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7 August 1951

CIA No. 49295
Copy No.

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DAILY DIGEST

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

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DIA and DOS review(s) completed.

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SECTION 1 (SOVIET)

1. USSR. Soviet Ambassador to Peiping enroute to Moscow: N. V. Roshchin, Soviet Ambassador to the Chinese People's Republic, left by plane on 3 August for Moscow, according to Radio Peiping. [REDACTED]

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Comment: As far as is known, this is Roshchin's first visit to Moscow since he returned to Peiping in March 1950. In view of current negotiations in Korea and the impending conference on the Japanese peace treaty, it is likely that his return is for consultation on these questions. Moreover, Roshchin's presence in Moscow at this time lends significance to the recent return and continued stay there of high-level Soviet diplomats from Afghanistan, Pakistan and India.

2. EASTERN EUROPE. HUNGARY: Heavy induction now taking place: The US Military Attache in Budapest reports unusual Hungarian induction activity during the past several days. The inductee groups, in mufti and numbering 60 each, appear to range in age to the class of 1921. The MA comments that the call up is possibly connected with a series of refresher training courses which have been underway since the registration of males last January. Another report from Southeastern Hungary states that heavy call ups for a three months' period are occurring in that area. The MA believes that the completion of the harvest may account for the call ups at this time. He adds that the Hungarian army has probably set October as the culmination date of its maneuvers thus including the groups undergoing the three months' training. [REDACTED]

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Comment: The registration of Hungarian males back to the class of 1910 was reported early this year. In February, the US Military Attache in Budapest reported that an unknown number of those registered were being called to duty for periods ranging from six weeks to three months, with others deferred to later dates. The MA has also reported that university students undergoing ROTC type training were to receive one month of military field training effective 1 August. Extensive short term training of reservists and civilians, as well as the rapid growth of the army during the past year, are evidence of Hungary's efforts to make up for lost time in building an effective military force.

3. RUMANIA. Government replaces Minister of Cults: The Rumanian Government on 22 June removed from office the Minister of Cults and appointed Vasili Pogaceanu to the post, a shift which the US Legation attributes to the Government's failure to implement nationalization of the Roman Catholic Church. Although all bishops in Rumania have been imprisoned, none as yet has been won over to the government side. The legation notes that the government must have the cooperation of at least one duly consecrated bishop who can continue the strictly pro firma ritual of the Church

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including the consecration of other bishops loyal to the government. [REDACTED]

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Comment: Although the Communist governments of Eastern Europe have succeeded in securing ranking Eastern Orthodox dignitaries completely subservient to the regimes, no Vatican-appointed Roman Catholic bishop has as yet capitulated to the extent of agreeing to head a schismatic Church. As in Czechoslovakia, Poland and Hungary, the Government of Rumania will probably have to content itself with the subversion of a few local Catholic parish priests who can be sufficiently intimidated to "represent" the Church.

4. YUGOSLAVIA. Government opposes revision of Italian peace treaty: According to Assistant Foreign Minister Mates, the Yugoslav Government is presently opposed to a revision of the Italian peace treaty because it believes that Italy may be more interested in obtaining territorial concessions through such revision rather than in amending the military provisions. Mates claims that the Italian Foreign Office has sent a circular telegram to its foreign missions emphasizing this aspect. According to Mates, the Yugoslav Government believes that an attempt should be made by Italy and Yugoslavia through bilateral negotiations to reach a settlement on Trieste and other outstanding issues. The Yugoslav Government might then inform the NATO countries that it had no objection to a revision of the military provisions of the peace treaty. It would ask these countries, however, to consider the effect which any increase in the Italian military establishment would produce on Yugoslavia's position vis-a-vis the Cominform. [REDACTED]

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Comment: Yugoslav officials have previously expressed opposition to the revision of the military provisions of the Italian peace treaty on the grounds that such revision would provide the USSR with an opportunity to justify the Satellites' military build-up in violation of their peace treaties. As indicated by Mates' remarks, however, the basic reason for Yugoslavia's opposition is its fear that an increase in Italian military strength will improve Italy's ability to press its claim for the return of all the Free Territory of Trieste.

