

SECRET
SECURITY INFORMATION

12 September 1952

US OFFICIALS ONLY

OCI No. 8873
Copy No. 285

CURRENT INTELLIGENCE DIGEST

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

This digest of significant reports has been prepared primarily for the internal use of the Central Intelligence Agency. It does not represent a complete coverage of all current reports received. Comments represent the immediate views of the Office of Current Intelligence.

DOS and DIA Declassification/Release
Instructions on File

SECRET
SECURITY INFORMATION

SECRET

THIS MATERIAL CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE LAWS, TITLE 18, USC, SECS. 793 AND 794, THE TRANSMISSION OR REVELATION OF WHICH IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.

* * *

GENERAL

1. Soviet propaganda admits Japanese defense force permissible: On 5 September Radio Moscow, commenting in Japanese on the subject of the Japanese National Police Reserve, stated: "The Soviet Union has never denied the right of Japan to have her own defense force. However, as its memoranda have repeatedly expressed, the Soviet Union is opposed to the use of that defense force as a mercenary force of a foreign country. If it were a real defense force of Japan, it would contribute much to the benefit of the Japanese people." (R FBIS Moscow, 8 Sept 52)

Comment: In general, Soviet propaganda has been trying to create resentment by charging that the US is rearming Japan against its will and is using the Japanese National Police Reserve as "mercenaries" in Korea and is planning their use "in a war against the Asian people."

Although the USSR has officially endorsed limited Japanese rearmament, this has been generally ignored in Soviet propaganda. Radio Moscow's recent admission that a Japanese defense force is permissible may initiate a new line which will support the Japanese Communists in the coming elections.

SOVIET UNION

2. First Motor-Fishing Station in the USSR established: The Soviet press in the Baltic area has announced the formation of the first Motor-Fishing Station (MRS) in the USSR. This station, which began operations on 30 June with thirty motor boats and four trawlers, will service all collective fisheries of the Parnu Basin in Estonia, many of which will use large trawlers for the first time this year. In the future, fishing will be continued throughout the year. Three additional

SECRET

SECRET

stations are to be formed in Estonia next year. (S Summary of Soviet Press 250, 18 Aug 52)

25X1C

Comment: This Motor-Fishing Station appears to be closely patterned after the Motor-Tractor Stations of Soviet agriculture, wherein agricultural machinery is centralized and operated by specially trained personnel. Such stations are important instruments of political and economic control, and provide needed technical assistance to collectivized agriculture.

EASTERN EUROPE

3. Albanian Premier reopens propaganda attack against Yugoslav treatment of Albanian minority: Premier Hoxha is touring northern Albania accompanied by Minister of Interior Shehu, Vice Premier Tuk Jakova and Presidium vice president Major General Myslim Peza. During the course of the tour Hoxha has reiterated, after some six months lag, charges against Yugoslav treatment of the Albanian minority in Yugoslav Kosovo-Metohija.

He alleged that the UDB trains escaped Albanian criminals to spy and kill in Albania, but reassured the Albanian peasants that the state police will annihilate these diversionists. (R FBIS Tirana, 10 Sept 52)

Comment: Hoxha's speeches in northern Albania are probably in answer to the recent barrage of anti-Albanian propaganda in the Yugoslav press and radio, and perhaps indicate a reaction to Yugoslav subversive activities. The composition of the government delegation shows a pose of solidarity among the alleged governmental factions and the wartime leaders.

Since the end of August Yugoslav press treatment of the Albanian situation has dropped off almost 100 percent.

4. Bulgarian Liberation Day celebrated: Liberation Day celebrations in Bulgaria featured a large meeting at the National Theater in Sofia on 8 September and a parade through the capital on the following day. All members of the Politburo and leading government posts, with the exception of President of the Presidium Georgi Damianov, were present at both functions. (R FBIS Sofia, 10 Sept 52)

SECRET

SECRET

Comment: The Soviet delegation participating in the 1952 celebration included a Deputy Chairman of the Presidium of the USSR and an alternate member of the Politburo of the Ukrainian Communist Party. In 1951 the Soviet delegation included men of considerably higher rank, including Marshal Sokolovsky, the Deputy Minister of War, and Bogomolov, the Deputy Minister of Foreign Affairs.

The feature address at the Liberation Day meeting of 8 September was delivered by Anton Yugov, who was recently replaced as Bulgarian Minister of Heavy Industry and appointed Vice Premier.

