist propaganda build-up and limitations imposed by the administration on election campaigning of the "bourgeois parties", the results were disappointing. The SED succeeded in obtaining a bare absolute majority only with the help of the

¹ "SZ von A-Z", Ein Taschen-und Nachschlagebuch ueber die sowjetische Besatzungszone Deutschlands, (Deutscher BundesVerlag, Bonn 1953), p. 122.

votes cast for the affiliated Farmers' Mutual Aid Association; and in the city-wide elections to the Berlin City Assembly, where the Western SPD was running its candidates beside the Eastern SED, the latter suffered a humiliating defeat. The picture was as follows¹:

	<u>Elections to the parliaments of the five Laender</u>			<u>Elections to the Berlin City Assembly</u>		
	Votes	%	Seats	Votes	%	Seats
ist Unity Party (SED)	4,625,925	47.4	249	405,992	19.8	26
Democratic Party (SPD)	-	-	-	999,170	48.7	63
ian Democratic Union (CDU)	2,398,035	24.6	131	454,202	22.2	29
l Democratic Party (LDP)	2,410,146	24.8	113	192,527	9.3	12
s' Mutual Aid Association (VdgB)	282,940	3.0	10	-	-	-
Total	9,753,006 ²	100	503	2,051,891	100	130

The elections of October 1946 had far-reaching consequences for the further development of East German administration and politics. They were the last relatively free elections in East Germany. Never again did the Socialist Unity Party allow real elections where the voter would have been able to choose among several lists of candidates. Other devices had to be employed to ensure complete power to the SED.

The powers of the Land governments were not extended; they were turned into administrative units of the central government. The new Land

¹ J.P. Nettl, Ibid., pp. 48-51.

² Or 85.8 per cent of all entitled to vote.

Parliaments drafted almost identical Land constitutions, that were based on the SED "Proposal for the future German Constitution" published in November 1946. The main features of the Land Constitutions was a theoretical supremacy of the unicameral assembly, that elected the Premier, controlled government, and appointed and dismissed the judges. The Assembly was elected by the general, proportional, direct and secret vote based on universal suffrage. There was no specific Land President or a constitutional court. The characteristic feature of these constitutions was the omission of any mention of the existence of political parties (~~also~~ in the 1923 Constitution of the U.S.S.R.). In general, the constitutions of the Laender displayed many democratic characteristics and, if not the limitations imposed upon their working by the ^{Soviet Military Administration} S/A, and the SED, they could have provided a framework for an efficient and just government. Yet it was, as Nettl observed, the "irony of fate that these constitutions were accepted exactly at that time, when in the sphere of power of the Soviet Union the liberal political line was finally abandoned".¹

The 1946 elections had shown that the ^{Socialist Unity Party} S/D had no chance of obtaining by normal election methods a sufficient majority to give it a free hand in carrying out the Communist plans. There were to be no other elections until there was a formula to guarantee Communist domination. To attain this task, first of all, a rapid increase in the SED membership was necessary. Every means of inducement, pressure and threatening was employed to swell the ranks of the party: special food rations, free vacations, lower railway fares, better jobs and housing, money prizes etc. The effectiveness of these attractions had been proven before in the USSR; in the economically bankrupt

¹ J.P. Nettl, Ibid., p. 54.

Soviet zone they helped to increase membership of the SED by tens of thousands. Special allotments of newsprint, with simultaneous discrimination against the "bourgeois parties", were given to the SED newspapers by the Soviet authorities, which freely supplied the propagandists and organizers of the SED with their motor transport and special trains. At the same time the freedom of action of the CDU and the LDP was curtailed by the Russians. The two "bourgeois parties" were forced into the "Democratic Block" under the pretext of a united anti-Nazi policy, which soon turned into an instrument of degradation of the "bourgeois parties"; they were made to participate in all larger actions of the ~~CDU~~ ^{Socialist Unity Party}; they were prevented from any open criticism of the Communist policies and forced to abandon any political line and programme of their own; their leaders like Jakob Kaiser and Professor Kastner, who dared to criticize this involuntary alliance with the SED, were to be excluded from their party on Soviet demand by 1948; the ~~Christian Democrats~~ ^{the Liberals} and had to break off all contacts with their party organizations in the Western zones; they were even prohibited from self-liquidation, to provide a democratic multiple-party window dressing for a totalitarian system.¹

Another attempt to weaken the CDU and the LDP, which still attracted many anti-Communist Germans and numerous disillusioned Social-Democrats, was the SED sponsored creation of the two new "political parties", the German Democratic Peasants Party (DBD), and the National Democratic Party (NDP). Their task was to split the middle class and the peasants' vote of the CDU and LDP, and to bring into politics many minor Nazis. It was, however, a public secret that both "new" parties were sponsored and directed by the SED. Neither of them gained any mass following, but they helped to

¹ Ibid., p. 61.

diminish the share of the CDU and the LDP inside of the "Democratic Block".

The "block system" was further extended by lifting its limitation to the political parties. To "create" a "wider popular base" for political action "democratic mass organizations" ~~XXXXXXXXXXXXXXXXXXXX~~ ^{Free German Youth (FDJ), Trade Unions (FDGB),} ~~XXXXXXXXXXXX~~ ^{Political Persecutees (VVN), Democratic Women's Federation (DFD), Kulturbund, etc.} were admitted to the block. The block itself was soon overshadowed by a parallel "non-partisan", "mass-movement", the ~~so-~~ ^{called} "National Front of Democratic Germany", whose creation signalized a new line of Communist policy. The place of the old "anti-Nazi" platform for Communist propaganda and infiltration, was now taken by the slogan of "German Unity". From now on it had to justify the rapid process of isolation and Sovietization of East Germany, and at the same time to prevent the consolidation of the West German state and its integration in the West European economic and political framework.

In an attempt to sell its plan for the unification of Germany to the West German politicians, the five Communist Premiers of East German Laender took part in the conference of the Premiers of all German Laender at Munich, in June 1947, that was called explicitly to discuss an extension of the inter-zonal economic relations. Rebuked by their Western colleagues, who refused to include in the agenda the question of the political unification of Germany, the five Eastern representatives walked out on the first day of the Conference. On their return to East Berlin they declared at a press conference that, instead of a Laender conference, an all-German conference of the representatives of the political parties and the trade unions should be called to discuss the problem of German unity and a Peace Treaty. The first meeting of the representatives of all German Laender proved to be the last. The process of the Communist domination of East Germany went too far to allow an honest and successful discussion on German unity. The

Communist failure at Munich resulted in almost complete disruption of the East-West traffic and further strengthening of the Soviet border guards.

In November-December 1947 the Council of the Foreign Ministers met for its sixth session in London to consider the problem of German reparations and establishment of a Central German Government as a pre-requisite for signing of a Peace Treaty with Germany. To give the Soviet Foreign Minister's plan for German settlement the support of an allegedly all-German opinion and to exploit a natural sentiment of the Germans for unification and political rehabilitation of their country, the Socialist Unity Party called to Berlin the "People's Congress for Unity and a Just Peace" (Volkskongress). To make the Congress look as an all-German manifestation for unity "à la Moscow", the arrangers invited all the political parties in all zones of Germany, as well as the "democratic mass organizations". With the Communist Party (KPD) alone "representing" West Germany, the "First People's Congress" met on December 6-7, 1947. The East German delegates were appointed by the "Democratic Block", with some CDU leaders refusing to participate in the Congress.¹ Claiming to speak for the whole of Germany, the Congress adopted resolutions along the lines of Mr. Molotov's suggestions in London and

¹ For their refusal to participate in the Volkskongress, the CDU was asked by Colonel Tulpanov, of the Political Department of the SMAD, to dismiss its leaders Dr. Jakob Keiser and M. Lemmer.

appointed a delegation to present its views to the Conference of the Foreign Ministers. The Soviet Foreign Minister's demand that the delegates of the Volkskongress be given hearing was rejected by the Western Foreign Ministers. Nevertheless, the Volkskongress was a clever propagandist measure which passed into the Communist hands the initiative in the action for German unification which was to become the chief vehicle of the Communist propaganda in Germany. In East Germany the "unity" platform replaced the faded anti-Fascist slogans as a basis for continuance of emasculation of the "bourgeois" parties in the "Democratic block" and the further extension of the power of the SED. After the London Conference ^{had} ended in a deadlock, chiefly due to the exaggerated Soviet reparations demands and their unwillingness to compromise on the question of a central German government, the three Western Powers moved on with the unification of their zones.

On March 17-18, 1948, the second People's Congress was convened to Berlin, ostensibly to commemorate the centenary of the German Liberal Revolution of 1848. Analogous by its composition to the first Volkskongress, it was given a more important task: to legalize the separation of East Germany and to give an "all-German" and "democratic" semblance to the transformation of the Soviet zone into a "People's Democracy". Its 2,000 delegates¹ resolved for restoration of a "unified democratic Germany" and protested against the "splitting of Germany by the Western Powers and conversion of West Germany into a colony of American capital"². The Congress elected a Volksrat (People's Council) of 400 (including 100 representatives

¹ Including 515 delegates from the Western zones and 360 from Berlin.

² Keesing, Ibid., p. 9191.

of West Germany) with a permanent Presidium, headed by Wilhem Pieck. Its main task was to organize a "people's initiative and referendum on German unity" throughout the whole of Germany¹ and to elaborate a draft of an all-German constitution. The "People's initiative" that commenced in May and was conducted by an intensive house to house canvassing in East Germany, produced more than eight and a half million signatures. Meantime, a constitutional committee appointed by the Volksrat worked out a draft of an all-German constitution, and in March 1949 it was adopted by the Volksrat, which declared itself "the sole legitimate representation of the German people". In May 1949, elections were conducted in East Germany to the Third Volkskongress that was to act as an all-German Constituent Assembly.

The "elections" were conducted on a single "unity list" with the seats arbitrarily distributed among the "block parties" and the "mass organizations"; the voter could only accept or reject the ballot. The decision was as complicated as obscured by the fact that the vote for Volkskongress was combined with a referendum for "unity and peace"; the ballot contained the following declaration: "I am in favour of German unity and a just Peace treaty; therefore I vote for the following

¹ The referendum and the activities of the Volkskongress were prohibited in the American and French zones of Germany.

list of candidates" . . . ¹; few Germans would vote against unity and a just peace for their Vaterland. Yet in spite of a clever exploitation of the nationalist sentiment and intensive SED propaganda, in spite of the exclusion of any alternative list and a powerful Communist pressure on the electorate the results were hardly impressive. Of no help were even the orders of the Central Administration of Interior to include the spoiled and blank ballots into the positive vote, and the absolute control of the SED over the vote-counting committees. The "Unity List" received only 61 per cent of the total vote with 33.9 per cent against, while in the very "capital" of the Soviet zone - East Berlin the relationship was 58.1 per cent "yes" and 41.9 per cent "no"; 95.2 per cent of those entitled to vote participated in the elections.

Two weeks later, the 1523 delegates of the third Volkskongress met in Berlin; it nominated the 330 members of a new Volksrat² and ratified on May 30, 1949 the "Constitution of the German Democratic Republic". Its effective date was, however, postponed until all Soviet efforts to prevent the formation of the West German state had failed.

The needed excuse for the establishment of the "People's Democracy" came with the creation of the German Federal Republic in September 1949. On October 5, 1949, a decision was made at a meeting of the Soviet Military Governor, Gen. Chuikov with the Presidium of the Volksrat and the leaders of the "democratic block": To "safeguard the national interest of the German people by national self-help . . . an independent German Government

¹ Keesing, Ibid., p. 10282.

² 70 seats were "reserved" for the West German representatives.

is to be created . . . responsible to the German people and not to any High Commissioners".¹

On October 7, 1949, the Volksrat proclaimed itself Provisional Volkskammer (People's Chamber, the lower chamber of the Parliament of the GDR) and issued a manifesto establishing the German Democratic Republic.

"We call on the German people to take salvation of the Nation into their own hands and, by supporting the struggle of the National Front of Democratic Germany, to pave the way for peace, reconstruction, and the national freedom of the united Germany Democratic Republic".²

The manifesto outlined the aims of the "National Front" that was to be an all-German extension of the "democratic block", called, among other things, for the abolition of the German Federal Republic and withdrawal of the occupation troops after the peace treaty, pledged loyalty to the Potsdam agreement and appealed for

"an irreconcilable struggle against the instigators of a new war in Germany; prohibition of the war propaganda in the press and radio and at the meetings . . . irreconcilable struggle against drawing Germany into aggressive military blocks, into European Union and NATO . . . , against traitors of the German nation . . . agents of American Imperialism".

The membership of the self-appointed Provisional Volkskammer was distributed according to a prearranged key, giving unchallengeable majority to the SED that combined its 90 seats with the 150 of the puppet parties and "mass organizations" against 45 seats allotted to each CDU and LDP. The general elections to the Parliament and to the Landtage that were to take place in the fall of 1949, were postponed "due to the economic reasons" until October 1950. Meantime, the upper chamber of the East German

¹ "Taegliche Rundschau", October 5, 1945, quoted in Keesing, Ibid., p. 1028.

² Keesing, Ibid.

Parliament - the Provisional Laenderkammer (Chamber of Provinces) was elected by the members of five Landtaege, assembled at Berlin on October 7, 1949; of its 34 members 18 belonged to the SED and affiliated Trade Unions' Federation, (FDGB).

Thus constituted, both chambers of the Parliament of the German Democratic Republic met on October 8, and "unanimously elected" Wilhelm Pieck as the President of the GDR. Otto Grotewohl (SED) headed the first cabinet in which the SED took, in accordance with an established Communist practice in such coalitions, the vital ministries of interior (controlling police and administration), education, justice, planning and industry. The real power in the Cabinet fell to Walter Ulbricht, the first Deputy Prime Minister, the Secretary-General of the SED and its contact-man with the SMAD and Moscow. The leaders of the two "bourgeois parties" who were given few insignificant portfolios found themselves under the storm of criticism from the rank and file of the CDU and the LDP who condemned their decision to participate in the Government without general elections.

Few days later, after charging the Western Powers with a breach of the Potsdam agreement, General Chuikov recognized on behalf of the SMAD the new government.

"Under such conditions one cannot but recognize as legitimate the striving of the German democratic circles to take into their own hands the restoration of the unity of Germany and to bring about the renaissance of the country on democratic and peace loving principles".¹

Accordingly, he announced ^{the} transfer of some of the functions of the SMAD to the East German Government and ^{the} transformation of the former into the Soviet Control Commission in Germany (SKK).

¹ Keesing, Ibid., p. 10283.



His announcement was followed on October 13 by the message from the Soviet Prime Minister, J.V. Stalin, who called the establishment of the "German democratic peace-loving Republic . . . a turning point in the history of Europe . . . There can be no doubt - he wrote - that the existence of the peace loving democratic Germany side by side with the . . . Soviet Union excludes the possibility of new wars in Europe".¹

The establishment of an East German state with powers ostensibly larger than those of the Bonn government (e.g. in foreign affairs), in fact, changed little the extent of Soviet control over East Germany. Changed were only the means and the disguise of that control which from then on was exercised through the medium of the SED Politbureau and, in particular, through Walter Ulbricht, the Secretary General of the Party.

The Western Powers, as well as the West German opinion, were not deceived by the developments in East Germany. The protest notes of the U.S., the U.K. and France which declared the GDR a puppet of the Soviet Union, were accompanied by the protests of the Bonn government and all West German parties (save a small German Communist Party), expressing the general German opinion, Chancellor Adenauer denied any legal basis to the G.D.R.:

"The East State was created without contact with the population of the Eastern zone who received no opportunity to voice their will . . . The Federal Republic of Germany in the face of the attempt to subjugate the 18 million inhabitants of the Eastern zone in an even stronger degree to foreign influence, must do everything in its power to give the Eastern zone population spiritual and moral assistance".²

West Berlin opinion was equally strong in its condemnation of the East German "puppet government". On October 8, 1949 the West Berlin City

¹ Keesing, Ibid., 10398.

² Speech on October 7, 1949.

Assembly passed unanimously a resolution calling on the three Western Powers to declare West Berlin the twelfth Land of the German Federal Republic and to recognize it as the capital of the Federal Republic.¹

The establishment in 1949 of the two German states, based on diametrically opposed political and social philosophies, with a water-tight Iron Curtain between them - completed the process of gradual disintegration of Potsdam Germany and signalled the ~~final~~ ^{end} of the war-time Alliance between the Western Powers and the U.S.S.R. While in the West, the three zones of occupation united under a democratic government of their own choice to complete the process of a remarkable political and economic recovery, the Eastern zone, isolated from the rest of Germany, was gradually perverted into a "People's Democracy" with a tyrannical Communist dictatorship imposed on the population by the Soviet force. The ^{called} ~~so-~~ German Democratic Republic was now to become the youngest but perhaps the most important of the Soviet satellites, ~~pre-~~destined to play a principal role in the Soviet game for the domination of Europe.

¹ This could not be realized due to the vulnerability of West Berlin to possible Soviet reaction. However, 8-12 West Berlin Deputies sit in parliament at Bonn and the laws of the German Federal Republic are re-passed in toto by the City Assembly.

CHAPTER THREE

Reestablishment of a United Democratic Austria

The political administration in the Soviet zone of Austria cannot be discussed without a ~~somehow~~ ^{the} consideration of political, cultural and economic development of the country as a whole. In contrast with the Soviet zone of Germany which from the outset was isolated from the rest of Germany and gradually developed into a separate totalitarian Communist state, the Soviet zone of Austria was never a hermetically sealed unit but became an integral part of the reborn Austrian Republic. Since it has developed parallel with the rest of Austria and, furthermore, gave the initiative to the establishment of a central Austrian government, - it is necessary that consideration of the all-Austrian developments should precede the discussion of the political administration in the Soviet zone.

Liberation of Austria and the Establishment of a Provisional Government

When in the last days of March 1945 the Soviet armies entered Austria, in contrast with Germany, they were welcomed as liberators. In the beginning of May, the British troops crossed the frontier from Italy, and the Americans entered from Bavaria. Everywhere, the majority of the Austrians collaborated with the Allies; months before their entering Austrian soil, a resistance movement headed by the Provisional Austrian National Committee (POeEN) organized under great risks, a wide-spread sabotage action and, early in 1945, established a direct contact with the Allied Headquarters in France and Italy. Many Austrians participated in the French anti-Nazi underground and fought against the Germans in Yugoslavia where a separate Austrian batallion was formed in the Tito's army. Much bloodshed and

destruction had been saved by the initiative of the Austrian patriots which made ineffective the Nazi plans for a prolonged defence of the "fortress of Vienna" and the "Alpine Redoubt", and helped to surrender the cities and the strategic objects of the country into the Allied hands.

The Austrians knew of the Moscow Declaration of 1943 pledging the reestablishment of a "free, independent and democratic Austria". They hope-fully welcomed the declaration of the Commander-in-Chief of the Soviet army that was entering Austria, stating that

"The Red Army has set foot on the soil of Austria not in order to conquer Austrian territory. Its aim is exclusively the defeat of the enemy German-Fascist troops and the liberation of Austria . . . The Red Army will contribute to re-establish in Austria the conditions which existed until 1938".¹

But the behaviour of the Soviet troops contrasted sharply with the expressed intentions of the Soviet command. A wave of looting, raping and vandalism accompanied the first days of "liberation", with no discrimination between the Nazis and the friendly Austrians, and between the public and the private property. The excesses of the "liberators" caused a long^{to-be} remembered shock to the civilized Austrians, an experience that had a decisive influence on their future attitude towards the Soviet Union and the local Communists.

On April 13, 1945, Vienna was liberated and five days later a provisional City administration was created on a basis of negotiations between the Russians and the representatives of the Austrian political parties, that were now slowly coming to life, after seven years of totalitarian regime. In^{the} traditionally Socialist capital the office of the burgomaster was

¹ Proclamation of Marshal Tolbuchin, March 1945.

given to a Socialist, the popular General Koerner, former Chief of Staff in the Imperial Army and the President of the last Federal Council of the Austrian Republic. He was assisted by the two Vice-Burgomasters nominated by the Christian Socialists and the Communist Party. This first experiment in the cooperation of once bitterly warring Austrian political parties set a pattern for the further work of political restoration in Austria.

Meanwhile, by a fortunate coincidence, the Soviet military authorities in Austria established the contact with Dr. Karl Renner, the senior and generally respected Socialist leader and pioneer-thinker who ^{had} lived since 1934 in an involuntary retirement in a village in Lower Austria, close to the Hungarian border. Impressed by his personality, experience and the soundness of his views on Austria's future, the Soviet army command, after consultation with Moscow, authorized Dr. Renner to form a provisional Austrian government. Assured by the Russians that they would respect the Moscow Declaration providing for a free and united Austria, Dr. Renner agreed to undertake the formation of an interim government under condition that his mandate would be approved by the representatives of democratic Austrian opinion.¹

The Soviet decision to support Dr. Renner in the immediate establishment of an all-Austrian government, be it a mistake or a rare display of the Soviet political altruism, was of tremendous importance for the future of Austria. Moderate in his opinions, yet inflexible in his purpose, Dr. Renner combined the qualities of a leader and a mediator with unrivalled knowledge of Austrian problems. In the world of Austrian politics, characterized before

¹ Richard Hiscocks, The Rebirth of Austria (London, 1953), pp. 20-22.

the war by the polarity of Weltanschauungen, unwillingness to compromise, and a bitter struggle for a monopoly of political power, he was the man best qualified to undertake the reconstruction of the Austrian Republic on new and more sound foundations. The facts that Dr. Renner enjoyed the confidence of the Soviet authorities, although being no Communist, that the initiative to create a central Austrian government on an all-party basis came from the Soviet side, and that this task had been accomplished before the outbreak of the "cold war", saved Austria from the fate of Germany.

Assisted by the Russians, Dr. Renner arrived in Vienna on April 21, and immediately started negotiations with the representatives of the three Austrian parties. On April 27, 1945, a coalition cabinet was formed and was given de facto recognition by the Red Army Command in Austria. On the same day the Declaration of Independence was issued by the leaders of the three parties announcing the restoration of the Austrian Republic, "in the spirit of the 1920 Constitution" nullifying the Anschluss, and proclaiming the all-party Provisional Government with full legislative and executive powers, subject to the rights of the Occupying Powers.

The Provisional Government was not recognized by the Western Allies who were not consulted in advance by the Russians.¹ They suspected that, through ^{the} creation of a puppet all-Austrian government with a strong Communist representation, the Soviet Union ^{was} attempting to extend its influence over the whole of Austria. ^{therefore,} The Western military commanders refused to place the three Western zones of Austria under the jurisdiction of the Provisional Government. To persuade them to change their attitude and to

¹ According to Adolf Shaerf, this fact was not known to Dr. Renner and his colleagues at the time of establishment of the Provisional Government.

manifest the national character of his cabinet, became now the most important task of Dr. Renner.

Parallel with these developments in Vienna, political administration was reestablished in the provinces of Austria, based on the cooperation of the three Austrian parties. Provisional provincial governments were organized in Lower Austria, Styria, Carinthia, Upper Austria, Salzburg and Vorarlberg. In Innsbruck a Provisional Austrian government was created by the right-wing Tyrolian Resistance Movement even before the arrival of the American forces. A dangerous situation developed when an attempt was made after the liberation to establish a separate Austrian government for the Western zones, which were outside the jurisdiction of the Vienna government. Failure of this plan prevented a political split of Austria.¹ Had the Americans and the British, duly alarmed by the unilateral Russian action in Vienna, consented to a separate Austrian government for the Western zones, the political unification of Austria could have met extreme difficulties, and a situation, similar to that in Germany might have been the final outcome.

In accordance with the terms of the Yalta agreement, the Provisional Government of Austria had to be "broadly representative of all democratic elements in the population". Since this provision implied a coalition form of government and since no general elections were possible at that time, the Provisional Government was formed on a basis of a compromise among the

¹ Adolf Schaerf, Zwischen Demokratie und Volksdemokratie (Wien, 1950), p. 25.

leaders of the three Austrian political parties, the Socialists, the People's Party (formerly known as the Christian Socialist Party) and the Communists. The parties delegated their representatives to the government on a basis of almost complete equality, although the equal Communist share in the government was more due to the weight of the Soviet wishes than to the amount of their popularity and popular support. This pattern of coalition was to be extended to each level of administration.

The Provisional Government was headed by the Chancellor, Dr. Renner, assisted by the three Vice-Chancellors representing the three political parties; together, they constituted the Political Cabinet Council that combined the functions of an inner cabinet and the President of the Republic. Of the thirteen Cabinet posts, four each went to the Socialist Party (SPOe) and the People's Party (OeVP), three seats were allotted to the Communist Party, and two to the non-party men. Characteristically, the Communists took the Ministries of Interior (controlling administration and police) and Education. To extend the principle of coalition to every department of the Government, each minister (except that of finance) was assisted by two Under-Secretaries appointed from the parties to which the particular minister did not belong.