5. Yugoslavia retains membership in Danube Commission: Yugoslav Deputy Foreign Minister Vejvoda has confidentially informed [REDACTED] that Yugoslavia still considers itself a member of the Danube Commission despite its withdrawal from the fourth session of the Commission in early June. According to Vejvoda, the USSR has made no attempt to press its demands that extra-territorial rights be granted Soviet commissions investigating accidents on the Danube and that through-traffic be given priority over tributary traffic. The Yugoslavs for their part have taken no new measures against Soviet-Satellite traffic since these could only work to Yugoslavia's disadvantage. [REDACTED]

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Comment: The Yugoslav delegation walked out of the June session of the Danube Commission because the USSR and Satellite members proceeded to amend the Danube Convention over Yugoslav objections and rejected all Yugoslav proposals. The Yugoslavs particularly objected to a new regulation forbidding authorities controlling the banks where accidents occurred to inspect the ships involved.

6. YUGOSLAVIA/HUNGARY/RUMANIA. Yugoslavia protests Cominform border provocations: Hungary and Rumania have been accused by Yugoslavia of a hostile and aggressive policy in similar notes delivered to the Cominform Embassies in Belgrade. The Yugoslav Government protested against alleged violations and provocations on her frontiers and warned her two neighbors of the consequences. The note to Rumania said fifty-three border incidents had taken place between 27 May and 26 June. The Hungarians were charged with thirty-eight provocations between 28 May and 14 July. [REDACTED]

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Comment: Previous accusations by the Yugoslavs disclosed an average of 20 incidents a month on the Rumanian border until May. The fifty-three violations referred to in the current note support other Yugoslav statements that the number of incidents on the Rumanian and Bulgarian frontiers have increased since May. Despite the increase, these incidents remain minor [REDACTED]

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7. USSR. Comment on Resolution of Supreme Soviet Presidium of the USSR: The Soviet answer to the US Congressional resolution transmitted 7 July follows the standard argumentation of Soviet propoganda and contains no indication of any forthcoming Soviet concessions to add substance to the "peace" campaign. The Soviet resolution contributes to the recently stepped-up campaign to portray the USSR as cooperative and non-aggressive, but the stereotyped nature of the proposals suggest that the resolution sprang primarily from a necessity to refute the previous, well-publicized US communication.

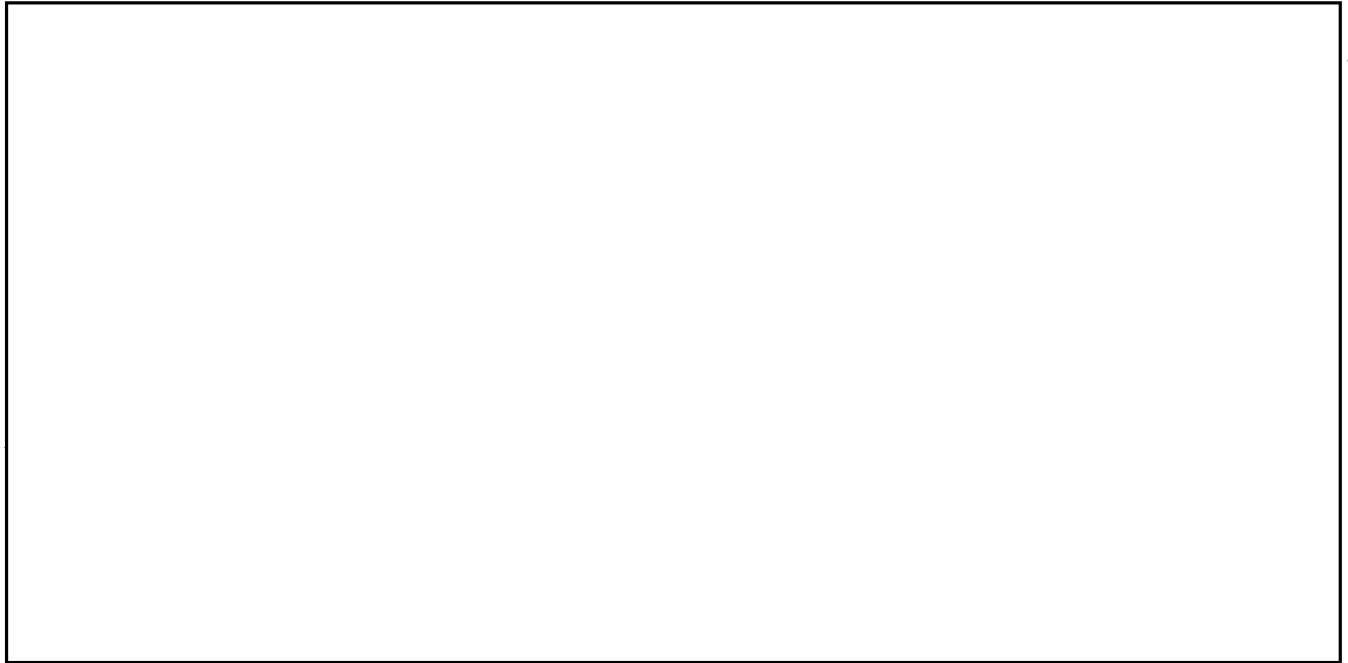
The denunciation of US policy, already well-established in Soviet propoganda, centers on allegedly discriminatory practices such as the export control system but contains only relatively mild criticisms of US initiated policies, such as the creation of the NAT system and rearmament. The contrasting "peace" policy of the USSR is buttressed with references to proposals such as the Five-Power pact twice proposed in the UN since 1949, although the UN is not mentioned by name. This evasion may result from a Soviet wish to identify objectives such as disarmament with Communist "peace" organizations rather than with the UN, which has rejected Soviet proposals for prohibition of atomic weapons, arms limitation and a Five-Power pact.

