

TOP SECRET

17 September 1951

CIA No. 49346

Copy No. 143

DAILY DIGEST

DIA, DOS Declassification/Release Instructions on File

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

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. Comments represent the immediate views of the Office of Current Intelligence.

TOP SECRET

TOP SECRET

SECTION 1 (SOVIET)

1. USSR. Moscow's propaganda media marking time: An FBID survey of Soviet radio output of the past week disclosed scattered indications of a possible Soviet desire to shift away from aggressive propaganda attacks on the West. The indications include a low volume of attention to the "Western aggression" theme; the continuing absence of militancy in "peace" propaganda; a shift from denunciation of US bases abroad to protests over the growing burdens forced on Western workers by the rearmament drive; and the relative absence of atrocity charges in comment on the Korean War. (C FBID Trends and Highlights, 12 Sep 51)

Comment: While this slight trend toward a moderate tone in Moscow's attacks on the West is noteworthy, there is insufficient evidence to indicate any major change in the Kremlin's propaganda tactics. This softer key has had short-lived tryouts in recent issues of the Soviet journal, News, and in various contributions on the "coexistence" theme. One possible explanation is that Moscow is marking time while awaiting Gromyko's personal report on the San Francisco Conference, and a turn of events in Korea, before setting a more positive line.

At present, the Kremlin's puppets — especially Peiping — are pursuing a vitriolic propaganda line on the subject of US-Western "aggressive" intentions.

2. Soviet Navy Chief of Staff probably replaced: The omission of Soviet Navy Chief of Staff, A. G. Golovko, from the signatories of Col. General Shchadenko's obituary is the second indication that Golovko was probably released with Admiral Yumashev, former Navy Minister.

Embassy Moscow notes that the second-ranking navy figure now appears to be Admiral Zakharov, who in the space of one year rose from Chief of the Political Administration to Deputy Navy Minister. The Embassy notes the recent appearance in Red Fleet of an article on security questions, and concludes that Zakharov's increased prominence may portend a tightening of political control in the Soviet Navy. (S Moscow WEEKA, 7 Sep 51)

Comment: The significance of the changes in the Soviet Navy command since July is by no means clear. Admiral Kuznetsov, who replaced the politically minded Admiral Yumashev as Navy Minister, is a competent professional but was convicted three years ago of divulging military secrets during wartime.

3. Japanese POWs sent to Manchuria: In early May 51, about 5,000 Japanese POWs were sent from Siberia to northern Manchuria, according to a [REDACTED] These POWs were turned

25X1C

TOP SECRET

TOP SECRET

over to the Northeast Military area to be incorporated into artillery and mechanized units of field armies en route to Korea. Over 200 junior and non-commissioned officers were sent to China proper as instructors in various officers' training programs.

25X1A

25X1A

Washington Comment: This may confirm similar information reported in greater detail by Chinese Nationalist sources. [REDACTED]

Comment: Utilization of Japanese in various capacities, usually technical, by the Chinese Communist forces is generally accepted. To date only one Japanese, an artilleryman, is known to have been captured in Korea by UN forces.

- 4. ALBANIA. Internal resistance group awaits aid: It is reliably reported that the National League of the Mountains, a resistance organization in northern Albania, has submitted an appeal for aid to the "free democratic nations." A resistance leader who received this appeal commented that the organization has not yet carried on any activity. He stated that, nevertheless, some of its leaders are eager to act, enjoy considerable freedom of movement, even though suspected by the Albanian Government, and exercise considerable influence among anti-regime elements. However, he concluded that they could make a worthwhile contribution only if aided "morally, materially and militarily" by one of the major democratic powers. [REDACTED]

25X1A

Comment: This is the first report confirming the existence of the National League of the Mountains. The Albanian security forces are probably countenancing the movements of the resistance personnel in order to identify specific anti-Hoxha elements.

- 5. CZECHOSLOVAKIA: Czechoslovak Prime Minister perturbed by Western moves: During an interview with Prime Minister Gottwald and Foreign Minister Siroky on 13 September, the [REDACTED] gained the impression that the Czechoslovak Government is "considerably disturbed by recent developments" in Czechoslovak-Western relations. The purpose of the interview was to notify the Czech Government formally of the [REDACTED]. Upon completion of the formalities, however, Gottwald turned the subject to Western relations and stated that Western Europe, under US leadership, is trying to blockade Czechoslovakia. [REDACTED] replied that the US would never, in his opinion, abandon its attempts to free Oatis.

25X6

25X6

25X6

25X6

In concluding the interview, [REDACTED] remarked on the fine weather and observed, pointing to the open windows, that international

25X6

TOP SECRET

TOP SECRET

25X6

relations might be less strained if equally ventilated. Gottwald responded by sourly pointing to the US flag flying on the US chancery. [REDACTED] believes that Gottwald intended to convey the implication that his view was spoiled as long as the US flag was visible. (S Prague 214, 14 Sep 51)

Comment: The interview with the [REDACTED] should serve to impress the Czechoslovak regime with the widespread support in the West of the US position on the Oatis case. Czechoslovak propaganda has recently shown sensitivity to the adverse reaction to the Oatis case in the West.

