

CENTRAL INTELLIGENCE AGENCY 4913E

DAILY DIGEST

COPY NO. 39

OFFICE OF CURRENT INTELLIGENCE

~~DAILY DIGEST OF CURRENT INTELLIGENCE~~

Date: MAR 22 1951

primarily

NOTE: 1. This summary of significant reports has been prepared for the internal use of the Office of Current Intelligence. It does not represent a complete coverage of all current ~~reports~~ *reports* in CIA or in the Office of Current Intelligence.

2. Comments represent the preliminary views of the responsible analysts and not necessarily the final view of the Office of Current Intelligence.

3. Marginal letter indications are defined as follows:

"A" - items indicating Soviet-Communist intentions or capabilities

"B" - important regional developments not necessarily related to Soviet/Communist intentions or capabilities

"C" - other information indicating trends and potential developments

State Dept. declassification & release instructions on file

TOP SECRET

SECTION 1 (SOVIET)

"B" EASTERN EUROPE. BULGARIA. Bulgarian Decrees Confirm Widespread Internal Ferment. A decree of the Central Committee of the Bulgarian Communist Party has dissolved the Kula district Committee, expelling and binding over for trial several officials. The Party Committee of Vratsa Province, which includes the offending district, is directed to take measures to improve political and organizational work not only in Kula but the whole province. Specific charges made by the decree are violation of the principle of voluntary joining of cooperatives, violations of the "people's democratic laws", and a bureaucratic attitude toward "needs of the peasants". Similar but less drastic action is decreed for a village primary organization in the Pleven province. All regional Party organizations in Bulgaria have received a general warning to study the decree and "to take measures for strengthening the democratic law and further improving the Party policy and strengthening the ties with the working masses." (R FBIB, 20 Mar 51). This decree was immediately followed by a joint one of the Government and the Party relaxing rationing and decreasing prices on some consumer goods and increasing workers' salaries and pensions. (R FBIB, 21 Mar 51). COMMENT: These two measures indicate a double-barrelled Communist attempt to quiet the seething unrest in Bulgaria by a grand gesture reducing prices and increasing wages and, at the same time, to focus the blame for drastic Soviet collectivization and militarization operations on local Party organizations. The singling out of Kula, located on the Yugoslav border, indicates that recent stringent control measures in border areas (deportations, imposition of curfew restrictions, forcing of civilians into military construction, etc.) and heightened military movements have created serious internal unrest. The increase within the past month in the number of Communist and non-Communist Bulgarians seeking refuge in Yugoslavia is further proof of growing terror in Bulgaria.

25X1X
25X1X
25X1X
25X1X
"B" CZECHOSLOVAKIA. Alleged Connection Between Noel Field and Purged Communist Party Officials. [REDACTED] has suggested to US Amb Briggs that the common factor in the recent arrests of prominent Czechoslovak Communist Party figures is their past association with Noel Field. [REDACTED] pointed out that Otto Sling, Gerhardt London, and Josef Pavel may have come into contact with Field during the Spanish Civil War when the latter was engaged in assisting the evacuation of volunteers into France. General Bedirch Reicin, [REDACTED] was in contact with Field in Paris in 1939. Amb Briggs notes that official statements on the arrested officials frequently allege that Party members who participated in the Spanish Civil War were subverted during the period they were required to spend in France. Tenuous as it may be, the alleged association between Reicin and Field is the only explanation which the US Embassy in Praha has received which might account for the former's arrest. (S Praha 584, 20 Mar 51). COMMENT: Noel Field is an American fellow-traveler who was

TOP SECRET

TOP SECRET

very active in international Communist circles prior to his disappearance in Praha on 5 May 1949. Field's name has come up from time to time in connection with the arrests of Czechoslovak Communists, including that of the former editor of the official organ, Rude Pravo, in Oct 1949. Sling and Reicin are officially under arrest, while London and Pavel are reliably reported to be under arrest in connection with the so-called Clementis conspiracy. General Reicin has heretofore been regarded as a stalwart Communist and a trustworthy Kremlin agent within the Czechoslovak Defense Ministry.

