

TOP SECRET

25 October 1951

CIA No. 49396

Copy No. 143

DAILY DIGEST

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

This summary of significant reports has been prepared primarily for the internal use of the Office of Current Intelligence. It does not represent a complete coverage of all current reports in CIA or in the Office of Current Intelligence. Comments represent the immediate views of the Office of Current Intelligence.

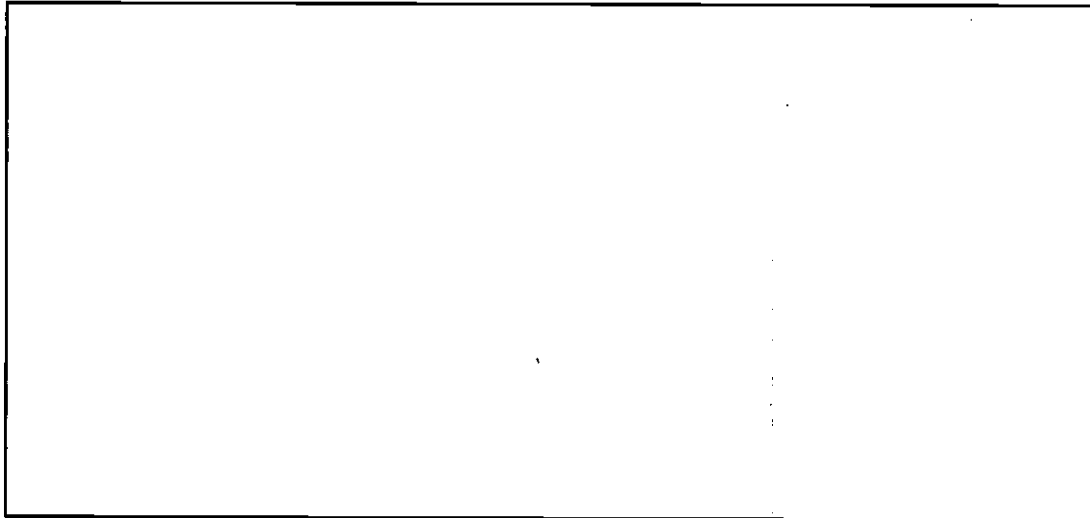
***Army and State Dept reviews
completed***

TOP SECRET

TOP SECRET

SECTION 1 (SOVIET)

1.



25X1X

2.

TASS correspondents again used in attempt to ascertain US policy:
In a conversation with TASS correspondents in Istanbul, [redacted]
[redacted] was questioned about the meaning of American air
and naval activity in the Near East. [redacted] was again
questioned on this subject in a subsequent conversation with TASS cor-
respondent Yuri Zhukov in Paris.

25X1

25X1X

25X1

On both occasions the TASS men reacted to suggestions that the
USSR's talk about peace was only propaganda by replying that Stalin
might appear before the UN General Assembly in Paris to prove the
sincerity of Soviet proposals for peace and disarmament. [redacted]

25X1

25X1

Comment: Reports of earlier conversations with Zhukov indicated
that he was probing for well-informed opinion regarding US policies of
particular interest to the Soviet Government, such as US rearmament and
the significance of the MacArthur affair for American policy in the Far
East.

Zhukov has recurrently made references to Stalin-Truman meetings
or some form of bilateral talks that could occur at the time of multi-
lateral conferences. However, during this period the Soviet Government
has disregarded opportunities to explore confidential approaches made
by the United States.

TOP SECRET

25 Oct 51

TOP SECRET

Stalin has consistently declined to meet Western representatives outside the USSR or Eastern Europe, the most recent example being his refusal in February 1949 to meet President Truman in Washington.

3. Moscow press asserts Kirk's statements contradicted by reality: On 20 October, Literary Gazette published a lengthy article aimed at "disproving" Ambassador Kirk's recent statement to Vyshinsky regarding the absence of US aggressive aims against the USSR and others. The article included reproduction of a map published in the 30 July issue of Newsweek, entitled "European Defenses; Missing Links in Mediterranean," and it quoted a Newsweek statement that "US naval and air forces operating from land and air bases in Greece and Turkey . . . could inflict powerful blows on the solar plexus of Russia." The American "strategists", according to the Literary Gazette, considered "such 'Atlantic' governments as Greece and Turkey" as important links in their "system of military bases encircling the whole world." The article asserted that this disproved "the alleged regional character of the Atlantic pact." (R Moscow 685, 22 Oct 51)

Comment: Embassy officials suggest that the comment regarding the "regional" nature of the Atlantic Pact may be an advance indication of the Soviet line at the UN General Assembly on this subject. Output of this type for domestic audiences furthers the Soviet "hate-America" campaign and is offered as "proof" that only the Kremlin strives for world peace. Lest the peoples of the Orbit become lethargic as a result of daily Soviet assurances that their "peace campaign" will win world peace, Moscow periodically reminds them that they must be prepared to fight for peace.