25X6

6. YUGOSLAVIA. Government protests increasing Hungarian border incidents: The Yugoslav Government has protested against fifty-two provocations committed by Hungarian frontier guards between 11 July and 19 August. The Yugoslav note does not cite several grave transgressions which had been protested previously. According to the Yugoslavs, the violations were committed on an average of two every three days. (R FBID, 13 Sep 51)

Comment: There has been a continuing increase in the number and scale of border incidents since May. Early in August the Yugoslavs charged the Hungarians with committing thirty-eight provocations between 28 May and 14 July. Yugoslav officials have expressed some concern, but believe the purpose of the attacks is to heighten internal tension in Yugoslavia.

TOP SECRET

TOP SECRET

SECTION 2 (EASTERN)

1. GREECE. Political leader states views on amnesty and on US aid to Greece: General Plastiras, leader of the National Progressive Union (EPEK) has expressed himself as strongly favoring a general amnesty for all political prisoners regardless of the extent of their Communist connections, in a recent post-election conversation with US Embassy officers. Stressing his determination, once in power, to effect a general and complete amnesty, Plastiras stated that the system of judicial review established for such cases was too time-consuming and involved by red tape to satisfy the "people's demand for immediate release of prisoners." He added that he favored a liberal-EPEK coalition government headed by himself, even if it meant relying on the support of the extreme left for a majority in parliament. (C Athens 1241, 13 Sep 51)

Comment: Although Plastiras advocated amnesty for political prisoners in his pre-election campaign, it is doubtful that he would be in a sufficiently powerful position in the event of a liberal-EPEK merger to carry out such a program. More moderate advisers in his own party, as well as the necessity for cooperating with the liberals, would prevent successful implementation of his program. While the possibility of a liberal-EPEK merger cannot be ruled out, it is considered likely that the two parties would place themselves in a position which would permit the Communist-controlled left to dominate their program.

2. Communist vote in 9 September elections: The Communist-dominated EDA Party received approximately 11 percent of the total vote in the 9 September Greek elections and will receive 10 seats. Most of the successful EDA candidates are in prison as Communist Party members or sympathizers, or in exile in some Satellite country. (C Athens 1218, 12 Sep 51)

Comment: The 11 percent of the total vote won by the EDA may be lowered somewhat when the army vote is counted, but this probably will not materially affect the number of seats involved. Although this percentage is somewhat higher than the 8.4 percent received by the Communists in the 1950 elections, the Communists suffered substantial losses in the urban areas. The increase can be accounted for chiefly by the fact that the leftists had candidates this year in all electoral districts. The election of Communists now in prison or in exile will force the courts to decide on their eligibility. Both Marshal Papagos and General Plastiras, whose parties gained the largest number of votes, expressed their approval of amnesty for political prisoners in their pre-election speeches.

TOP SECRET

TOP SECRET

3. ETHIOPIA. Ethiopia and Italy agree to exchange ambassadors: After final negotiation by the Italian Undersecretary of State who visited Addis Ababa in early September, Ethiopia and Italy have agreed to resume diplomatic relations. According to the US Ambassador in Addis Ababa, the formal exchange of ambassadors is to occur within a month. He also notes that there are still anti-Italian elements in Addis Ababa who consider the movement toward closer relations with Italy as being too rapid. (C Addis Ababa unnumbered, 8 Sep 51; C Addis Ababa 115, 4 Sep 51; U Rome 1161, 10 Sep 51)

Comment: The reestablishment of formal relations between the two countries has been a tedious and trying accomplishment, chiefly because of Ethiopian distrust and bitterness. Italy will make a strong effort to foster good relations with Ethiopia. If in turn Ethiopia discourages the anti-Italian elements inside its own frontiers and in Eritrea, considerable progress toward stability will have been made.

- 25X1C 4. SOUTHEAST ASIA. [REDACTED] anticipates increased covert Chinese intervention in Southeast Asia: A report of [REDACTED] concludes that in the event of an armistice in Korea, the Chinese will attempt to step up the tempo of the war in Indochina by sending additional aid to the Viet Minh. The committee also foresees an effort to overthrow the Burmese Government by (1) increasing assistance to the Burmese Communists for the establishment of an expansible base in northeast Burma, (2) encouraging separatist nationalism among the Shan and Kachin minorities, and (3) exploiting the above ground pro-Communist Burma Workers and Peasants Party. While the report indicates that peace in Korea would have little effect on Chinese intentions regarding Malaya and Indonesia, the UK Commissioner General for Southeast Asia believes that the infiltration of agents into Indonesia will continue on as great a scale as possible. (S Singapore 312, 13 Sep 51)
- 25X1C

- 25X6 5. BURMA. Foreign Office implicated in anti-US statement: According to a member of the [REDACTED] in Rangoon, the Burmese Ambassador to Peiping's statements that the US was supporting the Chinese Nationalists in Burma (see Daily Digest, 11 Sep) were contained in a letter from the ambassador to the press. The source implied that the Burmese Foreign Office had prior knowledge of the existence of this letter, but he did not say whether the letter had been prepared in Rangoon. (C Rangoon 275, 13 Sep 51)

6. THAILAND. Political assassinations reported imminent: Attempts on the lives of Premier Phibun and Air Marshall Fuen are imminent. [REDACTED]
- 25X1C
25X1C

TOP SECRET

TOP SECRET

Comment: Political assassinations are common in the Far East and both Phibun and Fuen have many enemies. However, there is no other information to substantiate this report.

