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18 September 1951

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DAILY DIGEST

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

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SECTION 1 (SOVIET)

1. USSR: Purge of Ukrainian textbooks decreed: The Central Committee of the Ukrainian Communist Party recently decreed that all textbooks should be revised by June 1952. Existing textbooks were criticized for failing to show: (a) the leading role of the great Russian people among the fraternal peoples of the USSR; (b) the help given by the Soviet people, primarily the Russians, to the Ukrainians; (c) the position of the Ukraine as an integral part of the USSR; (d) the importance of Stalin linguistics; and (e) the influence of advanced Russian literature on its Ukrainian counterpart. (S Moscow Weeka 37, 14 Sep 51)

Comment: There have been numerous official criticisms of so-called "ideological" distortions and deviations, all of which culminated in the recent condemnation of V. Sosyura's poem, "Love the Ukraine." It is interesting to note that this poem was censured by the party for the same five reasons enumerated above.

2. ALBANIA: Premier Hoxha reported in Moscow: A fairly reliable Albanian source in Italy reports that Premier Enver Hoxha is now in Moscow. Italian intelligence considers the visit "highly possible." (S Rome Joint Weeka 36, 7 Sep 51)

Comment: There is no confirmation of this report. A visit to Moscow by Hoxha cannot be considered unusual as he has traveled to Moscow on the average of twice yearly since the Tito-Cominform rift. His last visit was during April and May of 1951.

3. BULGARIA: Exiles report plans for entrance of Soviet troops: [REDACTED] 25X1C

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that on 20 August a conference of Bulgarian and Soviet staff officers was held in northeastern Bulgaria. The conference decided to evacuate Bulgarian forces from southern Dobruja immediately, and to increase and improve military installations in order to accommodate two unidentified Soviet divisions that were to arrive in October 1951. The decisions were reportedly taken as a security measure against the "offensive aims" of Greece and Turkey resulting from their forthcoming inclusion in NATO. [REDACTED]

Comment: There is no evidence to substantiate either this report or a previous report [REDACTED] of a high level Soviet-Bulgarian conference purportedly held in Sofia on 16 July to [REDACTED]

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discuss the entrance of Greece and Turkey into NATO. Both reports appear to be from the same refugee sources, whose reliability is unknown.

4. POLAND: Polish radio commentator assassinated: Stefan Martyk, the Polish Radio's vituperative and clever commentator who specialized in diatribes against VOA, BBC and Radio Madrid broadcasts, was reported by the Polish press to have been assassinated on 9 September by "Fascist brigands in the employ of imperialist patrons." The US Embassy in Warsaw states that, according to local rumors, an armed band forced its way into Martyk's flat and shot him. The band reportedly announced that this shooting was only the first in a series which will exterminate the "traitors who have delivered Poland to Soviet domination." The embassy comments that this assassination is the boldest direct action of anti-Soviet Poles in some time, and provides an indication of the deep resentment felt against Soviet domination. (S Warsaw 245, 14 Sep 51; R Warsaw 241, 12 Sep 51)

Comment: The rumors of how Martyk met his death may be correct. The story is certain, in any event, to provide a temporary boost to the morale of Warsaw's inhabitants. The method described was frequently used by the Polish underground against particularly objectionable and cruel German occupation officials during World War II.

5. Army technicians and specialists not to be released: Former army technicians and specialists who were recalled to active duty for a period of six months in preparation for this year's maneuvers will not be released at the end of their term of service, as had been promised.

According to the US Embassy in Warsaw, it appears that all technicians are being held in the armed services and will assist in training the class of 1931 and deferrees of former classes, both groups of which are currently being inducted. (See OCI Daily Digest 7 Sep 51, p. 1) (S Warsaw 245, 14 Sep 51)

Comment: The retention of technicians and specialists supports other recent evidence of a planned increase in the size of the Polish Army. Former army specialists are being recalled to active duty for an indefinite period on the basis of training and experience, not of class, age, or branch. In addition, the class of 1928, scheduled for release this fall, continues on active duty.

