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CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

DAILY DIGEST

Date: APR 23 1951

- NOTE:
1. This summary of significant reports has been prepared primarily for the internal use of the Office of Current Intelligence. It does not represent a complete coverage of all current reports in CIA or in the Office of Current Intelligence.
 2. Comments represent the preliminary views of the Office of Current Intelligence.
 3. Marginal letter indications are defined as follows:
 - "A" - items indicating Soviet-Communist intentions or capabilities
 - "B" - important regional developments not necessarily related to Soviet/Communist intentions or capabilities
 - "C" - other information indicating trends and potential developments

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SECTION 1 (SOVIET)

"A" USSR. Construction of "Heavy Bomber" Base Near Toyohara, Sakhalin Completed in March 1951. A recent report states that the USSR (1) completed construction of a "heavy bomber" base near Toyohara, Sakhalin at the end of March 1951; (2) plans to construct an airfield at the former "race course" east of Toyohara. According to the report, Japanese "unit members," trained in Manchuria since 1945, are placed under Soviet Army control and are being moved to Vladivostok, Nikolaevsk and Suchan. Japanese engaged in shipbuilding and railways are exempt from this order, as are electric and machine engineers. Japanese "units" in Manchuria are gradually being moved to Sakhalin, while former Japanese soldiers in Southern Sakhalin are being moved to Odomari, Toyohara and Rutaka. JOINT WEEKA COMMENT: Previous reports indicate construction and/or augmentation of airfield facilities in the Toyohara area; but there is no information to indicate completion of a heavy bomber base as such. Numerous reports indicate the possible utilization of Japanese by Communists but lack confirmation. (S JOINT WEEKA 16 Tokyo, 20 Apr 51). COMMENT: There is nothing to confirm the above report of a "heavy bomber" base near Toyohara. While it is known that some Japanese POW's, mainly technicians, are with the Chinese Communist forces, there is no confirmation for this and other reports that the USSR has trained and equipped Japanese POW's in Manchuria and Sakhalin for future use against Japan. The rumored formation of an Asiatic or international "volunteer" force for Korea would make possible the inclusion of Japanese POW's in such a force.

"B" EASTERN EUROPE. HUNGARY. Vogeler to be Released. According to Budapest press reports, the Hungarian Govt announced on 21 April that it was releasing Robert A. Vogeler, American businessman who has spent the last 17 months in prison after having been convicted on charges of espionage. The announcement stated that his release had been granted in return for the satisfaction of "various just Hungarian claims." The whereabouts of Vogeler were not known to the press as of 22 April, and the US Leg in Budapest also announced that it did not know where Vogeler was located. (U NYT, 22 & 23 Apr 51). COMMENT: The Hungarian demands, to which the US Government tentatively acceded in June 1950 in an effort to bring about Vogeler's release, were (1) the restitution of certain Hungarian property in Germany which reportedly included the Crown of St. Stephan, (2) the reopening of the Hungarian consulates in Cleveland and New York, and (3) the removal of the ban on the travel of Americans in Hungary. Although, as a result of a leak concerning the negotiations, considerable pressure was brought to bear by Catholic and Hungarian emigré groups not to return the Crown of St. Stephan, and although the US Govt assured the Hungarian Govt that it was prepared to fulfill its commitment, the Hungarian Govt suddenly demanded an additional prerequisite. This was

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a demand that the VOA Hungarian language broadcasts be stopped because they were allegedly interfering with a Hungarian radio station.