4. INTERNATIONAL COMMUNISM. Preparations for Moscow Economic Conference under strong leadership: An AP dispatch from Moscow reported on 24 October 1951 that Denmark had granted visas to a Soviet delegation which is soon leaving for Copenhagen to discuss plans, with various international groups, for the Moscow International Economic Conference, now scheduled for December. The delegation is headed by Vasili Kuznetsov, Chairman of the Soviet Central Trade Unions Council and a Vice President of the World Federation of Trade Unions. Communist leaders have hinted that important announcements on foreign trade and economic relations would emerge from the Moscow Conference. (U AP Moscow, 24 Oct 51)

5. French industrialists reportedly planning to attend Moscow Economic Conference: The following French industrialists reportedly have

TOP SECRET

consented to attend the International Economic Conference in Moscow: Charles Schneider of Schneider-Creusot, the largest steel and munitions works in France; Rene Fould, President of Chantiers et Ateliers de Saint Nazaire, shipbuilding and repair yards; Albert Metral, President of Ateliers GSP, a machine tool company; Edouard Rastoin, President of the Marseilles Chamber of Commerce. [REDACTED]

25X1

Comments: French industrialists of this calibre have shown no previous sympathy for Communist aims, although Metral is known to have attended a meeting in Paris on 9 July called by the World Peace Council for the purpose of designating a French delegation to the Economic Conference. Though invited, it is not known whether they will actually attend this conference the true purpose of which must be clear to them. Western governments have considered the desirability of sending individuals who would make a public defense of Western policies, but apparently no action along these lines has been taken.

6. ALBANIA. Spy trial implicates Western powers: The trial of Albanian spies and diversionists, which began October 10 in Tirana, involves the alleged activities of the "American espionage service" accused of carrying out the hostile aims of Yugoslavia, Italy, Greece, and Great Britain. The prosecutor claims that some of the accused were agents who had been trained in Munich and parachuted into Albania by US planes flown by American or "satellite pilots" under the instructions of the Committee for Free Albania and Anglo-American intelligence in Italy.

More than forty agents allegedly were parachuted into Albania in this manner, equipped with weapons, radio sets, identity cards, maps and gold coins. They were supposed to engage in military and industrial sabotage, contact exiled war criminals and other agents, murder members of the Albanian Government and Communist Party, and collect military information for transmittal by radio. (U FBID ticker, 16 Oct 51)

Comments: Previous Albanian trials, while aimed against the Western powers, have failed to be as specific regarding details surrounding the accusations.

7. BULGARIA. Arrests of military and political personalities reported:

[REDACTED]
(1) former Minister of Agriculture Titko Chernokolev has been arrested, and will soon face trial; (2) General Slavche Trunski, former commander of the Third Army, has been imprisoned; (3) rumors to the effect that

25X1

25X1

TOP SECRET

3

25 Oct 51

TOP SECRET

Premier Chervenkov and Vice Premier Poptomov have fallen into disfavor are continuing; (4) a purge is quietly underway within the Bulgarian Army, and several ranking officers will be removed; (5) a new Minister of Interior will soon take office. [REDACTED]

25X1

25X1

Comment: Titko Chernokolev was replaced as Minister of Agriculture on 23 June. Nothing has since been heard concerning him, and it is possible that he may be under arrest. Since early June persistent rumors have reported the arrest of General Trunski and the impending purge of Chervenkov, while some reports have also implicated Poptomov.

Although the rumors concerning General Trunski may be correct, it would appear that the wide-spread reports concerning Chervenkov and Poptomov have no basis in fact. There is no reliable evidence to support rumors concerning an impending purge in the Bulgarian Army or the replacement of Georgi Tsankov as Minister of Interior.

8. HUNGARY. Third quarter plan results reveal shortcomings: The implementation of the Five Year Plan for the third quarter of 1951 was reported by Hungarian officials to have been successful for the most part but with some significant failures. Specifically heavy industry, and the building materials, construction, coal mining, food, rubber and timber industries failed to meet their quotas. (R FBID, 23 Oct 51)

Comment: These industries also failed to meet their quotas for the second quarter of this year. The workers continue to be blamed for the production failures. According to Sandor Czottner Minister of Mines and Power, there is need for "a new Socialist work discipline, a new Socialist relationship between the miners and the managing officials, responsible individual leadership, and the adaptation of Soviet methods both in work and management."

9. YUGOSLAVIA. Politburo member may be dropped: A Yugoslav Politburo member, Frank Leskovsek, may soon be removed from his post according to [REDACTED] the US Embassy in Belgrade. Two close collaborators of Leskovsek have been arrested, one for criticizing Yugoslavia's economic policies and the other on charges of Cominformism. These arrests suggest that Leskovsek's recent removal from his governmental post was partly inspired by security considerations. The Embassy believes that he and his collaborators are guilty of violating discipline by refusing to accept party decisions. (C Belgrade 529, 22 Oct 51)

25X1

Comment: This report adds credence to previous hints of differences

TOP SECRET

4

25 Oct 51

TOP SECRET

within the Politburo over the government's policies on internal reforms and aid from the West. The removal of Leskovsek from the Politburo would mark the first break in the top party leadership since the Tito-Cominform rift. A veteran party member and Politburo member since July 1948, Leskovsek is a labor leader and closely identified with the Yugoslav industrialization program. There is no evidence, however, that Leskovsek's removal would seriously disrupt the unity of the party.

10. Neutralism discussed at Zagreb Peace Congress: The leftwing British delegate to the Zagreb Peace Congress Zilliacus, who was expelled from the British Labor Party for his extremist views, has drafted a resolution which he hopes the Conference will adopt, stating in effect that national Communism, as exemplified by Yugoslavia, provides a basis on which to build peace in a world torn between warlike factions.

