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ORE - 33-48

CONSEQUENCES OF A SOVIET BLOCKADE OF VIENNASUMMARY*(overwritten)
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The western orientation of the present Government of Austria is disadvantageous to the USSR which seeks to isolate Austria from the political and economic influence of the west, and eventually to gain complete control of the country. The Austrian Government, regardless of its desires, cannot pursue a strong anti-Soviet policy as long as its eastern provinces are Soviet occupied.

An attempt to force the western powers from Vienna by a blockade similar to that around the western sectors of Berlin would result in a partition of Austria, a withdrawal of the Austrian Government from Vienna to some point in the western zones, and probably in a withdrawal of the US, UK, and France from Vienna. These developments would cause the western powers to lose some prestige in western Europe outside of Austria. Soviet gains would be limited largely to a temporarily enhanced prestige in the Satellite areas. Economically the USSR would be the loser in Austria, and western loss of prestige could be offset by increased arms commitments to western Europe and a strong western stand in the western zones of Austria. In addition the forced evacuation of

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the western sectors of Vienna would enhance the danger of war to the extent that it would widen the US-USSR rift and lead the Kremlin to intensify its pressure against the US in other parts of the world.

On balance, therefore, it is believed that the USSR is unlikely to impose a blockade of Vienna or force a partition of Austria in the near future, and will prefer for the near future to maintain the present status of Austria as the last important point of contact between the Soviet Union and the west.

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CONSEQUENCES OF A SOVIET BLOCKADE OF VIENNA1. Evaluation of the present Soviet position in Austria

The western orientation of the present Austrian regime is a disadvantage to the USSR. The USSR therefore seeks to isolate Austria from western political and economic influence, and ultimately may attempt to gain complete control over the country with a view to integrating Austria into the eastern bloc.

Soviet tactics in Europe are designed to effect a maximum consolidation of controls in eastern Europe and, within limited Soviet capabilities, to create unrest and dislocation in western Europe. The political and economic repercussions of the Berlin impasse have not served to advance Soviet objectives either locally or in western Europe generally. It is by no means certain that the USSR will take action in Austria which would result in a blockade of Vienna and a partition of Austria. Such action would improve the Soviet political position in eastern Austria but would be harmful to Soviet economic interests. Furthermore, a Soviet decision to take measures leading to a blockade of Vienna would be based primarily upon a Soviet estimate of US readiness to resist any further Soviet pressure in Europe.

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In the event that the USSR should decide that the US is susceptible to additional pressure, Soviet tactics in Austria might include a blockade of Vienna and/or an assumption of complete economic and administrative control of the eastern zone. The two moves may be done concurrently or may be separate tactics occurring in either order.

2. Conclusions

On balance, it is believed unlikely that the USSR will impose a blockade on Vienna in the near future, or that the USSR will force a partition of Austria. While the existence of a pro-western Austrian Government, functioning in Vienna, is an obvious source of annoyance to the Kremlin, this government does not and cannot pursue strong anti-Soviet policies so long as the eastern provinces are under Soviet occupation, and so long as no Austrian treaty has been signed. While Soviet capabilities for ousting the western powers from Vienna by blockade are far greater than in Berlin, such action would not effectively promote Soviet interests locally.

A Soviet blockade of Vienna would inevitably cause a partition of Austria similar to that which presently divides Germany. The USSR may be led to such

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action, either on its own initiative, in the belief that it would strengthen the Soviet position in eastern Europe, or as a reaction to policies pursued by the US, UK and France in their zones of occupation and in their relations with the Austrian Government. It is believed, however, that given the present condition of strained East-West relations, the Kremlin will prefer to maintain the present status of Austria as the last important point of contact between the USSR and the West.

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3. Discussion

Assumption I: The USSR will impose a blockade of Vienna and force the western powers to evacuate the city.

Assumption II: The western powers will continue to occupy their present zones in western Austria.

However forced, the evacuation of Vienna would be a retreat before Soviet pressure, and a blockade of the city would be one of the most aggressive acts yet committed by the USSR against the West. Vienna is the seat of a legal, popularly elected government for Austria. The most serious international effect of a Soviet blockade of Vienna and the subsequent withdrawal of Western occupation forces from that city would be to enhance the danger of war to the extent that such forced evacuation would widen the US-USSR rift. Further, the evacuation of the city as a result of a Soviet blockade might encourage the USSR to intensify pressure elsewhere, and thereby further increase the hazard of war.

