

APPROVED FOR RELEASE - Historical Programs Staff 30 August 2018



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GENERAL

1. Soviet attitude regarding Bulgaria--General Biryusov, acting chairman ACC Sofia, has told US Representative Barnes that "it is ridiculous for seven million unimportant Bulgarians to constitute a reason for any difference between the US and the USSR," and that "Bulgaria is in Russia's sphere of influence something similar to the countries you protect by the Monroe Doctrine."
2. Yugoslav students recalled from Czech universities--US Military Attache Prague reports that all Yugoslav students now attending Czech universities will be recalled to Belgrade at once. According to the MA, the action results from Tito's distrust of the Czech Government as not "Red enough" and from the anti-Tito reaction in Slovakia to the Yugoslav attacks on the Catholic Church.
3. Italian civil air mission may visit the USSR--US Military Attache Rome reports that a "high official source" has disclosed that the Italian Government probably will accept a Soviet invitation to send a civil air mission to the USSR.
4. Dutch desire "corrections" in German frontier--The Dutch Foreign Minister has informed US Embassy The Hague that proposals for Dutch-German frontier "corrections" will be submitted to the CFM meeting "early next week."
5. Soviet interest in recognition regarding trusteeships--A member of the Soviet Delegation to the UN has informed a US Delegation representative that the USSR believes itself entitled to recognition as a "state directly concerned" with respect to the draft trusteeship agreements. The Soviet member declared that, although his Government found the proposed draft agreements "inadequate and objectionable in many respects," it had done nothing about them because they had been submitted for "information" only.
6. US proposes Japanese reparations action by interim directives--Because the Soviet position on Japanese external assets makes it impossible to hold a reparations conference within the Far Eastern Commission framework, the State Department is advising the other countries represented on

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FEC that the US favors attacking the reparations problem by means of interim directives to SCAP. In formulating these directives, which would be subject to review by the FEC, the US would consult continuously with as many FEC member states as are willing to discuss them.

EUROPE

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7. **RUMANIA:** Series of arrests believed imminent--US Delegate ACC Bucharest reports that, [redacted] all SSI (Special Intelligence Service) agents have been alerted as of 28 October and that such notice usually precedes a series of arrests.
8. **CZECHOSLOVAKIA:** Difficulties foreseen in US property settlements-- US Ambassador Steinhardt reports that the Czech Government wishes to start negotiations as soon as possible for the compensation of US nationalized properties in the hope of expediting an Exim Bank loan. Steinhardt, however, foresees serious difficulties if Czech authorities persist in their present belief that US claims can be disposed of for two or three million dollars, as one US concern alone claims \$14,000,000. Steinhardt reiterates his belief that the US should not resume loan negotiations until a satisfactory settlement of US property claims has been made.
9. **HUNGARY:** Communist reasons for joining coalition- US Minister Schoenfeld has been "reliably" informed that the Communist Minister of Interior, Rajk, recently declared at a Party meeting that the Communists, in conformance with Leninist tactics, had agreed to a coalition Government with the Smallholders merely "to combat more powerful enemies," but that "in due time" the Smallholders would be "eliminated."
Report of Soviet demand for additional food unfounded-- US Minister Schoenfeld reports that investigation fails to substantiate a recent report by US Delegate ACC that the USSR had demanded 63,400 tons of cereals from Hungary in addition to scheduled reparations deliveries (see Daily Summary of 8 October, item 6).

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10. **FRANCE:** Change in French Communist line toward Germany--Caffery reports that a French Communist publication, in approving Stalin's answers to the Baillie questions, now admits that efforts should be made to create "a Germany in which we could have confidence," by (a) eradicating the germ of Fascism, and (b) enabling the Germans to "maintain a decent standard of living."

FAR EAST

11. **CHINA:** Need of foreign munitions minimized--Embassy Nanking reports that the British Embassy has refused a Chinese Government request to purchase 100 million rounds of British ammunition. The Chinese official to whom the refusal was communicated stated in reply that the supplies were no longer needed because, unless the Communists were willing to settle by negotiation, the Government's armies would have made such progress in the next three months that it would no longer be possible to speak of "a Communist menace."

THE AMERICAS

12. **PARAGUAY:** Offer of Belgian arms--US Military Attache Asuncion reports that Belgium has offered pistols, rifles, and ammunition to Paraguay at an attractive price.

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