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WESTERN EUROPE DIVISION  
OFFICE OF RESEARCH AND REPORTS  
CENTRAL INTELLIGENCE AGENCY

DIVISION WEEKLY

For week ending 21 November 1950

22 November 1950

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NOTE: This publication is being sent to all recipients of the D/WE Weekly Estimate, which has been suspended.

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WESTERN EUROPE DIVISION

WEEKLY SUMMARY

For week ending  
21 November 1950

AUSTRIA

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The Austrian Government will continue to resist current Soviet attempts to gain control over the security, administrative, and legal organs of the Government in the Soviet zone of occupation. Punitive measures which the Government has been forced to initiate against Austrian Communists and Communist police officials as a result of the October disturbances have furnished the Soviet element another occasion to attempt to undermine Austrian authority. Orders from the Soviet element that it must approve changes of personnel in the Austrian security forces in the Soviet zone represent the most serious Soviet effort to date to put pressure on the Austrian Government. Soviet military commanders also have recently interfered in the administration of local government by efforts to prevent recruiting and personnel changes, as well as by efforts to block legal proceedings against Communists. There have been a few new arrests of minor local Austrian officials.

Since 1945, Austrian tactics designed to counter Soviet probing for Austrian weaknesses have generally followed the pattern of protest, slow and doubtful compliance, and then independent action when Soviet pressure relaxed. In the present Austro-Soviet imbasse, however, the Government is resisting Soviet demands because it cannot afford to risk the collapse of Governmental authority over its security forces in eastern Austria. The Soviet stand has never been so categorically defined as in the current situation, particularly the Soviet element's insistence that it must have specified controls over the Austrian Police in its zone.

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Despite the fact that there is no firm indication of Soviet intentions, there is some evidence that the USSR is unwilling to maintain its position on the police issue in the face of firm Austrian opposition, strongly supported by the Western Powers.

The USSR may not yet be ready to take steps in Austria that would jeopardize the quadripartite status quo and thus threaten a partition of the country. A continuation of the successful Soviet economic exploitation of Austria depends in a large measure on an economically united Austria. In addition, Austria continues to be a valuable avenue for a considerable volume of extra-legal trade in strategic materials for the Soviet orbit. Militarily, a partition of Austria would not improve Soviet capabilities for either offense or defense against the West or Yugoslavia.

FRANCE

A As the signing of the Schuman Plan approaches, French intransigence may soon be modified on the size of German defense units to be created. France has strongly opposed the establishment of German divisions, which are favored by US military authorities. With German heavy industry, however, safely linked with that of France and other Western powers under an international authority, the French would be more disposed to make concessions to the US plan for the rearmament of Germany.

The key to France's attitude on Germany lies in its strong desire to promote the political, economic, and military unification of Europe. This has been evident in successive French proposals for the strengthening of the Atlantic Pact executive machinery, closer ties between the US and the OEEC, the Schuman Plan, and the Pleven Plan for a European Army. The French have insisted on the integration of German units in a European army not only from fear of a resurgent Germany, but from the belief that Europe must be unified as a bloc if it is to be a force in world politics. The successful establishment of a working authority and supra-national assembly under the Schuman Plan would partially satisfy the desires of the French, and would probably enable them to accept German rearmament much as proposed by the US while they continue to press for an integrated European army.

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FRENCH AND SPANISH NORTH AND WEST AFRICA

B The Moroccan nationalists will continue their attempts to wrest control of the Moroccan affiliate of the French General Confederation of Labor (CGT) from the Moroccan Communist Party. If they succeed, they will increase their bargaining power with Protectorate authorities, who might find it propitious to make minor concessions in an effort to pacify the natives. Moroccan nationalists have long been agitating for permission to form their own labor organization, as the nationalists in Tunisia have done, but the Protectorate authorities have been adamant in refusing to countenance such activity. Native unions continue to be proscribed, although natives have been allowed to join the existing French-dominated unions. Largest and strongest, by far, of these groups in Morocco is the General Union of Confederated Syndicates of Morocco (UGSCM), which is affiliated with the Communist-dominated French CGT. The UGSCM is Communist-directed and controlled, but a preponderance of its officials, including a majority of the ten-man executive committee, are natives. Two of the executive committee are members of the Istiqlal (principal nationalist) party, which has in recent months been concentrating much of its effort on winning the favor of native union members. Istiqlal hoped in the country-wide congress held at Casablanca in mid-November to increase its representation on the executive committee to four or five seats. If Istiqlal's claims are accurate that it controls the general union of all syndicates in the City of Casablanca and has the upper hand in the railway unions, the nationalists have made substantial progress among labor.