- 5. US Legation in Budapest discounts report of high level Orbit meeting in Hungary: The US Legation in Budapest is inclined to doubt a report which it has received from French diplomatic sources that Premier Chervenkov of Bulgaria had been ordered by Moscow to attend an Orbit conference in the Hungarian Lake Balaton area at the end of August. The Legation notes that Hungarian Premier Rakosi was away from Budapest at the time and might have been present at such a conference, but considers it unlikely that a top level meeting could have been kept secret in so popular a vacation area. (C Budapest 24, 10 Sept 52)

Comment: Numerous rumors of top level Orbit conferences have been current during the last month but none has been confirmed. Chervenkov made no public appearances between 10 August and 8 September, but there is no evidence that he was out of Bulgaria during this time. Rakosi is believed to be taking his customary vacation in the USSR.

Yugoslav sources reported on 27 August that a meeting of the political police chiefs of all the Cominform countries had been called near Lake Balaton in late August to coordinate activities under Russian leadership. This report also is unconfirmed.

- 6. Polish conscription class notified of call-up: [redacted] men born in 1932 and some previously deferred members of other conscription classes were called up on 18 August. [redacted]
[redacted]

25X1C

25X1C

25X1A

25X1A

Comment: The MA in Warsaw reported that the notifications of call-up of the class of 1932 and those of the classes of 1931, 1930 and 1929 deferred in previous years were posted

SECRET

SECRET

in Warsaw on 19 August.

Under the terms of a Polish decree on Universal Compulsory Military Service of 1950, actual inductions occur during September. The size of a Polish conscript class is estimated at 250,000. Of this number only 70,000-80,000 actually perform military service.

The current strength of the Polish army is estimated to be 175,000. The net gain in Polish army strength this year, however, will depend on the number of conscripts released. There are no indications yet of the release of men of the class of 1928 whose term of service was extended for one year last fall.

7. Polish troops unaccountably absent from training areas: At the end of August the US Military Attache, during a trip through southern Poland, observed that all Polish army forces had moved out of the areas visited, only housekeeping details were occupying barracks, and there was an unusual lack of army vehicles. As an explanation for these observations, he suggested that troops from this region had been moved into northern areas to participate in large scale training.

However, field trips to northeast and northwest Poland by American service attaches during the first week of September revealed a general decrease in military strength and activities in both barracks and training areas, as evidenced by the absence of personnel and equipment. In commenting on the September trips the attache stated he was not satisfied with the findings in the field since more troops should have been seen in the northern training areas. (S Warsaw, MA-119-52, 2 Sept; MA-122-52, 8 Sept 52)

Comment: There is no ready explanation for the absence of a substantial number of troops in the northern training areas, particularly if the troops absent in southern Poland had moved north.

SECRET

SECRET

FAR EAST

8. "Peace" conference delegates to be granted transit through Hong Kong: The British Foreign Office denies a report from Tokyo that delegates to the Pacific "peace" conference in Peiping this month would not be granted transit visas through Hong Kong and Singapore. The British Government "reluctantly" decided that requests for visas could not be refused, but is "perfectly happy" if the earlier false report inhibits or confuses the delegates' travel plans. (C London 1389, 10 Sept 52)

9. Peiping reports guerrilla activities in West China: Radio Peiping announced on 7 September that one of the tribes in the Chiencha area of southeast Tsinghai Province finally "came over" to the side of the People's Government on 11 July.

After the "liberation" of Tsinghai, many of the followers of Ma Pu-fang fled to the Chiencha area and opposed the People's Government by hampering communications, carrying out armed raids, and several times attacking the People's Army. Numerous appeals and emissaries were repulsed. On 2 May the Tsinghai Provincial Consultative Committee and the Provincial People's Government Council demanded that Peiping carry out immediate suppression of these activities by using troops. (R FBIS Peiping, 10 Sept 52)

Comment: The Chinese Communists have been supporting an anti-guerrilla operation in northwestern Szechwan since mid-July. Although there is no recent evidence of guerrilla activity in Tsinghai, it has often been reported that large numbers of dissidents are active in that province.

