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PSB D-16/a
15 November 1951
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REPORT
ACTIONS TAKEN, UNDERWAY, OR IMMEDIATELY PRACTICABLE
FOR
THE REDUCTION OF COMMUNIST POWER AND INFLUENCE IN
FRANCE AND ITALY

NSC review completed

This Report and the Attached
Statement of Policy
were Approved by Action
of the Psychological Strategy Board
on November 15, 1951

State Dept. review completed

(This is an Approved Guidance)

MORI/CDF Pages 1-12

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PSYCHOLOGICAL STRATEGY BOARD

Statement of Policy

Reduction of Communist Power and Influence
in France and Italy

1. In support of approved national policy, the following is furnished to the departments and agencies concerned for guidance in the development of current plans and actions:

Objectives

To reduce the strength of the Communist Party, including its material resources, international organizations, and influence in the French and Italian Governments, as well as its appeal to the French and Italian people, so that it will no longer constitute a threat to the security of France and Italy and the objectives of the United States.

2. The departments and agencies concerned will:

a. Support relevant anti-Communist actions now being taken by the French and Italian Governments.

b. Employ, where practicable, moral, economic, and political pressures available to the United States to the end that the French and Italian Governments will move vigorously toward the fulfillment of the above objectives.

c. Conduct their activities in France and Italy, to the extent practicable, in a manner which will assist in meeting the above objectives.

d. Provide, under the general direction and control of the Ambassadors to France and Italy, coordinated actions in furtherance of the above objectives.

3. The Department of State will:

a. Request U. S. Ambassadors in Paris and Rome, in their discretion, to establish with each Embassy a panel or committee comprising representatives of the agencies represented on Panel C to plan and coordinate action approved by the PSB.

b. Request the two Ambassadors to report to the State Department from time to time on developments, including the effectiveness of various planned actions and the possibilities for further action. The Department will arrange for the distribution of these reports to the representatives of the other agencies represented on Panel C and to the Director of the Psychological Strategy Board.

4. Psychological strategy plans in implementation of the foregoing will be furnished at an early date. Pending their issuance, the actions outlined in the attached report "Actions Taken, Under Way, or Immediately Practicable" will be developed by departments and agencies concerned.

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FRANCE

I. Actions by the French Government

A. Repressive Measures to Combat Communist Strength.

1. Internal Security.

- a. Decree of Sept. 30, 1950, calling for reorganization of the internal security system to cope with Communist fifth column in the event of a national emergency, should be fully implemented. Action: State.
- b. French should improve enforcement of, as well as strengthen, existing legislation on military indiscipline and sabotage. Action: State, assisted by Defense.

2. Elimination of Communists from Key Positions.

- a. French policy is to remove Communists from top spots in public administration and the national economy. Progress has been relatively satisfactory, but further action is desirable. French should extend policy to cover Communists in lesser positions in civil and military service. Some of the areas requiring immediate attention: films, radio, atomic energy commission, ministries of defense, education and labor. Action: State.
- b. Elimination of Communist control over plant committees, shop delegates and the hiring and firing of longshoremen awaits an amendment to the law on collective bargaining, redefining trade union "representivity" to include unqualified adherence to the national defense. Action: State.
- c. Government should cease indirect subsidization of Communists who, as permanent trade union employees, are paid by the Government rather than the unions in the sphere of nationalized industry. Action: State.

3. General Proscriptive Measures.

- a. Leading international and foreign Communist organizations and fronts have been outlawed, but no action has been taken against French affiliates. Action: State.

