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215

GENERAL

1. Responsibility for delay in UN Military Committee--The US Naval Representative on the US Military Staff Committee reports on the basis of "unofficial information and surmise" that the Soviet Military Delegation is unable to proceed with discussions of basic military agreements because of "positive instructions" to the contrary from the Soviet Government.
2. Negotiations on Austro-German power controversy--General Clay reports that OMGUS representatives will shortly open negotiations with the Austrian Government regarding the distribution of hydro-electric power from the Tyrol and Inn River plants. While OMGUS is willing to arbitrate the disputed ownership of the Inn River plants, it insists that any further reduction in power imports from Austria will have "most serious industrial repercussions" in the US Zone of Germany. Clay reports that the power shortage in the US and UK Zones, Germany, is so severe that power is being rationed; essential industries are closing down, and further restrictions are in prospect.
3. Austrian reaction to French and Soviet zonal economic demands--US Charge Denby reports that the Austrian government is seriously concerned about the economic demands by the French and Soviets on their respective zones of occupation. On 22 October the Cabinet decided not to make a public statement against the French and Soviet occupation policy but agreed that its next session would be secret and would discuss the issuance of a communique without mentioning specific occupation powers. Denby adds that the French are now demanding increased amounts of cloth, butter, cheese and wood without making provision for compensation.
4. South Africa to pursue annexation plans--The US Representative to the UN reports that South African delegates have declared flatly that if the UN Assembly refuses to discuss the proposed annexation of Southwest Africa, the Union of South Africa "would feel free to proceed unilaterally with the annexation in accordance with the desires of the inhabitants of that area."

53
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- 1 -

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 EUROPE

5. RUMANIA: Opposition parties protest election preparations--US Representative Berry has received a statement addressed to the US, UK and USSR from the three leading Opposition parties protesting pre-election abuses by the Groza Government. The statement requests Big Power action to enforce (a) revision under international control of all electoral lists; (b) re-establishment of freedom of press and assembly; (c) guarantees of personal liberty for candidates and voters; (d) impartial supervision of the elections; and (e) no reprisals against voters regardless of the election results.

Subversive trials branded as electoral move--Berry also reports that it is becoming clear that the Government intends to use the trials of the persons accused of subversive activity (see Daily Summary of 21 October, item 4) to keep important members of the Opposition from taking part in the elections. Berry states that there is no "basis for the trials" and that, "except for the Government's desire to exploit the affair to the utmost, those actually guilty could have been tried seven months ago when arrested."

6. GERMANY: Berlin SPD and CDU leaders discuss cooperation--Murphy reports that in a first informal meeting after the Berlin elections SPD (Socialist) and Christian Democratic leaders agreed (a) on a "wide measure of cooperation" between their two parties (but not to the formation of a bloc); (b) that cooperation with the SED would be "necessary"; and (c) that the Berlin anti-Fascist front should be permitted to lapse.
7. ITALY: Action by Italian Fleet personnel held unpredictable--US Naval Attache Rome reports that the morale of Italian Fleet personnel has somewhat improved since May and the "situation appears calm," but the sabotage of the fleet by Italian personnel, recently reported as a possibility, is "unpredictable" at this time.

NEAR EAST-AFRICA

8. TANGIER: Sultan's visit to be postponed--US Diplomatic Agent Alling has been told by the Resident General that the proposed visit to Tangier of the Sultan of Morocco has been postponed to late November or later. Despite Spanish disapproval, the Sultan is determined to make the trip and if necessary will cross the Spanish zone without stopping.

- 2 -
~~TOP SECRET~~
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FAR EAST

9. **CHINA:** Marshall prefers local handling of Dairen issue--General Marshall, in reply to a State Department query regarding the opening of communications with Dairen (see Daily Summary of 21 October, item 11) expresses the belief that "our larger purposes" would not be well served if the whole issue were aired with Moscow. He considers, however, that the isolation of the US Consul Dairen "constitutes an intolerable situation which should not be allowed to continue" and recommends establishment of periodic courier service by unarmed US naval vessels.

THE AMERICAS

10. **DOMINICAN REPUBLIC:** Submarine "mystery" report unfounded--US Embassy Ciudad Trujillo reports that investigation has completely discredited the report that unidentified submarines have been unloading "mysterious apparatus" (see Daily Summary of 18 October, item 8). US Naval Attache Havana considers the report a "political plant."

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