10. Kuomintang Congress will discuss mainland invasion: The Seventh National Congress of the Kuomintang, scheduled for 10 October at Taipei, will discuss the timing for the invasion of mainland China. Some officials of "top rank" think that Free China should strive to change the situation in Asia by her own efforts. They believe that the United States would approve the move, if Formosa showed determination and strength. (R FBIS Taipei, 10 Sept 52)

Comment: Chiang Kai-shek's elder son, Chiang Ching-kuo, has stated that the Nationalists can be ready to launch an attack on the mainland in six months, if the US provides air

SECRET

SECRET

and naval support. The American Embassy at Taipei notes that this view is being expressed by an increasing number of responsible Nationalist officials, including the Generalissimo himself, to American political and military visitors.

11. Chiang Kai-shek's son extends power in Formosa: With the abolition of the National Resources Commission on 1 September, the management of state-operated industries has been put under the Vice Minister of Economic Affairs, according to a high-ranking Nationalist official. The net effect is to place these industries under Chiang Kai-shek's son, Chiang Ching-kuo, who reportedly controls the Vice Minister of Economic Affairs. [REDACTED]

25X1A

25X1A

Comment: Enterprises controlled by the National Resources Commission extended into the petroleum, aluminum, mining, textile, chemical, power, and shipbuilding industries. The growing strength in the Nationalist Government of Chiang Ching-kuo, who reputedly harbors an anti-American bias, has been apparent for the past year.

12. Communist food deliveries to Tibet reported lagging: An American consular official who recently visited the Indian-Tibetan border area reports that the road into Tibet is in very poor condition. [REDACTED]

25X1C

25X1C

[REDACTED] the Communists in Tibet obtained no more than 350 tons of rice through India between late July and early September.

The Tibetans are reported to be restive under Communist control. The Dalai Lama's power and influence among the people is said to be increasing continuously. (S Calcutta 78, 10 Sept 52)

Comment: To alleviate a serious food shortage in Tibet, the Chinese Communists reportedly promised to ship 1,500 to 3,000 tons of rice via India. With only 350 tons transported by early September, the Communists may find it difficult to attain this objective before heavy snows block the mountain passes.

Tibetan restlessness under the Communists was expressed in riots in the Lhasa area last spring. The Dalai Lama is believed no longer to have significant power in Tibet.

SECRET

SECRET

SOUTHEAST ASIA

13. Cool Southeast Asian reception for proposed defense declaration predicted: Emphasizing the importance of Southeast Asian reaction to the French-proposed defense declaration for that area, Ambassador Stanton in Bangkok fears that the declaration would do more harm than good. He believes that the Southeast Asian nations would regard it as a vague recapitulation of existing Western policy, undeserving of their support unless immediately and fully backed up by firm military commitments. (S Bangkok 433, 10 Sept 52)

14. Indonesian peace delegation departs for Peiping: The Indonesian peace delegation headed by Suroto of the Antara News Agency left for Peiping 9 September. The 18-member delegation includes three journalists, eleven representatives of Communist labor, agricultural, youth, and women's organizations, one representative of the Indonesian Committee for World Peace, one "artist," and two "painters."

The preparatory committee in Peiping also invited eight "leading Indonesian personalities," of whom five are parliament members, to participate in the conference, but it is not known whether these persons will attend. (R Djakarta 462, 5 Sept; R FBIS Djakarta, 10 Sept 52)

Comment: The government is believed to have forbidden the departure of a delegate in only one instance, that of a Moslem political leader whose party refused to agree to his going to Peiping.

Suroto, the chairman of the delegation, has been described by the American Embassy in Djakarta as a "competent, objective newspaperman." The Antara News Agency, by which he is employed, however, appears to be a sounding board and distribution channel for Communist announcements.

15. Unofficial Bao Dai representative proposed for Burma: The American Embassy in Rangoon suggests that an exploration be made of the possibility of establishing an unofficial representative of the Associated States of Indochina in Rangoon to counteract the highly effective work of the local Viet Minh representative. The Embassy believes that the Burmese Government will find it difficult to deny entry to such a person in view of its neutral foreign policy, but

SECRET

SECRET

cautions that he must be of high caliber to compare favorably with the Viet Minh representative. (S Rangoon 393, 9 Sept 52)

NEAR EAST - AFRICA

16. Egyptian military forced removal of secretary general of Arab League: Abdul Rahman Azzam has informed Ambassador Caffery that his resignation as secretary general of the Arab League was demanded by the military group in Egypt.

Caffery believes that Azzam's unpopularity with Iraq and Lebanon may have caused his resignation. (S Cairo 635, 10 Sept 52)

Comment: Azzam, who is friendly toward the West and an eloquent promoter of the pan-Arab movement, has been a controversial figure identified with former Egyptian regimes.