- "B" POLAND. Specialist Registration in Progress. A military registration of certain categories of specialists, such as doctors, engineers, and some over-age categories having special aptitudes, is reported to be underway in Poland. The US Emb Warsaw suggests that this registration is being used to check information submitted in other recent registrations, such as the Dec 1950 census or the registration of all inhabitants held from mid-January to mid-April 1951. (See OCI Daily Digest, 24 Mar 51). (S Warsaw 826, 20 Apr 51). COMMENT: There have been registrations during the past year of special groups in Poland such as engineering students, registered pharmacists, doctor's assistants, nurses, dental technicians, and owners of X-ray apparatus. However, these were not registrations for strictly military purposes, as is the one reported above.
- "B" Polish President Arrives in Berlin. The President of Poland arrived in Berlin on 22 April for a much publicized official visit, whose aim is the further consolidation of Polish-East German cooperation. The Polish President's visit is on the invitation of the President of the GDR, who was "deeply impressed with his cordial reception during his State visit to Warsaw" last December. (R FBIS ticker, 21 Apr 51). COMMENT: This is the first state visit by President Bierut to the East German Govt, though the President of the GDR, Pieck, has made several visits to Warsaw since the formation of the GDR. Bierut's visit is symptomatic of the continuing strong efforts to speed East Germany's integration with the Satellite orbit.
- "B" YUGOSLAVIA. Bulgarian Exile Committee in Yugoslavia. Unverified stories are circulating among Bulgarian refugees in Trieste that Yugoslav authorities have been partially successful in organizing a Bulgarian emigré organization to conduct espionage and propaganda activities against the Sofia regime. According to these stories a meeting between Bulgarian refugees and representatives of the Yugoslav Govt was held in Belgrade in January 1951, at which time the committee was successfully formed. As possible evidence that the Yugoslavs have met with some success in recruiting members for this organization, the US Political Advisor in Trieste notes that there has been a marked decrease during 1951 in the number of Bulgarian refugees arriving in Trieste from Yugoslavia. Recent Yugoslav press reports, however, state that Bulgarian refugees are arriving in Yugoslavia in increasing numbers and that more Bulgarian refugees have entered Yugoslavia in the first three months of 1951 than in the whole of 1950. The US Political Advisor in Trieste points out that a Yugoslav-sponsored Bulgarian refugee committee would be advantageous to the Tito regime in the following respects: (1) as a counter to the efforts of G.M. Dimitrov's Bulgarian National Committee to dominate Bulgarian exiles, (2) as the nucleus of a Yugoslav-controlled

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government for Bulgaria should the Cominform regime ever be driven out, and (3) as a base for converting newly arrived refugees into Yugoslav agents and for conducting anti-Bulgarian Cominform propaganda from Yugoslavia. (S Trieste D-302, 23 Mar 51). COMMENT: Within the Yugoslav Ministry of Foreign Affairs an organization exists which is known as the "Institute of International Affairs," headed by Ivan Karaivanov, a Bulgarian Communist with 20 years training in the USSR who fled to Yugoslavia following the Cominform break in June 1948. Although little is known about the Institute and its activities, persons assigned to it are said to have had intimate experience with Yugoslavia's satellite neighbors and presumably are masterminding Yugoslav intelligence and subversive activities within adjacent satellites. It is possible that the Institute is directing the organization and activities of the Bulgarian exile Committee in Yugoslavia.

"B"

Yugoslav Report on Satellite Military Activities. Admiral Manola, Deputy Chief of Staff of the Yugoslav Army, has informed the US Air Attache that those portions of the Hungarian classes of 1923-26 which were previously deferred for political unreliability and physical disabilities, are being called up for military training. Manola claimed that Hungary plans to build an army of 200,000 by the end of 1951. He further stated that there has been no change in the disposition of Soviet troops in Bulgaria, Rumania, and Hungary, except for one motorized Soviet Division located at Arad and Timisoara which had moved in the past 5 days to Lugo (50 miles east of Timisoara). The Air Attache reports that Manola gave the impression of concern regarding the possibility of an attack on Yugoslavia this spring. (S Belgrade YUG 372, 19 Apr 51). COMMENT: Manola is reportedly Director of Yugoslav Military Intelligence and is apparently the channel by which the Yugoslavs pass on military information to the US service attaches. The reported call-up of previously deferred men is in line with previous reports of their registration and examination. The Yugoslavs have previously estimated the current size of the Hungarian armed forces as 165,000 in contrast to US official estimate of approximately 75,000. An earlier report has revealed that Soviet units in western Hungary have just moved to their field training areas, and it is likely that the movement to Lugo represents a similar development in Rumania.

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SECTION 2 (EASTERN)

"C" SAUDI ARABIA. Negotiations for a Loan from Chase National Bank. US Ambassador Hare in Jidda reports that Vice President Locke of the Chase National Bank has received a proposal from the local Arab bank for an advance to the Saudi Arabian Government against anticipated June tax receipts from the Arabian-American Oil Company (ARAMCO). Locke, who is inclined to view the request favorably, told Hare that he had already offered to advance \$10 million against anticipated tax receipts of about \$12 million, but had not as yet received an answer. (C Jidda 617, 19 Apr 51) COMMENT: The Saudi Arabian Government, despite its rather considerable income from ARAMCO, has not managed to budget effectively its expenses. Hence it is almost constantly in financial straits and as a result is inclined to attempt periodically to press ARAMCO for more money under one pretext or another.

