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WESTERN EUROPE DIVISION
OFFICE OF REPORTS AND ESTIMATES
CENTRAL INTELLIGENCE AGENCY

WORKING PAPER

DIVISION WEEKLY

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WESTERN EUROPE DIVISION

WEEKLY SUMMARY

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S E C R E T

AUSTRIA

B

The failure of the People's Party, Austria's largest political party, to hold its scheduled Congress apparently stems from the desire by Party leadership to strengthen the internal organization of the Party. The Congress, originally scheduled for February and later set for March, has still not been held. During this time, however, Party leaders have held numerous provincial conventions, ostensibly stressing party solidarity and broad policies, but undoubtedly concentrating primarily on working arrangements between the various interests which make up the People's Party and trying to mend all political fences before a national Congress is held.

The need for fence-mending was obvious even before the postponement of the Congress. The People's Party has always been a heterogeneous organization, largely composed of three distinct groups: the Industrialist League, the Peasant League, and the Workers' and Employees' League. To juggle the interests and political ambitions of these three groups has always been the major concern of Party leadership. Within the last several months, conflicts between them have grown increasingly acute, with the Industrialists trying to weaken the position of the Workers' League in an effort to gain greater power. Conflicts have also been apparent between the Industrialists and the Peasants over the financial and other economic policies to be followed by the Party.

In addition, intra-Party strife has resulted from the recent emergence and growing influence of a Young Front within the Party, a new element, which is composed of the ambitious younger leaders who, impatient with the older politicians, advocate various changes and reforms in Party policies.

Whenever the National Congress is held, the People's Party will probably maintain a solid front, despite the dissension within its ranks. None of its constituent groups is likely to attempt seriously an independent existence, as its chances for political success would be poor. It is possible, however, that a trend away from the three distinct groupings within the Party has begun which would permit individuals to exert a greater influence in the Party councils.

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SWITZERLAND

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The Swiss Labor Party (Communist) will continue to lose ground in Switzerland. This trend, evident for over a year, has become increasingly apparent in the results of various local elections and in the splitting off of small dissident groups antagonistic to the subservience of Party leadership to Moscow. Further losses by the Labor Party can be expected as a result of the continuing swing to the Right in Swiss political thinking, the growing Socialist campaign against Communism, and the Labor Party's own recruiting tactics, which are directed at quality rather than numbers.

Within the past several months, the Labor Party has lost virtually all its local government offices of any importance in Switzerland, and with the resignation of one of its members in the Swiss National Council, the Party's representation in the Federal Government has been reduced to six in the 194-seat Lower House. There has been a growing tendency for former Socialist members to break away from the Labor Party. The Socialist Party participated with the reborn Labor Party in some joint election lists after 1944, and it was from the Socialist ranks that the Labor Party initially drew a large percentage of its labor following. The Socialist Party has, however, turned increasingly against the Labor Party, denouncing its subservience to the Kremlin and refusing to participate further in any joint lists. It is campaigning vigorously to recapture its former members.

Dissatisfaction with the domination by Stalinists has been publicly demonstrated in both the Geneva and Basel branches of the Labor Party. In Geneva, the local section adopted a resolution against the wishes of important Party leaders present, and, subsequently, a small group withdrew from the organization. In Basel, the Labor representative in Parliament, who was rumored to have reservations to the Moscow line, was not nominated by his Party as a candidate in the local elections, and later resigned from the Party.

Despite their continuous losses, the Swiss Communists have risked reducing their ranks further by their recently intensified efforts to develop a militant hard core, devoted at any cost to the Soviet Union. The Party contains a comparatively high percentage of members who, in a crisis, would undoubtedly be Swiss first of all. This factor is apparently of more concern to the Communist leadership than the fact that the Party has been unable to acquire mass appeal.

FRANCE

A

The results of the recent Twelfth National Congress of the French Communist Party (PCF) indicate that the PCF will harden its resistance to the reconstruction of French national defense and will vigorously continue to weed out all members suspected of deviation from Stalinist doctrine. From the tone of the speeches and resolutions at the Congress, it appears that there is a growing spirit of militancy among PCF leaders, and that the Party may increase the number of violent manifestations, with the intention of inviting repression, thus steeling its cadres in preparation for future underground activity.