- "A" FINLAND. Cabinet Reported to have Resigned. The Finnish Prime Minister, Urho Kekkonen, is reported to have presented the resignation of the whole Cabinet to President Paasikivi on the afternoon of 21 March. The Cabinet resignation is reported to have taken place because of Social Democratic dissatisfaction with government-proposed rent increases. The President requested that Mr. Kekkonen remain at his post until after the Easter holiday. (R FBIS Ticker, 21 Mar 51). COMMENT: This ticker report originated from the French Press Agency Paris, which is not always accurate. There has been no official word received yet that the Cabinet has resigned, although the US Legation has recently reported the possibility of such action. (See OCI Daily Digest, 21 Mar 51).
- "C" POLAND. US Action Against BATORY May Provoke Polish Retaliation. The Polish Government has protested the action of the New York Port Commissioner which will make it impossible for the Polish vessel BATORY to enter New York harbor after 3 April. The Polish note to the US Emb Warsaw characterized the Port Commissioner's action as discriminatory. Earlier publicity on this matter in the Polish press hinted that retaliatory steps might be taken. The US Amb in Warsaw points out that (1) the BATORY service to New York is a matter of national pride to the Poles and its exclusion from New York would have a wide adverse effect among individual Poles still oriented toward and friendly to the US, (2) the BATORY's access to New York is a big diplomatic "ace in the hole" for use only in the event of major bargaining or as possible future retaliation for drastic restrictions against official representation in Poland, and (3) if the measure is sustained sharp retaliatory steps are anticipated. (R Warsaw 754, 19 Mar 51; C Warsaw 756, 19 Mar 51).

TOP SECRET

TOP SECRET

SECTION 2 (EASTERN)

"B" INDIA. Amendment to Kashmir Resolution. The US and UK on 21 March jointly submitted to the UN Security Council still another formula for settlement of the Kashmir dispute. It directs the new UN representative, not yet selected, to deal exclusively with demilitarization and not to submit plans for a plebiscite for the approval of both parties. It omits the suggestion that neutral military forces of other UN members might be called in to assist with the demilitarization and plebiscite. It also deletes an earlier suggestion that both sides might agree to boundary adjustments after the plebiscite in instances where an overwhelming vote favored the losing side. (U NY TIMES, 22 Mar 51). COMMENT: As long as the attitudes of India and Pakistan remain unchanged, there is no hope of a solution.

"B" Mrs. Pandit May Resign as Ambassador to the US. In a press report from India dated 21 March, India's Deputy Foreign Minister, B.V. Keskar, confirmed reports that Mrs. V. Pandit, India's Ambassador to the US, has asked to be relieved of the post, possibly by June of this year, and that she would, after a few months spent in the US writing a book, return to India to run for Parliament. (U FBID Ticker, [REDACTED] 21 Mar 51). COMMENT: There are indications that Mrs. Pandit, who was somewhat disillusioned in Moscow where she served as Indian Ambassador, has also found the US not completely to her liking. Rumors current in London have indicated that Mrs. Pandit will replace Mr. V.K. Krishna Menon, India's High Commissioner in London, who in turn may go to Moscow as Indian Ambassador, while Sir S. Radhakrishnan, present Indian Ambassador there, will be sent to Washington. Radhakrishnan, in his sixties, is well-known in the fields of philosophy and oriental religions. While he is reportedly susceptible to flattery - which has been accorded him to some extent in Moscow - his present attitude toward the Soviet Union and the West is not clearly established. His influence and his position with Nehru is likewise not known.

STATSPEC

"A" PAKISTAN. Communist Connections With Plot to Overthrow the Government. Pakistani Prime Minister Liaquat Ali Khan has released formal statements, to his principal Embassies and to the press, on the 9 March arrest of several persons charged with plotting to overthrow the Government. The plot has been labeled an attempt to bring Pakistan under a Communist Government administered by a military dictatorship. The leaders, approximately a dozen military officers, and a few civilians, most of them with Communist connections, expected to seize power through a coup d'etat and than to receive Soviet political and economic support. (S Karachi 862, 20 Mar 51; NY TIMES, 22 Mar 51). COMMENT: The Prime Minister and his Government appear to have a potentially explosive plot well under control. More details will probably be released in the near future. It is a matter of concern, however, that a Communist abetted, and possibly

TOP SECRET

TOP SECRET

inspired, conspiracy could develop in the armed services where esprit and loyalty have been exceedingly high. The plot underscores the obvious need for an equitable solution of the Kashmir problem, the festering of which lent itself to exploitation by the conspirators.