Although this thesis will probably be stoutly contested by Americans and others at the Conference, Ambassador Allen states that "Zilliacus is being most active and may attract considerable support." The Yugoslav delegate in the keynote address apparently rejected neutralism and asserted that localized wars were no longer possible. He implied that a policy of neutrality was a snare and a delusion. Nevertheless, he deplored the tendency of the great powers to oppose the right of equality of the small nations. (C Belgrade 539, 23 Oct 51; U NY Times, 23 Oct 51)

11. Orbit diplomatic representation in Belgrade totals eighteen: According to an official publication of the Yugoslav Foreign Office, the USSR and its Satellites have a total of 18 diplomatic representatives in Belgrade. The USSR has 8 representatives, Bulgaria 5, Rumania 3, Czechoslovakia 1, Poland 1, Hungary and Albania none. Except for the US, Great Britain and France, none of the Western countries represented in Belgrade has more than 8 diplomatic representatives and the majority have less than 5 each. The US has 31, Great Britain 20 and France 10. (R Belgrade Despatch 259, 13 Sep 51)

Comments: Total Orbit representation in Belgrade has decreased by 4 since November 1950. Orbit representation has gradually been reduced as part of the Cominform drive against Yugoslavia, but in no case have diplomatic relations been broken. Hungary and Albania withdrew their representatives in 1949, but diplomatic relations were not formally severed. Hungary will probably reassign a Charge to Belgrade soon.

TOP SECRET

5

25 Oct 51

TOP SECRET

SECTION 2 (EASTERN)

1. INDONESIA. Government allegedly considering limiting movement of foreign diplomats: A fairly reliable newspaper reported last week that the government is considering the reciprocal limitation of the freedom of movement of foreign diplomats in Indonesia. The paper gave "cabinet circles" as the source of the story. Subsequent investigation by the US Embassy indicated that the matter had not been discussed by the cabinet, but that the Indonesian Charge in Communist China, currently in Djakarta for a conference, had complained strongly to persons in government circles about restrictions imposed upon his movements in Peiping. (C Djakarta 609, 20 Oct 51)

Comment: The Indonesian Government strongly resents the restrictions imposed upon its Charge's activities in Peiping, but has indicated no intention either to protest those restrictions or to apply similar limitations upon the movements of Chinese diplomatic and consular personnel in Indonesia.

2. Government coaxes Celebes villagers to pay taxes: A broadcast of the Indonesian Information Ministry beamed to the Celebes stated in part, "...lawless bands (in the Celebes) have gone beyond the limits. They have reportedly circulated pamphlets, exhorting the people to refuse to pay taxes to the government...Dear listeners, we realize that in our efforts to rehabilitate the country there must be a State consciousness and a desire to have a government. This means...the duty to pay taxes to the government so that the rehabilitation of the country can be (completed)." (R FBID [redacted] 23 Oct 51)

STAT

Comment: The Muzakkar guerrillas, currently in rebellion against the central government, may be trying to collect Celebes tax money for their own use. However, with or without the exhortation of lawless bands, villagers throughout East Indonesia have resisted the payment of taxes. Their resentment of the Djakarta government continues to be one of the chief problems confronting the Ministry of Information.

3. INDOCHINA. Shift in French-Vietnamese relationship is indicated: In an interview with Minister Heath, Bao Dai stressed the importance for intelligent Vietnamese patriots of cooperating with the French. He was mildly critical of Premier Tran Van Huu and Dai Viet Party leader Nguyen Huu Tri, while praising General De Lattre to the point of calling him the "Joan of Arc" of Vietnam. Bao Dai stated that he looked for "moral re-
armament" as the long-run means of defeating the Viet Minh. He had hoped, but in vain, that this moral awakening would be accomplished through the Dai Viet party; now, he hinted, he was more inclined to place

TOP SECRET

6

25 Oct 51

TOP SECRET

his hopes in the Catholics. Meanwhile, other important events on the Vietnamese political scene were the emergence of Lieutenant Colonel Nguyen Van Hinh, son of Security Minister Nguyen Van Tam, as leading contender for the post of Chief of Staff of the Vietnam Army and the Vietnam Government's interdiction of a provincial election which had been scheduled by a local administrator and military chief. (S Saigon 892, 22 Oct 51; C Saigon 895, 22 Oct 51; C Saigon 896, 22 Oct 51)

Comment: Recent statements by General De Lattre indicate a rapprochement between himself and Bao Dai at the expense of Huu, reversing the pattern which obtained several months ago. De Lattre's visit to the Vatican on his recent return trip to Vietnam and the Joan of Arc comparison strengthen the suggestion that the French and Vietnamese authorities will make a stronger bid for the support of Vietnam's 1.5 million native Catholics. (Bao Dai has not in the past made the most of the fact that his wife is a Catholic.) The appointment of Hinh as Chief of Staff will serve to check any decline of French influence over the Vietnam Government and its army, since Hinh is, like his father, a naturalized French citizen and is, moreover, a lieutenant colonel in the French Air Force. This appointment certainly does not reflect the will of the Vietnamese people. The Vietnam Government's awareness of its unpopularity is indicated by its cancellation of election plans in one of the most secure areas of Vietnam.

4. CHINA. Mao Tse-tung claims "great success" for Peiping and "greatly increased" Soviet strengths: Chinese Communist leader Mao Tse-tung on 23 October told the National Committee of the Chinese People's Political Consultative Conference--a supposedly representative body which is a rubber stamp for the Peiping regime--that the regime's three-point domestic program for 1951 had achieved "great success," and that Soviet strength had "greatly increased."