7. INDOCHINA. Chinese advisers to Viet Minh named: An informant of the US Consulate reports that the Chinese guerrilla leader Chu Chia-pi is now acting as military adviser to Ho Chi Minh's headquarters, and that Ch'en Keng, Deputy Commander of the CCA Second Field Army, is now north of Hanoi setting up a headquarters for a potential "volunteer army." (S Hong Kong 1046, 13 Sep 51)

Comment: This source's testimony is contradictory, since he has also stated that Ch'en Keng is anti-Communist--in which case it is not likely that he would be with Ho. Ch'en Keng has frequently been mentioned as commander of the actual or prospective "volunteer army."

8. INDONESIA. Determined anti-guerrilla campaign in Celebes still delayed: Although the government's decision to launch a determined campaign against guerrillas in the Celebes is still apparent, to date it has engaged only in a series of minor skirmishes. The Army Attache comments that sufficient reinforcements probably have not yet arrived to risk a major operation. Rigid press censorship continues. (S USARMA Djakarta, [REDACTED] 11 Sep 51)

25X1A

Comment: Lawlessness in other areas of Indonesia does not appear to have decreased appreciably in spite of a five-months' security campaign and widespread arrests in August. Sudden troop withdrawals, particularly from Java, to support the Celebes operations could have serious consequences.

9. CHINA. Chinese Communist "war sustaining plan" reported: [REDACTED] reports that a "war sustaining plan" was adopted by the Chinese Communists at a meeting in Peiping in late July and was implemented by the end of August. The objects of the plan are to (1) maintain the national defense force at three million without weakening the war effort in Korea; (2) continue troop rotation in Korea, and (3) give combat experience against US forces to as many troops as possible.

25X6

25X6

25X1A

Comment: Although there is no confirmation of this plan, the recent appearance of new Chinese Communist units in Korea lends credibility to the report. Furthermore, it appears to be a reasonable tactic for the Chinese Communists. The figure of three million troops is considered low, as the most recent reports estimate 3.7 million men in the CCF.

TOP SECRET

TOP SECRET

10. Communist intentions re Quemoy, Formosa, Hong Kong, Macao are assessed. An 8 September report [REDACTED]

25X1C

25X1C

[REDACTED] estimates that the Chinese Communists (1) are likely to attack the Quemoy Islands (east of Amoy) at any time, (2) will not attempt to invade Formosa unless US "covering forces" are withdrawn, (3) will not assault Hong Kong until prepared to risk general war, and (4) are not likely to attack Macao, in view of the colony's increasing economic usefulness to Communist China. (S Singapore 312, 13 Sep 51)

Comment: The Peiping regime regards each of the above areas as a part of China and is committed to the eventual recovery of all of them. An operation against the Quemoy Islands has long been expected. An attempted invasion of Formosa is not indicated in the near future, although it is conceivable, as some reports have alleged, that Peiping will obtain Soviet assistance for a Formosa operation in spite of the US commitment to the island's "neutralization." There are no indications of an imminent assault on Hong Kong or Macao--both of which continue to be of more value to China in non-Communist than in Communist hands--although Peiping could launch an attack against either colony with little warning.

11. KOREA. Chinese PW reports offensive for 15 September: A Chinese Communist prisoner of war captured on 13 September in the west-central sector stated that an offensive would begin on 15 September. The field comment on the PW's statement adds that "although a limited objective attack by the enemy is possible, all other available information does not indicate an all-out attack now." (S CINCPC Telecon 5159, 15 Sep 51)

Comment: Communist forces in Korea are capable of launching a powerful, sustained offensive where and when they choose. There have been, however, some recent unconfirmed indications that the enemy may continue on the defensive for the near future.

12. JAPAN. Chinese Communist intentions toward Japan: [REDACTED]

25X1C

25X1C

[REDACTED] estimating Communist China's short-term intentions toward Japan, may at first prefer a policy of ingratiating rather than open hostility toward independent Japan. The committee believes that the Chinese will attempt to neutralize Japan, and spread Communist influence by political and economic contacts.

25X1C

[REDACTED] commenting on the above conclusion, stressed the enormous importance to Japan of trade with China, which gives the latter a weapon with which to exert economic and political pressure. (S Singapore 312, 13 Sep 51)

Comment: Japanese officials are fully aware of the need for

TOP SECRET

TOP SECRET

continuing rigid economic policies toward Communist areas during the time Japan is dependent upon the non-Communist world for the bulk of its raw materials and imported foodstuffs. There will be pressures, however, for controlled trade with the Chinese, which, the Japanese feel, will work to the advantage of the Western world.

Politically, the Chinese can hold little immediate hope for creating an anti-Western attitude among the Japanese, although considerable potential exists for arousing neutrality sentiment. Chinese propaganda so far has pursued simultaneous policies of conciliation and threat toward the Japanese, citing the advantages of accommodation on the one hand, and the disadvantages of opposition on the other.

13. Treaty to be ratified in October: The Japanese peace treaty will be ratified at an extraordinary session of the Diet to be convened on 12 to 16 October, according to a press announcement. No commitment has been made relative to the US-Japan security pact. (R FBID [REDACTED], Jiji, 13 Sep 51) 25X1A

Comment: Conservative control of both houses assures speedy ratification of the peace treaty. The US-Japan security pact, on which the public and opposition parties are demanding further details, may be in for a more difficult time.