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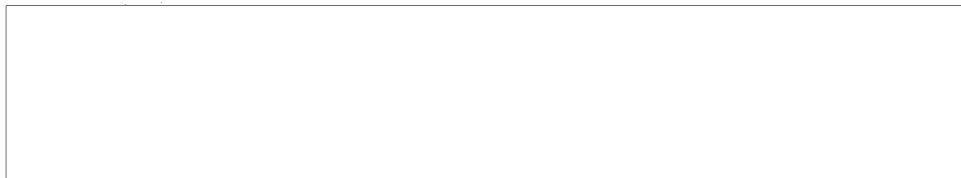
- b. Sale and distribution of Soviet and Cominform periodicals has been prohibited, but the prohibition requires vigorous continuing enforcement to be effective. State believes situation is satisfactory, but will seek confirmation from Embassy.
- c. Government has prohibited three French Communist and Communist front demonstrations. Embassy will watch situation and follow-up as necessary.
- d. Government has deported some foreign Communists, mostly Spanish, but should be stimulated to deport any others still in France.
Action: State.

4. Deviationism.

Discreet government assistance is being given to deviationist movement within CPF and CGT. Action: State.

B. Positive Measures to Combat Communist Appeal.

1. Propaganda.



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2. Productivity.

Government, aided by MSA, should carry on a broad program to increase industrial productivity, working through a national productivity board composed of management, labor, consumer and government members. In the process, government should encourage non-Communist labor unions to work together in a joint organization to support the productivity drive, and in its wake to strengthen the hold of these unions on French labor.
Action: MSA and State.

3. Economic.

Government should ship military and economic aid cargoes from the U. S. (where title is taken in the U. S.) through ports selected so that port operations would militate against Communist strength. Action: State, assisted by Defense.

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II. Actions by the U. S. Government

A. Repressive Measures to Combat Communist Strength.

1. Efforts to discredit Communist front and Communist supported propaganda and political organizations are now being made through USIS and ECA information programs. Present efforts will be intensified. Action: State, MSA, CIA.
2. U. S. will encourage a French program to destroy Communist leadership in French trade unions and to build up non-Communist unions. MSA will exert leverage through its productivity drive, and Embassy will continue to furnish assistance through labor attache. Action: State, MSA, CIA.

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B. Positive Measures to Combat Communist Appeal.

1. Public Opinion.

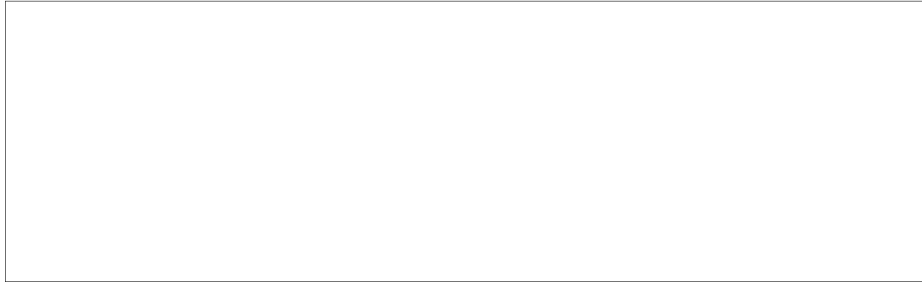
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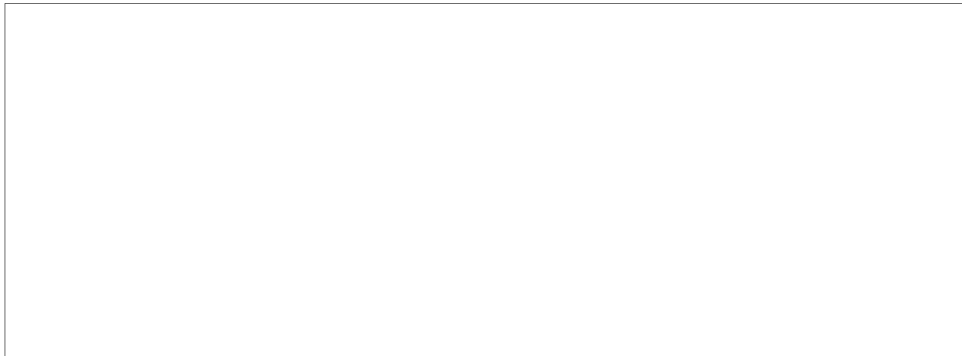
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- e. Military Departments can, in connection with personnel stationed or on leave in the country, adopt programs which:
 - 1. Through positive troop attitudes, public relations programs, local youth activity projects and similar measures, generate good will and strive to weaken Communist strength.
 - 2. Will minimize the adverse propaganda potential of the utilization, if any, by these garrisons of housing, services or facilities which impinge on the indigenous requirements for these items.
 - 3. Through positive forward steps (consultation and cooperation with French authorities, surveys of native public opinion, troop information and education programs, etc.) will forestall adverse criticism arising from force operations and training activities, personnel conduct, etc. Action: Defense.
- f. The U. S. will intensify demonstrations of Western strength of purpose and military capabilities, as in fleet visits and aerial shows, etc. Action: Defense.

