

49187

TOP SECRET

COPY NO. 39

CENTRAL INTELLIGENCE AGENCY

OFFICE OF CURRENT INTELLIGENCE

DAILY DIGEST

Date: MAY 17 1951

- NOTE:
1. 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.
 2. Comments represent the preliminary views of the Office of Current Intelligence.
 3. Marginal letter indications are defined as follows:
 - "A" - items indicating Soviet-Communist intentions or capabilities
 - "B" - important regional developments not necessarily related to Soviet/Communist intentions or capabilities
 - "C" - other information indicating trends and potential developments

Army, DIA and State Dept reviews completed

TOP SECRET

TOP SECRET

SECTION I (SOVIET)

- "C" EASTERN EUROPE. ALBANIA. Refugees in Greece Envision Reconquering Communists. The US delegation of the UN Special Committee on the Balkans (UNSCOB) reports that the prime motivation influencing Albanian refugees to seek asylum in Greece is a belief, apparently founded largely on rumor and the dropping of leaflets in Albania, that either a committee or an armed force exists in Greece or Italy which they might join in order to free their country. Accordingly, the refugees have been disappointed to find that no such organized force exists in Greece. As these refugees have been chiefly farmers who lived near the Greek border, confiscatory Communist taxation or outright confiscation of cattle and lands also played a part in inducing them to risk reprisals on their families by crossing the border. (S USDEL UNSCOB 219 Athens, 17 Apr 51).
- "B" BULGARIA. Bulgarians Continue Removal of Unreliables from Border Areas. Turkish-Bulgarian immigrants arriving in Turkey report that in mid-April some sixty rail carloads of Turkish-Bulgarians in the Nevrokop (Greek border) area, who previously had rejected the opportunity to emigrate to Turkey, were deported to the north-central region of Bulgaria. The US Periphery Reporting Unit at Istanbul compares the move with the removal of Muslim Bulgars (Pomaks) from the border areas during the Greek guerrilla war in 1947-48. (C Istanbul D-566, 20 Apr 51). COMMENT: Since the middle of 1950 the Bulgarian authorities have been transporting groups of suspected unreliables in the areas adjoining Yugoslavia and Greece to unannounced destinations in the central part of the country.
- "B" HUNGARY. Scrap Metal Drive Underway. A drive to collect scrap metal began 15 May. Legation Budapest reports that Hungarian industry is believed seriously hit by shortages of steel and "colored metals" and that extraordinary efforts are being made to find substitutes and economize on existing stocks. (S Budapest MA 2521, 11 May 51). COMMENT: This is part of the austerity program adopted by Hungary in January in an effort to secure additional raw materials for the expanding heavy industry. Similar scrap drives have been undertaken in East Germany and the USSR.
- "A" POLAND-EAST GERMANY. 20,000 Freight Cars to be Returned to GDR by USSR. The terms of a traffic agreement between the GDR and Poland appear to confirm that an initial return of 20,000 freight cars will be made by the USSR to the Eastern Zone of Germany within the next three months. The agreement, which provides for the passage of 400 trains of fifty cars from the USSR via the Polish rail system, indicates that the GDR purchased this rolling stock from the Soviet Union. In order to effect the transfer, eight trains of fifty cars each will proceed from the GDR to four specified crossing points on the Polish-USSR border loaded with European gauge axles. CINCEUR Heidelberg comments that the return of any

TOP SECRET

TOP SECRET

further rolling stock will depend upon the GDR's ability to provide European gauge axles. (S CINCEUR Heidelberg, SX-4115, EUCOM WEEKA 18, 7 May 51). COMMENT: A near critical current shortage of rolling stock exists in East Germany, there being approximately 80,000 cars in the East Zone's operational freight car pool. The cars being returned to East Germany were acquired as war reparations by the USSR and probably will not be in too good condition after five years in the Soviet Union. However, the acquisition of twenty thousand freight cars will represent a significant increase in the transport capabilities of Eastern Germany, as well as in the supply of railway spare parts by cannibalizing.