"B" IRAN. Extreme Nationalists and "Communist-led" Students Clash. High School and University students, allegedly Communist-led, clashed with adherents of the National Front and Fedayan Islam (extreme Nationalist groups) on 22 April in Tehran. The students, who were demonstrating against the killing of strikers in the southern oil fields, demanded nationalization of oil and proclaimed "Death to British and American imperialism." The Nationalists charged that the students were inspired by the outlawed pro-Soviet Tudeh Party, and that they would turn Iran's oil riches over to the USSR. (U NY Times, 23 Apr 51). COMMENT: National Front criticism of the students is in line with other recent indications that National Front leaders (who have spearheaded the movement to nationalize Iranian oil) have become seriously concerned over the unrest in Iran, which has followed Parliament's approval of the nationalization of Iran's oil resources, and have, temporarily at least, decided to moderate their support of this move. Although the Tudeh has hitherto confined itself to exploiting the situation by stirring up the Nationalists, there has been a noticeable tendency recently on the part of many Iranians to blame the Tudeh for many of the recent disturbances. This attempt by the students to keep agitation on the oil issue at fever pitch may pave the way for a government crack-down on Tudeh activities.

"A" PAKISTAN. Government Apparently Aware of Soviet Menace. On 22 March 1951, Mohammad Ikramullah, Secretary of the Ministry of Foreign Affairs, informed US Ambassador Warren that his Government was investigating all aspects of Soviet activity in Pakistan, especially propaganda. Mr. Ikramullah stated that, after the investigation was completed, he had the permission of the Cabinet to tell the Soviet Ambassador that Pakistan would permit only such Soviet activity in Pakistan as was allowed Pakistanis in the USSR. The Government then planned to close bookstalls and propaganda distributing agencies employed by the Soviets and to cancel all their mailing lists. (S Karachi Desp. 862, 24 Mar 51). COMMENT: The Government of Pakistan,

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which has been slow to recognize the dangers of Communism in an Islamic country, now appears to be fully aware of them. It may be that Communist implication in the recent military plot to overthrow the Government (See OCI Daily Digests, 10, 13, 22 Mar, 11 Apr 51) has sharpened the Government's interest in the subject.

"C" INDIA. Indian Communists Allegedly Make First Open Contact with Chinese Consul General in Calcutta. [REDACTED] on

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21 February three prominent Indian Communists, Jyoti Bose, Ratanlal Brahman, and Subhas Mukherjee, attended a reception given by Yao Chung-k'ang, Communist Chinese Consul General in Calcutta. Three unnamed members of the Soviet Trade Agency in Calcutta were also said to be present. [REDACTED]

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Comment: This is the first open contact between members of the Indian Communist Party and the Chinese Consul General. [REDACTED]

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[REDACTED]. COMMENT: Soviet officialdom in India has always scrupulously avoided direct contact with Indian Communists. In Burma, Chinese officials have overt relationships with members of the Communist-front Workers and Peasants Party, but they do not openly associate with Burmese Communists. The above report should therefore be treated with reserve until the pattern of expanding Chinese activity in India becomes more clear.

"A" INDONESIA. Chinese Communist Consul Arrives in Medan. The recently-appointed Chinese Consul to Medan, Sumatra, arrived 19 April and was given a highly enthusiastic reception, including a public rally and a 100-car parade through streets where large numbers of Communist flags were flown. Enthusiasm of the reception justifies the prediction of intensified Chinese Communist activities with the opening of the consulate. (R Medan 92 19 Apr 51).

COMMENT: Three other Chinese consulates have been opened on the islands of Java, Borneo, and Celebes.