14. Socialists issue joint statement with Indian Socialist Party: The Japanese and Indian Socialist Parties, in a joint statement on 14 September, announced their intention to fight for a Socialist Asia in rejection of both the capitalist and the Communist world. The joint statement also said that the two parties hoped to call a conference for all Asian Socialist parties soon. (R FBID Ticker, Tokyo Central News, 14 Sep 51)

Comment: Failure of the Japanese Socialist delegates at the international Socialist meeting last summer to support an anti-Communist resolution increased the Japan Socialist Party's internal dissension which arose over its unrealistic attitude toward the peace treaty. This new development appears to be a shrewd move to unify the party and at the same time to assume a more positive party platform, centered around pan-Asianism.

TOP SECRET

TOP SECRET

SECTION 3 (WESTERN)

1. GERMANY. Adenauer indicates anxiety over Allied talks on Germany: West German Chancellor Adenauer has indicated that he is most concerned over the Washington talks on Germany's new status and its defense role. He stressed that his whole future and that of his government coalition are at stake. The chancellor's emissary, in a talk with the US Deputy High Commissioner, asserted that rifts were appearing in the coalition and that the chancellor was being criticized for going too far to meet Allied wishes. The chancellor, therefore, was particularly anxious that an agreement acceptable to the German public be reached in Washington.

25X1C

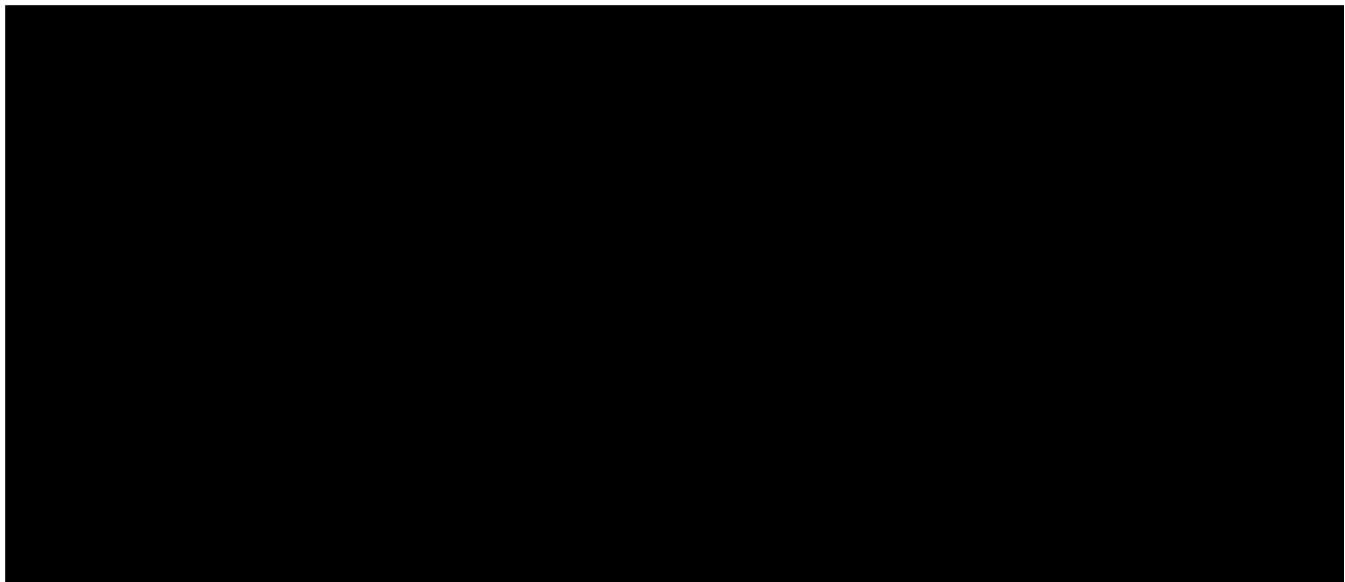
Meanwhile, [REDACTED] have commented that the Germans are in substantial agreement on the issue of German rearmament. Reports that the Bonn government favors rearmament and the Social Democrats oppose it are bound to be misleading, they feel, since these reports underestimate the determination of the government as well as the opposition to hold out for certain prerequisites. (C Bonn 162, 12 Sep 51; [REDACTED])

25X1A

25X1A

Comment: Adenauer has been forced, partly by the intransigent Social Democratic attitude, into a position where, in order to sell rearmament to the German people and to the parliament, he must present the rearmament issue in conjunction with some sort of Allied agreement restoring German sovereignty. Although the details of the Foreign Ministers' agreements on Germany are not yet clear, the Washington accord appears to have answered many of the government's conditions.

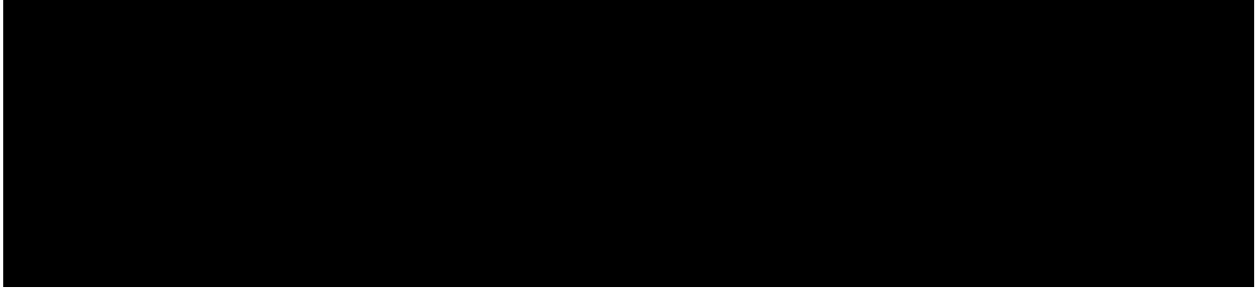
25X6



TOP SECRET

TOP SECRET

25X6



3. FRANCE. Anglo-French conference proposed to alleviate disagreements over Middle East: The British Foreign Office confirms that the French Foreign Minister has proposed a conference with Great Britain to discuss "international questions of common interest" in view of the danger of Anglo-French disagreements, particularly on Middle East and North African questions. The Foreign Office expects a general conference some time after the French Foreign Minister's return from Ottawa. (C London 1380, 14 Sep 51)