"C" YUGOSLAVIA. Yugoslav Study Western Socialism. A group of Yugoslav professional men is reportedly being recruited for an official mission to Great Britain to study in detail the legislative and administrative methods of the British Labor Government. The Group will reportedly consist of high ranking Communist Party members from all the Federal Republics. Similarly the Yugoslav Government has reportedly instructed a delegation of Yugoslav Jewish leaders now visiting Israel to study its Labor Party (presumably MAPAI), agricultural collectives, and MAPAM, the pro-Soviet Socialist Party. [REDACTED]

25X1C

COMMENT: As the Yugoslav Government has gradually aligned itself more closely with the West, Yugoslav interest in western-oriented Socialist Governments has increased, as demonstrated by the numerous exchanges of visits between West European and Yugoslav labor and governmental delegations. During 1951 Politburo members Djilas and Pijade have headed two separate Yugoslav delegations to the UK and currently a British Labor Government delegation is visiting Yugoslavia. The Yugoslav Government undoubtedly hopes to make the regime more palatable to the West by adopting usable features of Western Socialist governments without compromising the regime's basic Marxist-Leninist concepts.

25X1C

"C" Czechoslovak Embassy Employee in Belgrade Arrested as a Spy. Yugoslav authorities have arrested as a spy an employee of the military delegation of the Czechoslovak Embassy in Belgrade. The Czech employee was allegedly arrested in the act of receiving information from agents connected with the Czechoslovak intelligence service. According to the Yugoslav press the accused has admitted his guilt. A Yugoslav army captain has subsequently been arrested and charged with spying for the Czechoslovak Government. (R FBIS, 15 & 16 May 51). COMMENT: The arrest of the Czechoslovak employee may well be Belgrade's reply to the alleged seizure by the Czechoslovak Government of the Yugoslav radio operator in Praha in late March. The Yugoslav Government is now prepared to stage a trial to offset the one probably planned against the Tito Government by the Czechoslovak Government utilizing the Yugoslav Embassy employee as a witness.

TOP SECRET

TOP SECRET

"A"

COMMENTS ON EAST EUROPEAN ACTIVITIES

"A"

Recent reports of open resistance to the Communist regimes of Eastern Europe are significant as symptoms of the underlying popular dissatisfaction and hatred of the Soviet-imposed Communist order. With few exceptions, however, the current outbreaks of resistance are not the planned results of any underground organizational activity but are rather manifestations of popular frustration. This prevalent disaffection, marked by occasional incidents, seems well within current Soviet-Communist capabilities to contain.

The growth of popular disillusionment and hostility toward Communism has been stimulated by the arbitrary collectivization measures against the peasants, by the enforced pace and small rewards for labor, and by the organized attack on religion. The tendency toward subversion, which had an earlier postwar start with the basically conservative peasant, may now be as widespread among the working class. Thus all social groups in Eastern Europe outside of the small Communist hierarchy are supporting the spirit of revolt which prevails from East Germany and Poland to the Balkans, and is currently best evidenced in Poland, Albania and Bulgaria. The repeated purges of the Satellite Communist Parties, themselves, testify to Soviet concern with the extent of this phenomenon throughout Eastern Europe.

The only two areas in Eastern Europe where underground organizations of potential importance appear to exist are Poland and Albania. In Poland, the nationwide WIN (Freedom and Independence) movement apparently has a general directive to abstain from provocative action against the Communists, while strengthening its organization in the utmost secrecy for an eventual showdown. The resistance in Albania seems to be compounded of the same discontent that prevails elsewhere in Eastern Europe, with added encouragement and support by the Yugoslav Government, as well as by Albanian emigre groups in the West. Of the Eastern European countries presently under Soviet domination, Poland, the Slovak areas of Czechoslovakia, Bulgaria and Albania generally offer a combination of national characteristics and terrain features most suitable for the further growth of resistance activities.