The effect on US prestige and position in Europe would be adverse. The abandonment of the pro-western political entity of Austria would tend to weaken the resistance of inhabitants of western Europe to Soviet pressure. To offset

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the loss in US prestige, accompanied by a definite split of Europe into two armed camps, greater US arms aid would be required for Western European countries.

Withdrawal from Vienna would mean also a serious reduction in value of an important collection center for intelligence on both the satellite states and on the USSR.

Concurrently, Soviet prestige would be increased in the satellite countries. This enhanced prestige would tend temporarily to reduce resistance to Soviet rule in those nations.

In Austria, political complications would develop. The possibility of concluding a four-power treaty would vanish. Division of the country would result from Soviet pressure. The present Government would remain pro-Western and would not subject itself to Soviet dictation, choosing rather to move to the western zone, where it would claim jurisdiction over all Austria. The USSR would assume complete administrative control of the eastern zone, thus depriving the legally constituted Austrian Government of its authority in that area, and would force a puppet regime on eastern Austria, which would be linked by the USSR to the eastern bloc. The majority of the people in the eastern zone would not voluntarily support a Soviet-created government, hence the Soviet occupation authorities

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would be compelled to resort to political repression.

Despite western power withdrawal from Vienna, Austrians in the three western zones would continue to support western policies. The Austrian people would probably understand the logistic impracticability of the occupation forces remaining in Vienna under a land blockade. In Austria, at least, the US could mitigate any substantial adverse reaction to such a withdrawal by demonstrating firm opposition to Soviet aggression in western Austria. The western powers could present the case to the UN, emphasizing the illegality of Soviet actions pertaining to Austria. Increased economic and military aid, needed by western Austria, could be supplied.

The Austrian Government, functioning in the western zones, would be under pressure from the western provinces to adopt more conservative agrarian and clerical policies. The political complexion of western Austria could cause a shift in Socialist-People's Party representation. Both the pressure of the predominantly People's Party sentiment in the west as well as the traditionally strong provincial feelings there would force an increase in conservative membership and a corresponding decrease in Socialist representation in Parliament.

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The change in representation would vitiate the Austrian Government's claim to be a legally elected regime for all of Austria.

In the event of a partition of Austria, the peculiarities of the Austrian economy would force each of the two parts to gear its economy with that of outside neighboring areas. Western Austria would require additional imports of food, while exporting raw materials and semi-finished materials, such as pig iron, steel, nitrogenous fertilizer, timber and magnesite. Eastern Austria would require imports of raw or semi-finished materials (notably crude or semi-finished steel, rolled steel, and primary ores) from the satellite countries to process in its finishing plants; food potential would be adequate. Both areas would require extensive imports of hard coal, but the western zones would have hydroelectric power well above domestic needs. Austrian electric power generating capacity is largely located in the western zones from which come almost all of the domestic hydroelectric and two-thirds of the thermal power; the eastern zone has inadequate generating capacity to meet its own needs, and, at present, approximately two-thirds of the consumption of the Vienna area comes from the western zones.

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Austrian oil, on the other hand, is exclusively in the eastern zone; loss of this product to the east, however, would not affect the economy of western Austria because it already receives less than minimum allocations from the Soviet authorities now operating the wells.

Separation of eastern Austria from western Austria would, temporarily at least, be an economic disadvantage for the USSR. Supplies for eastern Austrian finishing plants, primarily high grade metal, would present the Soviet Union with many of the same difficulties it is encountering in eastern Germany. Of less importance, the partition of Austria would cause the direct loss of ERP benefits to the eastern zone. In addition, partition would cause the loss of indirect economic benefits which have accrued to the USSR, including not only a portion of Austrian production, but also considerable east-west trade benefits and smuggled goods from western Germany. Many strategic items, needed by the USSR, have been obtained through Austria. Any long-term advantages which the USSR would achieve from exclusive control of eastern zone industries would be partially dependent upon the degree of economic recovery in the satellite countries and the ability of eastern Austria to coordinate its economy with the economies of those states. The USSR would acquire, for the most part, industries producing mechanical

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and electrical products.

The nature of western Austrian economy would permit it to be coordinated with that of the West more readily than the eastern zone economy could be integrated with that of the satellite bloc. With the important exceptions of food and coal, western Austrian raw materials and its capital equipment would constitute a sizeable addition to the western European economy.

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