Comment: Since France was excluded from the Anglo-American bilateral discussions on Mediterranean defenses in Malta last spring, fears of American, and especially British encroachment upon French influence in the Middle East have been increasing.

4. French see no threat in Soviet note: The French Foreign Office reports that its government was "not particularly disturbed" by the Soviet note of 11 September directed against the Schuman Plan and the European Army project. Rather, the note was regarded merely as a part of Soviet intimidation tactics prior to the Washington tripartite talks. It is "not improbable" that the note represents a further build-up toward eventual Soviet denunciation of the Franco-Soviet alliance treaty of 1944; it may also be designed largely as propaganda support for the local Communists.

The foreign office has worked out a draft reply defending the Schuman Plan on its pacific merits and the European Army on its defensive nature. The French Government, however, feels no need to make haste with an answer. (S Paris 1640, 13 Sep 51)

Comment: French reaction to the recent friendly overtures made to French representatives by Soviet officials will be cooled off by this note. The chances that this is a step toward denunciation of the 1944 Franco-Soviet treaty are slight in view of the recent renewal of the Franco-Soviet commercial treaty. The French Communists can be expected to make full use of the note in their propaganda.

5. De Gaulle complains about defense policies: In a speech before the Anglo-American Press Club in Paris, General De Gaulle voiced the most

TOP SECRET

TOP SECRET

vigorous and uncompromising expression to date of his complaints about the US and UK defense policies. He repeated his usual objection to the European Army, and stressed his concern over infringements on French sovereignty resulting from the establishment of military bases in France and North Africa. He ended with a hint that Allied refusal to accept his concepts would result in a neutralist or Communist France. (R Paris 1604, 12 Sep 51)

Comment: Spokesmen for the Rally of the French People have heretofore excused the anti-US flavor of their leader's extreme nationalism as a stratagem to outmaneuver the Communists. While this speech, directed primarily to an American audience, may actually be a Gaullist bid for support in the October cantonal elections, it is also an indication that the general will not be overly tractable in the unlikely event he comes into power. The current dissension among the parties of the government coalition has undoubtedly encouraged him to believe that dissolution of the present assembly may be precipitated; but the Pleven government now seems safe until the assembly reconvenes in November after the prospective fall recess.

Despite the implication in his speech, there is little likelihood that De Gaulle would not vigorously oppose a neutralist or Communist policy in France.

6. AUSTRIA. Tito would welcome meeting with Austrian Foreign Minister: The Yugoslav Minister in Vienna has informed Austrian Foreign Minister Gruber that Marshal Tito would welcome a meeting in Yugoslavia some time before 15 October. The proposed discussion would cover boundary questions, trade relations, anti-Soviet tactics, and mutual defense. Gruber refused to commit himself to the meeting before consultation with the Austrian cabinet ministers. The US Legation in Vienna is strongly opposed to the discussion and has considered an attempt to discourage Gruber from undertaking the trip. (S Belgrade 309, 7 Sep 51; TS/Control Vienna 936, 10 Sep 51; S Vienna 987, 12 Sep 51)

Comment: An Austro-Yugoslav defensive arrangement, if it is included as a subject of conversation, appears premature in the absence of an Austrian army, and might cause an adverse Soviet reaction. Since the USSR apparently has not considered the Austrian treaty negotiations apart from the Soviet position vis-a-vis Yugoslavia, any Austrian move suggestive of friendship for the Titoist cause might jeopardize further the possibility of a four-power settlement in Austria. In view of well-known Austrian antipathy for Yugoslavia, particularly along the border areas, it is somewhat doubtful that moves toward closer relations between the two countries would be universally popular at this time on the Austrian side.

7. Communists planning demonstration in Vienna: The Communist Party of Austria is reportedly planning a mass demonstration to take place in

TOP SECRET

Vienna on 18 September. It is to be coordinated with demonstrations in the provincial capitals, touching off a Communist campaign against rent and price increases. Workers from Soviet enterprises in Austria will be brought by truck to Vienna to take part in the demonstration. [REDACTED]

25X1A

25X1A

Comment: Previous reports have indicated that the Austrian Communists would attempt to capitalize on the proposed rent law. Austrian officials have reported that the Communists would encourage tenants in the Soviet zone to refuse en masse to pay any rent increase. These officials have discounted the chances of serious difficulties, pointing out that the trade unions support the new measure and that rent increases will be used for property improvements. Previous reports claimed that a Communist demonstration would occur on 20 September.

