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GENERAL
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<u>Comment:</u> The USSR is very likely to free more German prisoners of war in line with its release of other nationals, and its policy of concessions would help offset the effects on German opinion of the planned release of war criminals by the West.

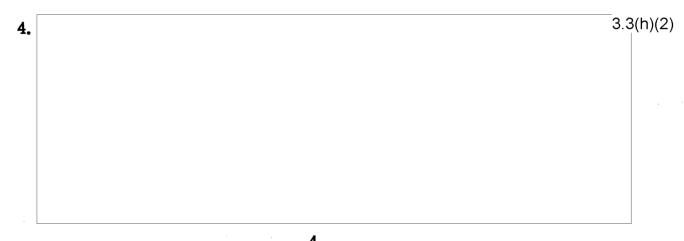
The USSR admits holding onl A January 1952 UN report estimated that it still holds	y 13,000 POW's. 70,000 German	
POW's	nearly as many	3.3(h)(2)
civilian laborers are still in the USSR.	_	

#### FAR EAST

3. Comment on expected no-confidence motion against Japanese foreign minister:

Japanese foreign minister Okazaki, a key figure in current MSA negotiations, is faced in the Diet with a Socialist-inspired motion of no confidence. The vote will probably be scheduled for the next few days. It would seriously threaten Premier Yoshida, since it could logically be interpreted as a lack of confidence in the present cabinet. In the light of Yoshida's record, he might call for a new general election.

The attitude of the Progressive Party, a conservative opposition group, on the motion has not been made known. It is unwilling to face new elections in the immediate future and as the price of its support will probably seek concessions from Yoshida's Liberal Party in their negotiations looking toward a coalition.





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### SOUTHEAST ASIA

5.	France reportedly	to a	nnounce	unconditional	inder	pendence	for	Cambodia:
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The French high commissioner in Cambodia <sup>3.3(h)(2)</sup> told Ambassador Heath on 21 July that on the basis of information from Paris, he expected instructions within 48 hours acceding, in effect, to Cambodia's demands for unconditional independence.

The Cambodian prime minister later pointed out to the ambassador that although France had the right to expect certain economic and military concessions, Cambodian public opinion demanded they be freely given and not imposed.

Comment: This is the only indication that France is considering granting Cambodia unconditional independence. The French cabinet, in meetings now being held, is reportedly developing a policy of broad political concessions within the French Union, as well as stepped-up military operations against the Viet Minh.

#### **NEAR EAST - AFRICA**

## 6. Comment on Iranian Communist demonstration:

The unexpectedly large, well-disciplined Tudeh demonstration in Tehran on 21 July indicates a significant increase in Communist capabilities in Iran. This display was the

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strongest anti-American demonstration to date. Communist placards demanded the expulsion of American military missions and the Point IV program.

The approximately 50,000 participants in the Tudeh demonstration contrast sharply with the estimated 20,000 which the progovernment forces managed to turn out earlier in the day. The situation is similar to that of the 22 June demonstrations, in which 12,000 well-organized Tudeh sympathizers overshadowed the 3,000 to 4,000 disorganized government supporters.

Prime Minister Mossadeq's generally tolerant attitude toward the Tudeh during the past two years has permitted the party to increase its strength. His occasional acceptance of Communist support has also helped to put the party in a position to elect deputies to the next Majlis. The Tudeh's disciplined public appearances suggest that it can now threaten public order at any time.

#### WESTERN EUROPE

<i>(</i> .	Threat to Trieste Communist Party Seen in Beria arrest:

Comment: Vittorio Vidali, chief of the pro-Cominform party in Trieste, recently declared before a party meeting that the Beria case has had a "demoralizing effect" on the Communist parties of both Trieste and Italy. Rumors linking Vidali with Beria and predicting his imminent purge are current in Trieste party circles.



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the E	The Dutch prime minister and finance ministe 3.3(h)( are convinced that the Netherlands is receiving less favorable treatment than other countries in the supply of American military equipment, deits relinquishment of direct financial aid and accelerated action on DC treaty, according to a high government official. He states that mpression is handicapping the efforts of the defense and foreign ters to block a cut in defense expenditures.
the ar	Comment: The Dutch have previously comed that they are tentatively scheduled to receive only about half nount of military equipment scheduled for Belgium, and protested his is not enough for their planned military build-up.