Mao claimed that the Chinese people had "united unprecedentedly" behind the regime in its Korean venture, that land-reform would be completed "by 1952," and that "counter-revolutionary remnants" would soon be completely eliminated. Mao reaffirmed that the Chinese commitment in Korea "must continue" until the "US" agrees to a "peaceful settlement," and specified support for Chinese forces in Korea as the current "principal duty" of the Chinese people.

He derided the West for failing to perceive that the era of "imperialist humiliation" of China has ended, and that the existence of the Soviet bloc, particularly the Sino-Soviet alliance, ensures the "doom" of "imperialist domination" of the world as a whole. Mao asserted that the strength of China's "most trustworthy and loyal ally," the USSR, has "greatly increased." (R FBID filmsy, 23 Oct 51)

TOP SECRET

7

25 Oct 51

TOP SECRET

Comment: This speech is Mao's first major policy statement since June 1950. The 1950 address, prior to the outbreak of the Korean conflict, dealt primarily with China's long-range prospects.

In reviewing the "great success" of Peiping's domestic program, Mao did not admit that support for the Korean venture has been largely involuntary, that the behavior of the Communist cadres has made the land-reform program unpopular, and that liquidation of alleged "counter-revolutionaries" will be a continuing feature of the regime.

Mao's reaffirmation of Peiping's commitment in Korea follows the line of all other recent Communist comment on Korea, and does not suggest any alteration in Peiping's previous terms for a settlement or indicate Peiping's future course of action.

Communist spokesmen have frequently rejoiced in the decline of Western influence in China, and in the past year have often cited the Sino-Soviet alliance as tipping the world balance in favor of the Soviet bloc. The contention of "greatly increased" Soviet strength has been emphasized throughout the Soviet world since Stalin's recent claim of Soviet atomic achievements.

5. South China authorities fear air raids: Coordinated antiaircraft firing and searchlight exercises were held recently in Canton by units stationed at Canton's two major airfields, Tienho and White Cloud, according to confirmed reports. Canton authorities are reliably reported to have requested additional fighter support and antiaircraft guns for defense of the city. (S Hong Kong 1474, 19 Oct 51)

Comment: The Communist press has alleged the flight of several "enemy planes" over Canton in the past few weeks. These flights are usually claimed to have occurred during the night and no damage has been reported. Several practice air drills were held in Canton after the alleged violations.

6. Communists set up slave-labor camps: The Chinese Communists have been constructing ten labor camps, each of which will be able to accommodate 40,000 persons, [redacted]. The camps will house prisoners sentenced to forced labor as counter-revolutionaries. The deputy commissioner of the Canton Public Security Bureau returned in July from a visit to the USSR where he studied the labor camps of the USSR. It is proposed to organize the Chinese labor camps along the lines employed in the USSR. [redacted]

25X1

25X1

25X1

TOP SECRET

25 Oct 51

TOP SECRET

Comment: The Chinese Communists have themselves admitted that "counter-revolutionaries" were being subjected to forced labor, justifying the practice as re-education and "reform through labor." The current campaign against politically undesirable elements should provide the Communists with a pool of several hundred thousand prisoners for their forced labor camps.

25X1

25X1⁷.

Peiping persists in "shameless" attitude toward foreign nationals: [redacted] has learned of allegations made by a Peiping Foreign Office functionary, in a conversation with the Indian Ambassador regarding Peiping's treatment of foreign nationals; that "all foreigners are well-treated" in Communist China and that in any case the "majority" of foreign nationals have "committed crimes for which they deserved punishment." The Charge comments that this "persistently shameless" attitude is not encouraging and that Peiping probably will not supply information requested on US nationals now under detention. The Charge has heard, however, that "some" Catholic priests in custody have recently been less rigorously treated, possibly as a result of recent diplomatic representations. (S London 1982, 23 Oct 51)

25X1

Comment: The Communist argument is the familiar one of asserting simultaneously that (a) people are not being persecuted, and (b) anyhow, they deserve to be persecuted. [redacted] probably right in believing that Peiping will not provide accurate information on detained US nationals. The various representations on behalf of foreign nationals may result in some small improvement, but their prospects remain bleak.

8.

Peiping reaffirms commitment to Korea: The National Committee of the Chinese People's Political Consultative Conference (a rubber stamp for the Peiping regime) has announced its "full satisfaction" with the "victorious record" of the Chinese forces in Korea in the past year. The Committee, pledging itself to a continued struggle in Korea until a "just and reasonable" settlement is achieved, urges the regime to (a) continue mobilization of men, material and money for the Korean conflict, (b) intensify propaganda regarding the Korean conflict, (c) wipe out "every trace" of US "underground and espionage" elements in China, (d) increase production and austerity, and (e) expand the drive for aircraft and other heavy equipment. (R FBID flimsy, 24 Oct 51)

Comment: All current statements on the Korean conflict by organs of the Peiping regime emphasize that Communist China's commitment to Korea will continue until a settlement is achieved. None of these statements, however, specifies the terms for such a settlement or Peiping's future course of action.

TOP SECRET

9

25 Oct 51

TOP SECRET

9. KOREA. Chinese Communist unit in east-central sector may be relieved:
On 21 October a Chinese Communist prisoner from the 203rd Division, 68th Army was taken in the Kumsong area. The prisoner reported that he had heard earlier in October that the Chinese Communist 20th Army (long in the Wonsan area) would replace elements of his division and the entire 67th Army.