BELGIUM

B The Socialist Party's recent tendency toward "third forcism", motivated by its opposition to the Catholic Government, probably will impair the ability of the Belgian Government, which has only a small parliamentary majority, to carry out an expanded defense program and necessary supporting domestic measures. Up to now, neutrality and "third force" sentiment has been confined to a small and not-too-influential a group within the Socialist Party, but political expediency has caused the Party to adopt a policy of extreme caution, and often disagreement, when confronted with the Government's attempts to enact foreign and defense policy, formally developed on a bipartisan basis. Although the Socialist Party's representation in Parliament is composed largely

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of influential and internationally-minded members aware of the necessity of an improved defense for Western Europe, Socialist opposition to all aspects of the Government's defense program probably will be most successful in preventing or at least delaying passage of the measure increasing the military conscription period from one to two years. The precipitous post-Korean rise in the Belgian cost of living and resulting labor dissatisfaction over wages will be additional factors aiding the Belgian Socialist tactics, as the Government finds it increasingly necessary to deal with domestic issues to the detriment of pressing international problems.

## THE VATICAN

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Though the Vatican and the Western Powers share the aim of defeating Communism, the Vatican will not endorse every Western Power tactic and device in the cold war simply because it is intended to inflict an immediate loss upon the Communists. The Vatican considers that some Western policies, especially in the Far East, are not conducive in the long run to victory in the East-West conflict. The deterioration of the Church's position in eastern Europe has caused the Vatican to be more than ever concerned with Africa and Asia, where it is convinced that the spread of Communism is encouraged when the aspirations and welfare of the native populations are neglected.

Although the Holy See has recognized the Bao Dai Government in Indochina, it continues to regard this Government as unrepresentative of the general population and has not yet sent a diplomatic mission to Saigon. Catholic leaders in Indochina have refused to participate in the Bao Dai Government, which they feel will be ineffectual as an instrument of the native popular will unless it reorganizes along more representative lines and obtains independence guarantees from the French. The Vatican presumably entertains similar doubts about the anti-Communist effectiveness of the Syngman Rhee Government in Korea. In the Philippines, some members of the native Catholic clergy are reported to be more sympathetic to the Huks than to the Quirino Government, which they believe does not have the interests of the people at heart.

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SPAIN

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The definitive news that the US loan to Spain is to become effective will afford Franco a short-term psychological advantage. The ability to announce that US aid is available will be used by the Spanish Government with good effect to renew belief and hopes, especially among the military, that Franco's policies and his attitude of intransigence and independence will win large-scale economic and military assistance from the US. Nevertheless, the loan will in no way appreciably improve the economic situation, which is particularly critical this winter because of electric power shortages resulting from the prolonged drought and mounting inflationary pressures. Franco will therefore have to find some way to deal with the demands of industry, business, and finance for economic relief. At the same time, he will encounter considerable resistance within the regime to US control of end use implied in the project-by-project basis of the loan and in the requirement that the loans go to private industry. (The Spanish Government's failure to take advantage of the opportunity, open to it for more than a year before the \$62.5 million dollar loan was voted, to obtain credits from the Export-Import Bank was due to its refusal to tolerate US supervision of end use and its desire to obtain the credits primarily for state enterprises.) Unless he is able to cope with the resistance to US supervision from those elements of the Government involved in the state industrial control and investment agencies, Franco may not be able to receive the full \$62.5 million.

The psychological advantages which Franco has gained from the announcement of the loan may be largely offset by the disillusionment of various special interests which expect greater benefits from the aid than are likely to materialize. In any event Franco will not alter his basic attitude of independence of the US and of resistance to any suggestions of modification of his regime.

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