"C" Settlement of Pakistan Rupee Rate in IMF. The International Monetary Fund, on 19 March, officially accepted the present exchange rate of the Pakistan rupee (330852 to the US dollar), as par value. The representative of India withdrew his Government's previous objections with a statement that the terms of trade were now turned in favor of producers of raw material and the present Pakistani exchange rate was no longer a bar to trade as indicated by the recent signing of the trade agreement between India and Pakistan. (C State to Karachi 593, 20 Mar 51). COMMENT: Pakistan did not devalue at the time the other Commonwealth countries devalued their currencies, and has always contended that its present rate (144 Indian rupees equal to 100 Pakistani rupees) was correct. The matter would probably not have been settled in the IMF without some devaluation of the Pakistani rupee had not India, in need of Pakistan's jute, inaugurated the recent discussions which finally led to the Indo-Pakistan trade agreement and withdrawn its objections to the present rate of exchange. This removes one of the irritants in Indo-Pakistan relations.

"B" THAILAND. Coup rumors squelched. The US Naval Attache reports that the Director General of the Thai police professes to have no "factual evidence" that Admiral Taharn Kambihiran was instigating a new coup d'etat, and that his recently ordered arrest grew out of his complicity in the 1949 coup attempt. Press reports of a plot are believed to have resulted from the coincidence of the search for Taharn and the annual naval maneuvers - the papers deducing that the Admiral was planning to overthrow the Government with naval support. The NA comments that the police general's version is open to conjecture. (C Bangkok 1407, 15 Mar 51). COMMENT: The Phibun Government has probably long desired to arrest Taharn as a result of his involvement in the last coup attempt and his known antagonism for the Government. Fear of evoking Navy displeasure has undoubtedly protected Taharn until recently when the Police felt sufficiently strong to challenge the Navy.

"C" INDOCHINA. North Vietnam governor replaced. The replacement of Nguyen Huu Tri as governor of North Vietnam by Dang Huu Chi, who has held the position of Health Minister, was officially decreed on 19 March. Tri has announced his intention to travel abroad, but states that, on his orders, other North Vietnam civil servants will remain at their posts. (S Hanoi 494, 21 Mar 51). COMMENT: This shift brings to an end the first phase of the long struggle between Premier Tran Van Huu, leader of the relatively pro-French South Vietnamese faction, and Tri, who has consistently championed a sort of dominion status for Vietnam within the French Union. In terms of administrative ability, the replacement of Tri by Chi is universally regarded as unfortunate. In contrast to Tri's pre-eminence

TOP SECRET

TOP SECRET

among Vietnamese political leaders is the US Legation's evaluation of Chi's effectiveness ("almost nil") during the elaboration of the ECA health program.

"C" INDONESIA. Cabinet decision indefinite. Although Prime Minister Natsir's resignation brings to a close the recent impossible relationship between the Government and Parliament, future developments remain most obscure. Most politicians seem reconciled to the possibility of an extended period of uncertainty and political maneuvering. President Sukarno has requested the Natsir Cabinet to remain as a caretaker government. (R Djakarta 1283, 21 Mar 51). COMMENT: Possible coalition cabinets appear to be: 1) a Masjumi-National Party (PNI) combination; 2) PNI-Masjumi-Socialist cooperation; 3) a national bloc of several conservative parties which would support the PNI; and 4) a PNI-leftist coalition.

"A" PHILIPPINES. Possible Change in Huk Policy Toward Americans. The Senior Military Attache states that the 20 March brutal slaying of two Americans by a Huk band in the mountain foothills east of Manila may portend a change in past Huk policy of no violence toward Americans - especially in view of two recent ambushes of US military vehicles. (C ALUSNA Manila 211127Z, 21 Mar 51). COMMENT: Such a drastic change in Huk policy is improbable unless the Philippine Communist Party is convinced that, because of other developments, the US would be unable to intervene effectively to protect US interests or believes that general hostilities are imminent.

25X1X

"A" CHINA. Sino-Soviet naval operations. [REDACTED] claims knowledge of a "secret note" dispatched in 1950 from Peiping to Moscow, agreeing to joint Sino-Soviet use of seven naval bases in Communist China. [REDACTED] alleges that the above plan, which was to concentrate on submarine activity, envisaged the launching of a surprise attack to "destroy at a single blow" UN and US ships in Korean and Chinese waters. (S HK 2685, 20 Mar 51). COMMENT: "Secret" Sino-Soviet notes remain secret; none of the alleged copies has ever proved to be authentic. However, the existence of a Sino-Soviet agreement on the joint use of Chinese naval bases is quite probable, and there have been many reports of Soviet naval activity in Chinese waters and Soviet assistance to the infant Chinese Communist navy. Sino-Soviet naval operations against UN and US vessels, in connection with the Korean conflict or a Chinese assault on Taiwan, are a continuing possibility.