The Far East Command comments that the 67th Army has "established a poor combat record" and has suffered staggering losses as evidenced by the recent commitment of a division of the 68th Army to "bolster the sagging defense of the 67th." (S CINCFE Telecon 5292, 24 Oct 51)

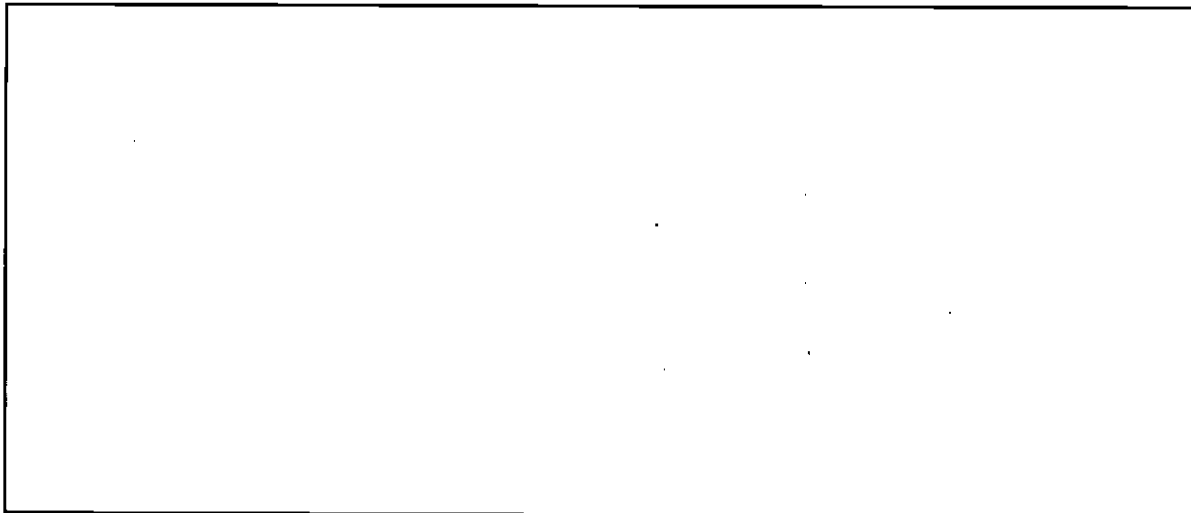
Comment: While it is possible that the 20th Army may relieve the badly battered 67th, its southward displacement has not yet been accepted by FECOM.

10. North Koreans attack "inhuman" UN treatment of Communist POW's:
A 22 October Pyongyang broadcast in Korean related the experiences of a North Korean soldier who reportedly escaped from a UN prisoner of war camp at Inohon. Describing the camp as a "living hell," the soldier detailed the "tortures, shootings, and neglect" of Communist prisoners. (R FBID [redacted] 22 Oct 51)

STAT

Comment: Propaganda of this nature serves a dual purpose in that it provides additional "charges" of UN atrocities and serves to counter UN propaganda of the good treatment received by Communist prisoners. Recently taken prisoners have reported an intensified propaganda campaign among the front line units to discourage desertions.

11.



25X6

TOP SECRET

10

25 Oct 51

25X6

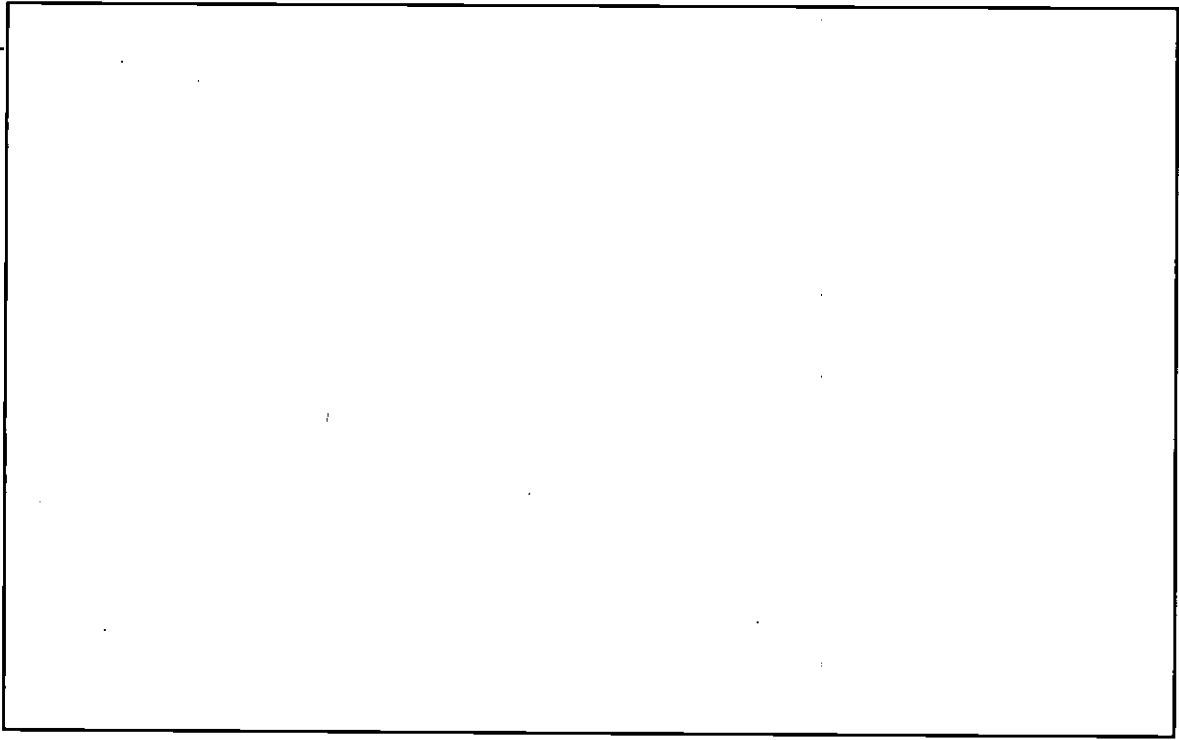
Approved For Release 2002/05/20 : CIA-RDP79T01146A000500110001-5

