



State Dept. review completed

DIA review(s) completed.

ARMY review(s) completed.

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TOP SECRET

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CONFIDENTIAL
GENERAL

1. Soviet replacements enter Austria--According to US Delegation ACC Hungary, no troop trains have crossed Hungary from Austria since those of 1-2 December which carried about 3,500 men [redacted] [redacted] During the past five days, however, three trains have passed through Hungary from Rumania into Austria carrying about 2,500 troops, apparently replacements.

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2. No evidence of Soviet demobilization in Poland--According to US Military Attache Warsaw, there is no evidence that Soviet troops in Poland are being demobilized or that Soviet troops have traversed Poland from Germany to the USSR.

EUROPE

3. POLAND: Troops deployed in preparation for elections--US Military Attache Warsaw reports that detachments of Polish troops are gradually being stationed in many cities and villages to maintain order during the 19 January elections, and possibly to force voters to the polls. The MA adds that Polish troops are also being used in increasing numbers to liquidate illegal bands.

4. HUNGARY: President Tildy to visit Moscow--US Minister Schoenfeld reports that President Tildy will leave this week for Moscow, reportedly to ascertain the extent of Kremlin participation in current Communist pressure against the non-Communist and majority Smallholders' Party. Schoenfeld states that Tildy is "overpowered by fear" and favors full concessions to the Communists. Premier Nagy, on the other hand, believes that the Communists are bluffing, that any concessions now would only grant a brief respite, and that support of Communist tactics by local Soviet officials is without Kremlin sanction.

5. GERMANY: Soviet-operated plants tax-free--Acting US Political Adviser Heath has received information he believes reliable that the approximately 220 leading industrial concerns comprising the "Soviet Industries, A.G." were greatly undervalued by the Soviet authorities and have been declared exempt from property and capital taxes. The "Stakanov" piece-work pay system reportedly has been instituted in these plants.

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NO CHANGE in Class.
 DECLASSIFIED
Class. CHANGED TO: TS S **(C)**

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6. **DENMARK: Foreign Office "agitated" by "Greenland matter"**--The Danish Foreign Office has informed US Minister Marvel that it feels the "Greenland matter" cannot remain obscure much longer. The Foreign Office is "quite agitated" by a US request for a joint US-Danish mapping survey of Greenland because it feels that public opinion and Soviet pressure require action terminating US activities in Greenland rather than instituting new ones.

NEAR EAST-AFRICA

7. **IRAN: Surrender of Azerbaijan forces reported**--US Ambassador Allen reports that the Iranian Minister of War received a telegram of surrender from Azerbaijan leaders Pishevari and Djavaid at 1400 hours on 10 December. Azerbaijan forces reportedly have been ordered to cease fighting. No further details are available.

FAR EAST

8. **KOREA: Rhee's mission to the US**--General Hodge warns that Dr. Syngman Rhee's campaign against the Moscow Decision and for UN recognition of an independent South Korea may disrupt the coalition of Left and Right in the US zone and wreck US policy for Korea. Rhee claims that by maintaining a balance of power between Left and Right in South Korea the US is actually favoring the Communists who hold an uncontested preponderance in North Korea. General Hodge believes that while Rhee may be acting from patriotic motives, his actions may in fact be based upon a realization that the implementation of the Moscow Decision would eliminate his chance of being the first president of Korea. (Rhee, South Korean rightist leader, is on his way to the US;

[REDACTED]

9. **CHINA: Opinion in Kalgan critical of former Communist control**--A US Foreign Service officer who recently visited the former Chinese Communist stronghold of Kalgan (reoccupied by the Nationalists early in October) reports that the former Communist regime failed to win mass popular support. The Communists' most serious blunder was the destruction of industry upon withdrawal, an error which alienated the class of people the Communists had tried hardest to win over.

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THE AMERICAS

10. VENEZUELA: President comments on rumors of revolution--US
Ambassador Corrigan reports, in connection with rumors of an
imminent revolutionary movement led by ex-President Lopez
Contreras, that Junta President Betancourt and his Minister of Defense
assure him there will be no disturbances.

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