8. Soviet interference in local administration disturbs Austrian Government: Foreign Minister Gruber has advised the US Legation in Vienna that continued Soviet interference in local administrative and judicial matters has forced the Austrian Cabinet to complain once more to the Soviet High Command. Describing Soviet meddling as "perhaps growing worse," Gruber stated that, in the absence of corrective measures, his government would be compelled to raise the issue in parliament and to protest to the Allied Council. (S Vienna 989, 12 Sep 51)

Comment: Wide publicity has been given to Soviet unilateral interferences by the Austrian press in recent weeks. The objectionable actions usually consist of an assumption of police powers by local commanders, countermanding of Austrian directives, and intervention in court proceedings. While demonstrating some sensitivity to Austrian protests, Soviet authorities have not heretofore been willing to sacrifice immediate objectives -- or to discipline local commanders -- for the sake of good public relations.

9. ITALY. Amount of US aid will directly affect nation's defense program: Italy's Minister of the Budget Pella has pointed out at some length that the rate of progress of his country's defense program and the hope of securing any additional appropriations from parliament depends directly on the outcome of present US congressional action on foreign aid. At the same time, ECA in Rome estimates that Italian dollar requirements may run as much as 70 million dollars beyond the 275 million requested for the fiscal year 1951-1952.

The Italians will have to make unusually heavy purchases of coal and wheat from dollar sources. Less coal is available in Europe because of an expanded defense effort, and the Italian wheat crop is 10 percent below the 1950-1951 crop. It is anticipated that price rises, the additional

TOP SECRET

TOP SECRET

costs that they will add to equipment already on order, the cutting off of Iranian oil, and possible retaliation against Italian export controls by the Soviet bloc from which Italy gets 10 percent of its coal and 20 percent of its wheat requirements, will adversely affect the Italian economy, particularly if US aid is reduced below the 275 million dollars recommended by ECA. (C ECA Rome 955, 31 Aug 51; C ECA Rome 994, 10 Sep 51)

10. NORWAY-DENMARK. Governments still planning opposition to Greek-Turkish NATO membership. According to a Norwegian Foreign Office source, Foreign Minister Lange now intends to oppose NATO membership for Greece and Turkey at Ottawa, but will finally vote for such membership if all other members do. The Norwegians, however, reportedly believe that Denmark is prepared to veto such membership if it is supported by one other country, presumably Norway or the Netherlands. US Ambassador Bay points out that, should the Danes solicit Norwegian support for a veto, Lange would be placed in a difficult position, because the Norwegian public would then consider that by taking a stand with Denmark he might have prevented Greek-Turkish membership. (S Oslo 264, 12 Sep 51)

Comment: Available evidence indicates that Norway will finally agree to Greek-Turkish admission, regardless of Denmark's wishes, and that Denmark will not individually exercise its veto.

11. DENMARK. Poles take difficult attitude in trade negotiations: In preliminary sessions of the Danish-Polish trade negotiations, the Poles, according to the head of the Danish delegation, have refused to make any new coal commitment, promising only the approximately 600,000 tons still due under the current agreement. The Poles attributed the reduced coal shipments to Denmark's failure to deliver spare parts for automobiles and light trucks. They also indicated their desire for more ships and Diesel engines for fishing craft than they received under the current agreement. (S Copenhagen 211, 10 Sep 51)

Comment: The Danes have frequently (see OCI Daily Digest, 11 Jul 51) expressed their fear that Poland will restrict coal shipments, upon which Denmark is sorely dependent (see OSI Daily Digest 15 Jun and 8 Aug 51).

12. CUBA. Communist Party reinforcing cadres of Youth Movement: [REDACTED] reports that the Partido Socialista Popular (Cuban Communist Party) is reinforcing its cadres of the Juventud Socialista (Communist Youth Movement) with selected young Communists picked for their knowledge in methods of indoctrination and agitation-propaganda tactics. Flavio Bravo and other leaders of the youth movement are not able to select suitable young men from their own limited ranks and, according to the source, they are using

25X1C

TOP SECRET

TOP SECRET

other young party members to give it strength. The aim is to form a core of militant leaders which later will take over the leadership of the Communist Party.

At present the Juventud Socialista has about 10,000 members. However, the party intends to increase this number by recruiting youths from all the social classes of Cuba. (C Habana 210, 7 Aug 51)

Comment: The Juventud Socialista continues to be of vital interest to the Cuban Communist Party which attaches considerable importance to the work of the youth movement members, since they execute the party's principal propaganda programs by distributing pamphlets, posting signs, and attending all meetings. The Juventud's activities in support of the "partisans of peace" movement is its most important function. Recently, the Juventud has been concerned with the UN entrance into Korea and the publication of its new youth magazine, Cascabel. It has taken an active interest in labor questions, and has engaged in disputes with elements of other government-sponsored youth groups to protect its propaganda.

TOP SECRET

TOP SECRET

UNCLASSIFIED when blank **TOP SECRET** when filled in form is detached from controlled document. **Approved For Release 2001/09/06 : CIA-RDP79T01146A000400160001-1**

CONTROL AND COVER SHEET FOR TOP SECRET DOCUMENT

DOCUMENT DESCRIPTION	REGISTRY		
	CIA CONTROL NO. 49346		
	DATE DOCUMENT RECEIVED		
	LOGGED BY		
SOURCE			
DOC. NO.			
DOC. DATE			
COPY NO.			
NUMBER OF PAGES			
NUMBER OF ATTACHMENTS			

ATTENTION: This form will be placed on top of and attached to each Top Secret document received by the Central Intelligence Agency or classified Top Secret within the CIA and will remain attached to the document until such time as it is downgraded, destroyed, or transmitted outside of CIA. Access to Top Secret matter is limited to Top Secret Control personnel and those individuals whose official duties relate to the matter. Top Secret Control Officers who receive and/or release the attached Top Secret material will sign this form and indicate period of custody in the left-hand columns provided. Each individual who sees the Top Secret document will sign and indicate the date of handling in the right-hand columns.