Approved For Release 2002/05/20 : CIA-RDP79T01146A000500110001-5

TOP SECRET

25X1

SECTION 3 (WESTERN)



2. Communists inspire strikes in German ports and plan Dutch dock strike: Communist-instigated wildcat strikes have broken out in the key North German ports of Bremen and Hamburg. In Bremen, city and union officials agree that 80 percent of the dockworkers are out only because they fear Communist strong-arm tactics. Although the strikes are still confined to these two ports, they are rumored to be part of a long-range Communist program supported by a large fund from East Germany.

Meanwhile, other reports indicate that the Dutch Communist-controlled dockers' union is planning to stage a 24-hour strike in Amsterdam and Rotterdam. The walk-out is to be based on demands for a ten percent wage increase and a Christmas bonus; its success will allegedly determine the advisability of attempting a general strike.

25X1 [redacted] 23 Oct 51; R [redacted] Hamburg, 23 Oct 51;
C Bremen 79, 23 Oct 51)

STAT

TOP SECRET

TOP SECRET

Comment: During the past several months there have been unconfirmed reports of a possible wave of strikes throughout Western Europe this fall.

Communist strength in the German dock areas traditionally has been great. Communist influence in the Dutch dock areas has declined since the failure of the 1950 appeal not to unload MDAP shipments. A 24-hour strike now would serve to test present Communist strength in the area. No date for the Dutch strike has been given.

3. Soviet attitude still unclear on seized Berlin district: Soviet authorities in Berlin on 22 October ordered the East German People's Police to withdraw from Steinstuecken, the small district in the US sector of Berlin seized by People's Police units four days earlier. Although the acting chief of the new Soviet Control Commission in Berlin explained to the US Commandant that the community would revert to its former status, he requested further documentation of the US claim to the sector.

During the conversations, the Soviet representatives gave the impression that they wished to extricate themselves from the whole affair by shifting the blame to the East Germans. In a later press statement, however, they stressed that the future status of the area would be studied by Soviet and US specialists. (S Berlin 611, 617, 22 and 23 Oct 51; R FBIS AFP, 24 Oct 51)

STAT

Comment: At the time the East Germans withdrew from Steinstuecken, the Allies were considering retaliatory action in the form of denying the Russians access to the important radio building which they now occupy in the British sector. Despite indications that the USSR was backing down completely, an unconfirmed press dispatch now reports that a group of Soviet soldiers and People's Police returned to the area on 24 October.

4. FRANCE. German defense contribution may be delayed by French stand: The US delegation to Allied discussions in London on a German financial contribution to Western defense warns that the French position on this subject threatens to "move back the entire timetable" for the conclusion of contractual relations with the Germans, the establishment of the European Defense Forces, and the raising of German units. The US delegation recommends that some interim solution be worked out, which it considers "entirely possible" despite French opposition.

TOP SECRET

13

25 Oct 51

France is insisting that a common defense budget be applied by the European Defense organization from its inception and hence seems to contemplate a "much fuller working out and implementation" of financial arrangements than was envisaged by the US.

Although the French question the need to have an agreed Allied position on a German financial contribution before the November NATO Council meeting in Rome, they will attempt to prepare estimates within ten days of the total European Defense Forces budget and an appropriate German contribution. (S London, 1995-1996, 23 Oct 51)

Comment: France had previously approved postponement by the Defense Conference of consideration of a budget, pending at least the initial results of the current NATO study of its members' potential defense contributions.

The French estimate tentatively that the Federal Republic might contribute a total of 2.5 to 3 billion dollars to Western defense in order to match the efforts of the other European nations. This would more than match the contribution of some nations, such as France, to the European Defense Forces, but would take into account the additional burden borne by France in Indochina and in maintaining a navy.

5. AUSTRIA. Russians still hold 781 Austrian citizens arrested since 1945: The Austrian Federal Chancellor has informed the US Legation in Vienna that 781 Austrians who have been arrested by Soviet authorities during the past six years have not yet been released. The list of arrestees, which the Chancellor requested not be made public at the present time, includes 120 persons whom the Soviets have acknowledged were apprehended and sentenced, and 661 persons whose arrest by the Soviet authorities is reasonably established but has not been acknowledged. In those instances in which a reason for the Soviet detention has been ascertained, the alleged crimes include auto accidents, brawls with Soviet soldiers, Nazi activities, and distant family relationships to Hitler. (S Vienna Desp. 481, 17 Sep 51)

Comment: The report does not cover the unknown number of non-Austrians, primarily refugees, who have been arrested, detained, kidnapped, or otherwise apprehended by the Soviet authorities in Vienna. No other action by the Soviet occupation forces has contributed more to their unpopularity than their frequent disregard of accepted procedures of arrest, prosecution, and fair trial. The Austrian Government has repeatedly sought remedial action only to receive evasive replies. Aside from the continuation of such kidnapping episodes, the Soviet authorities

TOP SECRET

14

25 Oct 51

TOP SECRET

have recently exacerbated this annoyance by releasing information regarding the fate of a small number of prisoners and promising a greater leniency in permitting communication with those who are still alive.