2. Political



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3. Economic

- a. The U. S. will carry out the MSA Production Assistance Program, involving national production centers, demonstration plants (with technical and financial assistance and full attention to the distribution of benefits to labor and consumers), and a broad supporting psychological-informational program. Action: MSA, State.
- b. The U. S. will encourage and aid non-Communist unions to swing in behind the productivity operations in industrial plants and, adopting productivity objectives as their platform and working unitedly rather than competitively, to carry on vigorous membership campaigns. Action: MSA, State.
- c. MSA will approve release of counterpart funds with a view to promoting French defense production in such a way as to foster more efficient production, higher wages and better working conditions for workers, lower prices for consumers, better management-labor relations, increased strength of non-Communist unions. This will involve discrimination, in so far as is practicable, in favor of cooperative plants and labor unions and against the non-cooperative (including Communist dominated plants and unions). Action: MSA, State.
- d. U. S. military and MSA will conduct off-shore procurement of supplies in France to promote, in so far as practicable, the objectives cited in c, above. Action: Defense, MSA, Agriculture.
- e. U. S. military will, as far as possible, influence selection of ports and port facilities for military aid cargoes in such a manner as to discriminate, as far as possible, against Communist-dominated unions and areas and to strengthen the non-Communist. Action: Defense.

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ITALY

I. Actions by the Italian Government and Democratic Elements.

A. Repressive Measures to Combat Communist Strength.

1. General Approach.

In general, government should treat Italian Communists as Communists rather than Italians and discriminate against them through legislative and administrative harassment, suppression and control. Communists were hampered in their efforts to get to the Berlin Youth Festival, and the government is beginning to enforce documentation requirements on merchandise exported by Communist-run trading firms. Further steps should be taken, as for example the denial of customary passes or rebates on rail fares for Communist delegates to trade union conventions. Action: State.

2. Elimination of Communists.

Efforts should be increased to remove Communists and fellow travelers from national, regional, provincial and municipal payrolls, with immediate attention given to Defense and Interior Ministries; from executive positions in government-controlled industries; from labor employment advisory boards and other positions representing workers' interests. National government has made some progress in this respect since June, 1947, as in the Ministries of Transportation and Defense, but substantially more progress is needed at all levels of the government. Action: State

3. Schools

Communist "activist" schools should be suppressed; this may require a new law. Action: State.

4. Arms Caches

Effective legal action should be taken against those engaged in the illegal movement and caching of arms. Government has been

vigorous and efficient in detecting and confiscating arms caches, but has taken little or no action against the responsible parties.

Action: State.

5. Labor Discrimination.

The government should provide that only non-Communist-organized labor shall be employed in ports, industrial establishments or other facilities which are handling, manufacturing or processing U.S. materials. The Prime Minister has already been urged to do this; it has been accomplished at the port of Leghorn. Action: State, assisted by Defense.

