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27 October 1949

MEMORANDUM FOR THE DIRECTOR OF

SUBJECT: Soviet Reaction to Alternative Courses of US Action on Austrian Treaty

Although it is by no means certain that the USSR will agree to an Austrian treaty under any circumstances, probable Soviet reactions to various alternative courses of US action are listed below:

(1) If the US accepts a treaty without regard to the prior existence of an internal Austrian security force:

The USSR would devote its major effort to the instigation of internal subversion and the increase of Soviet-Communist influence, primarily in the economic field. The USSR is unlikely to initiate widespread disorders, including Soviet/Satellite-supported guerrilla warfare, upon the withdrawal of occupation forces from Austria since such a course would be strongly countered by the western powers and would be regarded by the USSR as involving an undesired risk of war. Further, the capability of the USSR to create major disorders in Austria after the withdrawal of occupation troops is limited by the absence at present of any Communist force strong enough to be a serious threat to internal security. A further deterrent to drastic Soviet action is the Kremlin's probable belief that an economic crisis in the US will ultimately result in decreased western support of the Austrian Government, with a consequent increase in Soviet influence, perhaps enough to result in Austria's coming under Soviet control by default.

(2) If the US accepts the treaty but delays ratifications

The USSR would exploit western delay in ratification as proof of its charges that the West does not actually desire either to conclude an Austrian treaty or to relinquish its military bases in Austria. At the same time, such delay would provide the USSR with continued justification for maintaining "line of communication" troops in Hungary and Rumania as pressure against Yugoslavia.

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(3) If the US accepts the treaty only after measures have been taken — without Soviet approval — to Create an Austrian Army or to expand the present gendarmerie training program:

If steps were taken to create an army, the USSR would probably refuse to agree to a treaty; would probably refuse to ratify the treaty if agreement had already been reached; and would probably declare a treaty null and void if Noscow had already ratified it. In addition, the Soviet Union would probably retaliate by equipping pera-military forces and making an all-out effort to organize an effective subversive force in the Soviet Zone. Expansion of the present gendarmerie to proportions approaching those contemplated for the army would provoke a simi-

(4) If the US accepts the treaty and attempts to obtain Soviet agreement to permit Austria to organize its army before the treaty comes into force:

The USSR is not likely to consent to the organization of an Austrian Army before a treaty comes into force.

(5) If the US seeks modification of the treaty terms regarding the withdrawal of occupation troops:

The USSR is not likely to agree with the proposal that Article 33 of the treaty be modified to permit occupation troops to remain for that occupation troops must be withdrawn 90 days after ratification.) If the USSR should agree to such a modification, it would probably insist on changes in other agreed treaty articles.

(6) If the US refuses to conclude the Austrian treaty at this

The USSR would utilize continued occupation to exploit the Austrian economy and would capitalize on the lowered Austrian morale resulting from the failure to conclude a treaty. The USSR would also attempt to increase its subversive potential and infiltrate Austrian political and economic organizations, but

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probably would not expect continued occupation to win Soviet control. Although the USSR has the capability to partition Austria and blockade Vienna, it probably will not resort to such drastic action.

Assistant Director for Reports and Estimates

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IM #246 assigned by D/Pab - 4 Nov for reference purposess.
This matter was cleared with

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