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SECTION 2 (EASTERN)

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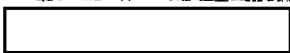
2. INDIA. Iran expresses concern over the Kashmir case: The Iranian Embassy in New Delhi has issued a press note stating that the Iranian Ambassador had conveyed to the Indian government Iran's "sincere anxiety" over the differences between India and Pakistan on Kashmir and other problems, which Iran hopes can be "fairly and peacefully resolved." [redacted]

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Comment: Burma and Indonesia have already offered their good offices toward easing the tension between India and Pakistan. Expressions of concern from a number of Asian countries might have a stronger effect on India than those from the US, UK and Australia. To date, however, India has given no sign that it will modify its present intransigence.

3. National elections again postponed: The Chief Election Commissioner has announced that, at the request of more than five major states, general elections in India have been postponed until the first week in January 1952. However, voters in some of the mountainous regions will go to the polls in October 1951 because of danger of snow later. The Commissioner anticipates that the counting of votes will be completed by the middle of February. The election of a president will take place in March or early April, and the new Parliament is likely to meet about May 1952. [redacted]

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Comment: The national elections were originally scheduled for April 1951 but were postponed until November. They have now been postponed for the second time.

4. INDONESIA. Socialists visit "iron curtain" countries: Two leaders of the Indonesian Socialist Party, Sjahrir and Sudjatmoko, reportedly are visiting "iron curtain" countries. Sjahrir, leader of the party, is believed to be in or en route to Poland. Sudjatmoko, former Counselor of the Indonesian Embassy in the US, plans to visit Poland, Czechoslovakia and Hungary. [redacted]

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Comment: Sjahrir has been honeymooning in Egypt and the Mediterranean and may be extending his vacation to include a "fact-finding" tour in Eastern Europe. Sudjatmoko is not known to have Communist sympathies.

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[redacted] Sjahrir himself is decidedly anti-Communist. He was the first and one of the few Indonesians who publicly labeled the invasion of South Korea as Communist aggression. Under Sjahrir's guidance, the Socialist Party has achieved an influence in the Indonesian Government far greater than would be expected from its small parliamentary representation.

5. INDOCHINA. French move closer to agreement on repatriation of Chinese Nationalist troops: French officials in Saigon responsible for Chinese affairs have informed the US Legation that General de Lattre has been given full discretion in the matter of possible repatriation of the 30,000 Chinese Nationalists interned in Indochina. The same officials, who advise the General on such matters, state that they have long favored the repatriation of these internees to Formosa.

Meanwhile, the Chinese Nationalist Consul General has informed the Legation that de Lattre's concern with the Chinese Communist threat has decreased in proportion as his Tonkin delta fortifications have approached completion, and that the internee question could probably be disposed of on de Lattre's return from his Paris and Washington trips. [redacted]

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Comment: The French apparently have become increasingly disposed toward repatriation--which will have the advantage, among others, of relieving them of annual internment costs of 70 million piasters--but will continue to be concerned with the possibility that Chinese Nationalist sources will publicize repatriation in such a way as to provoke the Chinese Communists. The Chinese Nationalists would prefer repatriation of the internees to South China as an armed anti-Communist guerrilla force. The French Ministry for Relations with the Associated States found it necessary to deny current rumors, presumably circulated by Nationalist sources, that arrangements along these lines had already been made.