The prestige of the League and of Azzam has declined steadily since the war with Israel. Azzam's removal may indicate Egypt's intention of reorganizing the League into an effective regional organization.

17. Libyan King interested in having American company explore for oil: King Idriss has told Minister Villard that he would encourage oil explorations in Libya by an American company. The King stressed that an oil company should not restrict its search to one region, but should include all the provinces of Libya. (C Benghazi 39, 8 Sept 52)

Comment: A British oil company is currently interested in obtaining oil rights in Libya. However, there is no definite indication of oil there. The King's desire for oil exploration is in line with the widespread belief throughout the Middle East that oil deposits will solve all national problems.

SECRET

SECRET

WESTERN EUROPE

18. Italian discrimination against Trieste Slovenes complicates Trieste solution: Discriminatory acts against the Slovene minority in Trieste are being brought to the attention of the Allied Military Government with increasing frequency by various Slovene groups. The United States Political Adviser in Trieste comments that neutral observers agree in general that the Slovene minority in Zone A does not enjoy the "more enlightened rights of minorities."

AMG has refrained, out of respect for Italian sensitivities, from using its authority to remedy these defects; but with pro-Titoist and anti-Communist Slovene groups and the Yugoslav Government pressing the issue, it is becoming increasingly difficult for AMG to continue to ignore their protestations. (S Trieste Desp 26, 5 Aug 52)

Comment: In the light of Yugoslavia's flagrant violation of minority rights in Zone B, and AMG's objective of giving Italy a freer hand in the administration of Zone A internal affairs, it is extremely difficult for AMG to insure equality of treatment for the Slovenes.

Nevertheless, the absence of certain minority rights in Zone A gives Belgrade a convenient basis for propaganda attacks against Italy, as well as against the AMG, and provides a "strong point" for Yugoslavia in the battle over who is to blame for the failure of Italy and Yugoslavia to compromise on Trieste.

19. Italian proposal to trade interests in Albania for all of Trieste believed unofficial: The American Embassy in Rome believes that recent remarks of Italian Under Secretary of Foreign Affairs Taviani, suggesting that Italy might renounce its interests in Albania to Yugoslavia in return for the entire Free Territory of Trieste, were a purely personal expression rather than an indication of official Italian consideration of such a formula.

The Embassy also points out that Taviani's mention of an enclave around Cittanova and Umago on the west coast of Zone B contradicts the official Italian acceptance of a "continuous ethnic line" and is not to be considered as anything more than a personal idea. It could, however, be advanced officially at a later date as a bargaining proposal. (S Rome 1047, 10 Sept 52)

SECRET

SECRET

Comment: No other reports have been received indicating Italian soundings as to the prospects for such an arrangement regarding Albania and Trieste. In view of Italy's desire to recover its economic interests in Albania, it appears unlikely that Taviani intends his proposal to be taken seriously.

20. Administrative adjustments in East Germany reflect organization of defense establishment: The East German Government reportedly plans to replace the Main Administration for Internal Affairs established within the Ministry of Interior last May with a new State Secretariat for Administrative Affairs. While the new State Secretariat will continue to control all normal interior functions and is therefore similar to the old Main Administration, its separate administrative department and budget sections will render it much more independent of the Ministry of Interior.

American officials in Frankfurt comment that while the relative independence of the new Secretariat will simplify the ultimate separation of the "armed forces segment of the Ministry" into a separate agency, the official establishment of the new Secretariat would suggest that announcement of a Ministry of Defense is not immediately contemplated. (S Frankfurt Sitrep 34, F-3, 10 Sept 52)

Comment: The actual timing for the formal announcement of a Defense Ministry will probably be governed in large part by the formation of a Ministry of Defense in West Germany.

21.



25X1C

SECRET

SECRET

22. French labor expected to drive for higher wages: French labor's "fall offensive" for wage increases now seems to be under way, according to the American Embassy in Paris. The Communist-dominated CGT has taken the initiative, and the Embassy doubts that the non-Communist unions will be able to hold back, despite their desire to support Pinay's stabilization program.

The Embassy believes that only tough anti-inflationary measures by the government can help the faltering Pinay program "save the franc." (R Paris 1471, 8 Sept 52)

Comment: The CGT drive had been expected since last spring. Current Communist policy calling for a broad-based "unity of action" promises full exploitation of the recent price rise.