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6. TRIESTE: Independent parties reportedly planning to protest election postponement: Independent parties in Trieste are reportedly planning to forward a resolution to the UN and AMG, as well as to the US and UK, protesting the postponement of the Trieste elections as an illegal and undemocratic move. The resolution is expected to demand that a new election date be set immediately and that the present administrative officials in Zone A be replaced by a special commission to handle the affairs of the Zone until after the elections. [REDACTED] Trieste, 10 Sep 51)

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Comment: Popular reaction in Trieste to the postponement of the elections has been strong, but not vehement, among the parties opposed to the return of the Territory to Italy. The independent parties condemn the postponement of the elections because they believe their present strength would give them an advantage in the elections, and claim that the population is losing confidence in Allied Military Government. The Slav parties condemn the postponement as evidence of pro-Italian favoritism, while the Communist Party claims it proves that the Western powers are preparing to hand Trieste over to Yugoslavia.

7. YUGOSLAVIA: Tito criticizes peasants and clergy: On 14 September in a second major speech within a week, Marshal Tito pointed out that friendly relations with the West did not mean that Yugoslavia would give free rein to "reactionaries and individual clergymen." He declared that the government regarded religion as the private concern of individuals but demanded that the Church be free of all political elements. Tito also expressed dissatisfaction with existing agricultural production, and warned the peasants that the government had "not finished the revolution" and would not abandon its program to socialize agriculture. The speech did not refer to Italo-Yugoslav relations.

The US Embassy in Belgrade comments that Communist Party leaders may attempt to blame the Church for the trend among peasants to withdraw from cooperatives. (S Belgrade, Joint Weeka 37, 14 Sep 51; U Belgrade 348, 15 Sep 51; FBIS, 14 Sep 51)

Comment: During the past several months Tito has made an increasing number of public speeches on the government's revised foreign and domestic policies. These speeches have been designed to bolster popular morale by promising a brighter future and to explain to party members the necessity for the government's current policies. Although the government's policy toward religion has become less rigid, the government's determination to maintain the cooperative farms may lead to increased pressure on the clergy in an effort to find a scapegoat.

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SECTION 2 (EASTERN)

1. GREECE. Post-election problems: Marshal Papagos has categorically refused to collaborate with either of the other two major parties, the US Embassy in Athens reports. Papagos feels that the only solution is a new election under the majority system, which he could win. The embassy sees three disadvantages to immediate new elections: (1) there would be two additional months of neglect of pressing economic problems; (2) a prolonged bitter political campaign would deepen the rift between right and left; (3) there is some doubt that Papagos could win a significant number of votes. New elections could result in a new realignment divided about equally between the left and the right. (S Athens 1266, 15 Sep 51)

Comment: The 107 seats won by Papagos, while greater than either of the other two parties, still does not give him an absolute majority. A Plastiras-Venizelos combination might give such a coalition a bare majority but it is unlikely that these two parties would cooperate successfully. Papagos, meanwhile, is demanding Venizelos' immediate resignation and a mandate from the King to form a new government, hoping that he can win over enough of the opposition deputies to make his attempt successful.

2. AUSTRALIA. Anti-Communist referendum campaign intensified: As the day for voting on the anti-Communist referendum (22 September) approaches, the government is conducting a studied campaign in support of its proposed constitutional amendment while the Labor Party, particularly its leader Dr. Evatt, is becoming hysterical if not desperate in attacks on all aspects of government policy. Sectarianism has entered the campaign, with Catholics supporting the government and some prominent Anglicans supporting Labor. The voters seem to lack enthusiasm. The weight of opinion still predicts a government victory. (R USARMA Melbourne, C-47, 14 Sep 51).

Comment: The referendum is on a constitutional amendment which would permit the government to legislate on Communists in any way necessary for the national defense, and specifically would grant it power to pass the Communist Party Dissolution Act which was invalidated by the High Court last spring. Virtually all observers concede a government victory.

3. INDONESIA. Grave insecurity continues throughout Indonesia: With a large-scale anti-guerrilla operation in prospect in the Celebes, the government continues to be confronted with serious problems in other areas of Indonesia. On the night of 10 September, 200 terrorists reportedly attacked the town of Tjiparay in West Java, killing 30 to 40 civilians and police, and burning and looting homes and government buildings. In northwestern Java, official

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sources have publicly confirmed previous unofficial reports of serious lawlessness. A new wave of murders and looting is reported in Bali. Government forces, according to persistent rumors, are meeting strong resistance from remnants of the insurgent South Moluccan Republic, on the island of Ceram. These rumors are somewhat substantiated by reports of a significant number of casualties entering Makassar hospitals from Ceram. (C Djakarta 424, 14 Sep 51)

Comment: It has been estimated that dissident forces in Indonesia number approximately 230,000, of which, however, only a small percentage are active at any one time. A government security campaign, instituted in March and still in progress, has failed to reduce lawlessness.