Harmony and unity in the new government, in spite of the pre-war tradition of party-warfare, were ensured by several factors. Besides Dr. Renner's personality and prestige, these factors were common sufferings under the Nazi regime, moderation of the OeVP and SPOe leaders, and an unexpected enthusiasm displayed at that time by the Communists for the idea of national unity and independence of Austria. A very important factor in the efficient working of the coalition government, traditionally hampered by a

unanimity requirement, was Dr. Renner's insistence that a Cabinet's decisions would be assumed as unanimous unless its opponents would go as far as to resign from the government. A positive and cooperating attitude of the Soviet authorities and their restraint in the interference with the work of the Cabinet were perhaps the most important factors in the establishment of an effective Provisional Government.

One of the first steps of the Provisional Government was to clarify its constitutional status. The Declaration of Independence of April 27, 1945, in spite of a declared Allied intention to renew in Austria the status quo ante 1938, returned to the Constitution of 1920. On May 13 this provision was further extended by a constitutional law that declared in force the Constitution as it stood on the 5th of March 1933 i.e. before the suspension of the parliamentary rule by Dollfuss; a second, simultaneously passed, constitutional law authorized the Provisional Government to exercise the executive and legislative powers until the general elections. At the same time all Nazi legislation that conflicted with the independence and democratic character of the Austrian Republic was nullified.

Nevertheless, the status of the Provisional Government remained questionable as long as it did not receive the recognition from the other three great Powers and the Austrian provinces under their occupation. Unknown was its future constitutional relationship to the Occupying Powers. These questions were gradually clarified during the summer of 1945. In July the four Allied Powers reached an agreement on a joint occupation and administration of Austria, which was to be divided into four zones of occupation. As in Germany, the highest controlling authority in the country was to be a quadripartite Allied Council consisting of the four Allied High

Commissioners, and assisted by an Executive Committee and departmental staffs; Vienna, like Berlin, was to be divided into four sectors, with the joint occupation of the "Inner City", and controlled by an Inter-Allied Command. The Chairmanship in all Allied bodies had to rotate monthly among the four Occupying Powers.

According to the inter-Allied agreement, the Soviet Union was allotted Lower Austria, Burgenland and a fraction of Upper Austria; the Americans Salzburg and the remainder of Upper Austria; the British Styria and Carinthia; and the French Tyrol and Vorarlberg.

In August 1945, the three Western Commanders-in-Chief arrived in Vienna. After its first meeting on September 11, the Allied Council issued a proclamation to the Austrian people in which it announced the assumption by the Council of the supreme power in matters affecting the whole of Austria, confirmed the pledge of the Moscow Declaration, and declared the unification and economic recovery as the most urgent tasks in Austria. At the same time the activity of the three Austrian political parties was allowed in all four zones of occupation.

On September 13, the newly established Allied Council was presented with a note by Dr. Renner requesting the unification of Austria, the recognition of the Provisional Government, and the holding of free elections. In reply to the note's most important request concerning the recognition of Dr. Renner's government, the Western Allies made it clear that such recognition depended on the fulfilment of the following three conditions: (a) proving the suitability of the Provisional Government; (b) agreement of the provinces to support that government; (c) defining the relationship between the Austrian Government and the Allied Council.

To manifest the national character of the Provisional Government, an all-party Provincial Conference was called to Vienna for September 22-26, 1945. It turned into a demonstration of Austrian unity and resulted in a vote of confidence to the Provisional Government that was now extended to include the representatives of the provinces. The difference of opinion between Vienna and the Western provinces were settled and a request was made for general elections in November 1945.

The united front of the Austrian parties and provinces behind Dr. Renner's cabinet, and the positive results of its legislative and executive work changed the attitude of the Western Allies. Without waiting for a quadripartite agreement to define its jurisdiction, the Allied Council recognized on October 20 the Provisional Government, on condition that its functioning be subject to the guidance and control of the Allied Council to which certain powers should be reserved; further conditions were that free general elections be held before the end of the year, that all laws of the Provisional Government applying to the whole of Austria should be presented for approval to the Allied Council and conform with the legislation of the four Military Governments. All previous legislation passed by the Provisional Government had to be examined and, where possible, confirmed by the Allied Council.¹

The Allied recognition of Dr. Renner's government carried great weight for the future of Austria. It legalized the Vienna government giving to it the status of a national government of Austria. The recognition repelled the danger of a lasting partition of the country and saved Austria from the ill fate of Germany.

Granted the Allied recognition, the Provisional Government turned to its most important and urgent task - the organization of general elections. An electoral law, excluding from participation former Nazis, was passed by the Government and approved by the Allied Council on October 30. After a short and orderly election campaign in which the three parties pledged to continue their

¹ R. Hiscocks, Ibid., pp. 40-41.

coalition in the future, the elections to the National Council were held on November 25, 1945, under the supervision of a special all-party Commission. All precautions against possible excesses were taken by the Government; however, there was no interference with the electoral procedure either from the Russian side nor from the Austrian Communists. The elections were peaceful with 93 per cent of the electors casting valid votes. The results were as follows:

	<u>Popular Vote</u>	<u>Percentage</u>	<u>Seats</u>
People's Party	1,602,227	49.8	85
Socialists	1,434,898	44.6	76
Communists	174,357	5.4	4
Democrats	5,823	0.2	-

The elections manifested a surprising stability of the Austrian public opinion. In spite of everything that had happened in the last fifteen years, the results were much like those of 1919 and 1930 elections; the People's Party remained the largest political party but failed to obtain an absolute majority of popular votes; the Socialists polled only 170,000 votes less, but dominated Vienna and the industrialized parts of the country. But the most important result of the elections was the Communist failure to get more than 5 per cent of the total vote. It came as a surprise to the best informed Austrian and foreign observers and as a bitter disappointment to both the KPOe and the Russians who considered it as a humiliating offence and an act of ingratitude on the part of the Austrian people. Soviet expectations, based on too optimistic predictions of the KPOe that hoped to poll at least one third of the votes, were perhaps the factor responsible for

fairness and restraint showed by the Russians during the elections. Now they laid the blame on the local Communists forgetting that the Russians were the real reason for the reduction of the KPOe to an insignificant minority in the Austrian politics. For there is no doubt that noted Richard Hiscocks -

time

"the Austrian workers after their experiences under Dollfuss in 1934 and during seven years of Nazi domination, were ready for a complete change and genuinely welcomed the Russians as liberators. But the harsh treatment and arbitrary record of the Red Army, the looting and bestial behaviour of some of the Russian troops, especially towards women, completely changed their attitude. If such things were the result of the Communist experiment, it was an experiment the Austrian people had no wish to make".¹

The disappointment of the Russians with the November elections led them to change their attitude towards the problem of Austrian sovereignty. They interpreted the vote of the Austrian people as an anti-Russian demonstration and as a failure of the liberal policy they pursued in Austria since the liberation. Given full independence, Austria would side with the West, and her strategic position and considerable industrial potential might be used by an unfriendly Western Alliance against the Soviet Union and imperil dominant Soviet interests in the neighbouring "People's Democracies". The delaying of restoration of Austrian independence and the maximum economic exploitation of their zone were becoming now the guiding principles of the Soviet policy in Austria.

With the will of the people expressed, the Provisional Government handed on November 26 its resignation to the Political Cabinet Council. On behalf of the Austrian People's Party, Leopold Figl was entrusted with

¹ R. Hiscocks, Ibid., p. 43.

the formation of a new coalition government. On December 18, 1945, the Allied Council approved the new Government which included eight members of the OeVP, six Socialists and one Communist. Two days later the new National Council (Nationalrat) and the Federal Council (Bundesrat) met in a joint session and elected by a virtually unanimous vote Dr. Karl Renner the President of the Austrian Republic. There was no one in the land better fitted to occupy the highest office of the State. No one contributed more to the reestablishment of the free Austria from the ruins of the Nazi Reich. Despite his age and the risks involved he volunteered to serve his country again in the time of need and brought order, unity and enthusiasm in the work of rebuilding of the Austrian Republic, placing it on firm and lasting foundations.

The establishment of the permanent parliamentary government closed the first and the most dangerous period of the post-war reconstruction of Austria. Although still occupied by the four Great Powers, Austria could look with confidence to the future. In contrast with beheaded and divided Germany, she had one democratic government, recognized by the four Occupying Powers and exercising jurisdiction over the whole of the country. As a result of its original good will or miscalculation, the Soviet Union was committed to respect the political unity and democratic constitution of Austria. There was still an unlimited field for obstructing the work of the Austrian Government and its striving for a complete sovereignty of Austria; but in the capital of the country there were in the Allied Council the three Western Democracies that could help to defend the autonomy of Austria; and, finally, there was in these seven millions of Austrians a reborn pride in their own national destiny and a firm determination to submerge their differences

in a united effort to restore a united, democratic and prosperous Austria.

Constitutional Development in Post-War Austria

One of the first tasks of the Provisional Government was to establish its constitutional position. It was not an easy task. The democratic Constitution of the First Austrian Republic (passed in 1920 and amended in 1925 and 1929) had been basically changed in 1934 in the Fascist direction by the right-wing government of Dollfuss. Nevertheless, the Moscow Declaration implied, and later Marshal Tolbuchin's proclamation explicitly stated, that the status quo before the Anschluss had to be reestablished in Austria. Which constitution was to be declared in force?

The first decision of the Provisional Government was to return to the conditions before the 4th of March 1933¹, but there was a considerable difference of opinion about further constitutional steps. Dr. Renner's original idea was to create on a basis of the 1920 Constitution a new basic law that would provide for a unitary centralized state.² But in the end the opinion prevailed to return to the modified Constitution of 1929. This was a fortunate decision that saved Austria from a constitutional struggle experienced by post-war France and Italy, and crossed the Communist plans to exploit a constitutional controversy for their own ends. The representatives of the KPOe in the Provisional Government voted against the reestablishment of the 1929 Constitution. Their intentions were best expressed by Koplenig who declared on May 13, 1945, during the Communist Party Conference, that "the

¹ At that date the Austrian National Council was abolished by the Dollfuss government.

² A. Schaerf, Ibid., p. 27.

creation of a true People's Democracy is a further safeguard against the repetition of the history of the last years. . . The Constituent National Assembly . . . is alone competent to give to new Austria a new constitution".¹

On May 13, 1945, the Constitution of 1929 was declared in force by the Provisional Government. However, until the election of a new National Council, the Provisional Government had to combine not only the legislative and executive functions of the federation but also those powers that belonged under the 1929 Constitution to the provincial diets (Landtaege) or were subject to a plebiscite. Thus, for a transitional period Austria became a centralized unitary state; the governors of the Provinces and their deputies were appointed by the Provisional Government; the appointments to the provisional Provincial governments had to be approved by the central government; the same provision applied to the Burgomaster of Vienna, and his deputies.² In accordance with the decision of the first Provincial Conference, an amendment to the Provisional Constitution was accepted defining the powers of the central and provincial governments; the new division of powers strengthened the central government in comparison with the 1929 Constitution, and gave to Vienna a veto power in respect to provincial legislation. At the same time the three federal courts: Constitutional, Accounting and Administrative were reestablished by the Provisional Government.

The election of a new national Council in November 1945 ended the transitional constitutional provisions. On December 19, the Austrian

¹ Ibid., p. 32.

² Dr. Ludwig Adamovich, Grundriss des Oesterreichischen Verfassungsrechts (Wien, 1947), p. 40.

Parliament declared the Constitution of 1929 in force.

The reinstated Constitution was a modified version of the 1920 Constitution that was characterized by the concentration of power in the National Council, and a wide autonomy of the provinces. The 1925 and 1929 constitutional reforms resulted in ^{the}strengthening of the central government and in ^{the}elevation of the executive to an equal position with the National Council. It provided for the popular election of the President of the Republic, who was given control over the Federal Army, the power to convene and to dissolve Parliament, to appoint and to dismiss the Federal Chancellor and the Cabinet members, who were, however, responsible to the National Council.

The legislative powers were vested in a bi-cameral Federal Assembly; its lower chamber the Nationalrat (National Council) of 165 members were to be elected for a four year term in accordance with the principles of proportional representation; the upper chamber - Bundesrat (Federal Council) was composed of 50 members elected by the Landtaege (Provincial Diets) in proportion to the number of citizens in each province. Every law passed by the Nationalrat might be submitted to a referendum before promulgation on request of the majority of the Nationalrat.

Each of the nine Laender had a unicameral Landtag which elected the Landeshauptman (Provincial Governor) and the members of the Provincial Government. The provinces were subdivided into self-governing Ortsgemeinden (Local Communes) and the Gebietsgemeinden (District Communes), administered by the Communal Representative Councils and Communal Administrations.

The judiciary was independent; to protect the constitutional rights of the citizen against abuse by the State, the separate Constitutional, Administrative and Accounting Courts were instituted.

In close connection with the constitutional development of the second Austrian Republic stood its international status. From the viewpoint of international law the basis for the reestablishment of the Austrian state formed the Moscow Declaration of 1943 that nullified the German annexation of Austria. But since Austria, "as an integral part of Hitlerite Germany, participated in the war against the . . . United Nations . . . Austria could not avoid certain responsibility arising from this participation in the war".¹ Although it was decided in Potsdam not to extract any reparations from Austria, for the purpose of disarmament, demobilization and denazification a quadripartite occupation and control of Austria ~~were~~ agreed upon by the great Powers; this occupation had to last until the liquidation of the effects of the Nazi annexation, and the conclusion of the State Treaty.

The Potsdam provisions were elaborated in October 1945 by an Allied Agreement setting up the Allied Control Commission for Austria; although the four Powers could not agree on the reserved powers of that body it was decided that all Austrian laws dealing with the whole of the country should be submitted before promulgation for approval of the Allied Council. This provision seriously limited sovereignty of the Austrian Republic that e.g. had to nullify all laws and orders of the Provisional Government dealing with the military matters. After eight months, however, many of the limitations imposed upon the Austrian government were lifted due to the frequent protests of the Government and the good will of the Allies.

On June 28, 1946, a new Control Agreement was signed by the four Occupying Powers; for the future of Austria it was an achievement of great significance, since it limited the powers of the Allies and created a mechanism

¹ Draft Treaty Preamble.

to evade future Soviet obstruction in the Council. The new agreement left the general structure of the Allied Control Commission unchanged; it retained the right of supervision over the Austrian administration but was to exercise it through Austrian authorities with the exception of the following subjects: demilitarization; war criminals; security of the occupation forces; the property of the United Nations; disposal of the German assets; prisoners of war and displaced persons; and the regulation of travel in and out of Austria (until the establishment of Austrian controls).¹ The Agreement considerably enlarged the authority of the Austrian Government: Austria was to become one economic unit with zonal boundaries reduced to their proper role of demarcation lines between the spheres of Allied occupation. The provincial governments were given greater freedom of action and the civil administration of Vienna was to be transferred into Austrian hands.

The most important concessions were made in the field of legislative control. Although all Austrian laws were still to be submitted to the Allied Council, only constitutional laws required its unanimous approval, while unanimity was required to veto any other law that otherwise became effective within 31 days. This rule ensured that most of the Austrian laws became effective throughout the country, even when they were opposed by the Russians. Agreements between Austria and any of the Occupying Powers were not subject to Council's approval but it had to be informed about such agreements after their conclusion. Austria was now free to establish diplomatic and consular relations with the governments of the United Nations.

The establishment of diplomatic relations with the other countries brought Austria back into the field of international politics. In 1946 diplomatic representatives were exchanged between Austria and the four Occupying Powers followed by the gradual extension of Austrian representation

¹ R. Hiscocks, Ibid., p. 55.

abroad. In 1950 the Western Allies replaced their military representatives in the Allied Council by the civilian High Commissioners; in 1953 they were followed by the U.S.S.R. Although barred by a Soviet vote from the UN membership, Austria became a member of most of the UN specialized agencies; she joined the Marshall Plan and the E.P.U. and participated as an observer in the Council of Europe.

The gradual reduction of the Allied occupation forces eased the burden imposed upon Austria by her liberators. During 1946 the Allied forces were reduced from 700,000 to 120,000 with a corresponding cut in occupation costs. In 1947, the U.S. renounced its claim to occupation costs from the Austrian treasury, followed in 1953 by the Soviet Union. This brought not only a considerable relief to the Austrian taxpayers but returned into Austrian hands badly needed requisitioned hotels and houses.

The 1946 Control Agreement remained the legal basis for the Allied occupation and control in Austria until ^{the}present day. With the intensification of the "cold war", the Agreement proved to be an effective safeguard against growing attempts of the Soviet Union to interfere with the internal affairs of Austria. That the Soviet authorities agreed to the new Control Agreement was, to say the least, surprising.

"It may be that they had not entirely given up hope of gaining control of Austria by the technique of democratic solidarity and national concentration . . . It is highly probable that the Russians did not fully appreciate the difference between constitutional and ordinary laws . . ." ¹

Yet, in spite of the concessions contained in the Control Agreement, in spite of progressive lifting of the burden of Allied occupation costs and a progressive development of her external relations, Austria still awaits her

¹ Ibid., pp. 56-57.

full sovereignty. The reestablishment of Austrian sovereignty depends, however, on the conclusion of a State Treaty that has been hopelessly deadlocked by Soviet obstruction.

Political Parties and Coalition

The liberation of Austria in the spring of 1945 opened the way for the regeneration of Austrian political parties that after the Anschluss had been forced into self-dissolution or underground.

In April-May 1945, with the Soviet troops occupying Vienna and the larger part of Austria, three main political parties were "registered" and thus officially admitted by the Soviet military command in Vienna. They were: the Communist Party of Austria (KPOe), the Socialist Party of Austria (SPOe), and the Austrian People's Party (OeVP), known before as the Christian Socialist Party.

The Communists were the first to appear on the political scene; they occupied the public offices, appropriated the premises of the former Nazi party and served as self-appointed intermediaries between the Russians and the Austrian population. From the outset they had enjoyed the confidence and open support of the Red Army, that filled with the Communists many vacated positions in administration, particularly the police.¹

The Socialists and the People's Party established their organizations by the end of April 1945. Their most pressing problem was the restoration of the Austrian administrative apparatus. The temporary administration was permeated by the Communists, whose strength and activity

¹ For instance, in April 1945 the Russians appointed among the 21 Bezirk Burgomasters of Vienna 13 Communists, 7 Socialists and 1 People's Party member.

were reinforced by the arrival of the Moscow trained leaders: Ernst Fischer and Johann Koplenig from Moscow, and Franz Honner and Friedl Fuerstenberg from Yugoslavia; from Yugoslavia arrived also to Vienna the battalion of the "Austrian partisans" that became a kind of Communist party police. But very soon the growing strength of the two non-Communist parties checked the action of the KPOe. Inter-party contacts and negotiations were started and on April 23, after the arrival of Dr. Renner, all three parties decided to join in a coalition government and administration.

From the very beginning the Communists attempted to persuade ^{the} other political parties to create a common "national front", to prevent competition among parties, and to establish a number of all-party organizations such as trade unions, youth and women's organizations, cultural league etc. It was suggested that the Communist controlled "Austrian Liberation Front" was to become such a "roof organization" uniting all Austrian parties on ~~the~~ principle of equality and unanimity.

At the same time, in spite of the sentiment of many local communists and socialists for a "united workers' party" and some concrete local attempts of the fusion of the KPOe and the SPOe, the newly arrived from the U.S.S.R. Communist leaders were against a fusion of the two parties. "What does Austria need? A strong Communist Party!" declared at that time Koplenig¹. While using the device of an all-party "roof organization" to paralyze the independent action of the other parties and to play a leading role in such a block, the Communists hoped to strengthen, with the Soviet help, their own party and to attract into its ranks many Socialists and former Nazis. They hoped to become the strongest party in Austria and to take over in due time

¹ Adolf Schaerf, April 1945 in Wien, (Wien 1948), p. 93.

the control of the Government. With these objectives in mind they spoke in surprisingly nationalistic terms of the future of Austria and stressed the need for national unity and solidarity of all Austrian parties.

At the same time the Communists attempted to infiltrate the leading ranks of the Socialist Party using the influence of Erwin Scharf, one of the Central Secretaries of the SPOe, and probably a Communist "Union House", who agitated for the close cooperation between the two "proletarian" parties and attempted to create a pro-Communist opposition inside of the party.

As their chances to become a great party gradually faded away due to an increasing popular dislike of the Soviet troops with whom they were identified, the Communists increased in the summer of 1945 their pressure for a Socialist-Communist block with a common policy and permanent "contact committees" on all levels of organization. Rebuked by the Socialists who were not deceived by the sweetness of Communist overtures, unsuccessful in their attempt to create an all-party block, the Communists tried to deceive Austrian public opinion by creating a number of allegedly all-party but actually Communist controlled organizations like the "Free Austrian Youth", women's and sports' organizations, etc. Their unfair tactics were, however, immediately exposed by the other two parties that created their own youths, sports' and other organizations. The Communists failed also in the trade unions' field; the powerful all-party Austrian Federation of Trade Unions (OeGB) easily withstood Communist advances; its highly disciplined membership, its democratic and patriotic attitude, and willingness to cooperate with the management and the Government for the benefit of the whole country - made the OeGB a great stabilizing force in the post-war economy and politics of Austria.

The elections of November 1945 dealt a fatal blow to the Austrian Communists. Not only had they failed to qualify as an important factor in Austrian politics, but ^{themselves the rage} brought upon ^{of} the Russians who were misled by the exaggerated optimism and miscalculation of their Austrian satellite.

These elections set the pattern for the further development of Austrian politics. The political life of the country ^{was} ^{by} dominated by the two great parties, the People's Party based on the peasants' and upper middle class vote and enjoying the support of the Catholic clergy and industrial circles, and the Socialist Party supported by the workers' and lower middle class vote. The future of Austria depended on their cooperation; the only alternative was internal chaos with the Communist minority holding the balance of power. In an insecure political and economic situation the country could not allow itself the luxury of an unlimited political struggle and one party government. The need for a coalition government was further accentuated by a deep ideological, class and geographical cleavage between the parties, and the absence of a large body of an independent public opinion that ^{could} sway the balance of power to either side. The system of elections and the party organization favoured the development of these aspects of Austrian politics; the principle of proportional representation, combined with the closed party lists of candidates, resulted in the absence of personal contact between the member of parliament and his electors, and made him rather a disciplined functionary of his party in parliament; to isolate their followers from the outside influences and contacts, the Austrian parties developed a whole hierarchy of affiliated youth, sports', professional and other organizations that indoctrinate their members with the party's Weltanschauung, starting with the earliest age. Such domination by the party

machines of the every aspect and level of public life could not but injure spontaneity of political expression and capacity for mutual understanding and compromise. These characteristics of Austrian politics influenced the character of the coalition; the principle of proportional representation of the parties was extended to every level of administration, which helped to politicize the public service and placed emphasis on party loyalty rather than on suitability, efficiency and professional training of the public servants.

In accordance with a pre-election decision of all three parties to continue^{the}/coalition, a new coalition government was formed after the elections of 1945, with Leopold Figl (OeVP), as Chancellor, and Adolf Schaerf as Vice-Chancellor. The Communists received only one minor seat in the Cabinet, although their relative strength in the Nationalrat did not entitle them to even a single portfolio. In 1949, the Communist member resigned from the Cabinet protesting against the Government's decision to undertake a currency reform. From that time until the present the Coalition Cabinet comprised only the two major Austrian parties.

The second general elections held in October 1949 changed little in the composition of the Government, but introduced a new significant factor into Austrian politics. It was the newly organized right-wing Union of Independents (VdU) that took 16 seats from the two Government parties and became the third strongest party in Parliament. Composed mostly of the naturalized Volksdeutsche refugees from the "People's Democracies", nationalists and minor Nazis, it appealed to those who were dissatisfied with the policies of both the coalition parties and the Communists. In 1952, the VdU joined in a common working committee with another movement of protest, the

"Action for Political Renewal", composed mostly of the former members of the People's Party's youth section, "Young Front". Outspoken in its criticism of the older parties and of the Soviet-Communist policies in Austria, it had been branded as Nazi by the Soviet authorities who contemplated prohibition of that party's activity in the Soviet zone. Nevertheless, the appearance of the VdU on the Austrian political scene was a positive factor; it provided an element of competition and constructive criticism whose monopoly was claimed until that time by the Communist "People's Opposition".

The third general elections in October 1952¹ resulted in a dangerous deadlock. The Socialists gained six new seats which placed them only one seat behind the People's Party; at the same time they polled 36,842 more popular votes than the OeVP. The Independents have lost two seats.

