## SOUTH KOREA

Aug. 5, 1956

CANAL SEIZURE EXPOSES "NEUTRALISM"

Seoul, in Japenese to Japan, Aug. 2, 1956, 1230 GMT--T

(Anonymous Commentary)

(Excerpts)

President Nasir's suddent eclaration to nationalize the Suez Canal surprise the world. His eclaration on nationalization had the same effect as would throwing a bomb. Why then it Nasir, President of Egypt, suddenly nationalize the Suez? Egypt led by him is a country advocated to a neutralistic policy supported by Arab countries. It further behaves as if it leads the Arab Nations. President Nasir attended the big-three neutralists conference in Brioni in late July, along with Tito of Yugoslavia and Nehru of India. On Nasir's leaving Brioni, the United States announced its withdrawal of aid to the Aswan Dam project. Nasir was astonished at the announcement. Following America, Britain also informed Egypt that she would withhold aid on the project. Even the Soviet Union, which... (a few words unintelligible—Ed.) said that it could not supply aid immediately.

President Nasir was seriously discouraged. .. man of tactics, he contemplated nationalization of the Suez. This was retaliation to Britain and France. The Suez dispute thus daught the attention of the world.

Egypt has gained huge benefits from the Suez. The country could not have been a modern sovereign State as it is today without the ... (one word unintelligible-Ed.) influences and material benefits of the Suez Canal and the world traffic connected with it. Egypt, however, has (strenuously?) tried to get rid of the foreign powers that! (dominated?) it. Consequently, its independence movement has steadily gained grounds. A few months ago, Egypt successfully had the British Armed Forces withdraw from the Suez Canal Zone.

The British and Egyptian Governments signed a pact to (authorize and administrate?) the Suez Canal Company, approved a series of international agreements adopted at the (Constantinople?) international conference, and agreed that these treaties would continuously be effective in the future. In defiance of these agreements, however, resident Nasir suddenly occupied the Suez Canal and nationalized the Canal Company.

NAZI WAR CRIMES DISCLOSURE ACT

Declassified and Approved for Release by the Central Intelligence Agency Date: is for this action, Khrushchev, First Secretary of the Soviet Communist Farty, stated: "The Soviet Union will support Nasir's pleage to keep the canal open to all vessels of the world." So saying, he clarified the Soviet stand toward the issue. This means that the Soviet Union has begun putting its mose into the Canal dispute. There has always been the shadow of the Soviet Union behind the neutral countries. The Soviet Union has exposed its real intent at last.

Nasir talks of independent neutralism on the one hand and asks for Soviet aid on the other. This is very langerous. Anyhow, (unless Egypt settles the Suez dispute?), it may pose a serious threat to the peace of the world. We must say it is time for us to change our view toward so-called neutralism in the kiddle East.

PRO-COMMUNIST TREND GROWS IN JAPAN

Seoul, in Japanese to Japan, July 31, 1956, 1230 GMT--T

(Ananymous commentary)

(Excerpts)

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According to UNITED PRESS, a U.S. Senate report rated July 23 revealed that the economic offensive of the Soviet Union in Southeast Asia is directed at Japan. Although the Soviet Union has offered no economic or technical aid to Japan as yet, she is pressing Japan to normalize relations with Communist countries. Relations between Japan and the Soviet Union have certainly been promoted, and exchanges of trade, industrial and fishery delegations have become active. The U.S. Senate (Technical Aid clanning Sub-Committee?) believes that the frequent exchanges of various delegations between Japan and the Soviet Union are paving the way for the normalization of diplomatic relations between the two countries.

It is a fact that organizations are mushrooming in Japan for promoting trade and cultural relations with the Soviet Union. These organizations include the Japanese People's Congress to Promote Relations between Japan and the Soviet Union, the Japanese-Soviet Friendship Association, and the International Trade promotion Association. Also, exhibitions on scientific and cultural achievements of Communist countries are more frequently being held in Japan. Last year the Sohyo promised the Soviet Union to send some Japanese films and a Kabuki troupe to the Soviet

This pro-Soviet trend in Japan has resulted in fomenting enti-American sentiments among the Japanese people. The Republic of Korea, Free China, and the Philippines are naturally gravely concerned about this. Japan is regarded as a member of the free camp. According to papers in Japan, however, traffic between Japan and Communist countries is increasing day by day.