4. Trade agreement to be signed with Czechoslovakia: The Czech Government expects to send a delegation to Djakarta during the month of September to sign a one-year trade agreement. (C Djakarta 425, 14 Sep 51)

Comment: Indonesia's previous annual agreement with Czechoslovakia expired on 1 August. Terms of the present agreement are not yet available. However, under agreements recently negotiated with Poland and Hungary, Indonesia consented to supply both tin and rubber.

5. BURMA. Possibility of Burmese Ambassador soliciting Chinese Communist aid reported: The US Embassy in Rangoon reports that unless the Burmese Government is able to take more effective steps to settle the Chinese Nationalist problem, U Hla Maung, the Burmese Ambassador to Peiping and "one of the leading troublemakers" with regard to the Nationalist troop issue, "may attempt to make some arrangement with Peiping" to deal with the Nationalists. (C Rangoon 281, 15 Sep 51)

Comment: It is extremely unlikely that the ambassador would take steps independently to promote the development his government fears most--a Chinese Communist incursion of Burma.

6. Pro-Communists invited to Peiping: The Chinese Communists have invited seven left-wing, anti-Government Burmese to attend the 1 October celebration of the second anniversary of the Peiping regime. While there has been some speculation that the Burmese Government may not grant passports to some of those invited, the US Embassy believes that political expediency is in their favor and that all will be allowed to attend the ceremonies. (C Rangoon 281, 15 Sep 51)

Comment: This development is not connected with the previously reported agreement between Burma and Communist China to exchange goodwill missions.

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The presence of these Burmese in Peiping will offer the Chinese Communists an opportunity to strengthen their control over the aboveground Communists in Burma and to coordinate their program with the insurgent BCP. The propaganda value to be derived from this trip to Peiping will be negligible to both the Burmese and Chinese Communists.

7. Burmese to tighten controls on tires: The US Embassy in Rangoon has been informed that the Burmese Government intends to control tire exports by designating 62 firms as the only authorized tire dealers. Other importers will be required to sell their stocks and future receipts to the authorized dealers who, in turn, may sell tires only on the presentation of permits issued by the Civil Supply Department. The embassy comments that although this probably will cause confusion in marketing circles, it nevertheless indicates that the Burmese Government is making a genuine effort to curtail tire smuggling to China. (C Rangoon 282, 15 Sep 51)
8. Japanese peace treaty fading from prominence: Although the signing of the Japanese peace treaty prompted a number of Communist-like attacks upon the US in the Burmese press, comment on the reparations issue, which was cited as the chief reason Burma could not sign, has almost disappeared. Indonesia has been criticized for its participation, and the US Embassy in Rangoon believes that Burmese-Indonesian relations are likely to suffer. (C Rangoon 281, 15 Sep 51)

Comment: The Burmese press reaction to the Japanese peace proceedings reflects the fact that fear of Communist China far outweighed a desire for reparations as a motivation for Burma's refusal to attend the San Francisco conference.

9. PHILIPPINES. Huk surrenders continue: The surrender of 840 Huks on the island of Panay brings the total number of those surrendered to almost 1800 during the past month. Philippine military authorities believe the Huk problem on Panay is no longer serious. A former aide of Guillermo Capadocia, Huk leader there, reports that Capadocia is seriously ill, abandoned by most of his followers and in fear of being killed by his own men.

In addition to the Panay surrenders, a group of 112 Huks, of whom 60 were armed, surrendered in Quezon province (East Central Luzon). (C Manila 1032, 14 Sep 51)

Comment: The fact that those who surrendered on Panay did not turn in any arms indicates that they were Huk sympathizers rather than active members. Philippine military compilations indicate a total of over 6600

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Huks killed, captured, and surrendered, for the period 1 April 1950 to 23 August 1951. Although Huk capabilities have been materially reduced during this period, their numerical strength has not declined comparably and is believed to remain largely dependent upon the supply of arms.