25X1X

"C" Peiping's line toward UK. A Peiping domestic broadcast states that meetings will be held throughout China in late April to denounce the "criminal actions of the British and American aggressors" and their agents and sympathizers. (R FBIS, 19 Mar 51). At the same time, the London Daily Worker correspondent in Peiping transmits to his paper a list of 85 British POWs and news that letters to and from these POWs can be sent through Peiping. (R London 4984, 19 Mar 51). COMMENT: The position of

TOP SECRET

TOP SECRET

the UK as a target of invective, coupled with and even placed ahead of the US, is most unusual, and conceivably could presage a stiffening of Peiping's attitude toward British interests in Communist China. Peiping's propaganda exploitation of the POWs, however, indicates that the Chinese Communists are still concerned with influencing British public opinion and thereby contributing to the difficulties of US-UK cooperation in the Far East.

"C" KOREA. Muccio reports on conditions in Seoul. Ambassador Muccio, in reporting the observations made on a two day trip to Seoul, transmits police estimates that 200,000 people, mostly children and aged; remained in Seoul during the Communist occupation. The city was without municipal services or civil administration other than that necessary for Communist food requisitions and personnel mobilization. The city already half destroyed, has sustained an additional recent destruction estimated at 10%. Peace and order are rapidly being restored as police and municipal authorities return; power and water facilities can be restored with a minimum of delay. UN Command civil assistance personnel have moved in rapidly and are engaged in arranging for food imports, restoration of public facilities, and initiation of public health activities. (C Taegu Unnumbered 210005Z Mar 51).

"C" ROK Proposes New Ambassador to Washington. Ambassador Muccio cables that President Rhee proposes appointing YANG You Chan as Envoy Extraordinary and Ambassador Plenipotentiary to Washington and requests US agreement. (C Pusan 816, 22 Mar 51). COMMENT: [REDACTED] reveals that Dr. YANG probably is not well acquainted with Korea having emigrated at age seven to Hawaii. He should be, however, intimately acquainted with the US having been in Hawaii or the US for nearly half a century. Dr. YANG is a graduate of US medical schools and his wife is an American of Korean ancestry. Dr. YANG is probably being considered for the post on the basis of his personal loyalty to Rhee, the two having been intimately acquainted in Hawaii since 1914.

25X1A

TOP SECRET

6

TOP SECRET

SECTION 3 (WESTERN)

"C" GERMANY. Bundestag to Get Motion on Support of Defense Effort. Brentano, the Christian Democratic leader in the Bundestag, is working on a draft motion emphasizing the willingness of the Federal Republic to participate in the Western defense effort. The resolution would instruct the Government to make an equitable economic contribution to Western rearmament, and would call for the separation of defense items from occupation items in the High Commission's occupation budget. Brentano feels that such a motion would have the unanimous support of the coalition parties, and he is also hopeful of Socialist support, as the resolution would not refer to German military contingents. Socialist leader Ollenhauer has given his personal support to the idea, but doubts whether his party chief, Schumacher, will be agreeable. (S Bonn 652, 21 Mar 51). COMMENT: This resolution, by omitting reference to armed forces, would take the Federal Republic only a small way toward military integration with the West. It would, however, contribute to the trend toward such integration, and would assist in molding west German thinking.

"C" AUSTRIA. Efforts to Mitigate Communist Whitsuntide Plans Reported. The US element and the Austrian Government are preparing plans for special events on Whitsuntide for the purpose of drawing people away from the Communist demonstrations. In the meantime, the Austrian Government has already refused a Soviet request for special trains to bring followers from the interior into Vienna. The Austrians refused the request on the grounds of the coal shortage, but the Soviets then offered to furnish coal. The Government again turned down the request. (C Vienna 2070, 20 Mar 51). COMMENT: This information appears to discount the intelligence report that the Communists were planning earlier youth parades and demonstrations for Easter in connection with current Communist-inspired demands for wage increases. The Whitsuntide Peace Rally, which has been planned since last October, undoubtedly remains a major Austrian Communist endeavor, although there have been no indications that it is intended to include violence or disturbances. Though the Communists have announced that some 50,000 participants are expected, it is highly doubtful that the Austrian Communist Party can muster that number. The Soviet element is apparently planning to attempt to swell the mobs by bringing in various groups, probably including non-Communist workers in Soviet-controlled factories.