TOP SECRET

3

Approved For Release 2002/06/13 : CIA-RDP79T01146A000200190001-0

TOP SECRET

SECTION 2 (EASTERN)

- "C" GENERAL. King Abdullah Visits Turkey. King Abdullah of Jordan, who arrived in Turkey on 15 May for a short visit, stated at a reception given him by the Turkish President that his visit was promoted by the close ties which existed between the two countries. In a Turkish press interview Abdullah likewise emphasized the need for close relations between Turkey and the Arab States. (R Amman 197, 15 May 51; U FBIS News Ticker, 16 May 51). COMMENT: While Abdullah's visit is personal and unofficial, he is obviously taking the occasion to promote closer Jordanian (and Arab)-Turkish relations. Turkey, aware of Arab weakness, has carefully avoided all entanglements. Although Abdullah may receive a sop of some sort, his efforts coming at this time will be of no avail.
- "A" IRAN. Major US Oil Companies Will Not Exploit Iranian Oil. On 14 May the Department of State discussed the Iranian question with representatives of the major US oil companies with Middle East interests; the representatives were unanimous in stating that no responsible company would, under present circumstances, attempt to secure managerial concession from the Iranian Government. The Department of State suggests that Ambassador Grady convey this attitude to the Iranian Government, avoiding any implication that the US Government was involved, for should the Anglo-Iranian Oil Company (AIOC) be forced out, the US, with UK concurrence, might as a last resort encourage US oil interests to step in so as to prevent Soviet exploitation of the oil or loss of the oil to the West. Ambassador Grady agrees that a general US statement on the oil question is in order, but recommends that such a statement be made in Washington, and not in Iran. (S State 2119, 16 May; S Tehran 2822, 17 May 51). COMMENT: The Department of State has also informed Ambassador Grady that oil industry spokesmen could not speak for independent operators, and representatives of several smaller oil companies have reportedly already approached the Iranian Embassy in Washington. While a US statement would not necessarily convince the Iranian Government that US companies might not be willing to supplant the AIOC, it might also reassure the British public that the US is not planning to take advantage of the UK's misfortunes in Iran.
- "B" IRAN. Religious Extremist Arrested. Abol Qasim Rafiee, described as the chief of the security service of the Fedayan Islam (fanatical Moslem group responsible for the assassination of Prime Minister Razmara), was arrested on 16 May. Rafiee stated: "Mos-sadeq [the present Prime Minister] is lucky I was arrested, for if I had not been, he would have been killed within three days." The leader of

25X1C

TOP SECRET

4

TOP SECRET

the Fedayan Islam, Safavi, is also being sought by the police. According to press reports, he recently attacked the National Front and stated that other assassinations would occur in the future. Prime Minister Mossadeq has since taken sanctuary in the Parliament building. (U NY Times, 17 May 51). COMMENT: Mossadeq's action is probably largely for effect, but he is no doubt also aware that his life is in danger. This last arrest marks the most recent widening of the rift between the National Front and the extremist Fedayan group which first became apparent when the Fedayan attacked the National Front in early May. If the Fedayan Islam resorts to more violence it may induce Mossadeq to take even more repressive measures against it, and thus shake him from one of his firm tenets of faith, i.e. freedom of expression and political action.

"B" ARAB STATES/Israel. Iraq Sends Troops To Help Syria. On 16 May Prime Minister Nuri announced in the Iraqi Parliament that units of Iraqi Guard with anti-aircraft guns and planes had moved into Syria to aid the Syrians against alleged Israeli aggression. Members of Parliament applauded. In Tel Aviv an Israeli Government spokesman stated that Iraqi action and Syrian efforts to postpone signing of a cease-fire agreement "make it apparent that Syria is determined to continue her aggressive attacks against Israel." (U NY Times, 17 May 51; U FBIS News Ticker, 16 May 51). COMMENT: Iraq's precipitous action exacerbates the Israeli-Syrian dispute. Syria obviously will derive some encouragement from Iraqi support, and Iraq's dispatch of military forces will induce other Arab States to consider somewhat more seriously the possibility of giving direct aid to Syria—even if for no other reason than to prevent Iraq from achieving a special position in Syria.

"B" INDIA. Probable Action in UN on Embargo Against China. On 16 May, the US Embassy, New Delhi, was informed by the Secretary-General, Indian Ministry of External Affairs, that India's stand on the resolution for a UN embargo on strategic materials for China would be based on political considerations, not upon its attitude toward weapons and ammunitions of war. The Secretary-General further said that India could hardly vote against the proposed resolution in view of India's attitude toward peace, nor could it, without difficulty, vote in favor, since India had refused to condemn China as an aggressor. Therefore, India would probably abstain. (S New Delhi 3239, 16 May 51). COMMENT: The Indian press has reported that India watches the embargo plan with considerable anxiety. (See OCI Daily Digest, 15 May 51.)

