This report is composed of political views expressed by various socialist politicians in Austria concerning the effects of Poviet propaganda and the strength of the left-wing elements of the Austrian Socialist Party.

Effect of Soviet Propaganda

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- 2. A high-ranking official of the Upper Austrian Government in Linz who has been a member of the Austrian Socialist Party since 1918 stated that the efforts of the "oviets in proselyting among former National Socialist circles, has met with greater success than was originally anticipated. In these circles, which are composed of university men and intellectuals, the view prevails that the unchecked advance of Soviet Russia in Europe is bound to lead to the establishment of a people's democracy at least in the eastern cone of custria. In this event the Communist Party would remove from office chiefly the members of the Socialist and Austrian People's Parties and would fill key administrative and economic positions for the most part with nationalists who were not compromised by cooperation with the former regime and besides, in consequence of their national socialist activities, were prepared for an authoritarian form of government. This widespread view is supported by the fact that the Soviet Hilitary Government recently sent a number of former National Socialist Party functionaries from Vienna to the Soviet Zone of Germany to assume important positions there. This was exploited very adroitly in Communist propagands by stressing the pro-national tendencies of the Soviets, as a result of which the campaign for the winning over of former SS officers initiated by the "National League" was a great success.
- 3. A departmental chief in the Ministry of the Interior admitted the accuracy of the above statements but remarked that according to the Minister of the Interior it was impossible for the government to take any steps against this development because the Doviets were so firmly entrenched in Vienna that even the representatives of the Western

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powers could do nothing about it, not to mention the Austrian Government. It was also learned that the Poviets had recruited a sizable number of former SS officers living in Vienna for service with the German People's Police with the understanding that they would be given similar assignments in Austria after a change of political conditions there. * The Ministry of the Interior was also aware of this fact. The creation of so-called "reople's Councils" is planned in every district of Vienna and in the Bezirksh hauptmannschaften (regional administrative districts) of Lower austria. * As a rule only few Communist Farty members are said to be included in these People's Councils; they are primarily to be made up of economic, technical and agricultural experts, chiefly men with nationalist tendencies who prior to 1945 head responsible positions without taking active part in politics.

4. Vice-Chancellor Dr. Schaerf voiced the view that the existence in Austria of a nationalist problem must not be admitted and that it would be an act of poor statesmanship if the Austrian pocialist Party proselytized former National Pocialists. It would be much better for the so-called obstinate National Socialists to go to the Poviet Lone of Germany than to form a compact group of dissatisfied elements. The Austrian Socialist Party would not be strengthened by former National Socialists joining it, since it must be feared that they would form a national element within the party, a development which would not be welcomed by the Pritish Labor Party.

Growing Strength of the Left-ing of the Austrian Socialist Party.

- 5. Leading circles of the Austrian Socialist Farty have stated that in Vienna and Lower Austria there is a growing tendency within the party toward the left. This tendency is to be observed not so much among the bulk of the party membership as among party leaders who have proved more and more susceptible to radical Marxist doctrines.
- 6. With respect to this development, Vice-Unancellor Or. Schaerf stated that radical measures taken against the Communists or the "rogressive Socialists" would only play into the hands of these groups, increase their opposition and induce the Soviet Union to take active measures in their support. The only course of action open to the Socialists would therefore be to embrace the Pocialist-Larxist party doctrine with all its implications and simultaneously propagate the solidarity of the Pocialist labor movement in Western Purope. Another objective should be to convert the nationalized enterprises in western Austria into model enterprises in order to show the workers the difference between Soviet enterprises and Socialist management. Dr. Schaeff further stated that the Soviets would be in a position to establish a people's democracy in austria if they really wanted to do so. He also admitted the fact that there was a remarkable tendency among the workers in Vienna and Lower austria to join leftist parties. However, he said that he did not see any means of effectively combating this tendency in the Bastern Zone of fustria since any attempt at counter-propaganda was bound to provoke retaliations on the part of the U.S.S.R. which in turn would create grave difficulties for the austrian Government.

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Comment. The employment in the Soviet Zone of Germany of former Austrian SS officers has not been confirmed by information from that area.

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Comment. The People's Councils are probably connected with the "Action Committees" formed in Vienna and Lower Austria. It is assumed that the People's Councils are organs of the Action Committees operating at lower administrative levels.

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