Party leaders and militants will probably intensify their "peace" campaign, and in their efforts to spread military defeatism throughout France will continue to demand that the atom bomb be outlawed. Communist leaders will endeavor to instill greater fighting spirit among party cadres in order that they may effectively disrupt French defense efforts. Demonstrations provoked by the Communists in Cherbourg against the first shipment of MDAP equipment were ineffectual, indicating that Party leaders realized they could not carry out their threats. This failure does not, however, preclude the possibility of sabotaging shipments in transit, or at points of distribution.

The reorganization of the PCF, which has been developing at the cell level throughout the country during the past few months, is now evidently taking place among the higher echelons. The greatest shake-up within the Party announced at the Congress came in the reorganization of the Central Committee, whose membership was dropped from 51 to 44. In order to encourage tougher elements, the Party will place greater reliance on younger militants. The decline in influence and prestige of Leon Mauvais, a top PCF leader, is evidenced by his replacement in the Secretariat by a young and relatively inexperienced militant, Auguste Lecoœur. This toughening of PCF cadres, the development of a fighting spirit, and a continuation of paring down to the hard core, seem to indicate that the PCF is at least preparing to carry out effective illegal operations, if it is eventually forced to go underground.

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The French franc has been showing greater strength in the past month, a trend which has already encouraged a recovery of Government security values and will consequently assist the Treasury in floating vital long-term loans in the

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near future. Prior to the hardening of the franc, a bond issue involving a 30-year loan initially brought in only about 10 billion of the 25 billion francs expected by the Government. The 1950 budget requires the Government to obtain 150 billion francs through such loans in order to cover expenditures by non-inflationary means. In any event, some inflationary sales of short-term securities to the banking system in the second half of 1950 may now be anticipated, and a failure of the long-term loans would increase the volume of the later inflationary borrowing.

The value of the franc has risen on neighboring free markets, such as Zurich. Also, the decline of world gold prices--induced by the lessening of Chinese demands and the increase of supplies from South Africa--has been relatively faster at Paris than elsewhere in the West. Until early 1950 the top price offered for gold at Paris had long been considered proof of the French people's weak faith in their currency. Though the declining price of gold has been the chief factor underlying the recent virtual disappearance of the French black market in dollars, this market has also been dealt a blow by the strengthening of the franc.

The improvement in the franc's standing has taken place in spite of the serious political instability and growing labor unrest. It has resulted basically from the substantial over-all economic progress of France in 1949, as reflected in higher production, expansion of foreign trade, reduction in the foreign payments deficit, a sounder budget, tax reforms, and an increase in savings deposits.

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The French are unlikely to make any major modifications in their Indochina policies in the near future, despite US pressure for an "evolutionary" statement which presumably would set a timetable for the withdrawal of French troops and complete independence for the Indochinese, rather than autonomy within the French Union. The French contend that the immediate grant, or even the promise, of greater independence to the Associated States of Indochina is unrealistic under existing conditions, which require the presence of French troops in Indochina to establish internal order and to defend the northern frontier against a possible Chinese Communist invasion. The French believe that such a promise would encourage the Vietnamese in their growing tendency to disregard the 8 March Agreements and to evade joint action with the other Associated States (Laos and Cambodia) and with France, leading to increased friction between the four parties which could jeopardize both the military and political situation in Indochina.

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Policy on Indochina has long been a subject of disagreement within the French Government, with differing views generally being held by the Foreign Ministry and Overseas France officials, both concerned in formulating and executing such policy. As a result, the reaction of France to the problems presented by the growing nationalism in the Far East has been slow and vacillating.

Illustrative of the uncoordinated French action is Minister of Overseas France Letourneau's recent press statement on policy in Indochina, about which the Foreign Ministry was not consulted. M. Letourneau announced that: (1) political evolution in the Associated States is frozen within the framework of the 8 March Agreements; (2) the provisions for the creation of national armies must be implemented as soon as possible; (3) Indochinese affairs will be removed from the Ministry of Overseas France to another agency as yet undesignated; (4) US aid will be distributed by a quadripartite organization including the three Indochinese states and France.