Leopold Figl's attempts to form a new government failed, due to the Socialist demands for a larger share in the Cabinet and their opposition to the People's Party's plan to introduce the VdU into the coalition. After one month crisis, a new government was formed by Julius Raab, the right-wing leader of the OeVP and the speaker for the industrial interests in the Party. The Socialists received two more, newly created, Cabinet seats and the idea of a three-party coalition was abandoned.

Meanwhile, two important events took place in Austrian politics.

In the fall of 1950, taking advantage of a non-popular but necessary Fourth Price-Wage Agreement, the Communists made two attempts to call a general strike aiming at a domination of the trade unions and to prepare the way for

¹ Elections were premature, due to the resignation of the Figl's Cabinet caused by an OeVP-SPOe controversy on economic policy of the Government.

an overthrow of ^{the} democratic government. The carefully prepared strike displayed patterns of a political revolt: the terms of the Price-Wage Agreements were greatly misrepresented and the workers ^{were} called upon to protest by a general strike. Unscrupulous agitation against the Government was conducted through the radio and the press. Armed Communist flying squads used force to dominate trade unions and to disorganize public service; road, railway and street-car traffic was blocked by barricades; post and telegraph offices, power and gas works ^{were} occupied by the Communist gangs; violence was used against the workers who refused to follow the Communist call to strike; rumours were circulated of the concentration of Czech troops at the border, ready to enter Austria. "It is only 60 kilometres to the "People's Democracies" was the Communist slogan. The main object of these actions was to isolate and to disorganize administration and public utilities in the capital and the major cities of Austria¹; then the Cabinets was to be forced to resign by "spontaneous" mass demonstrations, and eventually a "People's Government" installed in office. In spite of a clever propaganda, central planning and direction, in spite of Russian support and even some cooperation from the VdU dominated trade unions in Upper Austria, the Communist attempts to stage a general strike turned into a failure. The decisive majority of Austrian workers, even in the Soviet zone, refused to follow the Communist appeal, defended their enterprises against the Communist rolling commandos, and helped the administrative organs to restore order. About 120,000 workers went on strike in September 1950, of whom 40,000 were employed by the USIA, having little freedom of choice. The second strike attempt in October was

¹ "Anschlag auf Oesterreich", Ein Tatsachenbericht ueber den Kommunistischen Putschversuch im September - Oktober 1950, pp. 12-53.

even more unsuccessful.

In both cases the Government, with a small and unarmed police force at its disposal, acted with resoluteness and courage, disregarding the Russian support of the strikers. The Russians not only closed most of the USIA factories in their zone, to "allow" workers to participate in the strike, supplied the strikers with their lorries, allowed armed factory "militia" to act as the Communist flying squads, and also interfered with the Austrian administration, preventing Austrian police in the Soviet zone from carrying out the orders of the Government and restoring order and peace. But the Russians had not intervened directly, probably waiting for the evidence of Communist success; perhaps they mistrusted their Austrian friends who have failed so badly in November 1945. As before, their expectations did not materialize. In the trial of strength between the Communist and Democracy the exponents of the former ideology, although having the advantage of initiative, the choice of time and fear of Russian intervention, were soon defeated by the majority of the Austrian people. "Since the excesses of the Russian troops immediately after the War nothing within Austria has done more than the events of September and October 1950 to bring Austria closer to the West".¹

Another significant event was the passing away of Dr. Karl Renner in December 1950. After a bitterly fought campaign, the Socialist candidate, General Koerner was elected in May 1951 the new President of the Republic. The defeat, although by a very slight majority, of the People's Party's candidate, Dr. Heinrich Gleissner, caused an internal crisis in that party.

¹ R. Hiscocks, Ibid., p. 232.

A change was made in the leadership of the party, with Julius Raab, a representative of the Party's right wing, replacing Leopold Figl as the national chairman of the OeVP. This change signified a ~~swing~~ to the right in the policy of the People's Party; this became more evident after the 1952 elections when Raab took over the chancellorship.

Although loosened, the coalition of the two major Austrian parties continues. In Austria's internal and external situation this coalition was and continues to be a virtual necessity. It proved to be one of the most important factors in the achievement and preservation of political unity, and a persistent development of Austrian autonomy.

Economic and Cultural Revival

The end of the War left Austria in a state of economic chaos and disorganization. Her economic entity was destroyed after the Anschluss and her economic potential turned into a wheel of the German War-economy. Austrian natural resources were ruthlessly exploited by the Nazi regime without regard for the future needs of the Austrian people.

The war aggravated that situation. The factories, particularly those in Eastern Austria, were heavily bombed; the agriculture ^{was} deprived of fertilizers, agricultural machinery and labour force; about 400,000 Austrians were killed or missing in the war, with more than 300,000 wounded. In the last weeks of the War came the wave of looting by retreating Germans, arriving Russian troops and the Austrian mob; it was followed by wholesale confiscation and dismantling of "war booty" by the Soviet authorities; about \$55 million worth of industrial equipment ~~was~~ removed by the Russians with a heavy damage rate, due to the incompetence, carelessness and haste of the dismantling

and transport crews. Then came the influx of a large number of the German - speaking expellees and Displaced Persons from the Soviet occupied countries, that created grave economic, political and social problems.

The liberation was followed by a split of the country into four zones of occupation with serious restrictions of inter-zonal trade and traffic; heavy occupation costs combined with the requisition of scarce living space for the occupation troops; finally, there came in 1946 the expropriation of the "German assets" in the Soviet zone ~~which~~ deprived Austria of her greatest mineral wealth - oil, and some of the largest industrial enterprises. The extent of decline of the Austrian economy illustrates the fact that in 1946 the total gross national production reached only 45 per cent of the 1937 total, the agriculture 50 per cent, and industry only 43 per cent in comparison with the 1937 figures; The worst decline was in the foreign trade that in 1946 amounted only to 8 per cent of the 1937 level, mostly due to the loss of the East European markets and a fall in productivity of undernourished workers and obsolete equipment; of the existing productive capacity, about 30 per cent were employed for the needs of the Occupying Powers.

On the other hand, German occupation and the war made some positive contributions to the Austrian economy. Two main natural resources of Austria, the oil and the hydro-electric power, were extensively developed during the war. At the same time ^{the} huge Herman Goering Iron and Steel Works were constructed in Upper Austria, along with the large aluminium and nitrogen plants. These developments, with the single exception of the oil industry in Lower Austria ~~which~~ was seized by the Russians, proved of a great value in the economic readjustment and recovery of post-war Austria.

whether
It is doubtful if such readjustment and recovery could have been possible without a generous foreign aid. The UNRRA was the first major source that helped to alleviate a disastrous food and fuel situation in the first two years after the War; the total contribution of the UNRRA amounted to more than \$126 million. Of equally great importance, particularly after the UNRRA closed its operations, was the aid from the Western Allies in food, clothing, medical supplies, agricultural machinery etc.; the largest contribution came from the U.S. that contributed over \$100 million. This generous assistance from the West helped to raise the hunger rations of the Austrian urban population, to reduce sufferings, and to restore the morale and the hope of the Austrian people.

However, until 1947 the external help was rather a palliative than a cure for the Austrian economy. A long term plan was necessary to achieve an economic self-sufficiency, to increase the productivity of industry and agriculture, to develop the national resources of the country, and to rebuild its foreign trade. Austria was unable to finance the necessary investment program; the only hope for her economic recovery was in a further external aid.

This badly needed aid came in 1948 in the form of the Marshall Plan that continued until the end of 1951. The acceptance of the Marshall offer by Austria had been a decisive step toward her economic recovery. By planned investment of almost one billion dollars the economic recovery of Austria was stepped up at an accelerated rate. Her industrial production increased from 43 per cent of the 1937 figure in 1946 to 165 per cent in 1951, while the gross national production in 1951 surpassed that of 1937 by 18 per cent.

The Marshall Aid gave preference to the investment goods, concentrating on the heavy industry, paper industry, coal mining and hydro-electric power. This tendency of the Plan was reflected in the rate of growth of the investment-goods production which reached in 1951 175 per cent of the 1937 figure, while the consumer goods production came only to 128 per cent of the pre-war level. This development decisively changed the character of Austrian economy and foreign trade. The place of predominantly consumer goods exports before the war was ^{now by} taken by iron, steel, aluminium, electric current, nitrogen and machinery. With the isolation of the East European markets, only such goods could meet Western demands. The other reason for the preference given by the Marshall Plan to the investment goods industries was the fact that these industries were nationalized in 1946-1947 by the Austrian government and were of vital importance to the country; being under unified control they could most easily fit into an economic recovery plan; as such they were most unlikely to allow any exploitation of the E.R.P. aid by the Russians.

The Marshall Aid had a far reaching political consequences for Austria. Her acceptance of that aid was interpreted by the Soviet Union as an unfriendly act and as a proof of Austrian determination to side with the Western Democracies in an economic "cold war". The beneficial effects of the E.R.P. shattered the hopes of the Austrian Communists and the U.S.S.R. for an inevitable economic break-down of Austria that would turn the sympathies of the unemployed masses to Communism. The E.R.P. brought political stability to Austria and set the base for her economic self-reliance and self-confidence after the conclusion of the external aid in 1953.

An important factor in the economic recovery of Austria was the loyal cooperation between the Coalition Government, the employers and the

Austrian Trade Unions' Federation in alleviating the inflationary pressure by a series of price-wage agreements. The purpose of these agreements was to redistribute an inadequate national income and to minimize discontent of the workers. In spite of many shortcomings these agreements made it possible to readjust the economy of the country to the ever changing conditions, to eliminate strikes and ruthless competition, and to strengthen the feeling of national unity among all classes of the Austrian population.

The rate of economic recovery of Austria was surpassed by that of cultural and educational revival. The field of culture and education was one of the Communist targets in 1945; in accordance with a standard Communist practice, the Ministry of Education in the Provisional Government was demanded by, and given to, the representative of the KPOe. However the defeat in the 1945 elections deprived the Communists of the position from which they expected to influence the minds of the youth. Unfortunately, education was one of the most controversial issues between the two major parties, in particular the problems of religious instruction, private schools and an extension of the period of compulsory education. Nevertheless, with an agreement reached on three general principles of education: patriotism, democracy and humanity, a great deal of positive work was done in the years that followed. The material obstacles were overcome with external aid, the Nazi textbooks were replaced by new ones, the normal schooling of youth reestablished in all Laender; the three Austrian universities restored their traditional prestige; the intellectual contacts with the world reopened. In spite of the Soviet occupation of one third of the country, a free education was reestablished throughout Austria, a most potent safeguard against the Communist indoctrination of youth.

Given freedom of expression and a considerable material aid from the State, as well as from abroad, the Austrian artistic and musical life revived rapidly after the War, restoring to Austria her international prominence in ^{the} creative arts. The Burgtheater, the State Opera, the two Viennese ~~philharmonic~~ orchestras, as well as the famous Salzburg Festivals were revived in the first months after the liberation; the priceless works of art seized by the Nazis were brought back to Vienna. A number of war-damaged monuments and public buildings were restored to their old form, among them St. Stephen's and Salzburg Cathedrals. A series of foreign tours were made by the State Opera, Philharmonic Orchestra and the Vienna Boys' Choir. The results of this cultural revival went far beyond the field of fine arts. It revived the pride of the Austrians in their great cultural heritage, stimulated the vital tourist industry and, through its influence abroad, helped to popularize the cause of Austria in the countries of the West.

The political, economic and cultural revival of post-war Austria did not ^{culminate} ~~xxxxxx~~ in the reestablishment of the Austrian sovereignty. The country still remains under a quadripartite occupation; its government continues to be supervised by the Allied Control Commission; its future is still shadowed by the State Treaty deadlock and the East-West "cold war" in which Austria, like Germany, is both an object and a battleground. Behind the front line of this ideological war lies the Soviet zone of Austria and a large section of Vienna. Although united with the other zones under one Austrian Government and a quadripartite Allied Control, the Soviet zone had not equally participated

in the recovery of Austria with the Western zones; the Soviet zone and with it, the whole country. suffers from a parasitic Soviet occupation that undermines and threatens / ^{the} still weak structure of the reborn Austrian Republic.

CHAPTER FOUR

Soviet Union Transforms East Germany into a Satellite

Communist State 1949 - 1953

The year 1949 witnessed ^{the} final breakdown of the Four-Power Control in Germany and in the city of Berlin which culminated in an almost simultaneous establishment of the two mutually exclusive and hostile German states: the German Federal Republic (Bundesrepublik Deutschland) in the West, and the German Democratic Republic (Deutsche Demokratische Republik) in the East. Thus two Germanies were created: one gradually reestablishing its political independence and the status of a Great Power; another remaining a zone of foreign interest and rapidly falling into the status of a satellite "People's Democracy"; one, reviving the short-lived tradition of German democracy, the other, continuing and perfecting under a new ideology the evil tradition of German totalitarianism.

In Chapter Two we had followed the way traversed by East Germany from the vacuum of May 1945 to the establishment of the German Democratic Republic in October 1949. The present chapter will reveal and analyze the basic political cultural, economic and social traits of the East German state which, being situated in a twilight zone of Democracy and Communism, developed some unique constitutional features and, due to its exposed position, better than any other country behind the Iron Curtain ^{has} manifested the Communist technique of conquest and control.

The Constitution of the German Democratic Republic

The Constitution of the German Democratic Republic may be regarded, at first sight, as a democratic document, based in many respects on the

Weimar Constitution (to which it is formally even closer than the Bonn Basic Law) and proclaiming the principles of democracy, federalism and socialism. At the same time it resembles, with its elaborate statement of individual civil rights and its emphasis on economic and social justice, and, in particular, by its principle of parliamentary supremacy, Stalin's Constitution of the U.S.S.R. of 1936, which served as a model to the Soviet satellites in Europe and Asia. With the constitutions of the "People's Democracies" and their venerable prototype it shares the distinction of being a work of propaganda and an item for export, rather than a legal basis and framework for the East German state. Although it would be futile to ascribe to it ^{the} role played in a democratic state by a document of that nature, and although its authors do not even pretend to do it in the East German practice, the Constitution of the German Democratic Republic deserves our attention for two reasons: (a) it "institutionalizes in ultra-democratic disguise the exercise of political power by the State Party in a fully Westernized environment"¹, and (b) its provisions may serve as a measuring stick in pointing out the anti-democratic, totalitarian and anti-constitutional practice of ^{the} East German government.

The Constitution claims to have an all-German application, stating that "Germany is one indivisible democratic Republic" (Art. 1) and that "there is only one German nationality" (Staatsangehoerigkeit). Like the Bonn Basic Law, it accepts Black-Red-Gold as the colours of the GDR. (Art. 2).

There is an elaborate Bill of the (unfortunately, theoretical) Civil, Economic and Social Rights of the citizens, listing "personal freedom, inviolability of the residence, secrecy of ^{the} mail . . . the right, in the limits of

¹ K. Loewenstein, Ibid., p. 281.

generally valid laws, to express their opinion freely and openly, and to meet for this purpose peacefully and unarmed". (Art. 8-9). Yet this very section of the Constitution states that "the inciting to boycott against democratic establishments and organizations . . . preaching of religious, race and international hatred, militaristic propaganda, as well as war propaganda, and all other actions that are directed against equality are crimes" (Art. 6), which in the absence of constitutional interpretation by an independent judiciary leaves interpretation and application of these provisions to the ruling political party, the SED. The Sovietization of the judiciary, and the interpretation of the law as an "instrument of class warfare" actually nullify constitutional Civil Rights in East Germany. The same applies to the provisions that "no citizen can be handed over to a foreign power" (Art. 10), the prohibition of press censorship, freedom of associations, strikes, protection of private property, etc.,

The economic section of the Constitution stresses the principles of social justice. The economic system ~~has~~ to respond to the principles of social justice; it must ensure to all the "existence compatible with the dignity of man" (Art. 19). The Constitution guarantees to every one "the right to work . . . and subsistence", (Art. 15), "the right to recreation, annual leave with pay, social insurance" (Art. 16). The Equality of ^{the} sexes, the "equal pay for equal work", the protection of the mother, and the prohibition of child labour are also guaranteed. As in the USSR the equalization of sexes meant the employment of women in mines, construction and hard physical labour outdoors. The industrial workers are theoretically given (as in West Germany) the right of co-determination in the regulation of production, wages and work conditions. Their unions, as well as all

"democratic organizations", have a right to nominate candidates in the elections on all levels. The right of private property is constitutionally limited by the State's right to confiscate natural resources, mines, iron, and energy, as well as by limiting the land property to 100 ~~hectares~~. ~~Free education~~ education, and the choice of profession are also guaranteed by the Constitution which, contrary to the existing practice, prohibits discrimination on account of the social and economic position of the parents. Although an "undisturbed exercise of religion stands under the protection of the Republic . . . , the religious actions and instructions must not be misused for anti-constitutional or political purposes" (Art. 41). Religious education is not only limited by a prohibition of private schools but also by a provision limiting parent's right to determine a child's religious affiliation to his fourteenth year of age (Art. 48).

Formally, the government of the GDR may be classified as that of the "assembly" type. The parliament of the GDR consists of the popularly elected lower chamber - "People's Chamber" (Volkskammer), and the upper chamber - Chamber of the Laender (Laenderkammer), representative of the non-existing federal system.¹ The "People's Chamber (Volkskammer) is "the highest organ of the Republic" (Art. 50). It consists of 400 members², elected in general, equal, direct and secret voting "for the 4-year term, on a basis of proportional representation". Active electoral rights have all above 18 years of age, while passive right is exercised by all over 21 years. Only those political parties and "mass organizations" are ~~allowed~~ to participate in

¹ It still exists although the Laender were abolished in July 1952.

² Of which 100 seats are reserved for the West German representatives.

elections which "according to their constitution strive ~~for~~ the democratic formation of the political and social life of the entire Republic, and whose organization extends over the entire territory of the State" (Art. 13). The decision ^{as to} who falls into that category belongs, in ^{the} absence of judicial authority, to the Government, or rather to the "State Party" - SED. The elections as well as the Volkskammer itself are, however, deprived of all their democratic significance by the operation of ^{called} ~~so-~~ "block system" and the presentation of only one list of candidates to the voters. The "block" technique creates "unanimity" in the Volkskammer, divesting it from its fundamental functions of discussion and criticism. "The freely moving dynamics" of democratic government is replaced by a "system closely approximating ^{to} the single-party state without abolishing the facade of the multiple-party State"¹. The Volkskammer elects its Presidium, in which the parties or organizations that have at least 40 members are represented in proportion to their strength in the Chamber. The Presidium conducts the affairs of the Volkskammer between its sessions, which are of extremely short duration. The Volkskammer is given extensive powers of

"determining the principles of the Government's policy and its realization; approving, supervising and dismissing the Cabinet; determining the principles of administration and supervising the entire activity of the State; right of legislation except in case of a plebiscite; passing of the State budget and the economic plan . . . , and the ratification of the treaties; issuing amnesties; electing, jointly with the Laenderkammer, of the President of the Republic" (Art. 63).

The Volkskammer is not subject to any checks or balances. It can be dissolved only by its own resolution and in the exceptional case of a vote of non-confidence against a new government. It alone forms, controls and

¹ K. Loewenstein, Ibid., p. 282.

and dismisses the government.

The Constitution institutionalizes the "block" technique which helped the SED to emasculate all political opposition and to reduce it to democratic dressing for single party dictatorship. According to the Art. 92, the strongest political party in the Chamber (invariably the SED) designates the Prime Minister, who forms the Cabinet. The coalition government is mandatory; all parties with a minimum of 40 members are represented proportionally, unless a party chooses to abstain from the Cabinet. The principle of unanimity in the Government leads to the unanimity in the Parliament, thus nullifying the right of opposition, which is the essence of Western democracy. In this way the paramount control of the SED is legalized. The overthrow of the Cabinet is possible (like in Bonn Constitution) only by the "constructive vote of non-confidence" (Art. 95) which requires that a new Cabinet be designated before the dismissal of its predecessor. In East German reality the Prime Minister is virtually irremovable which shifts the balance of power to the Executive. Only a revolution can remove the State party from its monopoly of political power.

The federal principles of the Weimar Constitution are, in practice, discarded by the German Democratic Republic Constitution of the GDR, which establishes, in fact, a unitary state. Lacking are the essentials of any federal constitution: the rule of the constitutional law over both federal and provincial governments; the division of sovereignty between both; the difficult amending procedure and equal balancing of amending power between the central and provincial governments; a provision for constitutional interpretation by an independent judicial authority. The constitutions of the Laender must conform to that of the GDR. The central Parliament can legislate on all fields; there are no residual powers vested in the Laender; in case of a conflict between the laws of the Republic and of a Land, the former always prevails.

The Laenderkammer consists of the representatives of the Laender, elected by each Landtag in proportion corresponding with the distribution of its seats among the parties and "mass organizations". The members of the upper chamber are not bound to follow the instructions of the Laender. The Laenderkammer has only a suspensive veto which can be overridden by a simple majority in the Volkskammer. The central government has the exclusive right to raise revenue and unlimited powers of coordination over the Laender. The Conflicts between central and provincial authorities are adjusted by the Volkskammer alone.

The Constitution destroys the independence of the judiciary. All judges are elected or appointed by Volkskammer or Laendtage, and may be recalled by them. The administration of justice is not limited to the professional judges but open to ^{called} ~~soe~~ People's Judges (Volksrichter), with little professional training. "Ideological reliability" is the most important requirement. A 1950 law introduced decisive changes into the legal system of the GDR, raising the Public Prosecutor-General to an independent judicial authority, with the arbitrary right of intervention on every level of judiciary. Another 1950 law, "The Act for Assuring the Defence of Peace", destroyed even the appearance of the constitutional rights, and openly turned the judiciary into a political arm of the SED for silencing all opposition inside of the GDR and terrorizing the West Germans. Visualizing the above system within the massive repressive machine of the GDR (Secret Police, People's Police, Militarized Police, Russian MVD, SED Control Commission), one cannot disagree with the conclusion of K. Loewenstein in his study of the East German government, that the "application of repressive control to the German Democratic Republic confirms the historical experience that

parliamentary supremacy under assembly government lends itself most readily to its perversion into authoritarian government . . . Absence of any checks and balances (was) cleverly turned into unchallengeable dominance of the SED . . . (with an) illusion of democratic unanimity preserved by "block" technique".¹

The little importance of the "highest organ of the Republic" is shown by the fact that the Volkskammer convened only on 39 days during its four years of existence²; it was reduced to a rubber stamp of the SED government without any show of initiative or criticism on its part. The Laenderkammer leads even more precarious existence, since the five Laender that formed its basis and justification were abolished in 1952 in a sweeping centralizing reform. The small ^{shown} respect by the Government of the GDR for its basic law illustrates the fact that, already within the first nine months after promulgation of the Constitution, the relations between the constitutionally guaranteed powers of the different branches of government (the Cabinet, Volkskammer, Laenderkammer,) were changed by an ordinary law, without any attempt to amend the Constitution³.

The State and the Party

The establishment of the German Democratic Republic in the Soviet Zone of Germany ushered this part of Germany into the circle of "People's

¹ K. Loewenstein, Loc. cit.

² Felix E. Hirsch, "The Crisis of East Germany", International Journal, (Winter, 1954), p. 12.

³ J.P. Nettl, Ibid., pp. 71-72.

Democracies" that grew up in every country (with ^{the} single exception of Austria) liberated by the Soviet Armies in 1944-45.

What is a "People's Democracy"? Perhaps the best official definition of this new phenomenon in the state-theory came from two prominent Communist leaders in Hungary and Bulgaria. In his article "What is a People's Democracy?" written in 1949, Matyas Rakosi, the Secretary-General of the Hungarian Communist Party, wrote:

"A People's Democracy is a state that, thanks to the victory of the Soviet Union and its support, sets the toiling people in a position to progress under the leadership of the working class from capitalism to socialism. In respect to the functions it fulfills, the People's Democracy is a dictatorship of the proletariat although not in the form of the Soviets".¹

Dimitrow, the Premier of Communist Bulgaria stated at the Fifth Convention of the Bulgarian Communist Party in December 1948, that the People's Democracy is a

"transitional state, to whom falls the task to ensure the development of the country on the road to socialism or, in other words, the People's Democracy can and must fulfil successfully the function of a dictatorship of the proletariat. The People's Democracy . . . is erected in the co-operation with the Soviet Union . . . The establishment of such states was possible as a result of historic victory of the Soviet Army in the second world War . . . "Every attempt to weaken the co-operation with the Soviet Union is an attempt on the basis of existence of the People's Democracy".²

Another Communist theorist Revai, speaking of Hungarian People's Democracy in 1949, was even more explicit:

"Formally there exist also in our country the elements of the division of power and leadership. But in reality, Comrades, it is the working class ~~alone that~~ is a power, in reality it is our Party alone, that possesses machinery of the State".