6. BELGIUM. Compromise averts general strike. The Conseil Paritaire Generale, a tripartite group of labor, government and industry leaders, has reached a settlement on the demands of the Socialist Trade Union Federation, thus averting the general strike scheduled for this week. The settlement, which is generous to labor, provides for a slight increase in the hourly wage, an extension of rent control, a decrease in the price of margarine and vegetables, and other benefits. The federation has also gained a significant victory, by "embarrassing" the Catholic Trade Union Federation into parallel action, and by using the Belgian Government to serve demands on employers. The US Embassy in Brussels reports that employers are "bitter" at the government for making them foot the bill for the wage increases. The government, which during the negotiations "showed fear of affronting labor," may be led to strengthen the Cabinet by some changes. (R Brussels 560, 21 Oct 51)

Comment: A Socialist party leader has stated that the one-party Belgian Government will be greatly strengthened by achieving a successful compromise on labor's demands. Other reports also indicate that the Belgian Government will now make some Cabinet changes which will be favorable to labor.

7. ITALY. National elections may be held in 1952 instead of 1953: Recently, a Christian Democratic Cabinet Minister confidentially told US representatives in Rome that he thought the next national elections in Italy would be held in the fall of 1952 rather than the spring of 1953. He said there would be a "more favorable public psychological atmosphere after the long summer months than after the bitter winter." Furthermore, he believed the government was anxious to hold the elections before expiration of the five-year law prohibiting important former Fascist officials from running for public office. (C Rome 1825, 23 Oct 51)

Comment: This supports earlier rumors that the Italian Government would move ahead the time scheduled for the elections, which, according to the Constitution, are to be held every five years. The last Italian national elections took place in April 1948, but local elections held in the spring of 1951 showed a decline