REFERRED TO	RECEIVED			RELEASED		SEEN BY			
	OFFICE	SIGNATURE	DATE	TIME	DATE	TIME	SIGNATURE	OFFICE/DIV.	DATE

NOTICE OF DETACHMENT: When this form is detached from Top Secret material it shall be completed in the appropriate spaces below and transmitted to Central Top Secret Control for record.

DOWNGRADED	DESTROYED	DISPATCHED (OUTSIDE CIA)
TO	BY (Signature)	TO
BY (Signature)	WITNESSED BY (Signature)	BY (Signature)
OFFICE	DATE	OFFICE

Approved For Release 2001/09/06 : CIA-RDP79T01146A000400160001-1

TOP SECRET

TOP SECRET

17 September 1951

CIA No. 49346-A

Copy No. 49

S/S CABLE SUPPLEMENT

TO THE DAILY DIGEST

Not for dissemination outside O/CI and O/NE.

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

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. Comments represent the immediate views of the Office of Current Intelligence.

TOP SECRET

TOP SECRET

17 September 1951

CIA No. 49346-A

Copy No. 50

S/S CABLE SUPPLEMENT

TO THE DAILY DIGEST

Not for dissemination outside O/CI and O/NE.

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

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. Comments represent the immediate views of the Office of Current Intelligence.

TOP SECRET

TOP SECRET

SECTION 2 (EASTERN)

1. IRAN. Effects of British embargo on Iranian economy: The British embargo on the export of certain scarce commodities to Iran, according to the American Embassy in Tehran, will be felt immediately in the case of sugar, already in short supply. The ban will also affect, although less quickly, cotton piece goods which can no longer be bought from the US because of Iran's inability to convert sterling to dollars. (S, S/S Tehran 1017, 14 Sep 51).

Comment: The British action in shutting off these imports will encourage opposition to Prime Minister Mossadeq among moderates. At the same time, it will probably result in an even more intransigent attitude on the part of the present government which will see in this action further confirmation of "British imperialism."

2. INDIA/BURMA. India advises Burma to delay submission to UN of Chinese troop question: India has advised Burma to delay its projected submission to the UN of the question of Chinese Nationalist troop activities along the Sino-Burmese border. India has also expressed the hope that the US can do something toward eliminating this danger to peace in Asia since the US, as the "chief supplier of foreign arms to Southeast Asia," may be accused by Communist powers of assisting the Nationalists. (S, S/S New Delhi 956, 12 Sep 51).

Comment: Last May, when Burma first planned to take this case to the UN, it was dissuaded from doing so by US representations, Indian admonitions against hasty action, and the movement of troops in question out of Burma into Yunnan. Now that the defeated Nationalist troops have reentered Burma, any Western advice to delay may be less successful. If the case is not submitted, it will probably be largely because of Indian influence.

3. BURMA. Burma to make peace with Japan: The Permanent Secretary of the Burmese Foreign Office informed US Ambassador Key that his government expects to establish peace with Japan through the exchange of notes. Despite the similarity to the Indian approach to the matter, the official indicated that Burma was acting independently. (C, S/S Rangoon 276, 13 Sep 51).
4. INDOCHINA. De Lattre reportedly seeks command of all Allied forces in Southeast Asia: [REDACTED] commenting on De Lattre's trip to the US, told the US Consul in Hanoi that in pressing for an advance US-UK-French commitment to act jointly against any Communist move into Southeast Asia, De Lattre will forcefully nominate

25X6

TOP SECRET

TOP SECRET

25X6
himself for command of Allied Forces from Hong Kong to Singapore. The [REDACTED] US is or would be agreeable but that the British are unwilling to entrust their area, especially Malaya, to a non-Britisher. (S, S/S Hanoi 154, 13 Sep 51).

Comment: The minutes of the US-UK-French military conference held in Singapore during May strongly suggest that De Lattre has precisely this goal in mind.

5. INDOCHINA. De Lattre plans to revive issue of French participation in Indochinese aid program: General De Lattre's proposed agenda for his meetings with ECA officials in Washington is "highly disappointing," in the opinion of the US Charge at Saigon. The Charge feels that it indicates the French attitude towards the US economic aid program in Indochina has remained the same -- that US economic aid to the Associated States should not be administered bilaterally, but with official French participation.

The US Charge refers to the original American decision to devise a program whose benefits would be applied directly through the Associated States, in order to strengthen the prestige of the native governments in the eyes of the populations. This would prevent the French from diverting the aid to their own interest. He concludes that if De Lattre's agenda were made known to informed Vietnamese, it would violently irritate and offend them. (S, S/S Saigon 626, 13 Sep 51).

Comment: Although the French insisted almost two years ago on participation in the economic aid program, they subsequently appeared to accept administration by the US and the Associated States. De Lattre's reported intent to revive the issue of French participation is not surprising, however, in the light of continuing French criticism of the ECA program in Indochina.

6. French-Vietnamese friction over the concept of the French Union foreseen: The US Charge in Saigon believes that the prospective first convocation of the High Council of the French Union may bring to a head the problem of whether the status of the Associated States of Indochina is to be one of genuine association or subordination.