¹ "Szabad Nep", January 16, 1949; quoted in Ost-Probleme, IV (June 7, 1952), p. 719.

² Quoted in Ost-Probleme, (September 27, 1952), p. 1282.

³ "Tarsadalmi Szemle", (March-April, 1949), loc. cit.

"It is clear, that our People's Democracy was not from the very beginning a dictatorship of the proletariat but became such in the course of struggle The working class was represented in the government We were a minority, but we personified the leading power. We had decisive control over the police The Soviet Union and the Soviet Army always stood by to guarantee us their protection and assistance".¹

The observation of an incessant evolution of the East German regime since 1949 shows clearly that the example of other "People's Democracies" was followed by the German Communists. The only modifying factor in that evolution was the existence of another, democratic Germany in the West, and the desire to attract the West German population to the idea of union with the East German Republic; this seemed to be the reason for a democratic constitutional disguise, the enforced continuation of the emasculated remnants of the "bourgeois parties" in the harness of the "Democratic Block" and the formal toleration of the Protestant and Roman Catholic churches in East Germany. However, these formal concessions to the unique position of the German "People's Democracy" did not prevent an internal transformation of the régime along the lines described by the above mentioned Communist leaders.

The establishment of the German Democratic Republic changed little in the structure and work of the East German administrative machine. The Economic Commission became the Cabinet, its departments - the ministries. Only two new ministries were created; a puppet Foreign Affairs Ministry², and the all-powerful Police Ministry. In the first Cabinet, headed by Otto Grotewohl, the majority of seats were occupied by the SED members, who,

¹ "Tarsadalmi Szemle", (March-April, 1949), loc. cit.

² A propaganda move to emphasize the "independence" of the GDR in contrast to "enslaved" West Germany.

characteristically, took the departments of the Interior, Justice, Education, Planning and Industry. At the same, every non-Communist minister, was assisted by a SED deputy. Unopposed either by the servile Parliament or by the terrorized "bourgeois parties", the SED employed its dominant position in the Government towards further extension of its power, destruction of all opposition and total communization of the political, cultural and economic life of the country, with the USSR as a model and a supervisor of that reorganization.

The elections to the Volkskammer, held in October 1950 (after one year delay due to "economic reasons"), exhibited the standard Soviet electoral pattern that was to be followed in the future. There was only one "Unity List" of candidates set up by the "National Front". The usual circles for "Yes" and "No" were lacking on the ballot, that contained instead the following questions: "Do you desire the democratic unity of Germany? Do you wish to ensure peace for Germany? Do you desire the immediate disappearance of all occupation troops? Do you wish that Germany should once again become an independent State? Do you desire a higher standard of living in Germany?"¹

The voting was ^{anything} ~~not~~ but voluntary. Two days before the elections the SED's "Neues Deutschland" warned that all those "who still hesitate to take part in the ballot" would, by their abstaining (detectable in the electoral register), "clearly show that they did not support the common programme of the National Front for peace, German unity, and the welfare of the people", and would thus "obviously be voting for remilitarization, war, the atomic bomb, and the destruction of the people". It was implied that such persons could

¹ Keesing, Ibid., pp. 11090-11091.

be publicly exposed as "traitors", "war criminals" and "enemies of the people".

To prevent voters from expressing their opposition to the single list, an official campaign for open voting was sponsored, with whole factory and office staffs, housing blocks, etc. marching, with bands playing, to vote openly for the "Unity List". Insistence on secret voting in a booth was interpreted as a show of opposition against the "National Front" and could bring penalties upon the voter. Therefore the majority of the electorate voted openly for fear of being suspected of hostility towards the regime. No foreign observers or reporters were allowed to enter the Soviet zone during the elections, which for the same reason were not held in the East sector of Berlin.

No wonder that the elections showed "unprecedented unanimity and determination for peace, the unity of Germany, and freedom". Of the 12,331,905 eligible to vote, 98.4 per cent went to the polls, whilst of the votes cast, 99.5 per cent were for the "National Front".

The "new" East German Volkskammer authorized again Otto Grotewohl to form a Government, and "unanimously" adopted a law introducing important changes in the Cabinet where some seats held previously by the CDU and the LDP, were given to the National Democratic and Farmers' Parties and some "democratic mass organizations", giving the SED and its affiliations a total of 15 seats against 6 insignificant portfolios of the "bourgeois parties" in the new Cabinet.¹

A further step towards a complete Communist domination of the State was the centralization of its powers. The federal character of the East German administration was already disregarded with the creation of the

¹ Loc. cit.

Economic Commission and the introduction of a highly centralized planning in all economic and cultural fields. Together with the centralizing influence of the SED organization, these developments have reduced the self-government of the Laender to insignificance. With the establishment of the German People's Republic, the Laender governments have lost the remnants of their responsibility to the Laendtaege, becoming merely the administrative agencies of the central government. In the fall of 1950 the State Planning Commission was substituted for the old Ministry for Planning, with a direct jurisdiction over the economic departments of the government. In December 1950, the Budget Reform Act integrated formerly separate budgets of the Laender, Circles (Kreise), and municipalities into one State budget. Four months later, all agencies of social insurance were united into a unified public corporation. In July 1952, the federal structure of the East German state, "the heritage of old Keiser Germany", was formally abolished. The place of the five Laender was ^{taken by} fourteen Districts (Bezirke), each subdivided into 15-16 Circuits (Kreise). The districts were now administered by the District Assemblies (Bezirkstäg), and the District Councils (Bezirksraete). Similar organization was also created on the Kreis level.

Of greater importance was ^{the} simultaneous creation on a Soviet model of an inner cabinet, the "Presidium of the Council of Ministers", and the five Co-ordinating Departments: Industry and Communications; Internal and External Trade; Co-ordination of Administration; Agriculture and Forestry; Education, Science and Art. The Prime Minister, his six deputies and the directors of the five Co-ordinating Departments formed the Presidium of the Council of Ministers.

By the end of 1953, the Administration of the GDR took the follow-

ing outward shape: The President of the Republic had only ceremonial and representative duties. The Presidium of the Council of Ministers was the highest policy making body within a Council of Ministers that included also 17 ministers, several State secretaries, chairmen of the Central Control Commission and the State Planning Commission, and the Public Prosecutor-General; directly subordinated to the Prime Minister was the Office for Reparations, and to his first deputy (Walter Ulbricht) - the Office for Youth Affairs and Physical Education. The decisions made in the Council of Ministers were carried out by a larger number of ^{called} so-called Technical Ministries. At the bottom of the administrative hierarchy were the District and Circle assemblies and councils.

The above picture would be misleading without an understanding of the relationship between the Government and the Party in a Communist state. As in the Soviet Union, the leading power in the German Democratic Republic is the Party and its executive is the Government. All major decisions are first made in the highest policy-making body, the Politburo of the SED, and then passed over for elaboration and execution to the State bureaucracy. The Volkskammer gives its automatic and, usually, "unanimous" and "enthusiastic" approval to the decisions of the Party and Government, and its members return to the "electorate" to "explain" the policy of the government. The whole Party machine, the numerous "mass organizations" and the nationalized means of mass communication popularize, supervise and enforce the execution of the decisions from above. To exclude conflicts of authorities and duplication of efforts between the Party and the State, there is an almost complete fusion of both, with the members of the Politburo occupying the key positions in the Government and freely using

its power of patronage and repression to preserve and to extend the Party's monopoly of political power. While there exists the whole hierarchy of the popularly "elected" assemblies, from Kreis- and Bezirksraete to the Volkskammer of the Republic, the election is carried on a single "unity ballot" that can be either accepted or rejected. Naturally, since the electoral process is under exclusive control of the Party, there is little doubt as to the result of the election. The "unity list" is pre-arranged behind closed doors by the "Democratic Block" and the "National Front"; it usually includes some candidates from the surviving "bourgeois parties", as a concession to the all-German ambitions of the German Democratic Republic; but the real power nominating the candidates is the SED.

The Socialist Unity Party was built along a strongly centralized line; the nominally supreme organ is the Party Convention that elects the Central Committee of 51 members and 30 candidates; the Central Committee in turn elects, "for the general direction of the organizational work and for the daily operative leadership of the Party activities", the Secretariat of the Central Committee of 11 members; at the same time it elects the Politbureau of 9 members and 6 candidates, responsible for the whole political work of the SED, the "mass organizations" and the West German KPD. Since the establishment of the SED, the invariable chairmen of the Central Committee of the SED are Pieck and Grotewohl, while the real power is concentrated in the hands of the First Secretary of the C.C., Walter Ulbricht, who occupies also the positions of a member of the Politbureau and the first Deputy Prime Minister of the GDR. He is universally regarded as the liaison between the SED and the Communist Party of the Soviet Union. The Party organization is subdivided into the Bezirk, Kreis, city and local groups.

The Party attempts to reach the masses through the affiliated "transmission belt" "mass organizations" of the youth, women, workers, intelligentsia, etc. Their task is to disseminate Communist doctrine, to popularize the decisions of the Party among the wide masses of people, to study and to report their desires, fears and reactions. They have to assimilate the potentially valuable elements and, at the same time, isolate and destroy politically inassimilable and potentially dangerous elements of the population. Faithful to its materialistic doctrine, the Party appeals to the masses not only through its ideas, but also through the stomach and personal vanity; as in the Soviet Union, the obedient and efficient Party servant becomes a member of a new "proletarian aristocracy", with a privileged political, social and economic position. From its "bourgeois" counterpart this aristocracy differs only by a state of perpetual insecurity; the doors to and from the privilege are revolving.

In comparison with the Communist parties in the other Satellite countries, the Socialist Unity Party enjoys lesser freedom of action and is more dependent on direct Soviet instructions. It suffers from the fact that it came to power only by the Soviet intervention. Its leadership is distinguished by almost complete absence of the native Communists who were not imported by the Soviet troops in 1945. The domination of the Party command by the "immigrants" from the Soviet Union, most of whom are Soviet citizens, makes this dependence on Moscow even greater, and accounts for the weakness of the feeling of responsibility and little confidence in their own powers among the leaders of the SED.

Although rapidly assimilating the distinctive traits of its "older brother" in the USSR, and in spite of a continuous control of the

Political Division of the SMAD, the Socialist Unity Party did not achieve the "monolithic" character of the Soviet Communist Party. Its homogeneity and orthodoxy suffers from the original sin of fusion with the Socialist Democrats, and from the tension between the East and the West "immigrants", between the Moscow trained Communists and those who survived the Nazi era in a prison or underground. The Janus-like Soviet policy of Communization and economic exploitation in the Eastern Zone, the attraction of the "other half" of Germany and, finally, the example of Tito - do not contribute to a strong conformity and discipline in the ranks of the SED.

To combat "deviations", "bourgeois capitalism" and "Social-democratism", a Party Control Commission was created in 1948, which had to supervise the appointments of the officers of the SED and Party discipline; it soon became identified with the frequent Party purges, whose victims were mostly former Social Democrats and the "Titoists", who spoke of a "particular German way to Communism". The original equality of former SPD and KPD members was ended after 1949. While at the same time of fusion the former constituted 53 per cent of the total membership of the SED, in 1952, although the total membership remained at the same level, their relative strength was reduced to 33 per cent of the total SED membership of 1,230,000¹.

Since 1949 the Party was subjected to a rapid Bolshevization under the slogan "development of the Party of a new type". Marxism as interpreted by Lenin and Stalin was declared the sole ideological base of the Party, while the leading role of the Soviet Communist Party was

¹ Statement of Walter Ulbricht at the 16th Meeting of the SED, September 1953; quoted in Ost-Probleme, (October, 1953), p. 1692.

officially recognized:

"The Party of Lenin and Stalin, the Communist Party (of Bolsheviks) of the Soviet Union should possess for the membership, and particularly for the officials of the Party, an unlimited authority as a model in the creation of the Party of a new type".¹

The most distinctive characteristics of the "Party of a new type" became almost complete suppression of criticism and the enforcement of an absolute obedience and conformity. As in the case of its model, the atmosphere in the SED became one of mutual distrust and universal watchfulness. One West-German magazine well characterized that system:

"Moscow dictates, Ulbricht and the SED Politburo transmit the orders to the Party and Government, the SSD² supervises the Administration, and is itself controlled by the SED. The Party Control Commission watches the SED, Ulbricht supervises the PCC. Moscow ensures the obedience of Ulbricht and the SED Government through General Chuikov and subordinated to him Soviet Kommandatures, that in their turn are watched by the omniscient and all-powerful NKVD"³.

Legalized Terror

The twin brother of totalitarianism is terror: modern dictatorship cannot dispense with a powerful police machine, spies, concentration camps and corrupted justice. The essential foundations of such a system are the fear of the omnipresent, omniscient and all-powerful "big brother" and the consciousness of one's absolute helplessness, of complete absence of any constitutional and legal protection against the modern Leviathan.

¹ Resolutions of the Third Party Convention of the SED, Berlin 1951; quoted in Sowjetische Besatzungszone von A-Z, p. 126.

² State Security Service.

³ "Das Kontrollsystem in der Sowjetischen Besatzungszone Deutschlands", Ost-Probleme, (January 13, 1951), p. 37.

With the Soviet occupation of the Eastern Zone, that role was delegated to the Soviet MVD which established its units at every level of the Soviet Military Administration. Commanded directly by Moscow, it combined the functions of the Gestapo with those of the SS; its functions were arrests and internment of the Nazis and all suspected persons, political questioning of the Germans, supervision of the Administration, espionage and counterespionage, etc. MVD's most important function was training and supervision of a new East German police. Established in 1947, the Central Administrative Department for Internal Affairs was subordinated to the MVD. Contrary to the West German practice, the Soviet Zone Volkspolizei (People's Police), in 1948, was highly centralized and heavily armed. After the Berlin visit of the Soviet MVD Chief, Lavrenty Beria, ~~xxxxxxxx~~ a German police army (Kasernierte Volkspolizei) was created, followed by the establishment of the separate armoured, air force and navy units. Its main reserves were FDJ, that introduced in 1951 its own military units, and former members of the Nazi army, particularly those who went through the indoctrinating courses while in Russian captivity. By September 1952, the Police Army consisted of 104,000 men and 15,000 officers, not including 6,000 Air Police, 9,000 Sea Police, 5,000 Transport Police and 20,000 Border Police.¹ The Soviet zone police is in all but name the German Red Army built on a Soviet model, with the Political Commissars, Soviet military organization, discipline, equipment and even terminology. The virtual Commander of the Kasernierte Polizei was until 1952 the Director of the Military Department of the SMAD, Lieutenant-General Makarov.

¹ Sowjetische Besatzungszone von A-Z, pp. 186-189.

To accomodate large numbers of political prisoners, former Nazi concentration camps were reopened by the MVD: Buchenwald, Sachsenhausen, Neubrandenburg, Hohenschoenhausen and others. When these camps were dissolved in 1950, due to the pressure of West German and foreign opinion, it was estimated that at least 185,000 prisoners^{had} passed through these camps, of whom 96,000 died, 37,000 were deported to the USSR, 37,500 freed, and 14,500 transferred to the East German prisons.¹

In February 1950, the Ministry for State Security, and its extension - the State Security Service (SSD)² were created, taking over some functions of the MVD which, however, retained its control over the political police. The SSD is assisted in its work by the Party Control Commission of the SED, the "democratic mass organizations", particularly the FDJ, and a net of voluntary and non-voluntary agents, paid, full-time and part-time working spies and informers. Its ranks are filled by most reliable members of the SED. The present functions of the SSD include; anti-sabotage and anti-espionage work; the underground movements; gathering of information; hearings and investigations; censorship of mail, telephone and telegraph; searching, arrests and guarding of prisons; frontier and railway guards; statistics, registration of residents; supervision of the Volkspolizei and the Police Army. The head of this powerful police apparatus was, until his dismissal in 1953³, Wilhelm Zeisser.

¹ Bernhard Sagolla, Die Rote Gestapo, Der Staats- Sicherheitsdienst in der Sowjetzone, "Hefte der Kampf-Gruppe", 1952.

² Staats-Sicherheits-Dienst.

³ Dismissed and arrested after the June Revolt in 1953 and the fall of his Soviet boss Lavrenty Beria. By the end of July 1953 the Ministry for State Security was formally abolished and the security affairs transferred to the Ministry for Internal Affairs.

The legal system in the Soviet Zone had to be adjusted to the new conditions. Its task was to legalize and to protect the Communist regime.

In the Soviet view, the judiciary in a "People's Democracy" is an

"organ of dictatorship of the proletariat . . . Its most important principle is a far reaching participation of the people in the administration of justice . . . The administration of justice has for its starting point the rule of People's Democracy in the form of the dictatorship of the proletariat . . . and the strengthening of the Socialist order".¹

With the Soviet occupation of East Germany, the judiciary that contained in its ranks many former Nazis was thoroughly purged by the SMAD. Their place was filled by Communist "People's Judges" with a short-term political and legal training. In the summer of 1945 the Central Administrative Department of Justice was established; since 1948 to the summer of 1953 it was directed by a former machine shop worker, Max Fechner (SED)². In 1949 the department was transformed into the Ministry of Justice. The law of December 8, 1949, ^{establishing} the Supreme Court of the ^{German Democratic Republic} GDR, crystalized the post-war trend in the legal system of the Soviet zone. It established two main legal authorities: the Supreme Court of the GDR, with a twofold function: deciding on the cassation pleas, and serving as a court of the first instance; and the Public Prosecutor-General, with extensive powers to contest any criminal or civil verdict within one year of its coming into force, and to bring in the first and final instance before the Supreme Court those criminal

¹ "Soviet State and Law", VII (Moscow, 1951), quoted in Ost-Probleme, November 17, 1951), p. 1421.

² After the June Revolt in the Soviet zone, Fechner was dismissed by the SED and charged with leniency in respect to the participants in the strikes and demonstrations. He was replaced by the notorious Hilde Benjamin, former chief of the Supreme Court of the GDR.

cases that have "superior importance". In these cases (generally, of political nature) the accused was not entitled to any legal appeal.

The "Ordinance on . . . the Simplification of Justice" of September 1951 separated the office of the Public Prosecutor-General from the administration of justice and made it an independent authority. Further extension of his powers came with the "Law on Public Prosecutors of the GDR" passed in May 1952; it transferred to the Prosecutor-General the supervision of all investigations in criminal cases and of all prisons and detention establishments in the GDR making him "a lawful authority independent from other State institutions, subordinate to the Council of Ministers".¹ Following the Soviet example, the above law gave to the Public Prosecutor-General

"supreme supervision over strict adherence to the laws and ordinances of the German Democratic Republic. This supervision extends to all ministries, authorities and their subordinate officers . . . and also to all functionaries of the State and its citizens".²

The judicature in the GDR ceased from then on to exercise supervision authority over the office of the Public-Prosecutor-General; its activities are limited to the control of jurisdiction and personnel policy. As a result of the "democratization of personnel" and the purges, first, of the former Nazis and, later, of the remaining non-Communists, the "Peoples Judges" gradually replaced the academic jurists. On January 1, 1952, the former constituted already 72 per cent of all judges, while only 7 per cent of the Public Prosecutors possessed an academic background. At that date, 77 per cent

¹ Injustice the Regime, (Bonn, 1952), p. 4.

² W. Rosenthal, R. Lange and A. Blomeyer, Die Justiz in der Sowjetischen Zone, (Bonn, 1952), pp. 21-22.

of all judges were members of the SED or its affiliations, while among the Public Prosecutors the Communists amounted to 96 per cent¹. Contrary to the Constitutional guarantee of the independence of judiciary, the judges and the prosecutors were officially instructed to adhere to the directives of the SED and not to succumb to "objectivity". It was stressed by the Government that a "judge must never forget he is a functionary of a new State which had overcome the old "class justice" and he is always to realize that his verdicts are first of all to be for the benefit of Society - the State".²

The new definition of crime was given in 1951 by the East German Minister of Justice, Max Fechner:

"An act without the element of social danger for the working masses is not a crime; if the element of social danger for the working classes is absent, because of the altered social-political situation, no crime exists even if the act were formally illegal and punishable . . . The public prosecutor may not arbitrarily determine what represents a minor social danger. It will depend on the degree of his social-political consciousness whether he is in a position correctly to judge the harmlessness or the minor social danger of an action . . ."³

The "social danger", explained Fechner, is all that contradicts the materialistic Marxist class ideology connected through the Party . . . with the actual functions of "our people's State" . . . "The party postulate makes it quite clear that this definition cannot be objectivist, it must be a class bound weapon against bourgeois ideology".

¹ Loc. cit.

² "Injustice the Regime", p. 5.

³ Speech before the members of the Supreme Court, May, 1951, Ibid., p. 71.

The former director of East German Juristic Education, H.J. Schoeps, stated in 1952 (after escaping to the West) that "the penal jurisdiction in the Soviet Zone excels in a sorry manner by its unreasonable harshness and inhumanity . . .; this disproportion between crime and punishment was to be restricted to those cases in which (Soviet) system came into question". He translated Fechner's definition of crime into the brutal positive terms:

"Every action which is to be looked upon as endangering society represents a crime . . . If an action . . . contains the elements of danger to society, a crime exists even if the action formally would be legal and not subject to punishment" . . .¹

With this subjective interpretation of crime ^{anything} that could contradict the Communist rule in the Eastern Zone ~~can~~ be prosecuted. This interpretation is applied to two legal provisions on which political offences are tried in the Soviet Zone:

- (1) "Incitement to boycott democratic institutions and organizations, incitement to murder of democratic politicians, expression of religious, racial and national hatred, militaristic propaganda, as well as agitation for war and all other actions directed against equality of status . . ."²
- (2) Endangering or being likely "to endanger the peace of the German people or the peace of the world, through propaganda for National Socialism or militarism or through the invention or circulation of tendencious rumours".³

The one-sided interpretation of these provisions legalizes terror against the actual or supposed opponents of the political system in the Soviet zone. It is used to suppress the fundamental human rights: freedom

¹ Ibid., pp. 74-75.

² Constitution of the GDR, Art. 6.

³ Directive 38 of the Allied Control Council, October 12, 1946; quoted Ibid., p. 7.

of speech and assembly, freedom of conscience and religion, inviolability of residence.

Whoever in the Soviet zone expresses an opinion, which happens to be different from official Communist opinion, runs the risk of his statement being interpreted as a "tendencious rumour which endangers the peace", and him being sentenced by the criminal court; it is already a crime, a "thought crime", as George Orwell calls it in his book "1984", to be in possession of an opinion laid down in writing which opposes the prevailing conception.¹

The Freedom of association and assembly, the right to combine into political, cultural, economic and professional organizations in the Soviet Zone is paralyzed by threats and persecution by the Volkspolizei and the Soviet MVD of those who attempt to create some organizational forms outside the framework and control of the SED. The same applies to the press which by now is almost completely in control of the SED and its "mass organizations", and is subjected to the SED censorship, arrests of the editorial staff, etc.

The arbitrary arrests in the Soviet zone are usually made during the night or in the street, after a period of observation of a suspected person by secret police. The actual or potential anti-Communists are not even secure in the Western sectors of Berlin; they are often kidnapped there or lured into the Soviet sector to be arrested. They are neither shown a warrant nor told of the reason for arrest; in many cases they are refused the assistance of a counsel and prohibited to notify their families about their fate.

The Detention brings in most cases unspeakable sufferings for the

¹ Ibid., p. 8.

prisoners on account of the cruel behaviour of the jailors, who employ medieval methods of torture to extract confessions. Only the fear of meeting an even worse fate, once the "confession" had been made, makes one withstand the tortures.

The sentences imposed by the courts are equally cruel, contrary to all legal conceptions. The sentence of penal servitude is always supplemented by other punishments, like confiscation of property, etc.

The juvenile age does not make any difference in the Soviet zonal system. The practice of sentencing the youth of 14-17 years of age for penal servitude up to 15 years is frequent.

By this cruel and inhuman persecution and punishment of its opponents, the Communist German State pursues a twofold aim, annihilating the opponent and, simultaneously, increasing its own power by appropriating his economic strength, frightening and terrorizing potential opponents, thus obtaining more power over its subjects. Contrary to the principles of equity and legality of justice and its administration, as guaranteed by the Articles 5, 9, 19, 134 and 138 of its Constitution, the East German State places itself by law beyond any investigation of its own measures, and denies the citizens the right to make their complaints ever heard. The legal protection of the individual is further encroached^{upon} by the fact that "the citizen is no longer told in the form of publicly announced laws and orders what is lawful, but that the courts have to act according to secret directives and circular orders which may not be made known to the parties involved in the suit".¹

The Freedom of movement and travel is restricted; granting of the

¹ Ibid., p. 152.

inter-zonal passes is made dependent on the "applicant's attitude towards the GDR, to the aims of the National Front . . . and towards the Soviet Union"¹. Even the free movement inside the zone is restricted by a rigid system of residential registration by the police, personal passports and searching of baggage by the police.