"B" INDIA. US Senate Votes Loan for Wheat. On 16 May, the US Senate passed a bill to lend India \$190,000,000 to finance the purchase of 2,000,000 tons of wheat in the US, with an amendment specifying that repayment of

TOP SECRET

5

TOP SECRET

all or part of the loan be made with certain strategic materials including monazite and manganese. (U NY Times, 17 May 51). COMMENT: In view of Prime Minister Nehru's statement on 10 May that India would not supply atomic materials to foreign countries (see OCI Daily Digest, 12 May 51), the probability of India's readily accepting a US loan is somewhat lowered by the Senate's inclusion of the above amendment in its food bill.

"B" INDOCHINA. French Surete Murders "Suspects" in Reprisal. US Legation Saigon has been informed that on 12 May French Surete chief Jumeau of the town of Dalat, Bao Dai's summer "capital", ordered the summary execution of 20 Vietnamese in reprisal for the murder of another French Surete agent, Victor Haasz, on the preceding day. Unable to apprehend the rebel assassins who had stabbed Haasz, Jumeau rounded up 20 Vietnamese - seven women, two teen-age boys, and 11 men - and had them conveyed by truck outside the town, where they were immediately shot. Bao Dai is reported to be profoundly shocked by this incident. He has suspended the Vietnamese mayor of Dalat, addressed a note of protest to General De Lattre, and summoned several high French officials. (C Saigon 1991, 15 May 51). COMMENT: The Legation has not yet heard the French version of this incident, but a despatch by the semi-official French Press Agency confirms the main outlines of the story. The press version implies the culpability of Jumeau, stating that he had been "worked up" for many months and "went mad" with frustration. This incident, taken together with the brutal murder during a Hanoi riot on 10 May of two Vietnamese by Foreign Legionnaires, may be expected to have a profoundly disturbing effect on the Vietnamese population.

"B"

25X1C

TOP SECRET

TOP SECRET

"C" KOREA. Night Interceptions of UN Aircraft by Unidentified Type Jets Continue. A delayed report from the US Far Eastern Air Forces reports a night attack made on a US B-26 bomber northwest of Pyongyang on 13 May. The two enemy aircraft remained unidentified although the pilot of the B-26 stated he believed them to be Type-8 twin-jet fighters. (S FEAF Tokyo AX 7534, 15 May 1951). COMMENT: Although OCI previously reported the appearance of Type-8 fighters in this area as "extremely remote" (OCI Daily Digest, 2 May 51) several reports received subsequently have reported the night interception of UN aircraft by unidentified jets, tentatively labeled as Type-8s or some other type twin-jet aircraft. The Type-8 has a considerably greater combat radius than the MIG-15, suggesting that these aircraft, if Type-8, are flown from fields other than in Korea.

"B" Medical Unit Sent to Fight Smallpox Epidemic in Korea. According to a North Korean broadcast of 16 May, a group of Soviet physicians has entered North Korea "to stamp out smallpox in a short time." (U FBIS, 17 May). COMMENT: Pyongyang Radio announced previously that a ten-man Soviet anti-epidemic unit arrived in Sinuiju 20 March. A 14 May broadcast announced that the USSR and People's Democracies had sent relief supplies including 400 cases of vaccines "for prevention of epidemics and daily necessities," to Korea. Communist troops in Korea are known to be suffering from widespread smallpox, and Soviet propaganda charges that the "US interventionists" are spreading the smallpox epidemic among the Communist forces in Korea through use of bacteriological warfare.

"C" Communists Attempt to Refute Captured North Korean Documents Indicating Aggressive Intent. A 16 May broadcast from the North Korean radio goes to considerable length in offering evidence designed to label as US forgeries two captured North Korean documents which outline Communist tactical plans prior to 25 June for the invasion of South Korea. (R FBIS Ticker, 16 May 1951). COMMENT: The length and detail into which the Communist broadcast goes in their attempt at refutation would seem to indicate that US release of these documents to the UN is viewed by the Communists as threatening to undermine their own fabricated version of the 25 June invasion.