His statement indicates that those officials who interpreted the 8 March Accords as only the first step in the political development of the Indochinese states have now apparently been overruled by those who believe that the agreements represent the limit of the political "evolution" of Indochina. Support for the latter view has probably increased because more and more officials look upon the threat of Chinese expansion from the north as the decisive consideration which should govern future French actions in southeast Asia.

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Current efforts by the Communists will probably fail to make political capital out of the unemployment situation, which is unlikely to become critical in the next few months. Although the number of unemployed has risen steadily during the past year, and is now near 200,000, this figure represents only 1% of the total labor force. This percentage is smaller than that of any country in western Europe except Switzerland.

The public concern over unemployment is mainly psychological and is fomented partly by employers, who wish to convince prospective strikers that they are apt to lose their jobs, and partly by the Communists, who want the workers to strike against ECA's "exploitation of labor." The workers, being primarily pre-occupied with their pressing economic needs, are for the present more likely to heed the employers.

Several factors show that the seeming trend toward unemployment is illusory. First, the actual number of employed persons has increased since 1946 by about 1,000,000. At the same time, many who used to work only part time now work more hours a week. Also, more jobs are expected to be open soon as a result of: (1) attempts to "catch up" on production lost by strikes; (2) the beginning of the tourist season; and (3) increased building activity as a result of rising rents.

Much genuine concern is expressed in France that trade liberalization and the consequent increased competition will cause mass unemployment, as inefficient producers are forced out of business. As seen by ECA, however, trade liberalization would put pressure on the French to convert over a period of time to more specialized production in order to export a greater volume. The conversion rate would be so slow that any unemployment would be merely temporary until the workers were absorbed by new or enlarged industries. French labor circles also warn that the program to increase productivity will cause a reduction in the number of jobs. Again, the ECA view is that greater production of export commodities, together with a large-scale housing program, could absorb many workers. A considerable expansion of housing construction, moreover, is essential in order that the workers may be rapidly absorbed into new jobs, and the program is being given increased attention by the Government.

ITALY

A A general strike of farm day-laborers (braccianti) in Italy is being prepared by the Communists, and may erupt with considerable violence during the next month. While spring strikes by the braccianti have been virtually annual affairs, this year's action may prove more serious than the past strikes, and may be accompanied by violence so widespread as to tax police power, especially in the Emilia region.

Such an eventuality is suggested by various factors. In the first place, the Communists are relying extensively on direct action in their offensive against the Government and the MDAP. In this connection, the braccianti, the poorest and most underemployed class in Italy, are predominantly controlled by the Communists and are easily susceptible to excitation. The second factor is the flare-up of sporadic

local agricultural strikes and violent incidents in the Po Valley during the past month. In one recent incident 3,000 Communist-led braccianti attacked 26 workers of a non-Communist cooperative and injured a number of them in the fields.

Finally, the developing situation is made more conducive to violence by the presence this year of strengthened neo-fascist contingents near Communist strongholds, and by the more frequent clashes between the two extremist groups. It is probable that these neo-fascist units have received financial aid from large landholders and farmers, who fearful of the rising tide of agrarian unrest and upset by the 20% decline in wholesale agricultural prices during the past year, will probably hotly contend the expected demands of farm workers for wage increases and national contracts.

On the basis of current capabilities, the Italian police will probably quell the anticipated disturbances with suppressive measures, but only under conditions of considerable public agitation.

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SPECIAL ARTICLE

SHIFT IN COMMUNIST STRATEGY IN FRENCH AFRICA

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The US interest in the maintenance of friendly control of French Africa will be favored in the short run by a stiffening of the Communist attitude on collaboration with balky native movements. The new Communist emphasis on hard-core strength, an African reflection of a world-wide trend, is characterized by a willingness to slough off political allies if necessary. In the long run, the effect on US security will depend on how successful the Communists are in selling their goods "straight," and on how quickly advantage is taken of the opportunity to deepen the wedge between them and the natives.