The Tokyo newspaper ASAHI reported recently that a seven-man party headed by Kobayashi arrived in Pyongyang July 13. The larty's purpose was reportedly exchange of opinions on printing and publishing. Takahashi, President of the Japanese-Chinese Trade Promotion Association and Director-General of the Osaka Chamber of Commerce and Industry, visited Pyongyang on Apr. 13 at the invitation of the North Korean Cultural Exchange Association, according to the same paper. Many more delegations, semi-Covernmental, have visited Communist countries. Although the Japanese Foreign Office says that they were private delegations, it is common knowledge that it is the Foreign Office that issues passports. Therefore, it is an undeniable fact that these delegations, whether Governmental or private, talked with the Foreign Office before they visited the Communist countries. (It is not too much to say that once abroad these delegations represent Japan?). Japan must know that it is not only the United States but all other nations of the free camp as well that are warning Japan against approaching the Communist camp.

... arousing interest on the part of the Japanese people (regarding Communist countries' intervention in Japan and in particular in the Upper House elections?). Member of the Japanese Diet Masanobu Tsuji declared before the Lower House that the Japan Communist Party and the Socialist Party were financed by the Soviet Union and Communist China. He disclosed that teking provided the Socialist Farty with 166,000 dollars in the name of trade funds through the Bank of Hong Kong and the Bank of Japan, and that ..., member of the Chinese Communist Party, sent to Tokyo 50,000 dollars during the latter part of last year. He added that 15,000 dollars of the sum was given to the Japan Communist Party and the rest to the Japan Socialist Party.

He also laid bare that the Chinese drama troupe now visiting Japan has donated 159,000 U.S. dollars smuggled into Japan to the leftist Japan Teachers Union. Furthermore, the same Diet member testified that Communist China and the Soviet Union furnished the Japan Communist Party and organizations under its control more than 500,000 dollars during the past 12 months.

It is found that these funds flow into Japan through the London Branch of the Chinese People's Bank, the London Branch of the Bank of Tokyo, and the Indochina-Hong Kong Bank.

Diet Member Tsuji made the same statement before the press. He added that he will be willing to plumb the bottom of this problem in court if the Communist and Socialist Parties sue him for his remarks. In this connection the Communist and the Socialist Parties have made no statements as yet.

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SOUTH KOREA

ñug. 3, 1956

Judging from Mr. Tsuji's disclosure and other facts, the United States' warning to Japan is not at all unfounded. As Japanese people know, Free Asia's peoples feel that Japan has stepped up efforts to approach the Communict world since Yoshida harded the reins of Government over to Hatoyama. It is that Premier Hatoyama is using the Okinawa problem (to further his political ambitions?) now that he is charmed by Communist China's policy. He has forgotten ... the defense problem in the San Francisco Peace Treaty.

It may be natural for the Japanese people to hold anti-American sentiments and approach the Soviet Union and Communist China since their premier is executing such an insincere policy. However, if Japan wishes to join the United Nations, she is earnestly advised to stick to an anti-Communist policy. We believe that the Japanese people are wise enough to understand this. ... free nations would be forced to adjust their attitude toward Japan.

RELEASE OF ASSEMBLYMAN-Ruling that National Assemblyman Kim Son-tae, detained by the police after being charged with disturbance of the public peace, must be released in accordance with the provisions of Para. 2 Art.

1) It of the criminal procedure code, the Seoul District Court on August 1

Ordered the Seoul District Procurator's Office to release him. The latter immediately directed the Public Security Bureau to release the detained National Assemblyman. (Seoul, Home, Aug. 1, 1956, 2030 GMT-B

STATE COUNCIL MEETING--President Rhee, at a meeting of the State Council August 2 ordered that the creation and strengthening of small- and medium-sized enterprises and reconstruction and improvement of houses be promoted in order to stabilize the people's livlihood. Director of the Fublic Information Office O stated that for creation and strengthening of small- and medium-sized enterprises, 20 million dollars from ICA funds and 9.8 billion hwar from the sale of former Japanese property have already been appropriated and a 5-year program for reconstruction of one million houses will be pushed. (Seoul, Home, Aug. 2, 1956, 1130 QMT--B