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CURRENT INTELLIGENCE DIGEST

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

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**DIA, USAF AND DOS REVIEW
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SOVIET UNION

1. Soviet Fleet Admiral Isakov reportedly in command of Caspian-Black Sea area: An unconfirmed report indicates that Fleet Admiral Ivan S. Isakov has been appointed Commander of the Caspian-Black Sea area with headquarters at Makhach-Kala on the western shore of the Caspian. Isakov, allegedly "number one Communist Party member in the Soviet Navy," is charged with the task of organizing this command for future tactical operations when the Volga-Don and Manych Canals are completely operational. In addition, he will direct a high priority project of logistic support for the Iranian Tudeh Party "by small boat via the Caspian Coast." [redacted] 25X1

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Comment: This report appears to supplement a press notice from Yerivan, capital of Soviet Armenia, which listed Soviet naval officers of Armenian origin who hold important posts in the Caspian area and indicated that Admiral Isakov had been appointed to this command.

2. Moscow says West wants weak international law on war crime trials: The United States and Britain were accused of attempting to undermine the principles of international law which establish that the preparation and waging of aggressive wars, crimes against humanity, and war crimes committed in violation of war laws and regulations should be regarded as criminal offenses.

The charge was made by Candidate of Juridical Sciences Morozova in a Moscow Home Service broadcast reviewing a book entitled, "UNO and War Crimes," written by former Lord Chancellor of England Maugham and Lord Hankey.

Morozova, claiming that similar attempts "to justify leaving war criminals unpunished" previously had been made by

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American lawyers, asserted that this book further reveals the fear of the imperialists that they be held responsible for the crimes committed in Korea. She added that "the peoples are raising their voices in demand of a severe trial of the criminals" (American military) -- "demands supported by the firm principles of international law which were confirmed in the statute and sentence of the Nuremberg tribunal and approved by the special resolution of the UN General Assembly."

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Comment: This is the second known Moscow propaganda hint of the possibility of demands for a war-crimes trial of American military personnel accused of atrocities in Korea and China. The references to such demands are veiled, however, and originate from unofficial Soviet sources.

Pravda published Chou En-lai's 8 March protest which stated that "members of American armed forces who fly over Chinese air space using bacteriological weapons will be treated as criminals if captured." There was no Moscow comment, however, nor was that line exploited during the world-wide Communist BW campaign. Chinese Communist propaganda has given some play to such a threat as: "The criminals and their accomplices will be pilloried and severely punished."

EASTERN EUROPE

3. Czech Legation in Rio reported apparently preparing to depart: The American Embassy in Prague reports that it has received information from the Brazilian Legation that the Czech Legation is "apparently preparing to depart" from Rio de Janeiro.

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Comment: This is the first report indicating a possible Czech move to cut down its diplomatic representation in Latin America. It appears very doubtful in view of the recently extended Czech-Brazilian trade agreement which is reported to envisage a trade valued at about \$15,000,000 in each direction. Under this agreement Czechoslovakia expects to import about \$6,500,000 worth of Brazilian hides essential to the Czech shoe industry.

4. Rakosi becomes Hungarian premier: The extraordinary session of the Hungarian parliament elected Communist Party leader Rakosi as premier after accepting the resignation of

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Istvan Dobi. In his speech of acceptance Rakosi promised to tighten Hungarian relations with the other Satellite countries and especially Czechoslovakia and Rumania.

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Comment: The election of Matyas Rakosi resembles recent shifts in Rumania and Czechoslovakia where top party and top government positions have been delegated to one person. The changes in Rumania and Czechoslovakia were accompanied by top level purges and an intensification of the socialization program.

A step-up in Hungary's socialization program has already been noted, and Rakosi's appointment as premier may indicate that a top level purge will follow. There have been numerous rumors that Erno Gero, the party's Number 2 man and president of the People's Economic Council, and party theoretician Jozsef Revai are slated for purging.

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FAR EAST

5. US-Japan conclude agreement on controls over trade with Communist China: A US-Japan agreement, subject to approval of the two governments, has been concluded on export controls over trade between Japan and Communist China. The agreement provides that commodities included in any International Control List, US Security List, or Battle Act List, will continue to be embargoed.

Commodities not on these lists, which are mutually regarded as of strategic value to Communist China, may be traded at the discretion of the Japanese Government, provided they are favorably exchanged for goods contributing to the basic economy of Japan or to the defense production of the free world. Contracts in this category are subject to prior American-Japanese discussion. Goods of lesser strategic value are limited to "reasonable quantities." [REDACTED]

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Comment: This agreement will permit the Japanese Government to ship a number of items currently prohibited by its SCAP-imposed export control regulations. With elections in the offing, it can be expected that the government will take prompt action to meet public and Diet demands for development of trade with Communist China.

6. Korean broadcast of Kim's speech omits reference to peace on "equal basis": North Korean Premier Kim's seventh liberation anniversary speech contained the usual eulogies to the "valiant" forces of North Korea, the Communist "volunteers," and the Korean people. He called for the People's Armed Forces to ready themselves "to deal further blows to the enemy" to achieve "final victory." Although foreign releases of Kim's speech contained references to termination of the war on an "equal basis," this did not appear in the version broadcast to the Korean people.

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7. Recently encountered MIG-15 pilots over Korea are inexperienced: Far East Air Force, in a discussion of enemy capabilities, observed on 11 August that while enemy pilots encountered in the past two weeks were more aggressive, their ability was limited. This conclusion was reached

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because MIG-15 pilots, using proved positioning tactics, "lost their kills through poor gunnery, inept maneuvers, and overeagerness."