"A" ITALY. Reported Reduction of Communist Paramilitary Forces. [REDACTED] has stated that Moscow is liquidating the paramilitary groups of the Italian Communist Party (PCI) "because of distrust thereof" and "because if war comes, the Red Army would

25X1X

25X1X

TOP SECRET

TOP SECRET

not count on the military aid of a fifth column". According to this same official, the PCI never had a large paramilitary force and since the Tito and Rajk deviations, its size has been very small "except on paper". (S Rome 4152, 19 Mar 51). COMMENT: There is no information to confirm a current reduction in the strength of the PCI paramilitary organization from the generally accepted figure of 75,000. Indeed, a reduction seems highly unlikely.

"B" ITALY. Communists to Launch Trade Union Peace Campaign. The Italian press reports that Communist trade union organizations are going to start a trade union peace campaign in various countries, the goal of which will be to break down the free trade union organizations and thus counterbalance the decline in strength of the Communist unions. (R, FBIS, 19 Mar 51). COMMENT: The announcement follows the proposals adopted by the World Peace Council in Berlin for worldwide participation of labor unions in the Peace Campaign. To date this tactic has been relatively unsuccessful when attempted against the non-Communist labor groups in Italy. Although this may not be connected with the trade union peace offensive, it would be in line with the recent Communist conciliatory approach to non-Communist labor groups.

"C" BELGIUM. Misgivings on the Schuman Plan. Although the Belgian delegates initialled the Schuman Plan Treaty without reservations regarding Belgium's position at the Foreign Ministers' Conference to be held in mid-April for final signature of the Treaty, Belgian Foreign Minister Van Zeeland may insist on the following: (1) elimination of High Authority powers not absolutely essential to establish a common market; (2) removal of the controlled economy features of the Treaty; and (3) Belgian commitment for their coal mines to be brought within a common market within a definite period. The French are not disturbed by Van Zeeland's position, believing that he wishes to place these questions on the record in view of the influence of Belgian industrial interests. (C Paris 5545, 20 Mar 51). COMMENT: Belgium's acceptance of the Treaty probably will not be hindered by any difficulties which Van Zeeland may raise at the Foreign Ministers' Conference.

25X1A

"A" SWITZERLAND. Satellites Seek Large Quantities of Steel Materiel. During the first week in January the Hungarians made inquiries in Switzerland for large quantities of tools of high-speed and special steels. Inquiries for such large orders suggest stockpiling. [REDACTED]

25X1A

COMMENT: Inquiries for the procurement of large quantities of goods in prospective short supply have been made during the past six months in Switzerland by the Soviet orbit countries. There is no indication that Swiss exports to these countries of such categories of goods have increased measurably or are likely to. Swiss

TOP SECRET

TOP SECRET

mechanical engineering industries are believed to be operating near capacity, and because of raw material shortages, plant expansion seems improbable at this time.

"C" MEXICO. Communists Seek to Capitalize on Labor Unrest. Since 10 March, a caravan of some 500 striking coal miners, who staged a "hunger march" from northern Mexico, has been in Mexico City. The Government has provided the marchers with a camping site, food, and medical care, and has now made proposals for settling the strike. These proposals have been branded as "totally adverse" by the pro-Communist newspaper El Popular, and the police are believed prepared to prevent disorder which leftists may endeavor to promote (R 1170 Mexico City 12 Mar 51; R 1215 Mexico City 20 Mar 51). COMMENT: The marchers represent the Communist-led members of Local No. 14 who have refused to accept recognition of the non-Communist leadership of the national miners' syndicate (SITMMS). Their strike, which began some six months ago, has served as a focus for Communist propaganda which was expanded through organization of the "hunger march" in January—a maneuver which capitalized on the religious devotion of the strikers, many of whom made pledges at the outset of the march to visit the shrine of the Virgin of the Guadalupe in Mexico City. From the outset, it has been the policy of the Government to deprive the Communists of propaganda opportunities by treating the marchers indulgently, by waiting for the marchers to lose interest in the affair, and by suggesting bases for settlement which might weaken the movement. Although the marchers, as a whole, may now be favorably inclined toward the terms which the Government has proposed, the Communists may be expected to attempt to prolong the strike and to instigate public demonstrations with the help of "sympathizers". With wage dissatisfaction becoming widespread in organized labor at the present time, Communists will not hesitate to publicize, to the maximum possible extent, their potentialities as militant labor leaders in the hope of regaining positions of influence in the Mexican labor movement.