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10. CHINA. Large-scale arrests again reported in Shanghai: An [redacted] consular official from Shanghai reports a "new wave of arrests" in that city beginning in early September, and speculates that another "large-scale roundup" like that of last April may be in process. A [redacted] official is reported to have observed 26 truckloads of victims on one Shanghai thoroughfare. Another source estimates that about 70,000 persons in Shanghai have been arrested and killed since April. (S Hong Kong 1053, 14 Sep 51; C/Control [redacted])

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Comment: The Communist radio confirmed the arrest of a "large group of counter-revolutionaries"--estimated by non-Communist sources to be at least 10,000 persons--in Shanghai in late April. Arrests and executions have continued, on a smaller scale, for the past five months. It is believed, however, that this source's estimate of 70,000 victims in Shanghai alone should be divided at least by two.

11. "Advance team" of 400 Chinese engineers sent to Sinkiang: An "advance team" of about 400 recently graduated Chinese engineers arrived in Sinkiang to engage mainly in industrial and mining enterprises, according to Radio Moscow in Korean. (R FBID, 22 Aug 51)

Comment: According to recent Chinese Communist press reports, there is a "shortage of engineers, technicians and qualified workers." In view of this admitted shortage, the sending of such a large group of trained personnel to Sinkiang may indicate the importance attached to enterprises in that area.

12. Nationalist report of aircraft factories in China doubted: The Ministry of National Defense reports the establishment of Chinese Communist aircraft factories at Tihwa, Lanchou, Kaiyuan, Kalgan, Tsitsihar and Chi-mussu. According to this report, aircraft are to come off the assembly line by March 1952. US officials in Taipei comment that these are probably maintenance depots and assembly points, rather than factories. (S ALUSNA, 150100Z Sep 51)

Comment: The recent appointment of a veteran Chinese Communist military leader to the post of director of the Aviation Industry Bureau in Communist China indicates the growing importance of this industry.

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13. Concentration of aircraft in Peiping area: The Chinese Nationalists report that on 10 and 11 September a total of 113 aircraft flew from Changchun and Ssupingchih in central Manchuria and from Nanking to the Peiping area. The aircraft were light bombers and conventional fighters. The Ministry of National Defense states that the purpose of these flights is unknown. (S ALUSNA, Taipei, 140304Z, Sep 51)
- Comment: While the purpose of concentrating aircraft in North China is not clear, the Communists may plan to conduct large-scale air training exercises in North China, prepare for an air parade over Peiping on 1 October (the second anniversary of the Chinese People's Government) or make room in Manchuria for more combat units.
14. Chinese military requisitions freight cars: The Peiping Railway Bureau on 6 September disclosed that all freight cars in that area were to be requisitioned on 7 September for military use, according to a Chinese Nationalist report which the Ministry of National Defense (MND) evaluated "C-2." MND stated that no commercial cargo in that area was moving. (S ALUSNA, Taipei, 140304Z, Sep 51)
- Comment: There has not been a similar diversion of railroad traffic from commercial to military use since November 1950, when the Chinese intervened in Korea.
15. Communists continue to brand US as "wreckers of Kaesong": A 16 September Chinese Communist broadcast to the US continues to labor the theme of US responsibility for the breakdown of the Kaesong talks. Citing the evidence of "more than 10,000 direct and indirect witnesses, South Korean war prisoners, and material and photographic evidence at Kaesong," the Communist broadcast accuses "Ridgway and his generals" of committing "everything short of all-out air and land attack on the neutral zone." In conclusion the broadcast states that "whether they will succeed in pushing the Kaesong talks over the precipice remains to be seen." (R-FBID, NCNA Peiping, 16 Sep 51)
- Comment: Recent Communist propaganda has striven to document to the world the responsibility of the US for the breakdown of the Kaesong talks. While such a stand would necessarily precede a resumption of Communist hostilities in Korea, no indication of the timing of such a move has been detected.
16. JAPAN. Poll indicates overwhelming support for US-Japan security pact: A public opinion poll conducted by the Mainichi, a leading national newspaper, showed that 79 percent of the Japanese people support the US-Japan

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security treaty, while only 6.8 percent oppose. On the question of rearmament, 76.9 percent approved while only 12.1 percent disapproved, although a majority believed rearmament should be postponed until Japan's economy improved. (R FBID Ticker, Tokyo Kyodo, 16 Sep 51)

Comment: This poll shows unexpectedly strong support for both the security pact and rearmament. Polls taken on the latter question prior to the peace conference showed only slightly over half the people in favor. Soviet tactics at the conference, a realization that Japan is now unequivocally in the Western camp, and a tendency for the Japanese man-in-the-street to support the decisions of higher authority may all have combined to produce additional support for rearmament. These figures may have some significance if and when the government conducts a referendum to revise the war renunciation clause in the constitution.