TOP SECRET

15

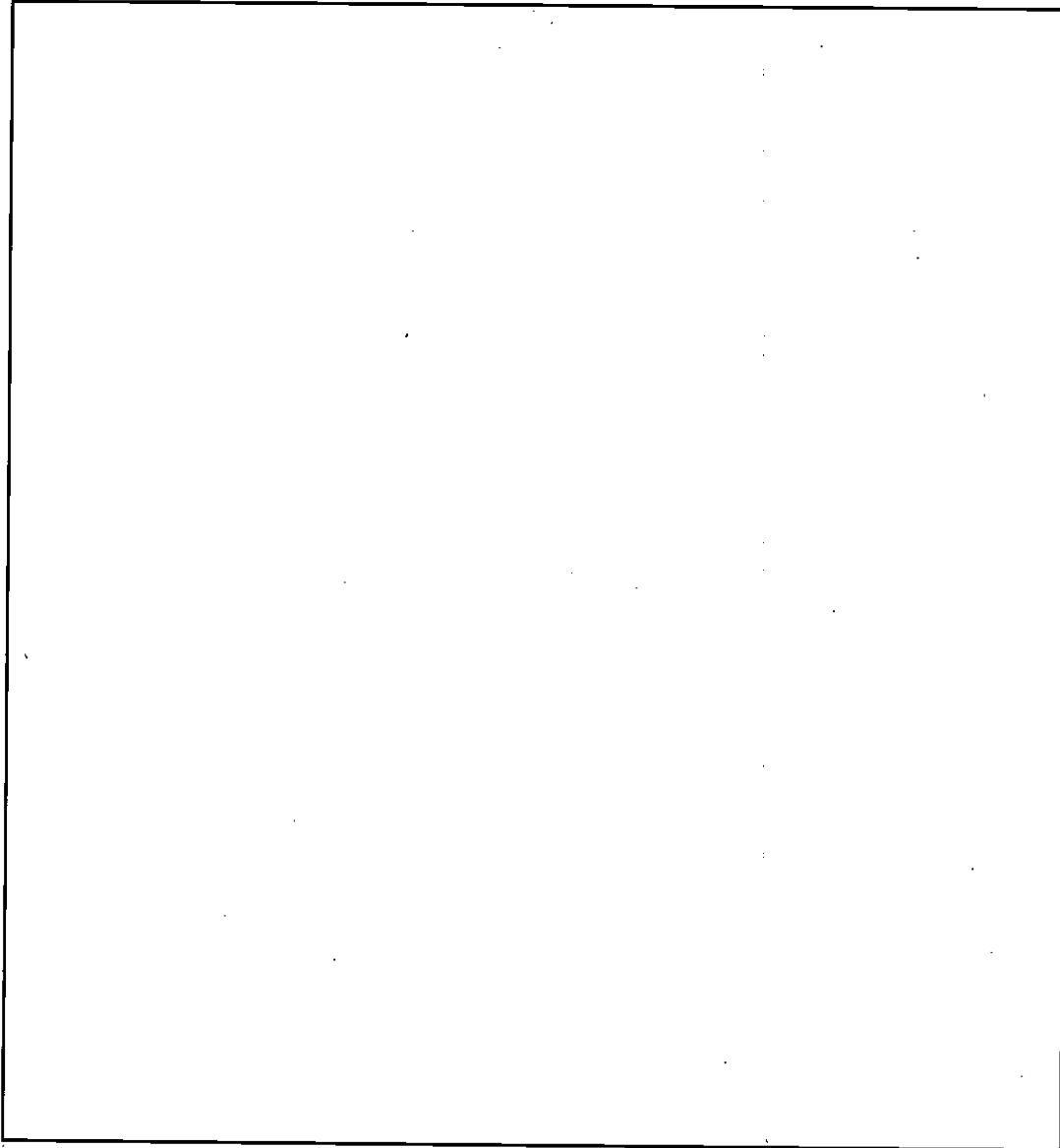
25 Oct 51

Approved For Release 2002/05/20 : CIA-RDP79T01146A000500110001-5

TOP SECRET

in the strength of Premier de Gasperi's Christian Democrats and a rise in votes for the Communists. Presumably the government is anxious to hold the national elections before this trend becomes too strong.

8.



25X6

9.

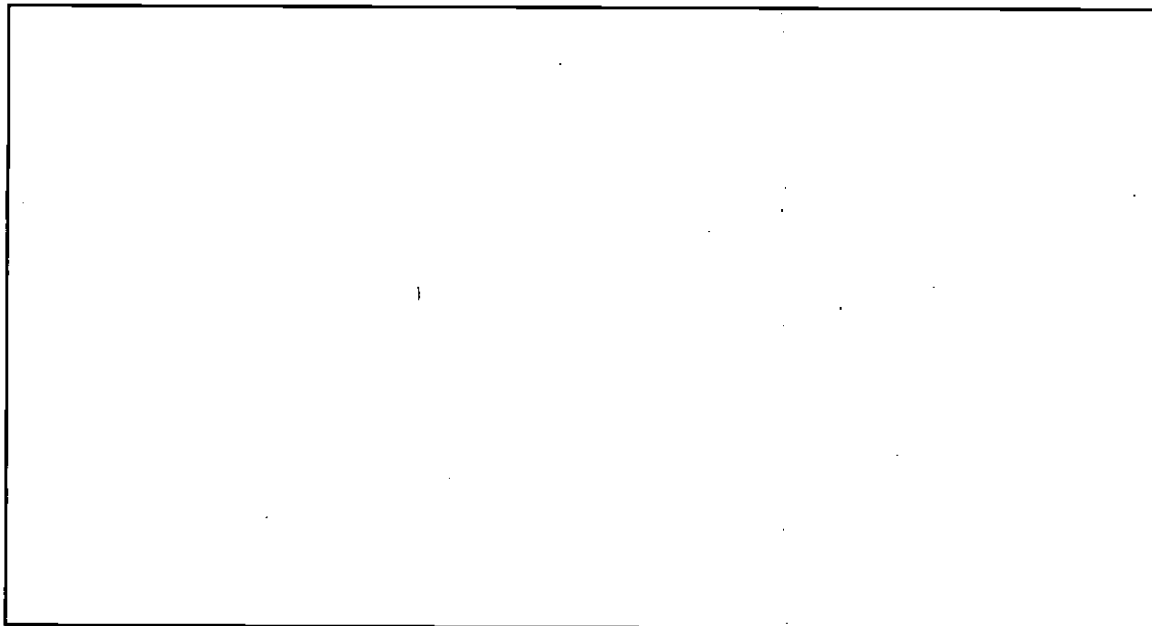
TOP SECRET

16

25 Oct 51

TOP SECRET

10.



25X6

11. DENMARK. Danes favor Satellite for Yugoslav seat on Security Council. The Danish UN delegation will probably support an East bloc candidate for the Security Council seat being vacated by Yugoslavia. The Danish position stems in part from a conviction that the gentlemen's agreement concerning the regional distribution of Security Council seats should be honored, and in part from a general belief that the Soviet bloc states are now underrepresented in the UN and it is undesirable to push them farther into a corner. (C Copenhagen 324, 23 Oct 51)

Comment: The Danes labor under no illusions with respect to the power and influence of the UN. They fear that a conversion of the UN into an instrument for Western policies would rupture that organization and reduce the prospect, however dim, for a reconciliation of East-West differences.

12. NORWAY. Government will assert strict adherence to policy on bases: The Norwegian Government will consult parliament before replying to the Soviet note of 15 October later this week. The reply will deny any violation of the Spitsbergen treaty or any breach of Norway's policy against peacetime foreign military bases. However, Foreign Minister Lange remarked that reaction to the note will make strict

TOP SECRET

17

25 Oct 51

TOP SECRET

adherence to the base policy necessary, and that any inclination of the government to soften this policy is now out of the question. (S Oslo 380, 22 Oct 51; S London DEPTO 492, 22 Oct 51)

Comment: This last remark of the Foreign Minister apparently refers to the current negotiations with the US regarding operating rights at Norwegian air and naval facilities and points to increased difficulties in concluding an agreement. Although the Norwegian Government has insisted throughout the negotiations that it will not make arrangements contrary to its policy on bases, officials undoubtedly entertain reservations that various provisions could be interpreted as breaching that policy. Since the timely arrival of the Soviet note will tend to aggravate these doubts, it may cause the government to proceed more cautiously in committing itself to further implementations of the North Atlantic Treaty, thus at least partially achieving the Soviet purpose.

TOP SECRET

18

25 Oct 51

25X1