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CENTRAL INTELLIGENCE AGENCY

22 November 1948

INTELLIGENCE MEMORANDUM NO. 87

SUBJECT: Soviet Financing of the French Coal Strike

1. The French Interior Minister publicly informed the French Assembly on 16 November that the "Banque Commerciale pour l'Europe du Nord" was one of the Soviet instruments for financing the French coal strike. He further described the bank as owned almost entirely by two Soviet banks.
2. Information available to CIA indicates that the "Banque Commerciale pour l'Europe du Nord" is in fact an instrument for Soviet financial transactions. It maintains a balance in US banks, and on 3 August 1948 had \$2½ million on deposit in the US. The "Banque", which was established in 1921, is located at 21 Rue de l'Arcade, Paris, 8, and is managed by Charles Hilsum. Its New York correspondent is the Chase National Bank. (Additional data on this institution is anticipated shortly.)
3. The extent to which the "Banque" was used by the USSR to finance the French coal strike cannot be measured by considering the funds transferred to the "Banque" in recent months, because Soviet diplomatic officials have apparently also been used to effect covert transfers of Soviet funds to the French General Confederation of Labor (CGT). Covert transfers of funds have probably averaged \$100,000 a day, the sum which a French Communist leader declared to be the minimum required for the success of both the coal and dock strikes. Overt assistance to the French strikers from miners' organizations and other sources outside France have totaled only a little over \$900,000. The CGT has publicized substantial donations from labor groups within France, but the amounts so contributed indicate that a major portion of these monies were actually covert contributions from Soviet sources which the CGT has attempted to conceal under the guise of local financial assistance for the strikes.
4. The most recent data indicates that the CGT will continue to receive sufficient Soviet financial aid in augmentation of its own funds to permit it to pursue indefinitely, if necessary, the current campaign of partial and "rotating" strikes.

Document No.
 NO CHANGE in Class.
 DECLASSIFIED
 Class. CHANGED TO: TS S C
 DDA Memo, 4 Apr 77
 Auth: DDA REG. 77/1763
 Date: 14/11/77 By:

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