The fear by a totalitarian State of its potential opponents makes it keep its citizens under constant observation. Every aspect of life is permeated by spies; every street and every block in the city has its "confidant" who regularly reports on the residents and checks their movements and opinions. To prevent free circulation of ideas the newspapers from the West are forbidden; secrecy of the mail is violated; the mail "suspected of forbidden contents" is stopped and sent to the People's Police. Telephone and telegraph wires are continuously tapped; the listening to the foreign radio programs officially forbidden.

Thus all spheres of private and public life of the citizen are subjected to the constant observation and intervention of the Communist Leviathan and permeated by the feeling of insecurity that forces men to concern themselves with their own self-preservation. The paralyzing fear isolates men from each other, undermines any organized resistance against the regime, and forces the weaklings to seek security in a slavish obedience and degrading service to the mighty "big brother".

Struggle for Human Souls

While terror is only one arm of a modern totalitarian dictatorship,

¹ Ibid., p. 201.

propaganda is another arm, that helps to control the people. No dictatorship can survive without the simultaneous use of both. The Communist government in the Soviet zone of Germany is no exception from this rule.

The scope of propaganda in the Communist world is not limited to the press, radio and the cinema. It penetrates, dominates and perverts the education, art and whole culture of the people; it takes a child away from his parents to pervert a young mind that has not developed the powers of critical thinking; it enters the most intimate spheres of human life, never relaxing its pressure on man's mind. Dogmatic, jealous and exclusive, the Communist propaganda, like its imperfect Nazi counterpart, suffers no competition of opposing ideas. It has to isolate its objects from all alien influences, to cut their contacts with the outside world, to destroy in the seed every internal voice of doubt and criticism. It abhors ridicule to which it is most vulnerable: humour can breathe only the air of freedom. Claiming to be scientific, it never appeals to reason; it stirs primitive passions and speaks in the language of simplifications, symbols and stereotypes. It relies on repetition: it believes that the biggest lie if repeated ceaselessly will be accepted as truth. It knows no scruples, no ethical or moral standards, but one rule: everything that fosters the aim of the Communist tyranny is right.

The cultural life of East Germany was, from the very beginning of Soviet occupation, taken under Communist control. In contrast to the original attitude of the Western occupying powers in Germany, the Soviet Military authorities took culture and art very seriously, perhaps too seriously; so seriously that they used all their means to prevent their free development and to exploit them for the purpose of Communization of East

Germany. To the Communists, the art was always a weapon, a tool, with immediate and real purpose; serving not men but the Communist state in^{the} fulfillment of its plan.

From the very beginning, the KPD-SED members occupied in the Central Administration, as well as on the Land and Kreis level, the educational and cultural posts. As in the other fields, the Communist influence was originally camouflaged by the "anti-Fascist Democratic" policies; for some time, they had to tolerate in culture and education some non-Communist ideas, but only those that did not openly combat Communist ideology.

After the creation of the GDR, the "culture" was openly turned into an instrument of Communist state power. The Third Party Convention of the SED in 1950 resolved that the main purpose of cultural policy of the Republic is "the struggle for ^{the} peace, ^{the} democratic unity of Germany and the strengthening of our anti-Fascist Democratic order . . . The (cultural) education can ensue only in a pitiless struggle against the cannibalistic teaching of the imperialist war-mongers. Every attempt to represent these hostile ideologies in an objective way means . . . an aid for these ideologies. Therefore, it is the decisive task of the cultural policy to attain a radical revolution in all spheres of cultural life and to make a pitiless break with leniency and conciliation".¹

The doctrine of Marxism-Leninism as interpreted by Stalin and the Soviet cultural "spetzy" (specialists), was to be the guiding principle in all fields of cultural life". The study of the works of Marx, Engels, Lenin and Stalin on dialectical and historical materialism, as well as on

¹ Sowjetische Besatzungszone von A-Z, p. 78.

art and literature - is the decisive prerequisite for a correct understanding of the role of art in the development of Society".¹

The general Soviet term for all hostile conceptions of art was "Formalism", defined as over-emphasis of the form at the expense of the content, contrary to the Soviet stress of the "right" content and the "monumental, positive and optimistic pose".² Accordingly, the "socialist realism" became the only approved style of artistic and musical expression in the Soviet zone. The Modernistic trends in art were decried as "decadent products of Capitalism" with "cosmopolitan tendencies" that endanger the "socialist patriotism" and the "proletarian internationalism". In architecture the "art of facade" became the only officially approved style. The Functionalism was officially condemned as a "feature of architecture of the imperialistic phase of Capitalism . . . (that) leads necessarily through destruction of all these categories that elevate to an . . . anti national cosmopolitanism" architecture to an art/.³ Instead, the East German architects were instructed to study the architecture of the Soviet Union, since "the Soviet art has reached in all fields, the highest level of artistic development in the world".⁴

In the music the "bourgeois formalism" and the "over-emphasis of rhythmic principle" were banned as "American nihilism" and "war-mongering

¹ "Neues Deutschland", (Ost-Berlin, December 4, 1951).

² Lothar von Balluseck, Zur Lage der bildenden Kunst in der Sowjetischen Besatzungszone, (Bonn, 1953), p. 6.

³ Resolutions of the Central Committee of the SED, March 1951; quoted Ibid., p. 10

⁴ "Neues Deutschland", October 5, 1951; quoted Ibid., p. 25.

through dissonances". "Through today's boogie-woogie - wrote "Neues Deutschland" in 1951 - penetrates the poison of Americanism, and endangers to deafen, the brains of the workers . . . It would be wrong not to recognize the dangerous role of American musical hits in preparation of the war".

A new breed of SED "cultural workers" was developed and placed in the leading positions of cultural life. Only too often political reliability outweighed their professional knowledge. This "cultural apparatus" of the SED dominated the cultural life by the following means: (1) creation of a new Communist culture-creating class (Kulturschaffenden); (2) domination of the cultural administration and organizations; (3) material dependence of the "culture-creators"; (4) influencing of the "culture-consumers" (Kultur-Konsumenten).¹

In the summer of 1945, the "Cultural League for ^{the} Democratic Revival of Germany"², was established, as one of the SED "democratic mass organizations", with a twofold task: regimentation and Communization of the creative class in East Germany, and the Communist infiltration of the West German cultural life. To foster development of a "proletarian cultural elite, a strict Communist control of admissions to the high schools, the universities and the schools of art and music, was introduced; and admission made dependent on the social-economic status of candidate's parents and his participation in the Communist youth organizations - the FDJ and the "Young Pioneers".

Organizational control of cultural life was ensured through a complete domination by the SED of the Ministry for the People's Education

¹ SBZ von A-Z, p. 79.

² Kulturbund zur demokratischen Erneuerung Deutschlands (Kulturbund).

and of other governmental agencies, like the State Secretariat for Higher Education, Office for the Literature and Publication, the State Commission for Art Affairs, and the Committee for Radio and Film. The Press was subordinated to the State Office for Information. By the end of 1952, almost all private publishing houses were nationalized, while the few remaining publications owned by the "bourgeois parties" and the churches, were under a strict control of the SED. In January 1954, the cultural agencies of the GDR were fused into a separate Ministry of Culture, headed by J.R. Becher, a Moscow-trained Communist.

The "culture-producers" in East Germany were made materially dependent on the Communist state, since it monopolized the publishing, and the artistic patronage. The present or potential followers of the Party's line receive a preferred economic-treatment in the form of State grants, so-called "Intelligentsia packages" of food and clothing, money prizes, special rations etc. The control and the indoctrination of the masses of "culture-consumers" through "opinion-creating" organizations, like FDGB, FDJ and the "culture centres" in the factories, SED monopoly of criticism in press and radio, and the Communist control of the movie production and distribution, complete a system of total Communist control of cultural life in the Soviet zone of Germany.

The Communization of the educational system was considered by the SMAD and the German Communists as their most immediate and most important task. The system was purged in 1945 of the former Nazis and of the open enemies of the new regime. To meet the shortage of teachers, the short-term training was introduced in 1946 for ^{called} ~~so-~~ "New Teachers" recruited mostly from among the members of SED and FDG and their fellow-travellers. By the

end of 1950, they constituted close to 70 per cent of all employed teachers. The old text-books were destroyed and replaced by the new texts, permeated by the Marxist ideas and characterized by an Anti-American and pro-Russian attitude. The Soviet pedagogy became the only model for East German educators.

The youth in its development is influenced by a number of educational factors: the parents' home, the school, play group, social environment, the State, economy and the church. The characteristic feature of the Soviet zone is that one of these factors, the Communist State, alone monopolizes that influence and strives to exclude all other educational factors. With this purpose, the Communists introduced the nationalized "Einheitsschule" system with simultaneous legal prohibition of all private schools.¹ The admission to the Universities was made in accordance with class-warfare principles. Preference was given to the children of the workers and small farmers, the former victims of Nazism, and the "progressive intelligentsia". Decisive was not the school record but the membership in the "Young Pioneers" and the FDJ or parents' membership in the SED. An elaborated central planning of school programmes emphasized ^{the} teaching of Marxism-Leninism, atheism, "current events", history of the Communist Party of the Soviet Union, ^{the} Russian language. Any initiative ~~and~~ an independent interpretation on the part of the teacher was excluded by a strict control of the local SED cells and informers among the pupils recruited from among the members of the Free German Youth.

A high official of the East German Ministry of Education defined the following six tasks of education in the Soviet zone:

¹ The "Einheitsschule" system covers an obligatory kindergarden, and an eight-grade basic school (Grundschule), followed by either a four-year high school (Oberschule) or a three-year vocational school (Berufsschule).

- "(1) Love to one's own people, as the source of a real national pride.
- (2) Friendship with all peoples, in particular with the Soviet Union.
- (3) Hatred of Reaction and Imperialism.
- (4) Active participation in peaceful reconstruction and the readiness to defend its democratic principles and results against all hostile influences and attacks.
- (5) Consciousness that the interests of the people are inseparable from these of the Government, also the source of love to the President of the GDR, and of confidence in the representatives of the working people in the Government.
- (6) Insight into the historically founded leading role of the working class". 1

The principles of the East German education became: the idea that "men are to be evaluated exclusively from the viewpoint of their 'social utility'; the unscrupulous adjustment of the pedagogic doctrines and the methods of Stalinism; the subordination of the pedagogic^{-al} aspect to political propaganda, reaching even in the distribution of material, the time-table and school organization". 2

The Communist government in the Soviet zone and its Soviet protectors attempted to isolate and to conquer by terror and propaganda the minds and souls of the Germans, with particular attention to the uncritical young generation. On the road towards a total Sovietization of the Eastern Zone, they are meeting only one firm and open opponent. The Evangelic and the Roman Catholic Churches, the only national organizations that continue to ignore the frontier splitting Germany in two, are still a spiritual power in East Germany. They cannot be ignored nor met in the open struggle, which would mobilize the Christian elements of the whole of Germany and jeopardize the Soviet "Unity" campaign. Their independent existence, although

¹ S BZ von A-Z, p. 51.

² Das Erziehungswesen der Sowjetzone, (Bonn, 1952), p. 26.

systematically undermined by the SED government, is perhaps the most striking difference between the German Democratic Republic and the other "People's Democracies".

Although theoretically claiming to be tolerant in matters of religion, the SMAD and the SED attempted from the very beginning to isolate both German churches from the masses of German population, particularly the youth. They prohibited all private schools, and exploited their monopoly of educational institutions to undermine the religious beliefs of the young people. The Constitution of the GDR set the age of 14 as the legal age for religious self-determination. The compulsory youth organizations "Young Pioneers" and the FDJ used their influence and pressure to ridicule religious practices, to substitute for them their parades, festivals and mass-meetings, not unlike those of the defunct "Hitler Jugend".

The Party^{has} used the power of persuasion and terror to dominate the Church organization, to spread so-called^{called} "Christian Realism",¹ to enlist clergymen into the "National Front", and to force the churches to support openly the Stockholm Peace Appeal. In that campaign some 50 clergymen have been arrested; the opening of a Catholic seminary in East Berlin prevented; the arrival of the young priests from the Western zones prohibited. The SED members were instructed to break their relations with the Church.

The most fierce Communist attacks were directed against a religious youth organization, "Young Community" (Junge Gemeinde), embracing young people of both denominations. Its members were prevented from entering or expelled from schools. The only remaining publication for the

¹ A Communist attempt to spread a Communist Protestant Church, not unlike the Soviet Orthodox Church.

Protestant youth in the Soviet zone had been prohibited. The SED-FDJ press was filled with the reports on the "sabotage and espionage activities" of members of the Y.C.

"Vigilance is necessary towards the enemies of the Republic in the hypocrite's disguise of religion" - wrote FDJ's "Young World". "The leaders of the "Young Community" . . . should be punished by law, for we will not tolerate any warmongering".

As an example of Y.C.'s "war-mongering", the same paper reproduced a tablet of the "Y.C." saying "Love your enemies. Only when we love our enemies can we talk of peace. Therefore Christ loved all people". FDJ commented:

"In this way the "Young Community" agitates on behalf of the American espionage centres in West Germany and West Berlin against peace and our German Democratic Republic. A particular peace is being preached here, peace with the enemies of our people, who want to start a new war".¹

The Evangelical Church of East Germany ^{has} courageously withstood the Communist efforts to break its spiritual independence. A pastoral letter signed by Bishop Dr. Otto Dibelius and twenty members of the Evangelic Church Council was read in the Protestant churches of East Germany in 1950, stating that the Evangelics are "forced to participate in things in which we cannot participate with a clear conscience . . ., and to approve decisions which we cannot approve . . . We are constantly faced with the danger of losing our freedom, office and daily bread if we refuse to take part . . . We must state that materialism is incompatible with Christianity".²

The Roman Catholic Cardinal von Preysing, Bishop of Berlin, appealed in 1950 to the Roman Catholic clergy in East Germany:

"Christian faith and materialism are mutually exclusive as light

¹ Quoted in "The Bulletin", (May 28, 1953), p. 1.

² Keesing, Ibid., (1948 - 1950), p. 10730.

and darkness . . . A priest who co-operates in the National Front is not serving a patriotic cause. Rather he is allowing himself to be enlisted for efforts which are intended to spread to the whole German Fatherland the one party dictatorship that is being more and more imposed in the German Democratic Republic. A priest may not take part in any course of action which, however camouflaged, supports the enemies of the Church".¹

Although heroically resisting the attacks of the totalitarian State, both Churches are in danger of being crushed by brute force as it was the case in other "People's Democracies". Only the fear of the German public opinion and the all-German pretences of the GDR stop its Communist government from the liquidation of the last two institutions that unite spiritually the Germans of the West and the East.

The Communist State Dominates East German Economy

No discussion of the political administration in the Soviet zone of Germany can ignore the economic policy of that administration. As could be expected from the true followers of Marx, the rulers of East Germany gave priority to their economic policies, regarding politics, culture and social problems as a mere superstructure of the economic order. Accordingly, they expected to change, through an economic revolution, the political, cultural and social attitudes of the people and to create economic and political realities that would not only ensure permanence to the Communist régime in East Germany, but also, in case of her unification with the Western zones, guarantee their rapid Communization.

The economic revolution that took place in Eastern Germany was possible only ^{thanks} to the pressure of the Soviet occupying power that combined its ruthless economic exploitation of that part of Germany with systematic

¹ Loc. cit.

transformation of its economic and social organization, according to the Soviet pattern. This transformation was attained by the East German Communists in a shorter time than in a country, whose system they tried to copy slavishly, without regard to the peculiarities of the German economic system and psychology of the people.

In his work "Problems of Leninism", J. W. Stalin distinguishes two main phases of development of the Soviet Union:

"The first phase is a period from the October Revolution to the liquidation of the exploiting classes . . . The second phase is a period from the liquidation of the capitalist elements in town and country to the full victory of the socialist economic order . . ."¹

If applied to the Soviet zone, whose rulers cannot be accused of the disrespect for the above authority, this statement exposes a striking analogy of Communist policies in the USSR and East Germany. The major difference is this, that while it took the Russian Bolsheviks several years of bloody Civil war to seize the state power, the German Communists received in 1945 the control of East Germany from the hands of the victorious Soviet armies, without fighting or sacrifice on the part of the former. This fact could not but make the new regime in East Germany, as June 1953 has showed, dependent on the guns of their benefactors . . .

The period between 1945 and 1952 in the Soviet Zone can easily compare with the first phase of development of the Soviet economic system. Although camouflaged by "democratic" constitution and nationalistic unification slogans, this period was characterized by the following developments:

- (1) carrying out of radical land reform, and class differentiation of the agrarian population;

¹ "Die Sowjetisierung der deutschen Laender", (Bonn, 1950), p. 21.

- (2) nationalization of private industry, trade and finance;
- (3) introduction of a central economic planning and control;
- (4) enslavement of labour.

In the unilateral Soviet zonal land reform in 1945-46, all estates of "war criminals" and "Nazi activists", as well as all land estates over hectares² (ha) 100 ~~ha~~ were subjected to an immediate expropriation without compensation. A total of 3,22 million ~~has~~ ^{hectares (ha)} was divided in portions of 5-10 ~~ha~~ among the landless farmers and farm hands, refugees and expellees from Poland and Czechoslovakia, small farmers and tenants, workers and craftsmen. About 200,000 new small farms have been created, changing the Eastern zone from a predominantly large estate into a small farm area of Germany. But the significance of the Soviet land reform in East Germany went much further: it eliminated ^{the} economic and social power of Prussian Junkertum - a traditional basis of German militarism and nationalism; it relieved land hunger and partially solved the problem of expellees; it created a class of "new farmers", dependent on the new regime for the preservation of their newly attained status; finally, the creation of many small farms, deprived of agricultural machinery and with no tradition of individual ownership, could prepare the way for the development of collective farms, in accordance with Lenin's dictum that "the road to collectivization of the land leads through its division".¹

This course of gradual collectivisation of the East German agriculture was pursued from the first years of the Soviet occupation. The farmers were subjected to detailed production plans and heavy delivery quotas,

¹ Die Sowjetisierung der deutschen Laender, (Bonn, 1950), p. 21.

² A hectare equals 2.471 acres.

with the State paying a fixed price (far below a free market price). The delivery quota, as well as taxes and rates paid for State services were apportioned arbitrarily, according to the size of a particular holding and to the political attitude of the farmer. The purpose of that discrimination was to "differentiate" the farmers into three classes of "small farmers", (below 10 ha), "middle farmers", and "large farmers" (over 20 ha). Heavy tax payments, not from the profits but from the substance, and ruthless punishments for failure to meet the ever growing rates were intentionally employed by the Communist administration to force the "large peasants" out of land. To impose a more strict Communist control upon the farmers, the "Farmer's Mutual Aid Union" (VdgB)² was established in 1946. Its original function was the administration of the pools of expropriated tractors and agricultural machines, but soon this task was taken over by the MAS (Machine-Lending Stations)¹, and the VdgB concentrated on its most important task, that of a farmers' "democratic mass organization". It gradually assumed a monopolistic position in village trade and credit, undermining and finally liquidating the independent farmers' cooperatives and credit unions.

Operating on a basis of "differentiated" rates, the MAS branches were considered by the SED as a nucleus of collective farming. They were proclaimed the "centres of technical, agricultural and cultural life of the farmers", provided with special "cultural houses", funds, literature and speakers for spreading Communist propaganda and combating the "reactionary elements" among the farmers.

In 1952 Walter Ulbricht declared at the Second Party Conference of

¹ Renamed in 1952, after their Soviet model, to MTS (Machine-Tractor Stations).

² Verband der gegenseitigen Bauernhilfe.

the SED that "Socialism will be systematically developed in the German Democratic Republic". The long prepared campaign for collectivization of agriculture was stepped up in the summer of 1952. The Agricultural Production Cooperatives were open only to the small and middle farmers, and received a preferential treatment from the State in the form of credit subsidies, lower delivery quotas and taxes, and lower rates for MAS services. After a year of propaganda and pressure of the State organs, 4,800 collective farms were already in existence with a total of 739,000 ha. Full collectivization of the East German agriculture was now only a problem of time.

In the field of industry the period from 1945 to 1952 was characterized by a ruthless campaign of expropriation and nationalization of industrial enterprises that were owned by the "monopolists and other War criminals", and all other enterprises that were "suitable for expropriation."¹ In the first three years of Soviet occupation more than 65 per cent of the total East German industrial capacity was expropriated. One third of the expropriated enterprises was transferred in 1946 to the Soviet Concerns (SAG) on account of Soviet reparation claims. The remainder was originally administered by the Laender and, since 1948, by the centrally directed "People's Own Enterprises" (VEB). By the end of 1949 there were about 4000 enterprises in that category, employing close to one million persons, i. e. about 50 per cent of the total ^{industrial} employment in the GDR².

Small private enterprises are still surviving in the light and processing industries, but their number is rapidly decreasing. No freedom

¹ Constitution of the GDR, Art. 27.

² "SZ von A-Z", p. 173.

is left for individual initiative since all the private enterprises are fully integrated in the economic planning of the State, which not only controls supply of raw materials, import and export, but also prescribes the kind, volume and tempo of production. Various methods are used by the State to force the private entrepreneur out of industry. Where there is no legal basis for expropriation and no penal servitude with confiscation of the property could be imposed, the weapon of unfair taxation is successfully employed, to force the owner into self-liquidation. By the end of 1951, only 700,000 were employed in private industrial enterprises that produced only 27 per cent of the East German total production value. In 1952 this percentage decreased to 23 per cent.¹ In 1945 all private and semi-private banking and insurance companies were taken over by the Soviet zone administration. The social insurance companies were united into one public corporation administered by the trade unions - FDGB. Payment of insurance rates became obligatory to all employees and assumed rather the character of a tax. The social insurance was integrated into the Five Year Plan with a tendency of decreasing social services to a minimum to force the worker to increase productivity of his labour.

In the field of trade two State monopolies were created by the end of 1948: the German Import-Export Company, and the Trade Organization (HO). The HO² entered into competition with private domestic trade and due to the State capital credit and preference in supply of products, has soon dominated this field. While private retail trade was confined to the rationed goods, the HO was allowed to operate a legalized black market in scarce goods with an ostensible purpose of "combating the (illegal) black

¹ Injustice the Regime, p. 121.

² Ibid., pp. 64, 68.

³ Handels-Organisation.

market", but actually to dry up the "surplus purchasing power"; in this way the State extracts the savings of the population and gets back the money it has paid to the more productive workers. From these sources HO contributed in 1952 to the state budget four billion marks i.e. three times as much as the total income tax of the GDR. In the middle of 1952 HO operated about 11,000 groceries, 38,000 hardware stores, and 1230 restaurants, controlling 40 per cent of the whole domestic trade in East Germany; the remainder were divided among the consumer co-operatives (21 per cent) and private trade (39 per cent).¹

The chief feature of the East German economy is its total subjection to the central planning and control; "the plan is the supreme law of the GDR". Although raising of the strategic industrial potential is its central task, the planning embraces practically all, even non-economic, aspects of life in the Soviet zone: labour, research, living standards, culture even health. In the first three years of Soviet occupation the planning was conducted on a provincial (Land) scale, according to the SMAD production plans and orders; behind them stood the Gosplan (State Planning Commission of the USSR). Until 1948 these plans centered mainly around Soviet reparations. Only with the creation of the German Economic Commission and the Central Controlling Commission was the planning placed on a zonal basis by the Two-Year Plan (1949-50). In 1950 the Five Year Plan (1951-1955) was proclaimed, aiming at a total incorporation of the Soviet zone into industrial potential of the Eastern Block. It emphasized the development of the heavy industry that requiring huge investment capital, which had to be produced through an increased indirect taxation (HO), banking and insurance

¹ Ibid., pp. 64, 68.

monopoly and through a ruthless exploitation of labour force. For this purpose the State introduced a compulsory labour registration and conscription, collective agreements with fixed norms and piece-work pay, a system of "socialist competition" and an "activist movement" modelled on the Soviet Stachanovite movement.

Even women, "guaranteed a total equality with men", were subjected to the same discipline and forced to leave children to the "care" of the FDJ and the "Young Pioneers". The Trade Unions (FDGB), perverted already in 1946 into a "mass organization" of the SED, became the spokesman not of the workers, but of the employer - the State, an instrument for squeezing out more work for less pay. Everything had to be subordinated to the fulfillment of the Plan.

Step by step the Communist state dominated East German industry, trade, agriculture and trade unions. An exclusive State monopoly determines today wages, prices and taxes; kind, amount and tempo of production; conditions, place and kind of employment. It defines person's standard of living and his social status. It assumes total possession of man's producing capacity and exploits his work for the benefit of the State; the State that is the property of the party; the party that is the tool of the Soviet Russia.