"C" INDOCHINA. Co-ordinated Rebel Offensive Predicted. [REDACTED]

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[REDACTED] military forces of Ho Chi Minh's Democratic Republic of Vietnam (DRV) were to launch a heavy coordinated attack between 20-25 April. DRV forces in more than division strength were to attack southward against the apex of the Delta triangle and in a north-easterly direction against the south leg of the triangle. [REDACTED]

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COMMENT: French-Vietnamese forces have held the initiative during the past ten days and are currently engaged in extensive mopping up operations within the southern perimeter of the Delta defenses. The predicted attack by the DRV has not yet been reported as having been launched and may well have been cancelled or postponed as a result of the current French operations. In any case, it is unlikely that the mission of a DRV offensive amounts to more than seizure of food stocks, the inflicting of casualties and the disruption of French plans.

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- "B" INDOCHINA. De Lattre Pledges Withdrawal of French Troops. In the course of a French-Vietnamese celebration northwest of Hanoi, General De Lattre assailed "those who suspect that French troops intend to remain in Indochina any longer than militarily necessary". (C Hanoi 591, 20 Apr 51). COMMENT: De Lattre's statement appears to be a more straight-forward declaration of France's intention to withdraw its troops from Indochina than has been made by any high French official in the past. The verbatim text of De Lattre's statement is not yet available, however, and it is possible that his statement contains reservations about the French Union. The French-Vietnamese agreements provide that the French shall have military bases in Vietnam and that a "state of peace" shall be proclaimed only when both parties to the agreements agree that "peace" exists.
- "C" Bao Dai Endorses Regional Defense Pact. Bao Dai recently told journalist Edgar A. Mower that Cambodia, Laos, Thailand, Burma, Indonesia, perhaps the Philippines and possibly India should organize some sort of regional defense pact against Communist aggression. He pointed out, however, that before such a pact could be considered it would be necessary that Burma, Indonesia and India recognize the State of Vietnam. (S Saigon 1870, 20 Apr 51). COMMENT: This is the first time that Bao Dai has endorsed such a plan. It is possible that his primary objective is to encourage Western pressure on the last-named governments to recognize his Government.
- "B" Viet Official Decries French Recruiting Policy. Bao Dai's chief civil aide, Nguyen De, complained to Minister Heath that General De Lattre had recruited 7,000 additional Vietnamese for French Union forces, which action, Nguyen De intimated, was in violation of French commitments to further the formation of a Vietnam National Army. Heath replied that the US desire to encourage the formation of the National Army was evident from the US commitment to provide most of the equipment for its planned 3 $\frac{1}{2}$ divisions, but that French recruiting is justified by the present emergency and by the failure of the Vietnam Government to designate a full-time Minister of Defense. (S Saigon 1870, 20 Apr 51). COMMENT: Despite the ostensibly high priority which the formation of a National Army has been accorded, very little has been done about it--partly because of the confusion which reigns in top-level Vietnamese politics, and partly because of French reluctance to tolerate any rival force, however potent its anti-Communist nature.
- "C" CHINA. Party Relations with Populace. US Consul General in Hong Kong forwards conclusions based on interviews with some 40 missionaries and businessmen from Communist China. Sources report that (1) the relative harshness of the administration varies notably, with Shanghai, Peiping and the Northwest the most favored and Szechuan and other southern provinces the most oppressed; (2) there has been a "great intensification" of the campaign against dissidents during 1951; (3) anti-Communist guerrilla activity is gradually decreasing; and (4) Communist officialdom is becoming

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increasingly isolated from the populace. (S Hong Kong 3042, 17 Apr 51). US Minister at Taipei, summarizing information obtained from travellers from Communist China, reports that (1) popular dissatisfaction with the Peiping regime has grown in recent months as a result of heavy casualties in Korea, excessive taxation, police-state oppression in general and the current purges in particular, but (2) there is no indication of an imminent split in the regime or of any considerable active resistance to it by the Chinese masses. (S Taipei 1455, 19 Apr 51). COMMENT: These accounts support each other and are both supported by information from many other sources. Available evidence indicates that the Communist administration will become uniformly harsh; that more than a million dissidents will be liquidated, and most of the guerrillas suppressed, during 1951; that the cleavage between governors and governed will continue to grow, and popular dissatisfaction to mount; but that the regime will not split or be overthrown in the near future.