17.

SCAP to permit textile shipments to Communist China: Exports of cotton and yarn to Communist areas will no longer require SCAP approval, according to "Kyodo" news agency. This step is expected to enable Japan to get coking coal from Communist China. Exports of cotton cloth which is obviously for military use will be prohibited. (R FBID Ticker, 15 Sep 51)

Comment: Textile and steel industrialists have been leading a campaign for a resumption of non-strategic trade with Communist China -- the former being plagued by large inventories and the latter by high costs. Although Japanese importers have reported offers of coking coal from China in exchange for textiles, it is not certain whether the shipments will be approved by the Communist authorities.

18.

New Japanese Communist thesis draft for post-treaty activity reported: The draft of a new Japanese Communist Party thesis for post-treaty activity is reported by CIC to have been circulated in a covert publication for the study of regional and prefectural party leaders. The new emphasis is on vigorous opposition to the stationing of US troops in Japan, an all-out effort to overthrow the Yoshida government as a US tool, the establishment of a "racial liberation democratic government" through revolution spearheaded by laborers and farmers, and the overthrow of the emperor system. The draft, still unaccepted, makes considerable concession to the theories of the radical "internationalist" faction which favors violent revolution. (S Tokyo Joint Weeka 37, 14 Sep 51)

Comment: The conciliatory gestures towards the internationalist faction indicate that the factionalism which has rent the party for many months, although on the mend, still exists. While the thesis contains many articles designed for farming community consumption, where communism has been relatively unsuccessful, the fact that it calls for the abolition of the emperor system will undermine its appeal.

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SECTION 3 (WESTERN)

1. AUSTRIA. US Minister opposes concession on air corridor agreement: US Minister Donnelly has advised the British Deputy High Commissioner of US concern over current Anglo-Soviet conversations regarding a proposed modification of the air corridor route between Vienna and the British Zone of Occupation. Donnelly asserted that he could see no justification for amending the corridor agreement, and that he would not in any case concur with the suggestion that the Soviet authorities be given prior notice of the flights of military aircraft. The British deputy is in agreement with these views and has promised to keep the US Legation informed on the bilateral negotiations. (S Vienna 1009, 14 Sep 51)

Comment: The Soviet authorities have been pressing vigorously their proposal to shift the British air corridor north and west of its present route, ostensibly for reasons of safety (see OCI Daily Digest, 5 Sep 51). The British have submitted counterproposals involving controlled and variable-altitude flights. Allied authorities are convinced that Soviet Headquarters is concerned because present flights permit photographic reconnaissance of the Soviet military airfield at Wiener Neustadt.

2. BELGIUM. Trade agreement with Czechoslovakia extended: Belgium has extended its trade agreement with Czechoslovakia to 31 December 1951. It had already been extended to 31 August. The foreign office states that quotas in the basic agreement have been exhausted, and there is no additional provision for furnishing goods to the Czechs. The reason for the extension is to continue in force other clauses, dealing with such items as tariff reciprocity, not related to the volume of trade. (C Brussels 357, 14 Sep 51)

Comment: The original commercial accord, effective 1 October 1949-1 October 1950, provides that it can be continued in effect by mutual agreement. The Belgians undoubtedly wish to keep an avenue open to obtain the payments due its citizens as a result of the Czechoslovak Government's nationalization of property.

3. ITALY. Communist and non-Communist unions join in supporting general strike of state employees: A 24-hour nationwide strike of railway, communications, and local administration workers has been called for 18 September by a joint meeting of Communist and anti-Communist labor unions. The strike is to protest as "inadequate" recent government proposals for wage increases averaging 3-4 percent for state employees, with the greatest benefits for top-level workers. (U NY Times, 16 Sep 51; S Rome Joint Weeka 37, 14 Sep 51; S Rome Joint Weeka 36, 7 Sep 51)

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Comment: The long-standing issue of wage increases for government employees is one of the few which has had the support of anti-Communist as well as Communist unions. The last strike of government employees for pay raises, called by all unions on 22 June, was about 60 percent successful.