Soviet Reparations

"Occupation and plundering of the foreign territories are typical imperialistic phenomena". - once wrote W. I. Lenin.¹

If applied to the Soviet post-war policies in East and Central

¹ Quoted in "Die sowjetische Hand in der deutschen Wirtschaft", (Bonn, 1953), p. 7.

Europe, Lenin's definition of Imperialism would doubtlessly condemn his own country as an imperialist Power, ~~and rightly so~~. Wherever ~~the~~ "liberating" Soviet armies entered foreign soil, economic exploitation of occupied territory was one of the major objectives of the "Fatherland of Proletariat". With the conclusion of the Second World War a huge Soviet economic empire was constructed on territories occupied by the Red Army. Its centre was the "Central Administration of the Soviet Property Abroad" in Moscow, and the man in charge of that economic Leviathan - A. Mikoyan, Soviet Minister of Foreign Trade and a member of the Politbiuro.

Eastern Germany was one of the principal objects of the Soviet economic expansion. Nowhere was Soviet right to exploitation better founded than here, in the country ~~which~~ in an aggressive war plundered the richest parts of the Soviet Union and enslaved millions of its citizens to work in ~~the~~ German industry and agriculture. At Yalta and at Potsdam this was eloquently stressed by Stalin and Molotov who demanded a minimum of \$10 billion in 1938 prices as German reparations. The Western Allies, who rightly felt that these huge reparations would bring Germany to a total economic collapse, and put on them the burden of economic aid to the former enemy, never officially assented to that Soviet demand. The question was left open and became one of the principal reasons for the break-down of the quadripartite policy in Germany. Basing its right on an alleged reparation agreement at the Yalta Conference¹, the Soviet Union undertook a unilateral solution of the problem. Not only had they arbitrarily fixed their reparation claims at \$10 billion, but also disregarded explicit provisions of the Potsdam agreement limiting the sources of reparations to the forbidden or limited

¹ See Chapter One, pages 5-6.

German industries.

The reparations exacted by the USSR from East Germany may be classified into four categories:

- (1) Dismantling and removal of German enterprises.
- (2) Direct possession of German property.
- (3) The share of East German current production.
- (4) Services of German labour.

Dismantling of industrial enterprises in East Germany took place in the first three years of the Soviet occupation. It started in May 1945, when from Berlin alone the Russians removed about 460 ^{plants} ~~enterprises~~, including Western sectors, depriving the city of about 75 per cent of the existing industrial capacity. Later in ^{the} summer, a number of large and middle sized enterprises was removed, including consumer goods, construction, and energy producing industry; all double-track railway lines were reduced by one set of rails. It is estimated that by the end of 1950 the Russian dismantling deprived East Germany of the following industrial potential (basis 1936 capacity): 82 per cent of rolling mills, 80 per cent of iron works, 75 per cent of gutter-tile industry, 45 per cent of cement and paper industries, 35 per cent of energy producing industries, etc.¹ J. P. Nettel estimates the total value of dismantled enterprises at \$1,400 million.²

According to the official West German sources, a total of 213 German enterprises were transferred into possession of the USSR in October 1946; of these some were dismantled and removed to the Soviet Union, while 74

¹ "SZ von A-Z, pp. 136-137.

² J.P. Nettel, Ibid., p. 193.

less important or non-profitable enterprises were sold back to East Germany in February 1947. The remainder was organized under a huge corporation known as the Soviet Joint Stock Companies (SAG),² subordinated directly to the "Administration of Soviet Property in Germany", a department of the Soviet Ministry of Foreign Trade in Moscow. The SMAD and the SKK did not exercise jurisdiction over the SAG enterprises; neither did the German Democratic Republic. By the end of April 1952, the SAG operated 116 factories with 325,000 employees and huge uranium concern known as Wismut-AG, employing 225,000. By the end of 1951 the SAG enterprises accounted for 32 per cent of the total industrial production of the Soviet zone. By December 1952, this figure fell to 20 per cent. The extent of the Soviet exploitation shows the fact that the SAG controlled 100 per cent of ^{the} production of uranium, nitrogen, synthetic rubber, copper, aluminium, lime; 95 per cent of the watch-making industry; 93 per cent of calcium chloride; 90 per cent of nitric acid, heavy electrical machinery, motorcycles; 85 per cent of benzine and diesel-fuel; 80 per cent of motor car construction, accumulators, electro-ceramics, synthetic colors; 75 per cent of potash, etc.¹ Steadily increasing production of the SAG enterprises (due to the preference they enjoyed in supply of raw materials, energy and labour), was not counted as reparations.

The third kind of reparations came from the current East German production; it was against this kind of reparations that the Western Powers objected most, since it deprived the pauperized East German population of the urgently needed consumer goods, and made ^{the} economic recovery of the Eastern zone hopelessly distant. The share of the current East German production prescri-

¹ "SBZ von A-Z", pp. 141-142.

² Sowjetische Aktien-Gesellschaft.

bed for reparations was either delivered to the Soviet Union or exported on Soviet account. J.P. Nettl estimates that, by July 1948, the reparations from the current production amounted to ^{7,300} 7 1/2 million marks in 1936 values.¹

The most difficult problem presents evaluation of the reparations taken from the German labour potential. The labour force in question can be classified as (a) voluntary or drafted workers, and (b) forcibly deported persons and inmates of the German prisons and concentration camps. It is estimated that by the end of 1948 more than 40,000 German prisoners were deported to the USSR², while many thousands more were "voluntarily" drafted for work in the Soviet Union.

To the above mentioned reparations must be added about five billion marks in paper currency seized by the Soviet authorities as "war booty", from which German services were later paid.

Another "unofficial" kind of reparations extracted from the Soviet zone came from the many-sided activities of various Soviet trade companies. Independent of the SMAD and East German authorities, they exploited the original economic and administrative chaos to make huge profits on speculation on the "black market" (e.g. "Rasno" cigarettes, sold outside the rationed trade, netted in 1948 to the Soviet company of that name no less than 85 million marks).

With the establishment of the German Democratic Republic the reparations payments from the current German production were decreased, and in May 1950 an agreement was reached between the USSR and the new satellite.

¹ J.P. Nettl, Ibid., p. 203.

² B. Sagolla, Ibid.

The Soviet Union "lowered" its reparations claims from the amount of \$10 billion, to \$6,829 million. It was announced that by the end of 1951 East Germany delivered \$3,658 million of reparations; the remaining \$3,171 million were to be paid in fifteen annual instalments.

In August 1953, after the June revolt and on the eve of the West German general elections, another agreement was concluded between the two countries, by which the Soviet Union freed East Germany from further reparations payments after January 1, 1954, amounting to \$2,537 million; at the same time 33 SAG enterprises, officially valued at 2,700 million marks, were returned without compensation to the GDR. The huge uranium producing Wismut AG, not mentioned in the agreement, was to be reorganized as a joint Soviet-German company. This "act of Soviet-German friendship", loudly celebrated by Communist propaganda, could not weaken the general opinion in the West, that Soviet generosity was stimulated not only by the recent show of unpopularity of the Communist regime in East Germany and by the coming West German elections, but also by the fact that the USSR had exacted from its zone more reparations than it had ever claimed.

According to conservative estimates made in a study published by the Bonn Ministry for all-German Affairs¹, the USSR removed in 1945-53 from the Soviet zone about 48,190 million marks in equipment, goods, money and services. After deduction of 16,000 million marks of occupation costs, the reparations delivered to the USSR amounted to 37,000 million marks, i.e. \$12,000 million, ^{thousand} two/million dollars over the Soviet claims made at the Yalta Conference.

¹ Die Reparationen der sowjetischen Besatzungszone in den Jahren 1945 bis Ende 1953, (Bonn, 1953).

In this way the Soviet Union ^{was able} ~~xxxxxxx~~ "to eat its cake and have it too". It extracted enormous reparations from its zone of Germany and, at the same time, it transformed the victim according to its own image. Incorporated into the East European Block, "protected" by the Soviet Army, the German Democratic Republic will continue to serve its creator as both an arsenal and a potential vanguard of a new "liberating" drive of the Soviet Union.

Social Revolution

The revolutionary changes in the East German economy could not but result in a parallel social revolution. It was a Communist revolution, aimed at a total domination of the spiritual and physical capacities of the people and the destruction of these elements of society that were or were likely to be opposed to such a domination.

The "bourgeois" intelligentsia was the first social group in East Germany to experience the impact of the Communist revolution. In 1945, it was made to realize that as a class it was to die; as a product of the capitalist society it was incompatible with the new Communist order. The representatives of intelligentsia were purged from the State administration, educational and legal system, nationalized industry and trade. The institutions of higher learning and the road to intellectual and spiritual development were closed to the children of that class. They received the lowest rations and were forced to part with their quarters, their savings and everything that could be exchanged on the "black market" or in an HO store for badly needed food and clothing.

Their place was taken by hastily trained "proletarian" substitutes:

the "new teachers", "People's Judges", the graduates of the Party Schools and the "Workers' and Farmers' Faculties". But the results were negative. Lacking academic training and intellectual honesty, corrupted by its political privileges, the "new elite" could not fulfill their tasks.

In 1950 the German Communist oracle, Walter Ulbricht sounded a tactical retreat. He declared at the SED Party Conference that the State could not do without the professional knowledge and the technical skill of the "bourgeois intelligentsia"; it was, therefore, necessary to exploit the knowledge of that class until a new "proletarian intelligentsia" ^{could} ~~will~~ be brought up. Accordingly, these professions that were considered as essential to the fulfillment of the Five-Year Plan, had been given a temporal place in the system; this group was christened "Technical Intelligentsia" and offered a privileged material position, but none of the political privileges.

What was the attitude of the "Intellektuellen"? Most of the intellectuals and professional men have recognized the hopelessness of their position. Many have fled to the West. The others have chosen an "internal emigration": they suffer but do not bend to the régime. These are the artists who refuse to prostitute their talents; the writers who prefer not to sell their works to the State; the scientists who can work only in an atmosphere of freedom. Most of these men are not able to withstand resignation and despair.

There are others who actively participate in the scientific, economic, cultural fields of the zone, but internally deny Communism. They have a strong feeling of responsibility towards the men and women in the Soviet zone who cannot be left alone. In spite of difficulties and limitations, they attempt to save for them at least a fraction of real art, and true science. Instead

escaping into themselves, they try to exploit what little possibilities of action they have.

Another group of intellectuals form those who from the beginning wholeheartedly supported the regime, and gave their knowledge and energy to the Communist cause. They are at least honest before their conscience, although they lack the intellectual courage and responsibility to face the reality in the Soviet zone. These men are dangerous. Their intellect, surpassing that of the Communist party leaders, and their scientific or artistic prestige lend respectability to the Communist regime and help to mislead the people whose esteem they hold. The Communists know their value to their system. They take care to distinguish them from the remaining "bourgeois" intelligentsia. They are the "progressive", "people's intelligentsia". They are given the highest standard of living in the zone, they are showered with the titles of "meritorious scientists", "national prize bearers" etc., decorated with medals and honorary offices of the State.

Yet the largest groups constitute the intellectuals who have neither honesty nor intellectual courage. They are "fellow-travellers", who suffer from only one fear - of losing their cherished social status of "Intelligenz", of parting with their warm position and economic security. They do not believe in Communism but they collaborate; they lie to their Communist bosses, to their neighbours, to their children, and to themselves; they are chameleons who only yesterday were minor Nazis, now become minor Communists, and tomorrow will change their skin again . . . It is they who show that the Communist contempt for the "Intellektuellen" is not unfounded; they only strengthen the Communist conviction that Intelligentsia is fundamentally corrupt.

But there are also the men and women of profession, science and art, the teachers and the clergymen who courageously resist the Communist regime; they refuse to make any concession; they would not escape to the West or into themselves. They spread ~~the~~ hope and ~~the~~ faith; they inspire passive and active resistance in the Soviet zone; they risk their positions, their freedom and life to save the souls and the hearts of their neighbours from Communist invasion, from resignation and despair. The smallest group among the Intelligentsia, they are decimated by Communist terror. They are the living conscience and the true leaders of their people.

"The Communist system operates with two fundamental human feelings: ~~the~~ fear and ~~the~~ hope".¹ It is ~~the~~ fear that hangs over the countryside in East Germany. The farmers in the Soviet zone have experienced, and some have profited by, the 1945 Land Reform. Now the fear of another reform, ~~that~~ which would deprive them of their land and force them into collective farms, totally dominates their lives. Pressed by the steadily rising delivery quotas and taxes, dependent on the MTS services and the VdgB credit, the farmer in the Soviet zone toils harder and lives poorer, but holds on to his land. Like every peasant, he is "a sceptic at the bottom of his heart but an opportunist in his practice".² Less than any other class of the population is he touched by the Communist ideology; he hates the regime of the SED bureaucrats, planners, collectors, propagandists and policemen; but he would not risk his farm by openly opposing the regime. In fact, in the October 1950 "elections" it was the farmers who voted "most progressively"

¹ Hans Koehler, Zur geistigen und seelischen Situation der Menschen in der Sowjetzone, (Bonn, 1952), p. 28.

² Ibid., p. 35.

in the Soviet zone.¹

The "new farmers" and all ~~those who were~~ benefited by the Communist Land Reform and were expected to side with the regime, in their majority share the fears of the "old farmers". They are in an even worse position; without farm implements, experience and inherited love to land, they are more vulnerable to the SED collectivization pressure; many of them enter the kolchozes; the others abandon their land and flee to the cities.

In contrast to the intelligentsia and the farmers, it was ~~the~~ hope that was offered to the East German workers by the Communist regime. Most of them hopefully welcomed the Red Army in 1945; they were the proletariat, the "new leading class". To win their loyalty, the Communists employed a series of measures. Exploiting a strong feeling of class solidarity among the workers, the Communists "united" the two "workingmen's parties"; they gave to them the material preference in the rationing system; they offered ~~to~~ them new opportunities of advancement, by creating the "Workers' and Farmers' Faculties", by opening the doors of the Universities to their children. They were ^{thus} expected to welcome the "socialization" of their factories and mines. But the Communists, over-played the materialistic side of the East German workers; they under-estimated the other, stronger urge for social justice. The worker was not deceived by words; a born realist, he judged the new regime by its deeds. He was quick to recognize the puppet character of the self-appointed "leaders of the German proletariat"; he saw behind them a greedy foreign Power, dismantling the factories he worked in, removing the wealth of his land, exploiting his labour. He saw the annihilation of his Social Democratic Party in the deadly embraces of the

¹ Ibid., p. 32.

Communist Party; he resented the domination of the whole economy by a State monopoly which was beyond his control. He was forced to work more for less pay; he was deprived of his right to choose the kind and the place of employment; he saw his family disintegrating, his wife forced to work, his children appropriated by the State; he was robbed of his right to protest, to strike, to defend his rights. He witnessed his Trade Unions being perverted into an organ of the monopolistic State, into a slave-driver of the Communist Plan.

No wonder that the present state of the East German worker's mind is one of colossal disillusionment. The bitterness of this feeling is deepened by the consciousness of being deceived, of being induced to forge his own chains. He has lost all the social gains attained in a long struggle of his class; no legal means are left to him to defend his rights against the all-powerful State-Capitalism; in his despair he grasps at means of revolt.

After eight years of Communist rule, in June of 1953, came a test of its popularity in East Germany. Not the "bourgeoisie", not the "reactionary peasantry", but the proletariat, the "ruling class" of the German Democratic Republic, spontaneously arose in Berlin and other cities of the Soviet Zone in protest against the inhuman exploitation of their toil by the monopolistic State. A social protest logically turned into a political revolt against the SED regime, and for free elections and a democratic government. Nothing was more characteristic of the true character of the East German regime than the fact that it was the Russian guns and the Russian tanks that saved the "German Democratic Republic".

From now on there could be little doubt for the SED government about the true feelings of the working class in the Soviet zone. The Communist State had to recognize its utter failure to win the sympathies of the working

people of East Germany. There were no means ^{save} left for them ~~but~~ the terror. A new wave of "sabotage" and "spy" hunts, and mass persecution of the workers ^{the} ~~was~~ to save the reputation of the regime, by placing/blame for all trouble on the "American intelligence" and "Adenauer's clique".

A new wave of refugees swept to the West; this time it consisted almost exclusively of the proletariat. By the end of 1953 this barometer of the Communist popularity in East Germany reached its peak. ^{In eight years, from 1945 to 1953,} 2,3 million "happy citizens" of the German Democratic Republic chose freedom in the "capitalist West".¹

The persistent refusal of the Russians to allow free elections in East Germany has been well justified. They knew that a free ballot would bring ^{an} ~~the~~ end to the Communist regime and ^{roll back} ~~push~~ their empire beyond the Oder. For several years they have exploited the German sentiment for unity, to sell their plan of unification that would allow the extension of the Communist regime to the Rhine; the June rebellion in the Soviet zone, and the victory of Adenauer in the West German elections of 1953 had shown clearly that they ~~had~~ underestimated the common sense of the German masses, who would not be deceived any more by the sweetness of Communist sirens. After the last half-hearted attempt had failed at the Berlin Four Power Meeting in February 1954, the "unity" game was finally given up. In March 1954 the German Democratic Republic was officially raised to the status of a "sovereign" Soviet Satellite; without any restrictions on the conduct of her foreign affairs; with her own army, navy and air force; and with 300,000 of the Soviet "security forces" to protect her government from her own people.

¹ SBZ von A-Z, Second Edition, gives the following official estimates of the refugee movement from the Soviet zone to West Berlin and the German Federal Republic: 1945-1951 1,8 million, 1952 - 182,393, 1953 - 331,390; pp. 55-56.

CHAPTER FIVE

Economic Exploitation of Austria and Sabotaging of the Austrian State

Treaty by the Soviet Union

Unlike its German equivalent, the Soviet zone of Austria does not form a separate political entity. An integral part of the Austrian Republic, it consists of two federal provinces of Lower Austria and Burgenland, a small section of Upper Austria (north of the Danube), and a Soviet sector of Vienna. The capital of Austria, like Berlin, lies inside of the Soviet zone, and is divided into four sectors of occupation, with an international control of the "Inner City". Vienna is ^{the} ~~a~~ seat of several Allied and Austrian political authorities: the Allied Commission for Austria and the Inter-Allied (City) Command; the Austrian Federal Government and the Provincial Government of Lower Austria. The territory of the Soviet zone amounts to one third of Austria, with a total population of 1,941,500.¹

Compared with East Germany, the Soviet zone of Austria is of far greater economic importance to the whole of the Country. This part of the country contains the best arable land and vineyards in Austria, her greatest mineral wealth - oil, and a high percentage of all employed in Austria.

The control of this substantial section of the country not only ^{the} gave Russians an object of profitable economic exploitation but also ensured to them a dominant influence on the Austrian economy; at the same time their occupation of East Austria meant a Soviet military base in the very heart of Europe.

While, intentionally or ^{by} ~~due to~~ a political blunder, allowing the creation of a democratic all-Austrian administration, subject only to their

¹ Not including the Soviet sector of Vienna, with a population of 445,500.

casual interference, the Russians concentrated their efforts in Austria on the economic exploitation of their zone. Determination to prolong this exploitation as long as possible, and ~~an~~ unwillingness to surrender an important strategic base, explain the motives of the persistent sabotaging by the USSR of the Austrian State Treaty.

It is the purpose of this Chapter to discuss the unique situation of the Soviet zone of Austria, the only territory in the world that, in spite of the Soviet occupation, has no Communist government, and yet is subjected to such a ruthless economic exploitation that ^{it} can be matched only by the worst examples of Nazi economic policies in the conquered East Europe.

Soviet Interference with the Austrian Administration

The liberation of Austria in April-May 1945 was followed by an inevitable period of administrative chaos. The first administrative agencies in the Soviet zone¹ were improvized by the Red Army, that appointed and supervised burgomasters, police officers, etc. The number of local Communists ^{in these} offices exceeded considerably their relative popularity among the people; this was due not only to the confidence which they enjoyed from the Red Army, but also to initiative and activity displayed by them in the first days of occupation. With ^{the} normalization of conditions and ^{the} establishment of ~~the~~ provincial and federal government, the Red Army appointees were gradually replaced by the officials, elected locally or nominated by the Austrian Government. The formation of the provincial government preceded the establishment of a government for the whole of Austria. Already on May 2, 1945, a provincial

¹ Until July 1945, the Russians occupied the whole of Lower Austria and Vienna, Burgenland, the larger part of Styria and a part of Upper Austria.

government for Lower Austria was created in Vienna, with Leopold Figl, as the Governor, assisted by the Socialist and Communist deputies. The People's Party had four seats in the provincial cabinet against three Socialist and two Communist seats.

A week later, a provincial government was formed in Styria, then under the Soviet occupation, with a Socialist Governor.

In July, the old City Constitution was restored in Vienna, and Communist domination of the city district authorities was replaced by a traditional Socialist majority.

In August 1945, Burgenland was separated from Lower Austria and reestablished as a federal province.

In none of the Soviet occupied provinces were the Communists able to seize the control of government; nor were the Russians willing to install them by force. Nevertheless the KPÖ had been originally given, in the provincial coalition governments, a number of seats far out of proportion with their influence and popularity.

Although, Franz Honner, a Communist, was installed as the first Minister for Interior in the Provisional Government, his attempts to ensure the Communist control of the administration and police were successfully weakened by his Socialist deputy, Oskar Helmer, who took over the ministry after the November 1945 elections. He succeeded in replacing the Communist Police President of Vienna, by a former police chief of the capital, Dr. Palmer, and placed the entire police force under the Austrian Police Directorate. After the arrival in Vienna of the Western Allies the Austrian police were made subject to the quadripartite supervision.¹

¹ R. Hiscocks, Ibid., pp. 34-35.

The process of normalization of ^{the} Austrian administration was formally completed by the two laws, the Transitional Authorities Act, and the Transitional Officials Act, passed in July and August 1945 respectively.

However, the Austrian administration in the Soviet zone had not been free from Soviet interference, particularly after the popular elections in 1945 reduced the Communist share in the Administration to a negligible proportion. This interference came from a parallel hierarchy of Soviet Military Government authorities. In contrast to the Western Allies, the Russians established and ^{have} retained, until the present, a system of military Kommandaturas on all levels of administration; almost every town had a local Soviet Commander, assisted by a Red Army unit and a MVD "political department". The pyramid of the Soviet military authorities was headed by the Red Army Headquarters at Baden-bei-Wien. The local Soviet Kommandaturas supervised the activities of the Austrian organs of administration, with particular interest in the police, judiciary and the communications; of ^{great} ~~equal~~ importance seemed to them the supervision of political parties, the press and other publications, radio, movies, in word, the means of mass communications. The chief purposes of a strict Soviet control over administration seemed to be: (1) exclusion of the elements hostile to the USSR; (2) prevention of anti-Soviet and anti-Communist propaganda; (3) defence against the "foreign spies"; (4) protection of the arbitrary and, ~~usually~~, illegal economic and political activities, and (5) support of the Austrian Communist minority.

Several methods were used by the Russians to exclude anti-Soviet elements from among the police and other State officials. They insisted on the Austrian Government submitting all appointments, dismissals and transfers of police officers in the Soviet zone ^{for} to their approval; ~~and~~ if this was not

~~the case~~^{done}, they simply sabotaged the orders of the Austrian Government by interfering with force, or intimidating the responsible officials.

One of these cases occurred in the fall of 1947. A Moscow-trained Communist chief of the Vienna State police was transferred by the Government to a less vital post in the American zone to prevent him from exploiting his position in Vienna for the Communist ends. Within six weeks the Russians dismissed, as a reprisal, the Police Chiefs of St. Poelten, Baden and Wiener Neustadt, three major towns in the Soviet zone.¹ A classic example of the Soviet interference occurred at the time of the Communist "Putsch" in the fall of 1950; the Soviet Commanders not only prevented the transfer of the police units from one place to another, but refused to dismiss those Communist police officers who, against the orders of the Government, supported the rioters.

A more frequent technique was a direct action by Soviet military and MVD organs, ^{which} ~~that~~ arrested, tried and deported, ~~the~~ suspected persons, not only in their zone, without regard to the Austrian constitutional rights, but kidnapped ~~the~~ real and assumed opponents of the Soviet Union outside the boundaries of their zone, particularly in the Western sectors of Vienna. Over 940 persons were arrested ~~between~~ 1945 and April 1953, and more than 700 were kidnapped by the Russians by 1951; most of ~~whom~~ disappeared without any trace. The best known case was the kidnapping in June 1948 of the Inspector Alfred Marek, head of the Security Section of the Ministry of the Interior²; ^{the} as ~~a~~ person investigating Soviet kidnappings, he was charged with espionage against the USSR, and convicted to 25 years in prison. These kidnappings

¹ G.E.R. Gedye, "Austria holds out under Siege", The Contemporary Review, (August, 1948), p. 79.