B. Positive Measures to Combat Communist Appeal.

1. Propaganda

Government should engage in aggressive propaganda, with the help of a more effective information program, to counteract the false and subversive utterances of the Communist press and other media, to expose the real nature of Communism and to encourage enthusiasm for democracy. Some progress has been made with the appointment of a new director of information. Action: State, MSA, CIA.

2. Protection

More effective action should be taken to protect individuals against Communist intimidation. This is one facet of the general problem of hoodlumism and calls for concerted government action. Action: State.

3. Social and Economic

a. The government should pursue energetically a program of agrarian reform to cover land tenure, agricultural labor conditions, re-settlement, productivity and development. Aim should be to attract private investment in productive undertakings by the selective use of public funds in this field. International Bank and ECA are supplying funds in the latter respect.

Action: State, MSA.

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- b. Government program to provide adequate housing for Italians (financed in part by counterpart funds) should favor tenancy by non-Communists. Action: State, MSA.
- c. The government should pursue, in cooperation with the U.S., a program for increased industrial productivity, and at the same time take steps to increase the influence and membership of non-Communist labor organizations. ECA is in the process of negotiating productivity agreements, supported by the Embassy. Action: MSA, State, CIA.
- d. The government should enlarge its public works program to reduce unemployment. Some expansion is standard procedure during the winter months. Action: State, MSA.
- e. The government should take immediate action to improve labor legislation. Action: MSA, State.
- f. Government should ship military and economic aid cargoes from the U.S. (where title is taken in the U.S.) through ports selected so that port operations would militate against Communist strength. Action: State, assisted by Defense.

II. Actions by the United States Government

A. Repressive Measures to Combat Communist Strength.



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B.

1. Propaganda.



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3. Military

The U. S. will intensify demonstrations of Western strength of purpose and military capabilities, as in fleet visits, aerial shows, etc. Action: Defense.

4. Economic

- a. The U.S. will carry out the MSA Production Assistance Program, involving national production centers, demonstrations plants (with technical and financial assistance and full attention to the distribution of benefits to labor and consumers), and a broad supporting psychological-informational program. Action: MSA, State.
- b. The U.S. will encourage and aid non-Communist unions to swing in behind the productivity operations in industrial plants and, adopting productivity objectives as their platform and working unitedly rather than competitively, to carry on vigorous membership campaigns. Action: MSA, State.
- c. MSA will approve release of counterpart funds with a view to promoting Italian defense production in such a way as to foster more efficient production, higher wages and better working conditions for workers, lower prices for consumers, better management-labor relations, increased strength of non-Communist unions. This will involve discrimination, insofar as practicable, in favor of cooperative plants and labor unions and against the non-cooperative (including Communist-dominated plants and unions). Action: MSA, State.
- d. U.S. military and MSA will conduct off-shore procurement of supplies in Italy to promote, insofar as practicable, the objectives cited in c. above. Action: Defense, MSA, Agriculture.
- e. U.S. military will, as far as possible, influence selection of ports and port facilities for military aid cargoes in such a manner as to discriminate, as far as possible, against Communist-dominated unions and areas and to strengthen the non-Communist. Action: Defense.

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Noted by DCI
30 Oct 52 - DJE

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October 27, 1952

A G E N D A

Sixteenth Meeting of the
PSYCHOLOGICAL STRATEGY BOARD
to be held
October 30, 1952 2:30 P.M.
Director's Conference Room
Administration Building
Central Intelligence Agency

1. Program of Psychological Preparation for Stalin's Passing from Power, with Special Reference to Conflicts in the Politburo (PSB D-24, October 27, 1952) (Revised draft distributed herewith)
For approval.
2. PSB Quarterly Report to the President and the National Security Council (PSB D-34) (Distributed October 27, 1952)
For approval.
3. Fiscal Year 1954 Escapsee Budget (PSB D-18a/5) (Distributed October 23, 1952)
For consideration and approval.

Charles E. Johnson
Charles E. Johnson
Secretary to the Board

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