portant points in their programme such as

Socialisation and land reform. Obviously they will not agree to do this.

During the first fortnight of April Communist Conferences were held in all States of the US Zone, and resolutions were passed in favour of "fusion" with the Socialist Unity party. Military Government has not given permission for a change of name, and General Clay stated on the 16th April that he thought admission of the SED would be influenced by the possible admission of the SPD to the Soviet Zone. The move may strengthen the administration and prestige of the SED but does not affect the SPD. In Hesse fourteen SPD officials have resigned, presumably preparatory to joining the KPD. Certain divisions of opinion within the US zone SPD, notably in Bavaria and industrial Hesse, have long been more obvious than in the British zone, but they are not so great that the KPD can expect to attract many disciples at present. Although the KPD organisation is the most efficient, SPD discipline is also strict, and the party keeps a much tighter hold over the members than do the more right-wing parties. In February General McNarney had expressed the opinion that party leaders in the zone were, on the whole, not doing much to reorientate the German people and were more interested in wielding political power. The Trade Unions and other bodies, he thought, did more. Over the last two months US officials have made surveys of German opinion in the US zone which reveal considerable criticism of parties and a feeling that the party system is still on trial. An important minority of 10 per cent. thought that only one party should be allowed after the end of the occupation. Very naturally this view was most prevalent among younger people, plunged for the first time from a feeling of security under Nazism into an atmosphere in which they have to think for themselves. Other groups expressed scepticism about the possibility of the party system working in Germany. It is of interest, however, that whereas in the early days it was party functionaries of the pre-1933 era who took the lead there are now an increasing number of people taking an interest in politics for the first time, who both inside and outside the parties are more ready to criticize and suggest reforms.

At a meeting of the prisoners-of-war and displaced persons directorate on the 22nd April the French member, supported by the Soviet member, protested against the British action in transferring 12,000 Yugoslavs from Italy to Germany (see last week's Summary under "Italy"). He declared that the move was contrary to Four-Power Agreements and was inconsistent with previous statements that H.M. Government were unable to accept any non-Germans, such as Volksdeutsche from Austria, into the British zone. The United States member could not see that the action was contrary to Four-Power Agreement. At the same time he regretted it as it would increase the burden on food supplies. Although the American authorities were equally concerned in this respect they had not been consulted. This is a somewhat curious statement, since conversations have been going on for some time with the State Department about the whole question of Yugoslavs in Italy. The British member expressed surprise that the protest should be raised by the Power which had contributed least to solving the displaced persons' problem. The movement, he pointed out, was not contrary to Four-Power Agreements and had been publicly announced in the press. The matter is now to be referred to the four Governments.

AUSTRIA

The Conference in Moscow has closed without producing a Treaty for Austria. A last effort on the part of the British Delegation on the 22nd April to produce a compromise solution on that bugbear of the Conference, the problem of the "German assets," apparently met with no response from the Russians, though the British proposal, made in private session, touched the fringe of Russian demands by providing (a) that, while owners who had been dispossessed without full and effective compensation should regain their property, such compensation as they had received

should rank as a German asset, and (b) that disputes regarding the validity of owners' claims on property acquired by the Germans by force or duress or by the application of Nazi laws should be settled in the first instance by bilateral negotiations and only in the last resort by arbitration. Finally, Mr. Marshall proposed that the whole problem should be referred to the General Assembly of the United Nations. This also was rejected by M. Molotov (at the final meeting of the Council), who proposed instead that a Four-Power Commission should be set up to examine all the disagreed articles. This proposal, which had also been in the minds of the U.K. and American delegates, was finally accepted and it was agreed that the Commission, which is to include a Committee of experts to give special consideration to Article 35 (German assets) and to the appropriate parts of Article 42 (United Nations property in Austria), should start work in Vienna on the 12th May. There is still some disagreement, however, over the Commission's terms of reference; the Russian formula would confine the work of coordinating the points of view of the Four Powers to the assets question.

11.250

The two last meetings of the Council were marked by acrimonious exchanges between Mr. Marshall and M. Molotov, Mr. Marshall accusing the Soviet Delegation of blocking the Austrian Treaty by its uncompromising attitude over the problem of the German assets, while M. Molotov attempted to saddle Mr. Marshall with the blame. A radio commentator from Moscow on the 19th April accused the "reactionary international monopolists" of attempting to sabotage the agreed decisions on reparations-"the just and legitimate claims of the Soviet Union." There were no grounds, he insisted, for saying that the passage of the German assets into Soviet hands would undermine Austria's economic life; on the other hand this could truly be said of the compensation claimed for United Nations nationals, which amounted to "disguised

reparations."
The Moscow

The Moscow Conference has thus ended without restoring to Austria her freedom and sovereignty; some relatively minor points have been agreed on, but the Austrians are left with their country under continued Four-Power rule, with uncertainty about the frontiers, Austrian economic stability dangling precariously in the balance of Allied disagreement, and with the prospect that Russian and French troops of occupation, in addition to many unwanted Displaced Persons, will live for

many months more on Austrian food. The plea for the reparation of Austrian prisoners-of-war also remains unanswered; when this was brought up by the British Delegation at the Council's last meeting M. Molotov flatly refused to discuss the matter.

Austrian official and press reactions to the failure of the Conference have been disillusioned and gloomy. Dr. Gruber has described the treatment accorded to the Austrian problem as being "a flagrant contradiction of the declaration concerning the creation of a free and independent Austria," likely to embitter the Austrian population and rob it of its faith in democracy. "If ever a free and happy Austria is to arise again," he said, "it will not be through but despite Allied policy." People's Party circles have expressed some gratitude for the U.K. decision to modify the claim for compensation for United Nations nationals, and President Renner has thanked General Mark Clark (the retiring U.S. High Commissioner in Austria) for his firm advocacy of Austria's vital interests. The Austrian press has tried to derive some crumb of comfort from the establishment of the Four-Power Commission, and the Socialist Party is convening an extraordinary conference for the 6th May to discuss the general situation produced by the Moscow failure. The Austrian Communists have seized on the negative result of the Conference to press for new elections "to place the struggle for the Austrian Treaty in the strong hands of the people." According to the Oesterreichische Volksstimme, it was only due to M. Molotov, who "tirelessly pressed for greater speed," that the Conference did not end "entirely without result" and it was thanks (only) to Russian endeavours that the door was kept open through the establishment of the Commission.

Discussion at the Allied Council meeting in Vienna on the 25th April on a Soviet resolution designed to forbid Commissions to recruit labour from amongst Displaced Persons in Austria, was inconclusive; a Soviet complaint of anti-Soviet and anti-repatriation activities in the Western zones was refuted by the Western members of the Council. The Russians are, of course, particularly sensitive in regard to any measures which might prevent the eventual repatriation of their own nationals or of those belonging to nations within the Soviet sphere of influence.

The latest Austrian police and denazification scandal has been the escape of Franz Richter, a former Deputy Mayor of