² R. Hiscocks, Ibid., p. 211.

served a double purpose: they liquidated anti-Communists officials and politicians, and intimidated others.

At the same time official and unofficial channels were used to prevent adequate training and arming of the Austrian police, as well as an increase of the police-force. In the fall of 1948, the Russians closed down four schools for gendarmerie in the Soviet zone, prohibiting the transfer of the students to other schools. In December 1952, they even confiscated the rubber truncheons of the Austrian police; these factors could not but make the Soviet zone, a haven for criminals, both civilian and uniformed.

On two occasions the Russians attempted to interfere on political issues of major importance, but retreated before the firm attitude of the Austrian Government and public opinion. The first case was that of the 1950 local elections in Lower Austria and Burgenland. The Soviet authorities disapproved of the provincial laws providing for these elections, although the laws were not subject to Allied Control. The Austrians ignored Soviet reservations and held the elections, in which the Communists polled less than 6 per cent of the votes cast, and were forced to vacate municipal offices handed to them by the Red Army in 1945. There was no reaction on the part of the Russians.

The second instance applied to the Soviet orders, banning the Union of the Independents in the Soviet zone, in connection with the 1952 elections campaign. When the Austrian Government declared that it would ignore these orders, the Russians were quick to deny their previous intention to outlaw the VdU.¹ On the whole, however, the Austrian laws prevailed in the Soviet zone and this was, to a great extent, due to the loyal and courageous Austrian administration in that zone.

¹ Ibid., pp. 212-213.

The Austrian judiciary in the Soviet zone was not free from casual Soviet interventions, usually on behalf of the local Communists. The intimidation of the judges and attorneys, the seizure of the court evidence, as well as the prevention of the carrying out of court's decisions - were asserted to, by the local Soviet Commanders.

The cases of the Soviet attempts to impose Communist officials against the expressed wishes of the population were not unknown. There were 32 such cases in 1947 alone. ~~xxxxxxxxxxxx~~ A typical example occurred in the town of St. Poelten in 1947. In the municipal elections, the Socialists received 10,434 votes, the People's Party 6,954, and the Communists 2,659. Nevertheless a Communist mayor was installed in office, due to the intervention of the Soviet Kommandatura.¹

The movement of persons and goods to and from, as well as inside, the Soviet zone was subjected to a strict Soviet control; this tight control on the zonal boundary was continued, in spite of the Allied Council's decision in June 1946 to lift all limitations to the inter-zonal traffic. These restrictions stood in a striking contrast with the Soviet violations of the Austrian frontier with the "People's Democracies"; against the Allied agreement to transfer frontier control to the Austrian authorities^{and} against the Austrian customs and tariffs regulations, a major-scale smuggling of goods to and from Austria was carried on by the Soviet authorities and trade companies. At the same time numerous foreign Communist delegates, ensembles, etc. freely passed Austrian frontiers, ignoring Austrian visa and passport regulations.

There was a ^{notable} ~~marked~~ effort on the part of the Russians and the

¹ Oskar Helmer, Oesterreichs Kampf um die Freiheit, (Wien, 1949), p. 21.

Communists to make the Soviet sector of Vienna a standard meeting-place or a headquarters of several Communist international organizations, like the World Federation of Trade Unions, the International Organization of Political Persecutees, the World Peace Council, etc.¹

To prevent and suppress ~~the~~ criticism of Soviet policy, and anti-Communist propaganda, occasional confiscations of Austrian and foreign publications and books were carried out by the Soviet authorities. At the same time, the Russians imposed censorship on Austrian theatre and concert programmes.² The "movies" were also subjected to a strict Soviet censorship. Any foreign film, to be shown in the Soviet zone, had to receive double approval, that of the Soviet administration and of the Sovexportfilm (Soviet Film Export Co.); a cinema operator was allowed to display a foreign movie only after ^{undertaking} ~~obliging~~ to exhibit the Soviet or satellite films. 50 per cent of their showing time; these films are usually of such poor quality that very few theatres would voluntarily display them. The local Kommandaturas receive regularly an index of prohibited films (mostly American) and supervise carrying out of the Soviet censorship regulations. Combining both political and commercial motives, the Russians thus influence the programmes of the 400 motion picture theatres in the Soviet Zone³. At the same time the Russians control the larger part of the Austrian film production, due to the seizure in 1945 of the largest Austrian film studio, Rosenhügel, in Vienna⁴. The

¹ Report on Austria, 1951, Office of the U.S. High Commissioner for Austria, p. 30.

² "Arbeiter-Zeitung", November 10, 1953.

³ Ibid., December 1, 1953.

⁴ "Die Zeit", (Hamburg), April 12, 1953.

films produced in this studio are financed by the Soviet Military Bank, with scripts commissioned and censored by the Soviet authorities. Since 1950 most of the features are supplied from the Soviet zone of Germany.¹

A very important means of intervention into Austrian affairs ~~is~~ has been offered to the Russians by their effective control of RAVAG, the largest Vienna radio station. In addition to censoring the German language broadcasts, they require that 20-25 hours weekly ~~are to~~ be devoted to Soviet propaganda. In 1950 they ordered that the despatches of the Soviet news agency TASS be broadcast in full, as part of the Austrian news, without disclosing their source.²

The Communist press in Austria, heavily subsidized by the Soviets, is also an important instrument of cultural intervention. Besides, the most important dailies, the official Soviet "Oesterreichische Zeitung" and the KPOe "Volksstimme", 6 weeklies, 2 semi-monthlies and three monthly magazines ~~shower~~ flood the population of the Soviet zone with Communist propaganda.

Another vehicle of Soviet influence is the Austro-Soviet Society with 40 branches and about 53,000 members, of which possibly 2,000 ~~joined~~ voluntarily, while the remainder were "drafted" into the Society by mass registration.³

The mail, as well as all telephone conversations and telegrams to and from the Soviet Zone, were censored by the Russians with hundreds of employees (mostly Communists) paid ~~by~~ the Austrian treasury. ~~...~~ Communications with

¹ Report on Austria 1951, p. 39.

² R. Hiscocks, Ibid., p. 205.

³ Report on Austria 1951, p. 38.

abroad were subjected to a quadripartite censorship in Vienna, with the Western Allies participating only in order to prevent its exclusive Soviet domination. Since 1947, the Western Allies have demanded five times the abolition of the censorship and every time they have been turned down by the Soviet representative in the Allied Council.¹

The Austrian authorities must be given credit for their courage and determination in opposing, protesting and even ignoring Soviet abuse of power; no one who knows the brutal methods used by the Soviet authorities against their critics and opponents, can fail to appreciate the valor and firmness of little Austria in defence of her freedom against the Soviet Leviathan.

Exploitation of Austrian Economy

Economic exploitation of Austria seems to be the main purpose of the Soviet occupation. It serves the dual task of hindering the recovery of Austria and bringing substantial benefits to the Soviet economy. It is a paradox of the Soviet system, that a Power, claiming to have destroyed within its frontiers any remnants of capitalism, a Power surpassing all by its condemnation of the imperialistic and colonial policies, embarked, with the end of the last war, on a typical imperialist venture. Soviet treatment of the "liberated" countries of the Eastern and Central Europe displays the classical, and already defunct, features of colonial exploitation, ruthless

¹ "Das kleine Volksblatt", (Vienna), August 7, 1953.

expropriation of the natural wealth, industry and labour of these countries for the benefit of the "fatherland of the proletariat".

The months between ~~the~~ liberation and the Potsdam Conference witnessed ~~a~~ large scale looting by the Soviet troops, followed by ~~a~~ ^{the} systematic confiscation and dismantling of Austrian industrial installations and equipment, vehicles and rolling stock, including the Donawitz rolling-mill, the main turbines of the Vienna power stations, 600 engines and thousands of railway coaches, 9 telephone exchanges, 60,000 switchboard connections, 30,000 telephones etc.¹ ~~The~~ total value of Soviet confiscation and dismantling before and after Potsdam ~~has~~ surpassed two hundred million dollars.² All these illegal seizures had been justified by the Russians as "war-booty" and "German reparations".

The economic imperialism of the Soviet Union in Austria received its "legal" sanction at Potsdam, where all "German assets" in Austria were offered to the USSR on account of ~~the~~ German reparations. Taking advantage of the failure of the Allies to define these assets, the Russians cynically extended the meaning of that term, to cover not only ~~the~~ German investments and legal purchases, but also ~~the~~ Austrian State property taken over by the Reich after the Anschluss, as well as ~~the~~ private property expropriated or purchased under ~~the~~ pressure from the Austrian nationals by the Reich or private German concerns. In this way the predominant part of the economy in the Soviet Zone of Austria fell into Soviet hands in 1946 and 1947.

The laws of the Austrian government, nationalizing the basic

¹ Memorandum of the Austrian Government to the UN, January 31, 1952.

² R. Hiscocks, Ibid., p. 214.

industries and the natural resources of the country, were not recognized by the Russians, since they applied to most of the Soviet-confiscated enterprises. To undermine the industrial production of Austria and to serve two purposes, that of hampering her recovery and ^{of} eliminating competition with the Soviet-controlled industries, the Russians attempted unsuccessfully in 1946 to have a law passed by the Allied Council, restricting Austrian industrial production for the next ten years ^{to} at a pre-war level.

The most important among the Soviet-seized "German assets" in Austria, were the Zistersdorf oil-fields at ~~Zistersdorf~~ in Lower Austria, owned before the Anschluss by the Austrian and British-American interests. After 1938 the oil-fields and refineries were expropriated and turned over to the German concerns ^{which} ~~that~~, through new developments and a non-economic exploitation of the oil-fields, increased the production from 56,000 tons in 1938 to 1,213,036 tons in 1944. With the Soviet seizure of the oil-fields, the production fell to 0.9 million tons in 1947 but, after discovery of the new rich fields at Matzen, Bockfliess and Aberklaa, increased rapidly to 1.5 million tons in 1950, and over 3 million tons in 1952, making Austria the second largest oil producer in Europe.¹ It is estimated that ~~between 1945 and~~ 1952, the Russians took about 11 million tons of Austrian oil, valued at 7.8 billion Austrian shillings², using damaging and uneconomic methods of exploitation in order to extract the maximum of oil from the Austrian fields while under their control.

Of equal importance became the Soviet exploitation of Austrian

¹ After Rumania, producing annually 5-6 million tons.

² "Die Presse", March 13, 1953.

natural gas production that reached in 1952, 400 million m³ in comparison with 63,520 m³ in 1935¹.

The Russians confiscated in 1946-1947 also all refining enterprises in their zone of Austria, including the largest Austrian refinery in Lobau, representing 25 per cent of the country's refining capacity.

After the Austrian Government rejected a Soviet offer to share the oil production on 50-50 basis², which would have ensured a permanent Soviet intervention in Austrian affairs, the Russians created in the summer of 1946 the Soviet Mineral Oil Administration (SMOA), charged with the management of the oil and natural gas production. At the same time a subsidiary concern, known as the OROP, was created by the Russians and given monopoly of distribution and marketing of the SMOA production. Only a small fraction of that production was sold ⁱⁿ ~~to~~ Austria, and ~~so~~ ^{she} had to import oil from abroad. Only ⁱⁿ ~~by~~ 1951, ^{was} the portion of SMOA's production sold to Austria increased to 30 per cent, covering for the first time the country's domestic needs.

The Russians ^{handed} ~~turned~~ back to the British and American companies ^a few oil-fields and refineries in the Soviet zone, ^{which} ~~that~~ had not been expropriated by the Germans, but these companies were compelled to sell their total production of about 20,000 tons to the SMOA in return for shilling payments, well below the world market prices.

About two thirds of the Soviet zone's oil production is sold to the neighboring "People's Democracies"; a pipeline had been constructed from

¹ "Entwicklung und Probleme der oesterreichischen Erdoel-Industrie", Zuerche Zeitung, August 14, 1953.

² As had been the case in Rumania, where the entire oil production had been taken over by a joint Soviet-Rumanian concern.

Ziestersdorf to Lundenburg in Czechoslovakia, representing the first link in a planned pipeline system that would direct Austrian oil to the neighbouring countries under Soviet control.

The remaining industrial enterprises in Austria, seized arbitrarily as "German assets" by the Russians in the summer of 1946, had been placed under a huge Soviet concern known as USIA (Administration of the Soviet Property in Austria).¹ USIA comprised in December 1952 551 enterprises, of which 440 were industrial or commercial, and 111 agricultural enterprises employing over 60,000 men and women². USIA became the largest post-war landholder in Austria, controlling 270,300 acres of land³.

The Central Administration of the USIA, located in the Tratlnerhof in Vienna, is divided into ten departments dealing with mining, food production, chemicals, agriculture, forestry, etc., with ^{the}all key positions occupied by the Russians. A Strict secrecy is maintained regarding USIA's affairs. All accounting is conducted through the central administration of the USIA, and all financial transactions are made through the Soviet Military Bank in Austria. The transport of all USIA goods is in the hands of a Soviet subsidiary company, known as the Vienna Juschwnetrans.

Chronologically, the USIA operations developed in three phases:

(1) confiscation of enterprises and huge stocks of raw-materials, and reorganization of the seized concerns; (2) disposal on the black market of

¹ "Upravlenye Sovetskavo Imushtchestvav Avstryi."

² Austria, A Graphic Survey, (Vienna, March 1953), p. 80.

³ Memorandum of the Austrian Government to the UN, January 31, 1952; The Austrian Treaty, A Case Study of Soviet Tactics, U.S. Department of State, May 1953.

the raw materials, finished and semi-finished goods, not wanted by the USSR or its satellites; (3) reintegration of the USIA concerns as limpets attached to the Austrian economy.¹

The larger part of the USIA production goes to the USSR and the satellites, or is exported to the other countries on the Soviet account; some goods are sold on the Austrian market. The USIA operated plants, whose number is estimated at 800², cannot serve as a model of efficiency; their equipment is allowed to deteriorate without any attempt to renew or to modernize the machinery; their payroll is over-extended, by Soviet attempts to use better paid USIA jobs for political patronage purposes, while the choice of the USIA's Russian managers and technicians seems to be determined more by their political reliability than by their skill and experience.

In 1950, USIA entered retail trade, which grew from 30 USIA shops in 1951 to 200 in 1953, plus about 100 stores dealing illegally in illegitimate goods. The USIA shops are not labelled as such, in order to attract Austrian buyers. They carry food and luxury products, wines and liqueurs, textiles, cigarettes, radios, bicycles, shoes, furniture, watches, musical instruments, office machines, weapons, sewing machines, etc., undercutting Austrian competition by charging 15 per cent less than the Austrian retailers. This is possible only due to the fact that all the USIA enterprises enjoy extraterritorial rights in Vienna and the Soviet zone; except for the local wage and ground taxes, they refuse to pay federal income, profit and property taxes, ^{they} evade Austrian custom duties, monopoly taxes etc., basing

¹ G.E.R. Gedye, "Russian Exploitation of Austria", The Contemporary Review, March 1951, p. 139.

² "Basler Nachrichten", December 21, 1951.

their boycott of the Austrian laws on the refusal of the Austrian Government, to transfer the titles of the USIA enterprises to the Soviet Union. The Austrian authorities refused to recognize the Soviet rights to these "German assets", ^{which} ~~that~~ actually did not fall into that category. While the Russians could claim some of these assets on a basis of the Potsdam agreement, their intervention into Austrian retail trade was an utterly illegal action that could have had only two motives: "a deliberate attempt to undermine the Austrian economy, and a desire to make profits at Austria's expense, in particular to offset losses on ^{the} inefficient management in the main USIA concerns".¹

The Austrian government, the two major political parties and the trade unions openly charged that the illegal USIA retail trade threatened the Austrian economy, and called upon the people to boycott Soviet stores, declaring that the persons engaged in illegal deals with USIA would be punished by the Austrian courts. Under pressure of Austrian public opinion, some concessions had been made by the USIA administration, who began to comply with the previously violated Austrian shop-closing hours regulations and to arrest further expansion of the USIA retail trade.

Another important "German asset" seized by the Russians was the Danube Shipping Company (DDSG), the largest company of its kind, controlled jointly before the Anschluss by the Austrian Government, the Credit Anstalt Bank and some Italian interests. The Russians' claim to the DDSG was little founded, since the company was confiscated by Germany after 1938, and furthermore, operated in the whole of Austria. In spite of ^{the} reservations of the

¹ R. Hiscocks, Ibid., p. 220.

Western Allies, the Russians transformed the DDSG into a Soviet company, transferring its head-office to Ismail, a Soviet town on the Danube delta. Due to the controversy regarding the legality of Soviet seizure of the DDSG, the river traffic between Vienna and Upper Austria ceased until 1950, when the Yugoslav competition made the Russians open the traffic with Upper Austria and West Germany. In 1952 they lifted all limitations/^{formerly}imposed on the movement of ships on the Austrian Danube. Behind this Soviet concession there was doubtless ~~more~~ more than the pressure of Yugoslav competition and a wish to please the Austrian opinion; more important seemed the economic deterioration of the Soviet zone, ^{which was}damaging to the Soviet interests and prestige.¹

The SMOA, USIA and other Soviet enterprises in Austria are not only a gold mine to the USSR and an instrument for undermining ^{of}Austrian economy, but also a political weapon directed against Austrian democracy. The Soviet economic enclave in Austria serves as a material and political base to the Austrian Communists, controlling the employees of the SMOA, USIA and other Soviet enterprises, and using economic pressure for indoctrinating the workers and enlisting members to the KPOe; The active anti-Communists are expelled from USIA jobs; an armed "workers' militia", trained by the Russians ostensibly for the protection of their enterprises, plays at the same time the role of a Communist Party guard and is used for purely political purposes, as ^{was} ~~has been~~ the case during the Communist "Putsch" in 1950. Decorated with a red star and Party slogans, the USIA factories serve as the centres of Communist propaganda in their localities and the training schools for the Communist Party leaders.

A good example of the Soviet misuse of their economic position in

¹ R. Hiscocks, Ibid., pp. 222-223.

Austria for political purposes, is offered ^{by} the land policy of USIA. As has been already mentioned, about 270,300 acres of land were arbitrarily confiscated by the Russians in 1945-46, as "German property". At first, the confiscated estates were directly administered by the local Soviet Commanders and later the USIA; the existing food crisis was fully exploited by selling the food products on the Austrian black market. When, by 1948, an improved food situation made these operations less profitable, the confiscated lands were divided into small farms and leased to the Austrian tenants, with the Austrian Government making loans to enable the farmers to purchase equipment, machinery and livestock.

By the beginning of 1952, the USIA started to cancel the leases to those Austrian farmers who refused to subscribe to the Communist newspapers, to donate for Communist purposes and to join the KPOe. Their place had been taken by the Communist Party members who refused to take over the obligations towards the Austrian Government, undertaken by the former tenants.¹ Thus the fear of losing the farm or employment in an USIA factory is used to swell the ranks of the Communist Party in Austria.

The damage done to the Austrian economy by the Soviet exploitation has been considerable. In January 1952, the Austrian Government estimated that over 150 million dollars had been lost ~~alone~~ by the USIA operations. It listed the following losses in the Austrian shillings²: custom duties 1,160 million; direct taxes 540 million; excise taxes 123 million; tobacco tax 1,520 million.

¹ "The Times", London, March 24, 1952.

² Memorandum of the Austrian Government to the UN, Ibid.

To this came the losses incurred by exploitation of the Austrian oil-fields by the SMOA, amounting, by the end of 1952, to 7.8 billion shillings.

~~There~~
~~To this~~ should be added further losses incurred by Soviet dismantling and removals, operation of the other Soviet enterprises in Austria, the Austrian oil imports and the damage done by ~~the~~ non-economical and inefficient management of the Soviet confiscated property in Austria.

The total damage done to the Austrian economy through the Soviet exploitation certainly surpasses the total of Western Aid of one billion dollars, a blood transfusion that saved the Austrian economy. If Austria ~~would have~~ ^{had} been given in 1945, complete sovereignty over her economic resources, this aid might have been unnecessary; ~~she~~ ^{would have} had all chances to become a self-supporting and a prosperous nation. This ~~had been~~ ^{was} prevented by a systematic and cynical Soviet obstruction of the State Treaty ~~which~~ was to end foreign occupation of Austria and restore to her full sovereignty.

Sabotaging of the Austrian State Treaty

Although being the "first victim to Hitlerite ^{aggression}", Austria received ~~a~~ worse post-war treatment than Hitler's allies - Italy and Finland. She ~~had~~ been subjected to the burden of foreign occupation that outlasted that of the Nazis. She continues to exist in a precarious state of a semi-sovereign nation and has to submit to ~~the~~ foreign supervision and interference ~~with~~ her domestic affairs. Worse than the economic exploitation she suffers from the Soviet hands, is a feeling of insecurity, consciousness that this state of affairs may continue for years, realization that her future is at the mercy of the East-West "cold war".

This unhappy position of Austria is a result of ~~the~~ ^{the} unwillingness of the

Soviet Union to leave Austrian territory and to part with the economic and strategic advantages of its occupation. The story of the Austrian State Treaty negotiations is a long chain of fruitless meetings, excessive demands, false accusations, irrelevant issues and delays. Between 1945 and 1952, 33 sessions of the Council of Foreign Ministers, 258 meetings of their deputies, and 85 meetings of the Austrian Treaty Commission were unable to end the Soviet obstruction and to reach a final agreement on the Austrian Treaty.

The story of these ^{negotiations}, unique in the history of diplomacy, ~~negotiations~~ may be divided into several chronological phases. The first phase started with the Moscow Conference of 1943. It was the most important and most promising ~~decisive~~ part of the story; it defined the international status of Austria and provided for its political unity; it ended with the Potsdam Conference in 1945, ^{which} ~~that~~ freed Austria from reparation payments but assigned to the USSR "German assets" in that country, and shaped the post-war reality in Austria. The period of 1945-46 was characterized by the Russian refusal to discuss the Treaty. Finally, in December 1946, a quadripartite agreement was reached, to place ^{THE} Austrian Treaty on the agenda of the Moscow Conference of the Council of Foreign Ministers, to be held in March 1947. In January and February, 1947, the preliminary conference of Deputies was held in London; as a result a draft treaty was elaborated, consisting of a preamble and 59 articles, of which about one half were agreed upon. The disagreement centered around the two important issues: the Yugoslav claims to Austrian reparations and frontier revision, and the definition of "German assets".

The Moscow Conference was, however, unable to reach an agreement on these questions. It handed over further negotiations to a quadripartite

Austrian Treaty Commission, set up in Vienna, which during its 84 meetings in 1947 also failed to make any progress.

The matter came up again for discussion at the London Conference of Foreign Ministers in December 1947, during which the French Foreign Minister suggested that the USSR should give up its claims to "German assets" in Austria in exchange for a cash compensation and some rights in the Austrian oil-fields and the DDSG. It appeared that the French proposal had broken the deadlock. During 1948, the Foreign Ministers' Deputies worked on the French proposals and the Soviet counter-proposals, limiting considerably the area of disagreement; in May 1949 the Foreign Ministers met in Paris to resume talks on Austria. Finally, on June 20, 1949, an agreement was announced on most of the clauses of the draft treaty, made easier by the withdrawal of Soviet support for Yugoslav claims. The text of the treaty was left for a final elaboration to the Deputies. In December 1949, the last major controversial issues were eliminated, and it seemed that the State Treaty would be finally signed by the Four Great Powers.

According to the Draft Treaty, the USSR ^{was} ~~had~~ to return most of the confiscated "German assets" to Austria in exchange for a sum of \$150 million, to be paid within six years. At the same time the Soviet Union was to receive 60 per cent of the total Austrian oil production for a period of 30 years, and 60 per cent of the oil prospecting rights for 8 years, with 25 years exploitation rights. The USSR was to retain all the oil extracting machinery and the oil refineries of 420,000 tons of annual capacity, as well as the property of the DDSG in the Soviet zone, Hungary, Rumania and Bulgaria. Although aware of the heavy economic burden the provisions of the Treaty would impose on the country, the Austrian Government decided to accept the

draft, anxious to end foreign occupation and the further economic exploitation of Austria.

But the hopes for an early restoration of full sovereignty to Austria were shattered by a sudden change of heart on the part of the Soviet Union. The insistence of the USSR on Austrian compensation for ~~the~~ post-war services and relief supplies allegedly given to Austria by the Soviet Union, (out of its "war booty"), and its unwillingness to define the amount of such compensation, created a new deadlock and ended the constructive phase of the negotiations for the State Treaty.