"B" New Chinese Communist Force May Attempt Amphibious Landing in Western Korea. A Chinese Communist soldier, captured on the tip of Kampo peninsula on 16 May, identified his unit as the 64th Regiment, 3d Division, 4th(?) Chinese Communist Army. The prisoner stated that his division was to make an amphibious landing on the Kampo peninsula on an unknown date. (S DA CINCFE Telecon 4719, 17 May 1951). COMMENT: While the Chinese Communist 64th Regiment is believed subordinate to the 8th Army, both of

TOP SECRET

TOP SECRET

these armies (4th & 8th) are now tentatively accepted in Korea and are probably acting in concert. A landing on the Kimp'o peninsula in the area indicated by the prisoner would be more of a rivercrossing than an amphibious operation. A successful crossing in this area, however, would constitute a considerable threat to Seoul's western flank. In the light of the general shift of enemy forces eastward (see below) from the western sector, the deployment of a new Chinese Communist force, plus new North Korean forces, on the extreme western flank is a definite possibility.

"B" Eastward Shift of Communist Forces Confirmed. A late report from the field, included in the 17 May FECOM teleconference, states that the identification of numerous prisoners, captured on 17 May, from the Chinese Communist 60th and 12th Armies in the Chunchon area (in central Korea) confirms the eastward displacement of these major forces from the west central front. The US 8th Army, in the same report, gives the current tentative line-up of Communist forces in the battle zone as follows: Western Sector - 1, possibly 2, North Korean Corps, possibly a new major Chinese Communist force (see above), and the Chinese Communist 19th Army Group; Central Sector - Chinese Communist 60th, 12th, and 15th Armies, and the 26th and 27th Armies; Eastern Sector - 3 North Korean Corps. (S DA CINCPAC Telecon 4719, 17 May 51).

TOP SECRET

TOP SECRET

SECTION 3 (WESTERN)

25X1

"A" GERMANY. New Berlin Blockade Considered Unlikely. [redacted]

25X1

[redacted] in Berlin consider a reimposition of the Berlin blockade unlikely at the present time. Commenting on recent speculation in Berlin Communist circles on this subject, they point out that the Soviets would probably be unwilling to impose another blockade now, primarily because this would: (1) interfere with the present political aims of their drives against West German remilitarization and other East-West issues, (2) jeopardize the success of their coming World Youth Festival in Berlin, (3) require giving up Berlin as a main transshipment point. The Soviets would only consider a blockade when their current political wooing of west Germany has outlived its usefulness, and after trade restrictions make Berlin no longer of value as a transshipment point. These conditions are regarded as not likely to prevail before the end of 1951. [redacted] COMMENT: [redacted]

25X1C

25X1C

previously reported speculation in Berlin Communist circles over the possibility of a new blockade as a means of exerting pressure on the West at the Big Four Conference in Paris (See OCI Daily Digest, 2 May 51.) While nothing has occurred in this regard, the possibility remains that a drastic enforcement of East-West trade controls, substantially reducing Berlin's value as a transshipment point, might hasten Soviet retaliation.

"B" FRANCE. Projected 1952 Military Expenditures Greater than Foreseen.

The level of French military expenditures now being projected for 1952 will probably reach \$4 billion. This would be 50 per cent above the 1951 level and 16.5 per cent of the national income. A military effort of this magnitude is expected to result in a budget deficit of \$3.1 billion for 1952, as compared to the \$2.1 billion 1951 deficit, which already calls for at least \$285 million more in inflationary borrowing than the French say their economy should carry. In view of the prolonged bickering over the extent of French commitments following the October 1950 US-French talks, some officials hesitate to present the US with this projection and again risk US disappointment in the event of later reductions. (S Paris 6849, 10 May 51). COMMENT: The \$4 billion tentative figure for 1952 military expenditures represents better than a 15 per cent increase over March 1951 ECA estimates for 1952. The military programs on which the projected expenditures are based are already under way, and at this time there is no reason to expect that the new Parliament in July would cut back rearmament.