Driven by a desire for quicker results and better-disciplined militants, the Communists in French North and West Africa are swinging to the direct promotion of Communist doctrine, placing less emphasis on themes of more immediate popular appeal. Indications are that local Communist leaders have been ordered to concentrate more on their own party interests and not so much on nationalism and racism. The swifter and easier process of undisguised proselyting now appears to be superseding the earlier Communist method of collaborating at almost any price with indigenous movements in the hope of eventually capturing their leadership.

It may be expected that the Communist Parties in the area will in the future even more openly advance the doctrine of the class struggle as the primary plank in their program for all the masses of French Africa. Nationalism and race feeling will, of course, continue to be exploited, but will be adapted to the orthodox Communist revolution line rather than constituting the principal line, as in the past.

There will be less attempt to conceal the identification of local Communist aims with those of the USSR, and less effort will be spent on conciliating nationalist leaders and more on winning away their following by direct appeals based in large part on class consciousness.

The sharp conflict with nationalist parties which this policy will produce is presaged by the editorial clash which recently took place in Algeria between the Communist Liberté and La République Algérienne, organ of the nationalist Democratic Union of the Algerian Manifesto (UDMA). The latter, in an open letter responding to a year-long Communist campaign to induce the nationalists to line up with the USSR against the US, made crystal clear the awareness of true nationalist

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leaders that they could never accept the Communists as reliable partners. The UDMA statement accused the Communists of taking their orders from Moscow without having any sincere sympathy for nationalism, and of trying to split the UDMA or dominate it. It went into the history of Communist betrayals of Moslem nationalism (coinciding with the period of the 1935 Franco-Soviet alliance), and concluded with the clear implication that while the UDMA was interested first and foremost in obtaining an Algerian republic, the Communist aims were simply part of a vast scheme of Soviet domination into which UDMA refused to be drawn.

Instead of their customary renewed effort at rapprochement, the Communists reacted to this rebuff by virtually dropping the veil and appealing to nationalist sympathizers to desert their present leadership. Liberte claimed that the UDMA was losing control of the rank and file nationalists and was making an "anti-Communist attempt to divide them." The Algerian Communist Party, it declared, would not allow itself to be turned aside from the path it had chosen, but on the contrary would "continue the campaign of knowledge among the masses in order to make a break from all dangerous illusions." The Communist article concluded that there is a "necessity for united action on Algerian soil, and an alliance with all anti-imperialist and peace forces directed by the USSR."

Probably the chief Communist weapon in a campaign to undercut the nationalist leaders would be the unions affiliated with the General Confederation of Labor (CGT), whose overwhelmingly Moslem membership is not permitted to join nationalist unions. This ban allows the Communists to control fairly large native blocs presumably having nationalist predilections but peculiarly receptive to class-struggle propaganda.

In French West Africa also, Communist doctrine is being spelled out and pointedly placed ahead of racism, long the main Communist mask in this area, where the primitive Negro masses have little conception of nationalism. The new Communist strategy is well illustrated by a recent pronouncement of Gabriel d'Arboussier, Secretary-General of the Communist-front Rassemblement Democratique Africain (RDA). Published on the front page of the Communist weekly, Action, d'Arboussier's "exclusive interview" has the earmarks of a somewhat hurried move to pull the RDA into line so as to make it a more dependable Soviet instrument, even at the risk of some loss of mass following. The interview boldly proclaims, "For us, the Pan-Negro movement constitutes a dangerous hoax. In our action we shall never separate the principle of the

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union of Africans from our alliance with the international proletariat and in particular with the French working class, which has the same oppressors as we. If the racial factor is an important factor in the national movement, it is not the essential factor."

Almost simultaneously with the Action interview, the Tunisian Communist Party weekly, L'Avenir de la Tunisie, expressly points out that the RDA of French West Africa is linked with the Communist Party of Tunisia in a common struggle. The paper charges that the French campaign of repression against the RDA is being carried out at the behest of "US imperialists" who are trying to defend their communication lines and bases in Africa. L'Avenir claims to see a close relation between what is happening in French West Africa and the "attempts of the war camp to transform (Tunisia) into a springboard for aggression."

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