4. Italian oil technicians sought by Iran: Iran is reportedly urging the Italian Government to accept an Iranian economic mission to discuss oil problems with Italian technicians. Although the initial proposal was for economic missions only, Iran is now said to desire inclusion of a political mission as well. The Italians are ignorant of Iran's motives in this connection, and are attempting to eliminate discussion of a political mission. [REDACTED] -For critical security reasons this report is not to be further transmitted within the United States, or beyond the borders of the United States without the express permission of the releasing office.)

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Comment: The Italians have been evading definite commitments to Iran on the subject of providing technicians to assist in the development of Iranian oil resources. These negotiations for technical help represent another Iranian attempt to obtain such assistance from the small countries in the absence of support from the great powers. It is not clear what Iran would hope to gain by sending a "political" mission to Italy,

5. SWITZERLAND. Wage boosts throughout nation appear likely: The Swiss Federal Council has sent a bill to parliament requesting that federal employees be given a lump-sum payment amounting to two percent of their salaries to compensate for higher living costs. If this measure is approved, it may touch off a round of wage increases in private industry, which management has been resisting on the grounds that government employees have received no pay increases. (R Bern Joint Weeka 37, 12 Sep 51)

Comment: The Swiss Parliament has recently shown an extreme reserve in increasing budgetary expenditures. The fact that this is an election year, and that the cost of living has risen and shows every indication of continuing to rise, may cause parliament to approve this modest proposal for wage increases.

Because of a scarcity of labor and good profit margins, management will probably follow suit and grant reasonable wage increases. These increases will have little inflationary effect upon the Swiss economy. The rise in domestic price levels stems primarily from external rather than internal factors.

6. SWEDEN. Poles will demand ball bearings in new trade agreement: The Poles have intimated to SKF (the Swedish manufacturer of ball bearings in G8teborg)

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that coal may not be delivered under the new trade agreement to be negotiated in October unless Poland can place orders for the same type bearings it has purchased in the past, i.e., bearings of strategic sizes. Since February SKF has not been accepting Satellite orders for bearings which the tripartite formula considers strategic (see OCI Daily Digest, 2 Mar 51). The US Embassy in Stockholm states that, since almost 50 percent of Sweden's coal imports come from Poland, the coming negotiations assume great importance. (S Stockholm Joint Weeka 27, 15 Sep 51)

Comment: The Swedes are anticipating considerable difficulty with Poland over coal imports and ball bearing exports (see OCI Daily Digest, 12, 28 Jul 51). Poland, in order to obtain "strategic" goods, is using its coal to exert pressure on many Western European countries who need the coal.

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SECTION 2 (EASTERN)

1. JAPAN. Socialists adopting more positive policy: Commenting on the 14 September joint "third force" statement of the Japanese and Indian Socialist Parties (see OCI Daily Digest, 17 September), the US Political Adviser in Tokyo states that the Japan Socialist Party appears to be seeking a more dynamic policy which will strengthen the party's present weak political position and overcome its internal dissension. He believes that even the left-wing Socialists are awakening to the negative character of the three peace principles heretofore dominating the party's policies, and this more realistic approach is likely to give the Socialists greater support from labor, the intelligentsia and business. He fears that this pan-Asiatic approach might tend to orient Japan politically with the Asian nations, with possible adverse effect on the future US position in Japan. (C, S/S Tokyo 547, 14 Sep 51).

Comment: Neutrality, pan-Asianism, and the development of trade with Communist China all have wide popular appeal in Japan. The adoption of these more positive goals by the Socialists should enable them to regain some of the influence lost as a result of their unrealistic, Communist-line policies toward the peace treaty. The new line provides a graceful way to drop a lost cause as well as a vehicle for reuniting the now-diverging right and left wings. The Socialists currently hold 45 (of 466) seats in the Lower House of the Diet, and 61 (of 250) in the Upper House.

2. Quirino alleges Yoshida promised one billion dollars in cash reparations: During a call on President Truman on 13 September, President Quirino stated that Prime Minister Yoshida had indicated to the Philippine Foreign Minister that Japan would pay the Philippines one billion dollars in cash reparations immediately after the treaty comes into force. This would evidence Japan's sincerity and would be in addition to anything else called for in the treaty. The Department of State has requested the US Political Adviser to ascertain Yoshida's version. (S, S/S to Tokyo 445, 14 Sep 51).

Comment: This sum is approximately equal to Japan's entire exports for 1950, and even in the form of credits could not be paid by Japan except over a several years' period. Moreover, the terms of the treaty would prevent the payment of cash reparations while Japan was still dependent upon US aid.

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