23. Local preparations for Vienna "Peace Congress" fail to reveal convention theme: Commenting on the absence of active overt preparation for the World Peace Council meeting in Vienna in December, American Embassy officials in that city believe that local Austrian Communists are up to now only "seizing upon likely subjects to keep the idea of the Congress alive until the definitive line is received." Although the stress so far has been on relatively local issues, Embassy officials warn that the Congress may be a "bigger spectacle" than last year since it will not be limited to members of the World Peace Council. (C Vienna 703, 9 Sept 52)

Comment: The Vienna meeting of the World Peace Congress was announced at the East Berlin convention of the World Peace Council early last July. At that time, important delegates asserted that the "timing" of the work of the World Peace Council "was determined by the ratification of the Bonn and Paris agreements."

Soviet denunciations of alleged defense preparations in Western Austria and of Western proposals for an Austrian treaty have been used in the pre-Congress propaganda.

24. Italian Communists successful in Genoa strike: The two-hour general strike recently called in Genoa by the Communist-dominated Italian General Labor Confederation (CGIL) without the support of the anti-Communist unions was "fairly successful." It halted all streetcars and buses, and stopped all port and major shipyard activity.

The walkout was a demonstration of solidarity with the port workers in their protest against the Ministry of Merchant Marine's

SECRET

SECRET

decree, giving the management of the nearly completed government-financed steel mill permission to unload ore and coal ships at its own dock with its own workers. (C Genoa 44, 8 Sept 52)

Comment: The Communists, despite their loss of the city of Genoa in the 1951 local elections, have apparently retained control of the municipal transportation workers.

25. Swedish Government concerned over the need for Polish coal:
The Swedish Government is disturbed about the results of the Swedish coal importers' visit to Warsaw, according to the American Embassy in Stockholm. The importers have large stocks on hand, and do not need further imports at present prices. A Swedish official has observed, however, that while present coal stocks and availabilities from the UK are much better than last autumn, Sweden could not last the whole winter without Polish coal, and this is an awkward time of year to stop imports.

The official added that price discussions may be resumed, and if they are not successful some action may be necessary to assure imports of Polish coal. Trade agreement negotiations might be delayed, but in the present circumstances Sweden would prefer a delay. (C Stockholm 307, 10 Sept 52)

Comment: Other Scandinavian countries have been depending on the strong bargaining position of Sweden to secure a lowering of the price of Polish coal. This report shows that the Swedish bargaining position is not nearly as strong as had been supposed. The Swedish Government might be willing to settle for a higher price than would the importers.

LATIN AMERICA

26. Colombian army coup reported imminent: A group of retired Colombian army officers and younger officers on active duty have reportedly decided to attempt a coup. They planned to pick their leader after the expected arrival in Colombia on 11 September of Generals Rojas Pinilla and Sanchez Amaya.

The two important dissident Conservative leaders, Alzate Avendano and Ospina Perez, are said to have agreed to the plan. (S Bogota 149, 10 Sept 52)

SECRET

SECRET

Comment: Other reports indicate that the top army command and the Archbishop of Bogota may favor a coup to install Ospina Perez, moderate Conservative and former President, as chief executive.

General Rojas Pinilla, who has been serving as Colombian delegate to the Inter-American Defense Board, was seen in Washington on the morning of 11 September. Because of his prestige within the army and his dissatisfaction with the administration's methods of combating the widespread guerrilla activities, he may be both able and willing to overthrow the present regime.

27. Misconception of Bogota disturbances causes alarm in Caracas: The American Ambassador in Caracas reports that Arthur Proudfit, president of Standard Oil's Venezuelan subsidiary, is disturbed at the loss of international petroleum property in Bogota and sees increasing evidence of intense nationalism in Bolivia, Chile, and Colombia. Proudfit concludes that Venezuelan authorities cannot long remain complacent.

The Embassy comments that the Colombian situation may have great significance for the United States in view of the situations already existing in Argentina, Chile, and Bolivia. (S Caracas 108, 9 Sept 52)

Comment: The offices of Standard Oil's Colombian subsidiary, located in the building also occupied by the second-ranking Liberal newspaper in Bogota, suffered \$40,000 damage as an incidental part of the anti-Liberal riot of 6 September.

Nationalism apparently plays no important role in the current Colombian disorders.

SECRET