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6. Hints re negotiations in Indochina continue: At the Kremlin-sponsored World Peace Conference of 20 July, French delegate and fellow-traveler Joliot-Curie was quoted by Tass as stating that in view of the Korean truce talks it is important that "negotiations to end the war in Vietnam be started." Meanwhile, the Soviet Ambassador to France, replying to a journalist's question, stated he saw a "good chance" for an acceptable armistice in Indochina provided that negotiations were undertaken on "definite points." The same question put to Letourneau, Minister for Relations with the Associated States, elicited the reply that it was "not impossible" that the solution in Korea might serve as the basis for a solution of the problem of civil war in Vietnam.

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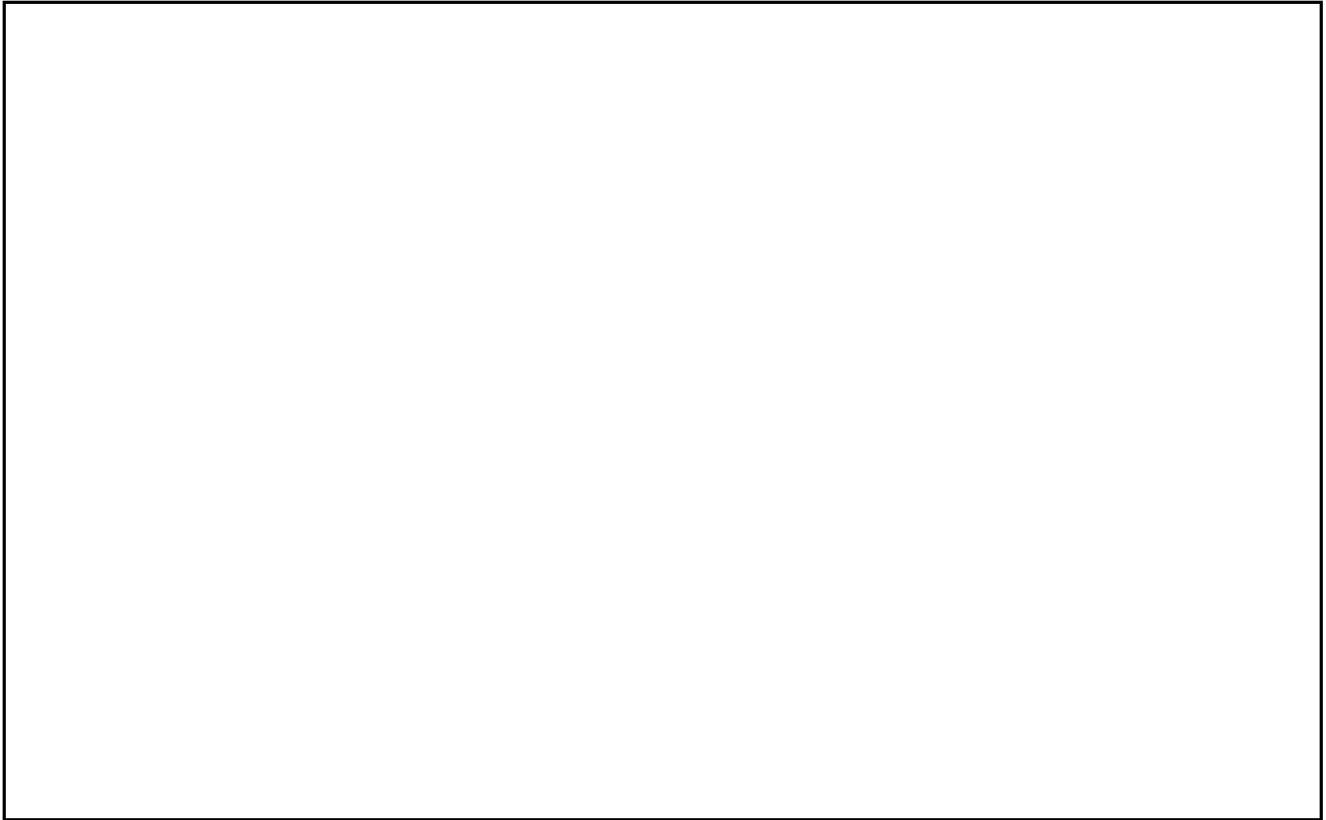
Comment: It is doubtful that either side has a genuine intent to negotiate. Mere talk of peace does, however, have at least one important result in Indochina--the arousing of fears among non-Communist Vietnamese that the French may take the easy way out of the Indochina impasse and leave them, the Vietnamese, to face a victorious and vengeful Ho Chi Minh.