TOP SECRET

AB

SECRET

49131a

DAILY DIGEST SUPPLEMENT

MAR 22 1951

Not for dissemination outside O/CI and O/NE.

SECRET

SECRET

(S/S Cable Supplement not for dissemination outside O/CI and O/NE)

OFFICE OF CURRENT INTELLIGENCE
DAILY SUMMARY OF SIGNIFICANT S/S CABLE TRAFFIC

22 March 1951

DEPUTY FOREIGN MINISTERS' CONFERENCE

"B" Acceptance of German Demilitarization as Separate Agenda Item May Soon Be Forced. Inasmuch as the issue of German demilitarization as a separate item on the agenda may be forced by Gromyko or included at Franco-British insistence in the immediate future, the chief of the US delegation has recommended that US notes be sent immediately to the French and UK governments setting forth fully and emphatically the US objection on this point. Mr. Jessup supports his recommendation by citing: (1) the personal difficulty in dealing with Davies of the UK delegation; (2) French delegation chief Parodi's fear that if this preparatory meeting is unsuccessful the USSR will resort to direct action; (3) the fact that Schuman will be at sea for a week and consequently out of touch with events; and (4) the probability that the question may be raised urgently any day. (S Paris 5552, 20 Mar 51).

SECTION 1 (SOVIET)

"B" YUGOSLAVIA. Yugoslav Views on Trieste. In Ambassador Allen's opinion, Tito is deeply concerned over the recent recrudescence of the Trieste issue and considers himself faced with pressure from the West at the same time that he must prepare for an attack from the East. During his conversation with Ambassador Allen on March 17 Deputy Foreign Minister Mates declared that any Italians who hoped a Cominform attack would force the Yugoslav Government to withdraw from Zone B were mistaken since Yugoslavia would never withdraw all its troops from Zone B for use elsewhere. When asked whether Yugoslavia would derive any benefit from an independent Free Territory of Trieste as a buffer state, (which the pro-Titoites in Trieste are reportedly supporting), Mates said that he thought a buffer state would create more problems than it would solve, and that a mutually agreed division of the territory was the best solution. (S S/S Belgrade 1326, 20 Mar 51). COMMENT: This conversation suggests that reported Yugoslav support of the independence movement in Trieste is a temporary tactic intended to reduce Italian influence in Zone A.

SECRET

SECRET

SECTION 3 (WESTERN)

"B" GERMANY. West German Official Pessimistic Over Paris Army Talks. Theodor Blank, Chancellor Adenauer's military adviser, is pessimistic about the European Army talks now in progress in Paris. He expects no concrete results from them because the French, still obsessed with a Maginot Line complex, want only fortress troops and have made it obvious that they will not allow German defense units large enough to play an independent military role, for fear the Germans will involve the French in a war to liberate the east German lands. Despite French agreement to committee discussions of mixed corps, the Germans were privately informed that France would never consent to such an arrangement. Blank also charged that the Germans had been "double-crossed" by the appointment of a French general after having been requested not to appoint a general officer to the German delegation. (S S/S HICOM Bonn 640, 20 Mar 51). COMMENT: The French are seeking agreement on a European Army in which the national units would be limited to the size of regimental combat teams, whereas the Germans think that the smallest national unit should be a division. Because of German reluctance to contribute to a European army, Blank may be attempting to fix the blame for a failure of the talks on the French.

"C" AUSTRIA. Proposal to Terminate Soviet Missions in Western Zones. US High Commissioner Donnelly recommends the termination of the Soviet repatriation missions operating in each of the three western zones. The missions have ceased legitimate repatriation functions and are now mainly intelligence and propaganda agencies which are involved in an increasing number of incidents. Donnelly believes that to be effective and avoid Soviet retaliation against any one power, action against the missions should be undertaken on a tripartite basis. Although he believes the British would be prepared to join the US in termination action, the French would probably hesitate. The Austrian Government would probably approve such action since the missions may endanger the security of measures to be undertaken shortly to strengthen Austria's security forces. Donnelly notes that the Soviets will undoubtedly react to a recall of the missions to the extent of refusing permits for the US Graves Registration Mission in the Soviet zone. (S Vienna 2073, 20 Mar 51). COMMENT: The Austrian Minister of the Interior had suggested previously the closing of these missions because of their espionage functions and the threat to the security of the gendarmerie expansion program. It is believed that the Soviet element attaches considerable importance to the continuation of the missions and Soviet retaliation may well include a general increase in Soviet intransigence regarding entrance into the Soviet zone.

SECRET