FEAF comments that "the inference seems unavoidable that new units comprised a substantial part" of the increased Communist effort in early August. [redacted]

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8. President Rhee's opposition in National Assembly shows strength: The South Korean National Assembly on 13 August refused at first to approve President Rhee's plan to hold inauguration ceremonies in Seoul, rather than in Pusan. Only 54 out of 118 voted for approval. When the Assembly speaker pointed out that detailed arrangements already had been made for the ceremony in Seoul, the plan was approved by a bare majority. [redacted]

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Comment: The Assembly's action demonstrates that despite Rhee's pressure tactics, his opposition in the legislature is still organized and has considerable strength. When the Assembly reconvenes on 20 August, Rhee is expected to try to push through his new constitutional amendments, which will offer a true test of the opposition power.

9. Power shortage in Manchuria is revealed: A Peiping broadcast of 13 August revealed a large-scale campaign to conserve electricity in Manchuria. The broadcast said that "power-conserving missions" had been sent to Dairen, Chinchou, Fushun, Anshan and Penchiu. [redacted]

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Comment: Manchuria's electric power supply, which has been inadequate for some time, was further reduced by about one-fourth as a result of the late June bombing of the Suiho hydroelectric plant on the Yalu River. Radio Peiping has not directly referred to the effect of the bombing on Manchurian industry, but this power conservation campaign appears to be one result of it.

Dairen and Chinchou used to depend for most of their power on Suiho, which also supplied some electricity to the iron and steel plants in Anshan and Penchiu.

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10. 25X1X Existence of new Manchurian railroad confirmed: [redacted]

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[redacted] the existence of a rail route alternate to the main Mukden-Antung-Chongju line. This new line, which was finished in December 1950, leaves the Mukden-Antung line at Penchiu, 40 miles south of Mukden, and crosses into Korea near the Suiho Dam. [redacted] that the new line was single tracked, although from Mukden to Penchiu the main line was double-tracked.

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Comment: The Communists have undertaken considerable improvement of railroads between Mukden and Korea since the Korean war began, double-tracking the main Mukden-Antung line and building this new alternate route. Photographs have shown that the railway bridge across the Yalu River at Supung was in use, but it was not known that the line had been finished as far back in Manchuria as Penchiu.

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11. Gasoline supplied Viet Minh by China: [redacted]

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[redacted] Communist China has shipped at least 917,000 liters of gasoline to the Viet Minh since the start of its aid program. [redacted]

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Comment: China's aid program to the Viet Minh is thought to have begun approximately two years ago, although it probably had little practical effect until the latter part of last year. The amount of gasoline reported, equal to about 4,700 drums, is credible.

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12. [redacted] situation in Burma: Although aware of their inability to overthrow the Government, the Burmese Communists have not suffered decisive military reverses or a serious reduction in over-all capabilities [redacted]

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[redacted] the recent fall in Communist military activity is due mainly to a new concentration on political methods which, in the long run, may prove a more serious threat to Western interests.

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Comment: Communist overtures for peace and a coalition regime have been repeatedly rejected by government spokesmen in the last several months. There are as yet no clear indications of the nature of the Communist reaction to this rebuff.

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- 13. British military in Singapore concerned over Communist terrorism in Sarawak: Although British Commissioner General MacDonald has not shown alarm at the recent Communist act of terrorism in the British colony of Sarawak, British Army headquarters in Singapore views the incident seriously. It points out that the city of Pontianak in Indonesian Borneo, 100 miles south of the Sarawak border, could easily become a "focus of infection," from which Sarawak could be harassed. There is a large Chinese population in Pontianak, and the Indonesian Government has resettled several hundred armed dissidents in a nearby area.

The American Military Liaison Officer in Singapore comments that although the Communists do not have the capacity to threaten the British position in Sarawak, a Communist operation could develop which would force an expenditure of government resources out of all proportion to the Communist investment, as in the case of Malaya.

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NEAR EAST - AFRICA

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- 14. Clash between Egyptian Army clique and Wafd Party reportedly imminent:

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"all evidence" points to an early showdown between Egyptian Army Commander Nagib and the powerful Wafd Party. The probable arrest and possible deportation of ex-Prime Minister Nahas Pasha, Wafd leader, and Fuad Serageddin, Secretary General of the Wafd Party.

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Comment: Although there are indications that relations between the army and the Wafd are strained, there is no other evidence that a showdown between the army and the Wafd is imminent.

The army-sponsored reform program, if carried out, will directly affect many prominent members of the Wafd. The army's continuing interest in political affairs and its apparent determination to effect reforms may induce it to take strong action.

It is not known how fully the various military leaders support Nagib.

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WESTERN EUROPE

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16. Soviet officials in Berlin protest alleged air corridor violations: On 11 and 12 August the Soviet controller of the Berlin air safety center lodged three oral protests on alleged American overflight of East German territory. The incidents, involving two commercial aircraft and one fighter, are being investigated by American authorities in Berlin.
- [REDACTED]

Comment: The series of protests of air corridor violations which began last May could be designed to build up a record for any future action to interfere with Allied use of the corridors. These latest protests assume particular importance in view of the current Soviet harassment of traffic to Berlin.

17. French delay decision regarding UN discussion of Tunisian question: The French Foreign Ministry has informed the British Charge in Paris that "official level opinion" favors inclusion of the Tunisian question on the UN General Assembly agenda, but that the question of UN discussion will not be put to the cabinet for some time. The reason for delay is fear that Tunisian intransigence would increase, pending developments in the United Nations, should an expected favorable decision become known.

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Meanwhile the French Charge in Washington has told the State Department that France is reluctant to favor UN consideration without some support such as an American public statement on the French reform program.

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Comment: The French probably are waiting for a reply from the Bey on reforms before making a decision as to their position in the United Nations. Furthermore, Pinay may fear intensified parliamentary criticism of his Tunisian policy in the forthcoming fall debates should the government show signs of yielding in the present crisis.

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