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10. JAPAN. Government announces a second list of depurgees: The Japanese Government on 6 August announced its second official list of depurgees, numbering 6,975 civilians and 6,929 former members of the armed forces. Prominent on the list of names is that of Ichiro Hatoyama.

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Comment: The depurging of Hatoyama, Premier Yoshida's predecessor as President of the Liberal Party, probably will provoke a new round of rumors in Japan regarding rivalry between the two men for the party chieftainship. Hatoyama's recent serious illness, however, may preclude his energetic entry into Japanese politics.

The purge issue has become increasingly unpopular with the general public. The early restoration to full civil life of the large majority of the remaining purgees may be anticipated shortly after the peace treaty.

11. Foreign Office thinks Japan will not lose sovereignty over Ryukyus and Bonins: Kyodo Press on 5 August credited Foreign Office officials

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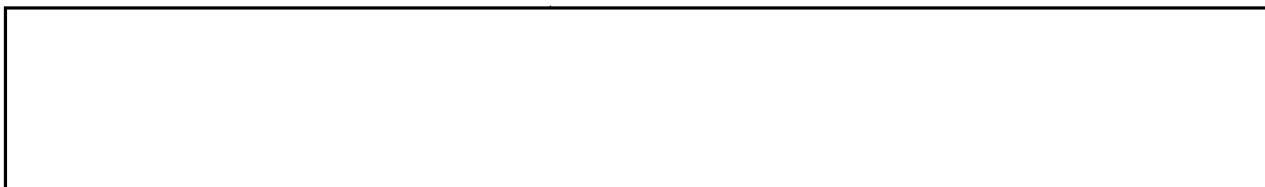
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with "opining" that Japan will not lose its sovereignty over Amami Oshima, the Ryukyus and Bonin Islands by the signing of the peace treaty. The Foreign Office apparently reasons that Article Two fails to specify these territories by name in the list of those to which Japan renounces all title, and that while Japan will be required by the treaty to concur in a US trusteeship, the islands will be returned to Japan after a certain period if the residents so desire.

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Comment: This Foreign Office opinion may have been advanced as a government measure to obtain public support for the treaty.

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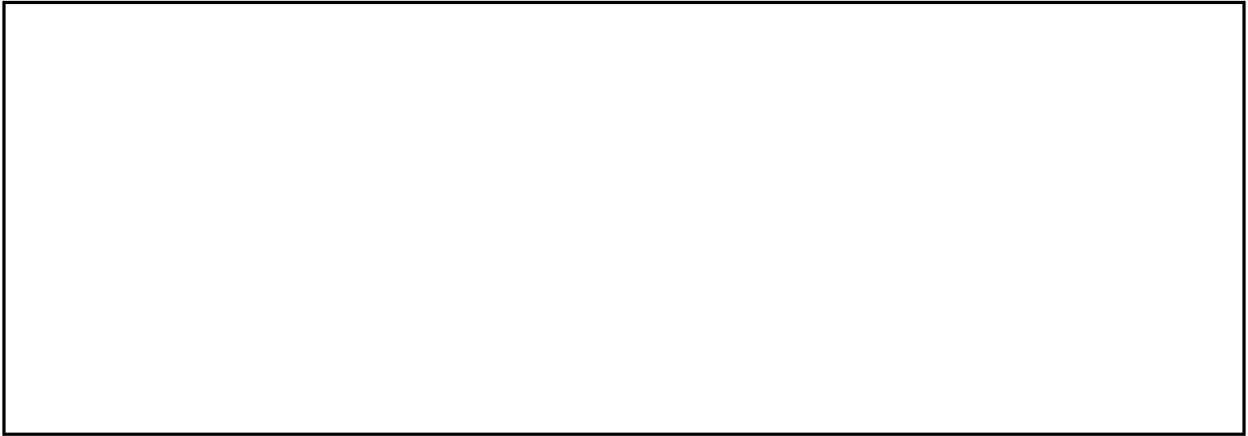
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SECTION 3 (WESTERN)



