October 29, 1948

SUMMARY OF TELEGRAMS

AUSTRIA
Informed Hungarian opinion is hardening in the conviction that the USSR is now committed not merely to continuing the policy of "perpetual world crisis" but actually to planning war in the near future, according to our Minister in Budapest. These sources consider that recent events in Europe, interpreted in terms of Soviet psychology and Marxist ideology, provide evidence of war which it would be dangerous to disregard. According to this theory, the Soviets rejected the possibility of a compromise over Berlin after the fall of the German government in France demonstrated the weakness of the "third force" and indicated that the situation in France was favorable to Communist objectives. The Hungarians also assume that war between east and west is inevitable and that time is now working in favor of the west. Therefore they conclude that Moscow must initiate armed hostilities, though this will be done, in order to square with Marxist theories and to ensure the support of the working class, only after a buildup which clearly suggests that the west is the aggressor. The Hungarians feel that the Soviets may seek their opening by provoking such chaos and confusion that the USSR would have a pretext for taking action "to defend the workers' rights".

SCANDINAVIA
Ambassador Matthews reports various indications that the Swedes are considerably exaggerating their own military strength in an effort to persuade the Norwegians and Danes to join in a Scandinavian defense alliance based on neutrality. But only do the Swedes appear to be honestly convinced of their ability to provide strong resistance to the USSR but there is also evidence that they are deliberately attempting to convince their neighbors that Sweden's ability to give them protection should not be tossed away in return for association with a western defense system which is unable to provide them with armaments.