"B" ITALY. Communists Unlikely to show Important Decline in Milan Municipal Elections. As a result of poor labor management relations

TOP SECRET

9

TOP SECRET

and the negative attitude of a large proportion of Italian business men, the non-Communist parties do not look for a decline in Communist strength in Milan. While profits are generally highly satisfactory, low wages and the high cost of living forces an abnormal number of members of a family to work. This in turn accentuates the number of unemployed in periods of lowered industrial activity. The development of a strong anti-Communist trade union movement which would effectively bring the necessary pressure for wage increases is at this time only a long term prospect. (R State Milan Dispatch 453, 9 Apr 51; C State Milan, 18 Apr 51). COMMENT: The rise of Communism in Northern Italy is in part the result of short sightedness of local industrialists, and existing non-Communist trade unions cannot replace the Communists in fighting for labor's rights. Under these conditions it appears unlikely that the Communist strength will be reduced significantly in the industrial centers of Northern Italy in the forthcoming municipal elections, although Communist municipal representation under the new electoral law probably will be reduced.

- "B" VATICAN. Vatican Reportedly Regrets Close Links Between Spanish Church and Franco Regime. [redacted] 25X1
 relations between Herrera, Bishop of Malaga, and Franco's Foreign Minister, hitherto close, reportedly cooled following Herrera's audience with Pope Pius in the fall of 1950. The Pope was said to have asked Herrera what was his source of funds, and the Bishop replied that the only possible source of any substantial amounts was the Franco regime. The Pope reportedly expressed regret that the Church should be so linked with the Government, inasmuch as popular dislike for the regime would be transferred to the Church when Franco was no longer in power. [redacted] 25X1C
 23 Apr 51). COMMENT: Although the Vatican has long shown a certain reserve toward Franco by its refusal to negotiate a concordat, and presumably does deplore the close association of the Spanish Church with a repressive regime, the Holy See cannot be expected to take an official stand in opposition to the Franco Government until it sees an acceptable alternative which can be arrived at without revolution. The Spanish Church would have difficulty in disassociating itself from the regime at this time, not only because of its financial situation, but also because, in the mind of the Spanish people, the Church (except under the Republic) is traditionally identified with the Spanish Government.

- "C" SWEDEN. Swedes Likely to Abstain in UN Vote on Chinese Embargo. The Swedish Foreign Office has informed the US Embassy that, though recognizing the difference between sanctions as such and an embargo on the shipment of munitions during actual hostilities, it nevertheless feels that the proposed embargo on shipments of strategic materials

TOP SECRET

10

TOP SECRET

to Red China very closely resembles sanctions. The Foreign Office added that Swedish abstention from the UN vote of 31 Jan branding Red China an aggressor would be a factor in the ultimate decision of the Swedish Government on the embargo question. (S Stockholm 1362, 16 May 51). COMMENT: This probably means abstention from the UN embargo vote, since the Swedish Government fears that sanctions, even in a diluted form, constitute one more step towards committing Sweden to participate in military action against Communist China.

25X1

"C" ARGENTINA. Atomic Scientist Richter Reported Arrested. [redacted] 25X10
[redacted] Ronald Richter, the German nuclear scientist who claimed new atomic discoveries for Argentina, (See OCI Daily Digest, 26 Mar 51.) was arrested at Bariloche on 11 May 1951 and at present is under arrest in Campo de Mayo. The arrest was caused by error or falsehoods in his theories which have been detected by local scientists and because of an army report to President Perón on his record in Europe. [redacted] 25X1C
COMMENT: Richter's reported arrest has not been confirmed by other sources. The reported arrest not only would subject Perón to new rounds of world-wide ridicule, but would also increase tension between him and the army.

"C" BOLIVIA. Purpose of Military Coup Explained. In a "communique to the nation", marked by a reserved tone, the military junta said that its action in taking over the Government was not a "vulgar coup", but instead was dictated by "the desire to maintain public peace and reestablish harmony among Bolivians". The communique also said that the junta will conduct the government in a "serene democratic manner, repress attempts to Sovietize the nation, respect its inter-American and international commitments, and control Bolivia's sub-soil resources, which will be utilized for the people's benefit". President Urriolagoitia, in his brief resignation note, said that he chose to turn over power to military in order to preserve democracy and republican institutions in Bolivia. (C La Paz 540, 16 May 51).