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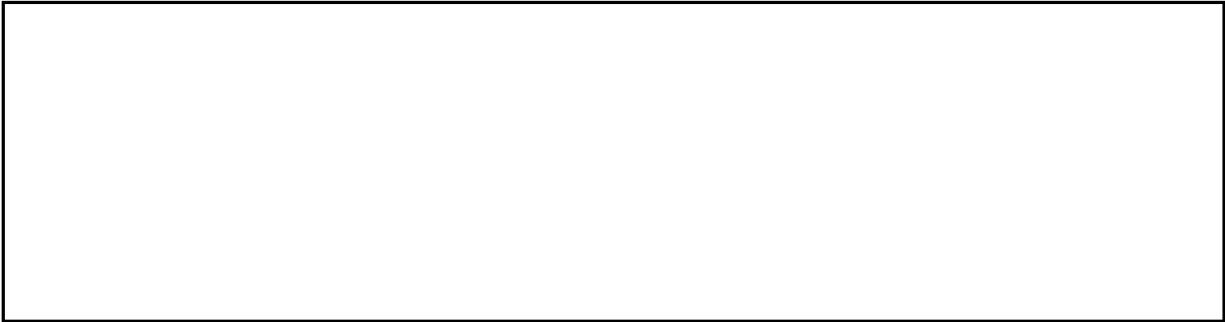
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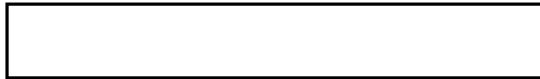
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SECTION 3 (WESTERN)

1. ITALY. Italian Government reluctant to face elections: [redacted]

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[redacted] Premier De Gasperi has been urging the US Ambassador in Rome that if linked lists are not used, the elections should be postponed for at least six months, preferably a year. He pointed to the resurgence of national feeling over the Peace Treaty in general and Trieste in particular, and said there is "growing suspicion" that the Free Territory may not be returned to Italy. De Gasperi said the Italian Government "could not stand by without injecting itself" into the Trieste elections, which activity "would not be helpful in the relations with Yugoslavia." Furthermore, the Trieste campaign would have a bad effect on the fall municipal elections in Italy. The Cabinet has tentatively decided to hold them "following the conclusion of the (national) census," which will be initiated on 4 November, but the exact date is not clear. [redacted]

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Comment: There have been previous reports that the Italian Government may postpone the fall series of local elections rather than face a loss of prestige for the Christian Democrats, such as occurred in the spring voting. Suggestions for postponement of the Trieste elections show similar concern for the Christian Democrats' showing. The Italian Government may also be concerned over apparently growing sentiment in Trieste favoring independence of the area, a movement supported locally by both Italian Communists and a small group of Slovene parties.

2. Restrictive labor legislation faces obstacles: The Italian Government will make a new effort to have long-standing proposals to regulate labor enacted into law as part of its new, vigorous campaign against the Communist Party. In this effort, however, it faces the opposition of the Christian Democrat-dominated Confederation of Labor Unions (CISL), which has consistently opposed a limitation on the right of state employees to strike. In reply to a suggestion by the US Ambassador, Premier De Gasperi has conceded his government's willingness to compromise with CISL, but has emphasized the difficulty of finding a formula. [redacted]

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Comment: The proposed labor law, drafted almost a year ago, has never been introduced into Parliament. The government suspended action on it prior to the May-June elections so as not to weaken its position at the polls. US observers in Rome state that De Gasperi's recent speech on the new government's program shows he is still unwilling to compromise on the labor law.

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3. VENEZUELA. Five more jet aircraft to be purchased from the UK: The British Ambassador in Caracas has informed the US Embassy that his government has agreed to sell Venezuela five additional D-H Vampire jet aircraft. [redacted] delivery will be within two months of the time the contract is signed, and will include a two-year's supply of spare parts. The Embassy comments that only five months ago the British refused Venezuela's request for additional Vampires on the ground that the British could not spare them. [redacted]

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Comment: This purchase will bring the total number of Venezuelan jet aircraft to 12 -- all Vampires -- and will further impede any efforts towards arms standardization in the Western Hemisphere. In 1950, it was reported that Venezuela was interested in purchasing US F-80's, but according to a US Air Attache report of 27 March 50, the conditions of sale and the personality of the Lockheed salesman were such that the Chief of Staff became "quite angry". At that time, the British reportedly offered Vampires "with no strings except cash payment".

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