"A" KOREA. Communist Offensive in Korea Begins. The DA-CINCFE teleconference of 23 April reports that "Hostile activity along the UN central front characterized by coordinated night attacks of battalion and regiment strength following artillery preparation. Enemy penetration made in the US I and IX Corps zones (in western and central Korea)." (S DA-CINCFE Telecon 4630, 23 Apr 51). COMMENT: Early tentative field reports indicate that enemy pressure is being exerted on ROK units by the North Korean I Corps west of the Imjin river in the west, by an unidentified Chinese Communist unit in the Uijongbu corridor, by the Chinese Communist 20th Army north of Chunchon, and by the North Korean III and V Corps in the east. It is possible that those initial attacks by well-identified Communist units on 22 April are a diversionary prelude to a full-scale offensive to be launched on 23-24 April by other Chinese Communist units down the Uijongbu corridor in the west.

"A" New Chinese Communist Major Unit May be in Line in Western Korea. A badly wounded Chinese Communist prisoner captured on 22 April in western Korea identified his unit as the Chinese Communist 34th Division, 12th Army 3rd Army Group. The prisoner stated that his division would attack on the night of 22-23 April. (S DA-CINCFE Telecon 4630, 23 Apr 51). COMMENT: This Second Field Army unit has been reported in or enroute to Korea since early this year. The tentative identification of the Chinese Communist 3rd Army Group in western Korea along the Uijongbu corridor, coupled with the known presence of the newly-arrived 18th and 19th Chinese Communist Army Groups in this area, indicates a heavy concentration of the best Chinese Communist forces in Korea in the west. The recent appearance of all of these units in the line and the heavy attack experienced on 22-23 April indicates that the long anticipated Communist "Spring" offensive has begun.

"C" JAPAN. Conservative Trend Forecast in Local Elections. The major Japanese political parties will vie for control of local governments in two separate elections this week. Today's election will choose city and village

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assemblymen, while Governors, Mayors and Prefectural Assemblymen will be selected on April 30. (R FBIS Advance Ticker, 22 Apr 51). COMMENT: Although local elections do not normally hinge on national issues, attempts are being made by both the Conservative parties and the Socialists to interject the peace treaty and neutrality controversy into the campaign. Preliminary indications point to a strong conservative vote, which the Yoshida Government will interpret as approval for its pro-US policies, and rejection of the Socialist neutrality theme. Moreover, a Socialist defeat will tempt the Socialist leadership to drop the Party's neutrality and anti-bases platform in order to get into line with public opinion.

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Labor Denied Use of Imperial Plaza for May Day Celebration. The Welfare Ministry has denied the request of Sohyo, the non-Communist General Council of Trade Unions in Japan, to use the Imperial Plaza grounds on the 1st of May for its May Day celebration on the excuse that rallies of a political nature on these grounds are deemed undesirable. Sohyo has protested the decision and announced that it will nonetheless hold its May Day celebration on the Imperial Plaza. (U Tokyo 1811, 14 Apr, rec'd Washington 20 Apr 51). COMMENT: The Government's decision is probably motivated by the fact that previous May Day celebrations have been utilized by the Communists for demonstrations. It is probable that Sohyo will attempt to live up to its threat by staging some sort of "spontaneous" affair. Meanwhile, the Communists, in hopes of identifying themselves with a larger and more influential organization, have suggested a "united front" for May Day activities - a proposal which does not meet with Sohyo's favor.

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SECTION 3 (WESTERN)