The emphasis which Vietnamese spokesmen have placed on full equality within the French Union, when compared with De Lattre's statement that commonwealth dominion status is hardly in prospect for Vietnam, denotes the potential explosiveness of this issue. The Charge states his belief that implementation of the French Union, along the restricted lines envisaged by France in 1946, will be deeply resented by the Vietnamese public and will embitter French-Vietnamese relations for years to come. He urges that no American statement be issued which implies approval of the organizational aspects of the French Union. (S, S/S Saigon 627, 14 Sep 51).

TOP SECRET

TOP SECRET

7. INDONESIA. Ratification of Japanese treaty probable: US Ambassador Cochran states that events at the San Francisco conference have sobered Indonesians generally and weakened the position of those who opposed participation in the treaty. Cochran believes that when Foreign Minister Subardjo and Ambassador to the US Ali reveal the progress they made with the Japanese delegation at San Francisco, the government -- if supported by President Sukarno, Vice President Hatta, and the Sultan of Jogjakarta -- can obtain parliamentary ratification of the treaty. (C, S/S Djakarta 421, 13 Sep 51).

Comment: The Japanese delegation assured the Indonesians at San Francisco that Japan was prepared to negotiate bilateral treaties regarding the payment of reparations and the regulation of fishing rights in Indonesian waters. The Indonesian delegation is not expected to return to Djakarta until 23 September, and a detailed statement by the government describing their activity at San Francisco will undoubtedly await their arrival.

There is every indication that Sukarno, Hatta and the Sultan of Jogjakarta will support ratification of the treaty.

8. PHILIPPINES. Filipinos study relations with Japan: With regard to the Philippine attitude on Japanese participation in the Food and Agriculture Organization, the US Charge in Manila has been informed that the "Philippine Government is reexamining its position relative to Japan's membership in UN bodies." The Charge comments that the reexamination is likely to take at least a month and that it would be safe to assume that no commitments would be made before the Japanese peace treaty is ratified. (C, S/S Manila 1050, 14 Sep 51).

Comment: The Philippine Government, which has been under attack from the opposition for being too lenient on the whole Japanese question, is likely to delay action in this matter until after the forthcoming elections.

9. JAPAN. Airline negotiations bog down: An investigation by the US Mission in Tokyo reveals that the delay in inaugurating the Japanese internal airline, originally scheduled for 20 August, is due to failure on the part of the several international airlines participating in the venture to form the necessary corporation. Several foreign representatives still lack authority to commit their companies but continue to indicate their desire to participate in the joint venture. Japan Air Lines, whose franchise expires on 20 September, is now attempting to negotiate with only one foreign company to furnish the necessary planes and pilots. (C, S/S Tokyo 541, 13 Sep 51).

Comment: The suggestion for a joint international airline was made originally by the US in an effort to avoid criticism that the Occupation was showing favoritism toward US airlines. Lack of any restrictions in the peace treaty on Japanese operation of civil aircraft may have been a factor in loss

TOP SECRET

TOP SECRET

of interest on the part of the international carriers, who realize that the Japanese will take over as soon as training is completed and equipment obtained.

SECTION 3 (WESTERN)

10. FRANCE. French seek US support to prevent Moroccan question reaching UN: In the 11 September discussions between the French Foreign Minister and the US Secretary of State, the latter agreed that "no useful purpose" would be served by raising the Moroccan question in the UN and promised to "use his influence to discourage" such a step. The secretary assured the foreign minister that US-French interests in Morocco "coincided" with the views the foreign minister had expressed, but he noted that the Nationalist forces deserved "careful consideration." (S, S/S to Paris 1531, to London 1445, 12 Sep 51).

Comment: French sources have already expressed the opinion that the Arab States are not likely to raise the question of French infringement on Moroccan sovereignty at the next UN General Assembly.

General Juin's replacement by General Guillaume has relieved Franco-Moroccan tension somewhat, even though a softer policy is not likely to be adopted. Pressure from North African Nationalist forces on the Arab States may now diminish.

11. UNITED KINGDOM. Morrison stresses danger of precipitating war: In the course of the 12 September US-UK-France tripartite talks, which generally surveyed the policy of containing the USSR, British Foreign Secretary Morrison put considerable stress on the importance of avoiding action which might inadvertently precipitate a third world war. He warned against going too far in Korea, arming Yugoslavia too extensively, establishing western air bases in Turkey, rearming a united Germany, permitting West German Anschluss with Austria, establishing air bases in Norway, admitting Sweden to NATO, rearming the Japanese too quickly, and setting up powerful US wireless transmitters on the perimeter of the USSR. The West nevertheless must continue to increase its military strength, he concluded. (S, S/S to London 1463, 12 Sep 51).

Comment: Objection to many of the projects mentioned by Morrison might also be explained by the well established British opposition to extensive dispersal of US commitments, with a smaller share for the UK and France as a result. Several of his statements range so far from the realm of current issues, however, as to suggest that the foreign secretary was preoccupied

TOP SECRET

TOP SECRET

with the left-wing Labor criticisms of American foreign policy, criticisms which he anticipates he will have to answer at the party's annual conference in early October.

Just prior to Morrison's departure for the present conferences, the US Embassy in London estimated that domestic political considerations would make him particularly anxious to "bring home some bacon" (see OCI Daily Digest, 30 Aug 51).

TOP SECRET