From December 1949 to January 1952, this deadlock was aggravated by new Soviet accusations against Austria concerning failure of the Vienna government to carry out the denazification and demilitarization provisions of Potsdam. ^{When} ~~✓~~ Their accusations proved unfounded, the Russians brought ~~up~~ an entirely irrelevant question of Trieste, demanding its settlement before any further consideration of the Austrian Treaty. Since January 1952, the Soviet delegate ceased to attend the meetings of the Deputies of the Foreign Ministers, and the three Western Powers, decided to proceed to draw up a new treaty, known as the Short Treaty. In March, the draft was agreed upon by the US, ~~the~~ UK and France, as well as Austria, and forwarded to the Soviet Government.

The new draft, taking into consideration the seven year Soviet exploitation of Austrian economy, omitted the clauses of the previous draft concerned with "German assets", which ^{were} ~~had~~ to be returned to Austria without any compensation. Composed of eight brief articles, the treaty reestablished Austria as a sovereign and democratic state, in accordance with the terms of the Moscow Declaration.

After a five month silence, the Russians rejected the Short Treaty

because it did not "guarantee democratic rights and freedoms to the Austrian people"; in September 1952, after raising again the problems of Trieste and denazification in Austria, the USSR made clear that it would not ~~desist from~~ ^{abandon} the economic concessions made in its favour by the previous draft, and demanded the withdrawal of the Short Treaty as a prerequisite ~~for~~ further negotiations on Austria.

Meanwhile, the Austrians appealed to world opinion, calling for an end to their state of servitude, and protesting against the exploitation of the country by its Soviet "liberators". In April 1952, the Austrian National Assembly passed the resolution, voicing

"the deep-felt indignation of the Austrian people and protesting anew against the continuation, in violation of international law, of the occupation of Austria by alien armies . . . against the spoliation of economic resources and against the persistent interferences of the Occupation Powers in the internal affairs of Austria . . . against the unlawful activities of Allied business enterprises . . . which operate with a disregard for (Austrian) economic laws and which fail to pay Austrian taxes".¹

In July, the Austrian Government appealed to all the members of the United Nations for their action in favour of restoration of Austrian sovereignty. In December 1952, the Brazilian-sponsored resolution was passed by the UN General Assembly, calling upon the Great Powers to renew their efforts to conclude the State Treaty and to evacuate Austria.

However, no signs of any change in the Soviet obstructionist tactics could be seen by the end of 1952. Only a major change in Soviet world strategy, directed toward liquidation of the conflict between the USSR and the West, could break the deadlock that developed around the problem of the Austrian State Treaty.

¹ Quoted by R. Hiscocks, Ibid., pp. 199-200.

Soviet Concessions and a New Disillusionment

The death of Stalin, in March 1953, opened a Soviet "peace offensive" accompanied by a series of conciliatory moves towards the West. Austria, one of the principal victims of the "cold war", hopefully welcomed this change in Soviet attitude. Hopes for a near solution of the problem of the Austrian Treaty were strengthened by a succession of Soviet concessions in Austria.

Since April 1953, Soviet good will ^{has been} ~~was~~ manifested in several ways: a civilian High Commissioner for Austria was appointed by the USSR, that followed the Western Powers in separating Soviet military and political functions in Austria; Soviet control of the movement of civilians on the zonal border was lifted, and agreement was reached between the Austrian government and the Soviet authorities concerning Austrian police in the Soviet zone; The two Vienna police directors, who collaborated with the Communist "Putsch" in 1950 and whose dismissal had been sabotaged by the Russians ever since, were removed from their posts; 610 Austrians, deported to the Soviet concentration camps, were granted amnesty and returned to Austria; Ybbs - Persenbeug, a Hydro-Electric project seized as a "German asset", ~~was~~ been transferred to the Austrian Government. On the 1st of August, 1953, the USSR followed the American example and took over the payment of its occupation costs, ~~which~~ had cost Austria 151 million shillings in 1952; two weeks later, Soviet censorship of mail, telephone and telegraph was lifted, followed by the abolition of the quadripartite Allied censorship in Vienna; during that time, a number of housing units were returned to Austria by the Russians, ^{also} ~~who~~ abolished some of their Kommandaturas in the smaller towns of their zone. In November, Soviet censorship of the RAVAG and the theatre and concert

programs was ended, and the "Russian Hour" was abolished in the Vienna II Radio Station; in the same month, the Soviet authorities finally consented to the arming of the Austrian frontier guards. By December 1953, about 30 USIA stores had been liquidated, and in January 1954 their number was cut to 186¹, - a measure dictated not only by the Soviet good will but also by a rapid decline in USIA trade profits.

This chain of Soviet concessions improved considerably Soviet-Austrian relations and raised Austrian hopes that this development would lead in a short time to the successful conclusion of the State Treaty negotiations. These hopes were reflected in the cautious policy of the Raab Cabinet, aimed at the elimination of all possible provocations from the Austrian side and dispelling any Soviet doubts about Austrian intention to remain neutral after the withdrawal of the Allied troops from Austrian soil. To manifest its good will and to open the way for resumption of the treaty negotiations, the Austrian Government declared its willingness to abandon the Short Treaty and to accept heavy obligations under the former draft treaty. On July 30th, 1953, the Western powers withdrew the Short Treaty draft, thus challenging the Soviet Union to end its obstruction of the State Treaty.

In the meantime, after a series of diplomatic exchanges, the British Prime Minister's plan for a high level Big Four meeting had been accepted by the Four Great Powers; it was finally agreed to hold a meeting of the Four Foreign Ministers in Berlin on January 25, 1954. In this major Western attempt to find a common language with the post-Stalinist Soviet Union and to solve the most important controversial questions, Austria was certain

1 "Arbeiter Zeitung", January 23, 1954.

to appear on the agenda. It was a general opinion in the West that the Austrian State Treaty would be the best testing ground for Soviet good will; nowhere else could the USSR concede less while ^{still} manifesting its peaceful intentions and winning the gratitude of Austria and the sympathy of Western public opinion.

The Berlin Conference disappointed those who interpreted recent Soviet concessions to the West as a signal of a new liberal foreign policy of the USSR. To the Austrians, many of whom were carried away from reality by wishful thinking, the Conference brought bitter disillusionment and despair. In spite of their willingness to accept excessive Soviet claims incorporated into the draft treaty, in spite of Austrian declaration of future neutrality, the Soviet Foreign Minister made clear that the USSR would not grant complete sovereignty to Austria. Challenged by the three Western Foreign Ministers to sign the draft treaty, with the West conceding on all old controversial issues, Mr. Molotov came out with a new condition that the Soviet and other Allied troops be allowed to stay in Austria even after the signature of the State Treaty, until a peace treaty will be concluded with Germany, in order . . . to prevent another "Anschluss". This offer of "sovereignty without security" was unacceptable to Austria; it amounted to legalization of a permanent military occupation of the country, with the Soviet troops being in position to intervene into Austrian affairs, while at the same time Austria ^{would} have to carry the heavy burden of economic clauses of the treaty. It was obvious that the Soviet Russia did not believe herself in her Anschluss argument. She could have had only two purposes: to use the Austrian question as another means of pressure for German unification on Soviet terms, and as an excuse for a prolonged Soviet occupation of Austria. Molotov's insistence on the latter point showed that it was the strategic

motives, the military value of the Soviet bases in Austria and in the neighbouring satellite countries, that played an important role in Berlin; the withdrawal of the Soviet troops from Austria was to be followed by the Soviet evacuation of their "lines of supply to the Soviet zone of Austria" in Czechoslovakia, Hungary and Rumania, as provided by the Peace Treaties with these countries; apparently, neither of the puppet governments in these "People's Democracies" could be expected to survive without the protecting hand of the Soviet "big brother".

Thus ended a year of great hopes and illusions. Soviet troops and, necessarily, the troops of the other three Great Powers, as well as the Allied supervision of the Austrian administration, are to stay in Austria for an undetermined length of time; Soviet exploitation of the Austrian economy will continue, as well as arbitrary Soviet interference into Austrian affairs. But worst of all, no hopes are left for a near ending of this state of semi-vassalage; the awareness of being a mere pawn in a global power game, and the consciousness of their own helplessness and perpetual insecurity, may undermine the powers of will and faith of the brave seven million people that showed such courage and energy in their sixteen years of struggle for liberty.

Hardened in this long struggle for independence, the Austrians are determined to survive this ordeal. They ~~would~~^{have to} now face reality without illusions, defend their post-war achievements, and trust in the ultimate victory of right over might. Welcoming the home-coming Austrian delegation to the Berlin Conference, the Austrian Chancellor, Julius Raab, expressed the feeling of millions of his kinsmen:

"In time, right will prevail . . . we must not weaken in our struggle. We cannot let the interest in the Austrian question die away and, first of all, we must not languish. Force will not bend us. Oppression will make us only harder . . ."¹

¹ "Wiener Zeitung", February 20, 1954.

CHAPTER SIX

CONCLUSIONS

A comparison between the Soviet zones of Germany and Austria reveals a striking contrast in their political administration, a contrast that is little realized by the Western public opinion, inclined to think in terms of a water-tight Iron Curtain and to identify the situation in Germany and Austria.

At first glance the position of Germany and Austria seems to be alike: both countries are divided into four zones and occupied by the Four Great Powers; both have been waiting for more than eight years for a treaty that would end foreign occupation and restore them to the status of a sovereign state; in both countries the Soviet Union exploits economy of its zone of occupation to strengthen Soviet military and industrial potential; each of them is both an object and a battlefield of the East-West "cold war" which has ~~that~~ frustrated all ^{THE} efforts of the Western Allies to arrive at a final settlement of ^{THE} German and Austrian problems.

Here, however, ends the similarity between the two countries. Although both are under a quadripartite occupation, only Austria represents a political entity under a central government of her own choice, and a democratic constitution. Although in both countries a system of Quadripartite Allied Control had been erected in 1945, in accordance with the Potsdam Agreement, it survived only in Austria, strengthening political unity of the country and ensuring ^{the} independence of its government. On the other hand, Germany is split into two mutually exclusive states; one - the Federal Republic of Germany, uniting the three Western zones, another - the German Democratic Republic, confined to the Soviet zone of occupation. Under exclusive Soviet control, East Germany developed into a totalitarian Communist

state, headed by a single party dictatorship, and characterized by a system of terror and legalized injustice; the constitution of that state serves only as a democratic disguise for a total domination of all aspects of East German life by the Socialist Unity Party, an obedient satellite of the Soviet Union. Compared with its German counterpart, the Soviet zone of Austria, although subjected to relatively greater economic exploitation and sporadic interference into its political administration by the Soviet Occupying Power, - now seems to be a haven of freedom. If the Austrians can freely travel to and from the Soviet zone; the people of that zone can freely elect their government on the federal, provincial and municipal levels; they can manifest their feelings towards the Occupying Power by humiliating the Austrian Communist Party during every election. The contrast between these two, Soviet occupied, territories is tremendous. While the situation in the Soviet zone of Germany can now be equated with that in any of the Soviet satellites, save for the still surviving "democratic" camouflage, and greater dependence of the German Communists on Soviet guidance and support, the situation in the Soviet zone of Austria is unique. Its uniqueness consists in the fact that it is the only territory in the world that, being under Soviet occupation, is governed by a democratic and actually anti-Communist government.

How to explain this contrast? What reasons are behind the two apparently inconsistent Soviet policies in Germany and Austria? No one but the men in the Kremlin can fully answer these questions; most likely they will never do so. What remains, is to look for an explanation to the happenings of the last ten years and to analyze Soviet actions and reactions in Germany and Austria.

The first, most obvious, explanation is provided by the different

international status of Germany and Austria. Germany was the principal enemy of the Allies during the last war, for which she was responsible. Already during the war an agreement was reached by the Allies to aim at unconditional surrender of Germany. It was decided that, after the war, she ^{was} ~~had~~ to be divided into four zones of occupation and her political unification postponed until the German people ~~would~~ be denazified, demilitarized and democratized. There ~~was~~ ^{was} ~~xxxx~~ to be no central German Government, until there was a guarantee that ^{the} reborn Germany ~~would~~ not embark upon another imperialist adventure.

At the same time, Austria was recognized by the Allies as a friendly country and the "first victim of Hitlerite aggression". It was agreed during the Moscow Conference in 1943, at the peak of the East-West collaboration, that a free, united and democratic Austria was to be reestablished after the war.

It was a stroke of good fortune for Austria, that it was the Russians who took the initiative in 1945, to carry out this promise of the Moscow Declaration, and that they chose Dr. Karl Renner to form a central Austrian government, without insisting on Communist domination ~~of~~ ^{the} his cabinet. This Soviet act of magnanimity or miscalculation, ensured unity of Austria under a democratic government; the establishment of the Allied Commission for Austria and, most important, the Western recognition of Dr. Renner's government, and the second Control Agreement of 1946 helped to preserve unity and democratic administration of the country. The wise and firm policy of the Austrian Government and its courageous defence of Austrian rights, unity of the two major political parties and of all classes of the people in resistance against Soviet invasion into Austrian affairs, were also

responsible for ^{the} attainment and preservation by Austria of a considerable measure of political independence.

The different psychological attitude of the population of Germany and Austria in 1945 was another factor in creating different political realities in the two Soviet zones of occupation. In Germany, Soviet troops entered a political vacuum with the German population paralyzed by feelings of fear and guilt, apathetically awaiting the worst. Austrians, on the other hand, welcomed Soviet troops as liberators. The Nazi occupation did not destroy completely the two great Austrian political parties. In fact, they returned to life almost overnight after liberation. Free of the complex of guilt and fear, they competed with the Communists in reestablishing the Austrian administration, and did not hesitate to demand the prominence due to them in the administration of the country.

Of great importance was the disparity in power and success of the Communist parties of Germany and Austria. While the former became at once a powerful factor in the zonal politics and succeeded in bringing about fusion of the KPD and the SPD, ^{which} ~~that~~ destroyed the ^{other} ~~latter~~, the Austrian Communists were unable either to develop into a powerful party, nor to create a "workers' unity party". In fact, deluding themselves with their popularity in the masses of the Austrian people, they had rejected the idea of fusion with the SPOe until it was too late. Twice had their illusions been badly shattered: in the elections of November 1945 and in the "Putsch" of 1950. The thickest smoke screen of propaganda was unable to cover the weakness of the Austrian Communist Party and its total dependence on Soviet support.

It is one of the interesting features of the Soviet foreign policy that it attaches great significance to ~~the~~ written agreements and documents,

although attempting, at the same time, to change their meaning by a specific Soviet interpretation; the more vague ~~the~~ such a document, the greater opportunity it presents to the Soviet dialecticians ^{of using} ~~to use~~ it for Soviet ends. While the clarity of the Moscow Declaration on Austria left little space for the Soviet word game, the ambiguity of the Allied policy statements on Germany created an ideal setting for conflicting interpretations and policies. The three main purposes of the Allied occupation in Germany: denazification, demilitarization and democratization were never closely defined. In the light of the fundamental ideological differences separating the USSR from the Western Allies, it was only natural that these terms had different meaning east and west of the Elbe.

Nothing illustrates clearer this conflict of interpretations than the problem of "democratization" of post-war Germany. Both the Soviet Union and the Western Allies claimed achieving the solution of that problem in their respective zones of occupation, while charging the other side with failure to carry out such democratization. And both sides were right; they spoke in different languages.

"The Western (political) theory understands under Democracy a particular way of forming political will, (and) . . . a form of government, while to Bolshevism, Democracy is . . . not only a form of government, but the content of a policy and, indeed, direction of the State in accordance with the Marxist aims".¹

While the Western concept of Democracy emphasizes machinery of government, the Soviet interpretation stresses the material aspect of Democracy; such Democracy should correspond to the material interests of the proletariat, even if the people, itself, ~~are~~ excluded from the formation of

¹ R. Maurach, Sowjetische Demokratie, (Munich, 1950), p. 9.

political will. A "material (economic) Democracy" can, in Soviet opinion, be realized only through destruction of all the class differences and a complete socialization of the means of production, distribution and exchange. Such a task can be accomplished only by revolutionary means and the dictatorship of the proletariat, that finds its justification in the immutable Marxist "laws" that regulate social and economic development of mankind. This "real" material Democracy, the Communists claim, had been realized in the Soviet zone of Germany, where all the economic power had been transferred to the "people".

Another consequence of the different international status of Germany and Austria can be seen in the question of reparations. While Germany, whose aggression inflicted great losses and sufferings on the Soviet Union, had to pay her reparations after the war, Austria was explicitly freed by the Potsdam Agreement from such obligation.¹ The USSR had declared more than once that it was one of the principal ends of the Soviet occupation of East Germany to ensure payment of such reparations.

¹ Nevertheless, Austria was forced to pay indirectly her reparations to the Soviet Union in the form of the "war booty", "German assets" and occupation costs.

Strategic considerations, doubtlessly, played an important role in shaping Soviet policies in Germany and Austria. While Austria entered into the Soviet strategy apparently only after the last war, Germany was regarded from the beginning as the key to the Communist domination of Europe. "Who has Germany - once wrote V.I. Lenin - has the whole of Europe". Fear, admiration and contempt mingled in Soviet attitude towards Germany, fear of the German military might, admiration for German efficiency and skill, and contempt for the Germans being "political cattle". Stalin was said to be a great admirer of German genius for organization and efficiency, but he professed a "deep contempt for Germany's working class and, more particularly, for her Communist party".¹

Much of what happened in Soviet domestic and foreign policy since the 1930's can be explained by reference to the growth and victory of Nazism in Germany: the Five-Year Plans, the great purges of 1937-8, the rehabilitation of Russian Nationalism and increased Russification of the other peoples of the USSR; on the international scene, the ascendancy of Nazis in Germany, led to the entry of the Soviet Union into the League of Nations, nationalistically coloured policy of the "popular front", and increased co-operation with the "Capitalist West"; promulgation of a "democratic Stalinist Constitution" in December 1936, had been obviously motivated by this new course of Soviet foreign policy.² For a time, Western policy of appeasement of Mussolini and Hitler ~~that~~^{which} culminated in Munich and the betrayal of Czechoslovakia, cooled relations between the USSR and the Western Democracies;

¹ Franz L. Neumann, "Soviet Policy in Germany", The Annals of the American Academy of Political and Social Science, Vol. 263, May 1949, p. 166.

² R. Mourach, Ibid., p. 6.

in 1939, fear of a potential German aggression, and a temptation to share the spoils of the German conquests, led the USSR to the adoption of a friendly neutrality towards the Third Reich. But the inevitable came in 1941. The terrible onslaught of the Nazi war machine on the Soviet Union, only strengthened Soviet conviction of the primary importance of Germany in Soviet world strategy. Since 1941, all Soviet efforts were directed towards a total destruction of Nazism, but after Stalingrad, when it seemed certain that Germany was losing the war, Soviet domination of Germany became the principal objective of Soviet policy and strategy. Thinking and planning in terms of Marxist dialectics, a post-war clash with the Capitalist West seemed inevitable to the Soviet leaders. If victory was to be on the Communist side; if Capitalism was to be destroyed and the world ushered into a new and better era, Communist Germany was essential to the fulfilment of Soviet plans, both as an industrial and military potential and as a strategic base. Under Western control, on the other hand, Germany would turn the scales of the world balance of power in favour of the enemies of the USSR.

As could have been expected, the defeat of Germany ended the unity of purpose among the Allies. As soon as Soviet Russia had realized that the quadripartite control in Germany could not be turned into a channel of Soviet infiltration and domination of the whole of Germany, she lost her interest in the Potsdam programme, and concentrated on Communization of the Eastern zone. Hoping that the totalitarian system of East Germany would easily prevail over an atomized West German democracy, the USSR and its German satellite embarked upon a campaign of "German unification", but unification on such terms that would justify Soviet hopes. If, in the last years, such hopes had faded in the face of growing political and economic strength of West Germany, the "unity" propaganda was still regarded as a means of strengthening

the neutralist trends inside of the Bonn republic and stalling the West German rearmament.

The events of 1953 destroyed totally Soviet hopes for a "peaceful" domination of Germany. The June Rebellion in the Soviet zone, exposed weakness and unpopularity of the SED regime and put Soviet troops into an awkward position of having to intervene against the striking proletariat. Then in September, the electoral victory of Adenauer manifested failure of the neutralist forces in West Germany and opened the way for the German integration into the Western military alliance. With the proclamation of "full sovereignty" of the German Democratic Republic in March 1954, it became evident that, at least for the time being, the "unification" strategy has been abandoned by the Kremlin. Only a military conquest could bring about the inclusion of West Germany into the Soviet empire. What remained was to hope for an internal disintegration of Western alliance and to concentrate on France, as the weakest link of that alliance; to wait for an "inevitable" economic crisis in the Capitalist world, and in the meantime to strengthen Soviet and the satellite forces in preparation for another chance.

Austria played only a minor role in the great Soviet battle for Germany, with the Austrian Treaty employed as a bargain lever to extract Western concessions on the German question. As such, Austria could change little in the balance of world power; ~~her~~ strategic value lies rather in its geopolitical position; Soviet occupation of Eastern Austria gives them a base in the heart of Europe and a convenient excuse for keeping troops in the neighbouring satellite countries. These ends were achieved without destroying ^{the} political unity and autonomy of Austria; such an open violation of the Moscow pledge to Austria could add but little to the present economic

and strategic advantages offered by the Soviet occupation of Eastern Austria, while, at the same time, mobilize against the USSR international opinion sympathetic with the Austrian cause.

Soviet policy in Germany and Austria cannot be explained solely in terms of Marxist theory. A close ~~analysis~~ reveals in the post-war policy of the USSR an inner contradiction between the Communist theory and the Russian interests.

"A strict adherence to the theory had demanded from the Russians that they should have handed over the power in Germany to the (German) Communists and . . . abandoned the question of the war guilt, renounced reparations, limited punishment only to the bourgeois imperialists, and offered a material and moral aid to the Germans".¹

Instead, the Germans, even the German Communists, were treated by the Russians as members of a conquered people; East German economy and labour were exploited to its maximum capacity, and the life of the zone moulded into an exact copy of Soviet Russia, without regard to the specific German characteristics and traditions. The greed of the Soviet ~~Occupying~~ Power, its economic imperialism in Germany, as well as in Austria, undermined and defeated its ideological ends, placing local Communist parties into an intolerable position.

What finally emerged in the Soviet zone as the German Democratic Republic, could by no stretch of the imagination be called a Socialist State.² The growing schism between the Socialist slogans and the State-~~Capitalistic~~ reality shattered the beliefs and loyalty of many of the most fanatical Communists in Germany. As in the USSR, not the idealists and the proletarian

¹ J.P. Nettl, Ibid., p. 352.

² F. L. Newmann, Ibid.

revolutionaries, but the opportunists, the bureaucrats and the managers of the State economy - all those who have a vested interest in the regime, became the foundation of the German Democratic Republic. It was not a coincidence, that so many former Nazis became the supporters of the new regime: in all but name the German Democratic Republic is closer to the totalitarian Nazi régime than to the Marx' vision of a Communist society.

In this conflict between Soviet theory and practice in Germany and Austria, is reflected the dual character of Stalinist Russia, in which Communist theory joined hands with the traditional Russian Imperialism, with the former tending to become a means and a tool in the hands of the latter. Only in terms of this fundamental duality of the Soviet system, that had been characterized as National Communism - one can explain the past policies of the USSR and anticipate their future development.

While the Soviet policy in East Germany gradually evolved from economic exploitation to Communist indoctrination of the population, in Austria the Russians concentrated on purely economic ends. In this respect, the Soviet zone of Austria reveals, clearer than its German counterpart, the imperialistic features of the "fatherland of the proletariat".

It is impossible to predict further developments in the Soviet zones of Germany and Austria. Yet, judging by the past, one can expect that the Soviet Union, save a major reversal of her policies, ~~would~~^{will} not surrender voluntarily any of the Soviet political, strategic or economic advantages in Germany and Austria, unless she receives in return more than equivalent Western concessions on some other issues of the "cold war". It means that the present state of affairs is apt to continue for years to come. A united

and democratic Austria, although handicapped by the limitations imposed upon her sovereignty and by the Soviet economic exploitation, would still have a scope for development and the means to alleviate her unfortunate state. But there remains little hope of improvement for the Eastern zone of Germany, now completely isolated from the remainder of the country and transformed into a totalitarian police state modelled on, and controlled by, the Soviet Union. Half-free, half-slave Germany would remain the most explosive sector of the "cold war" front; neither of the two Germanies would abandon a desire to unite all Germans in one state, and neither would sacrifice her regime for the sake of unity. It is here, between the Rhine and the Oder, ~~that~~ ^{that} ~~where~~ the seeds of a third world war were sown by the makers of Yalta and Potsdam: in time, they ~~would~~ ^{THE} mature invdeadly mushrooms of atomic bombs that would turn back the clock of human history - if no peaceful solution ^{is} ~~would-be~~ found in Germany. A true reflection in miniature of a divided world, Germany is a testing ground for the re-unification of the whole human kind.

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