- "C" GERMANY. Social Democrat Leader Urges Stronger Government Stand Against Communist-Sponsored Anti-Remilitarization Plebiscite. Herbert Wehner, Social Democratic Party (SPD) chairman of the Bundestag All-German Affairs Committee, in an April 20 meeting, severely criticized the Government's failure to take prompt and effective measures to suppress the new Communist-sponsored anti-remilitarization plebiscite, describing the propaganda moves planned or undertaken by the Government as "half-measures, too little and too late". Wehner urged that the Government (1) issue a clear statement at once declaring the plebiscite unconstitutional and illegal under Article 9 of the basic law, (2) request the Laender Interior Ministries to take police measures to suppress the plebiscite, and (3) if necessary to assure the legality of this action, notify the Laender governments that an emergency bill implementing Article 9 would be introduced and passed by the Federal Parliament next week. (S Bonn 756, 20 Apr 51). COMMENT: SPD leaders are reported to be seriously disturbed by Communist success in influencing SPD rank and file to support the plebiscite. The plebiscite drive has been particularly active in Rhineland-Palatinate, where it has so concerned the Land government that action has been taken against the circulation of plebiscite lists. (See OCI Daily Digest, 18 Apr 51).
- "C" AUSTRIA. US Communicates Views on WFTU Vienna Move. The US Legation in Vienna has been instructed by the State Department to inform Austrian Government and trade union leaders of US views that the move of the World Federation of Trade Unions (WFTU) headquarters to Vienna would be followed by the establishment of other Communist organizations there, in an effort to make Austria a center for front activities. The Department considers that the Austrian Government and the Trade Union Federation should take all possible action to prevent the WFTU from locating in Vienna, and stresses the need to force the WFTU to settle behind the iron curtain in order to underline Communist control of the organization. (S State to Vienna 2200, 20 Apr 51). COMMENT: Unless the Austrian Government should find legal grounds for excluding the WFTU headquarters, it is unlikely to take any action. Meanwhile press reports quote the head of the Austrian Trade Union Federation (which quit the WFTU in 1949) as saying that Austrian workers do not care where the WFTU locates its secretariat.
- "C" ITALY. Death of the Senate President Further Delays Italian Defense Program. The death of the venerable Ivanoe Bonomi (Independent), President of the Italian Senate, is causing a debate behind the scenes among the various parties as to who should replace him and, indeed,

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whether his successor should be a Christian Democrat. The position is one of great prestige and importance, in view of the slimness of the Government's majority in the Senate and the fact that the Senate President acts as pro-tem President of the Republic in the event of the latter's incapacity. (C Rome 4765, 20 Apr 51; U NY Times, 22 Apr 51). COMMENT: Bonomi's death will further delay Senate approval of the \$400 million rearmament program already passed by the Chamber. The Senate has adjourned until 28 April, when it will elect a successor. It will then adjourn again till 4 May at which time it will debate the recent Cabinet rearrangement. Although the Christian Democratic plurality in the Senate (151 seats out of 344) makes it probable that a member of this party will be elected, dissident forces within the Christian Democratic Party could bring about the election of a left or right wing Christian Democrat not necessarily sympathetic to the Government's position on domestic issues.

"C" NETHERLANDS. Results of Dutch Ministers' Conference at The Hague. At the meeting of the chiefs of the Netherlands missions in the Eastern European countries held at The Hague early last month, the diplomats agreed that the communizing of the youth of Eastern Europe is one of the most, if not the most, dangerous trends, but they were unable to suggest any effective antidote. The mission chiefs recommended that the Netherlands Government at least maintain skeleton staffs in as many curtain countries as possible, but because of pressure on the Government to curtail expenses, it has been decided, as a compromise, gradually to replace the current ministers by Charges d'Affaires, except for the Dutch Ambassador to Moscow. (C Hague Desp. 1716, 27 Mar 51). COMMENT: Many western observers of eastern European developments are of the opinion that the Communist regimes are making definite progress in subverting the youth. The results of this conference are largely responsible for the belief on the part of Dutch Government officials that a Soviet offensive in the Balkans is improbable this year.

"B" UNITED KINGDOM. Bevan's Resignation Confirms Rift in Labor Party. Minister of Labor Bevan's resignation from the Cabinet over the budget, mainly in protest against the Government's decision to give defense expenditures priority over social services, is the present Government's latest and most serious crisis. (U NY Times, 23 Apr 51). COMMENT: The resignation brings into the open a long-standing conflict between the right and left wing of the Labor Government, which had nearly produced Bevan's resignation on the same issue at the time the Cabinet decided on the budget (See OCI Daily Digest, 12 Apr 51). The present move by the personally ambitious Bevan suggests his carefully considered belief that identification with the Government program would have jeopardized his reputation as the guardian of socialist principles, and that the long-range future of the Labor Party lies with the advocates of an accelerated socialist program. This latter

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view, widely shared by Labor's rank and file, has been given impetus by the weakening of the Cabinet's dominant right wing through death and illness, and by the widely held belief that the present Government will be defeated at the next General Election. Left wingers hope to stage a political comeback on the basis of an unimpaired socialist record when the political pendulum will presumably swing left again after a Conservative interlude. Because of this hope Bevan will strive to avoid a break with the Labor Party (as opposed to the Government) and, having made his own position clear, may even temper his future opposition to the Government with this purpose in mind.

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