"C" PERU. Prospects for Firm Offer of Troops for Korea. Embassy Lima reports that Foreign Minister Gallagher is deeply concerned over the political difficulties that lie ahead of the Government's fulfilling his written promise to US Assistant Secretary of State Miller and President Odria's oral promise to Ambassador Tittman that Peru would provide a contingent of troops for Korea. Among the political difficulties in obtaining Congressional approval, Gallagher mentioned: (1) the effect in Peru of the MacArthur controversy emphasizing the probability of a long-protracted commitment and the casualties that can be expected, and (2) the reluctance or refusal of other Latin American countries to offer troops. (S USAA Lima AFC-19, 11 May 51). COMMENT: Gallagher's concern over Congressional reaction

TOP SECRET

TOP SECRET

is probably genuine, for, while Odria's government is dictatorial, Odria does not have complete control of Congress, as was shown in the last Congressional session when the Odria-sponsored petroleum law failed to pass.

TOP SECRET

TOP SECRET

gl
ab

39

49187a

CENTRAL INTELLIGENCE AGENCY

DAILY DIGEST SUPPLEMENT

MAY 17 1951

Not for dissemination outside O/CI and O/NE.

TOP SECRET

TOP SECRET

CENTRAL INTELLIGENCE AGENCY

OFFICE OF CURRENT INTELLIGENCE
DAILY DIGEST OF SIGNIFICANT S/S CABLES17 May 1951

SECTION 2 (EASTERN)

- "A" GREECE. Greece will Support any UN Action to Help Yugoslavia if Attacked. Prime Minister Venizelos has informed the US Embassy in Athens that he has instructed the Greek Minister in Belgrade to emphasize on all appropriate occasions to high Yugoslav officials that, in case of attack on Yugoslavia, Greece is ready to fulfill its obligations under the UN, and to take whatever action in support of Yugoslavia as is recommended by the UN. (TS S/S Athens 3932, 16 May 51). COMMENT: The danger to Greece presented by a Soviet or Satellite occupation of Yugoslavia is well understood by the Greeks and in recent weeks they have been interested in securing military cooperation between the two countries. Yugoslavia, however, has been reluctant to start formal talks. (See OCI Daily Digest, 15 May 51).
- "A" INDIA. USSR Reportedly Urges India to Call a Five Power Peace Conference. According to the French Embassy in Washington, the French Embassy in New Delhi has been informed by the Yugoslav Ambassador to India that the USSR is urging India to call a "peace conference" of the "Big Five" at New Delhi. (S S/S State 1907, 14 May 51). COMMENT: While there is no confirmation of this report, it would be a logical move for the USSR to make as part of its current, world-wide propaganda campaign calling for a Five Power Peace Pact. India would presumably be considered by the USSR as an acceptable place in which to hold the conference since that country's neutral attitude toward both the East and the West is well known. Furthermore, Prime Minister Nehru might be flattered at the prospect of being host to such a meeting. Finally, the USSR has probably shrewdly calculated that Western refusal to accept an Indian invitation would greatly prejudice the Western powers in Indian eyes. Since India in recent months has shown an awareness of Communist propaganda techniques it is believed that India will not respond to the Soviet approach.
- "B" PAKISTAN. Pakistan Will Send Troops to Korea if US Supports It Against India and Afghanistan. Prime Minister Liaquat Ali Khan of Pakistan has assured US Ambassador Warren of his Government's willingness to provide one division of troops for service in Korea if the US is prepared to give Pakistan a commitment equally important to that made by his country in siding irrevocably with the West. Specifically, the Prime Minister suggested that the US support him against India in the matter of Kashmir and against Afghanistan in the matter of Pushtoonistan. (S S/S Karachi 1067 15 May 51).

TOP SECRET

"B" INDONESIA. Indonesia Favors Soviet and Communist China Participation in Japanese Peace Treaty but will negotiate regardless. The Indonesian Foreign Minister, Subardjo, told US Ambassador Cochran that in line with Indonesia's independent foreign policy, his government favors participation of both Soviet Russia and Communist China in the Japanese peace treaty. However, he said that if this should not prove feasible, Indonesia would be willing to go ahead without them. (S S/S Djakarta 1600, 16 May 51). COMMENT: Subardjo's statement represents the first firm commitment from an Asian nation that it would participate in negotiations for a Japanese Peace Treaty which were shunned by the USSR and Communist China. It is expected, however, that all other Asian nations invited to participate will accept even though several definitely desire the presence of the two Communist nations.

25X6

TOP SECRET

25X1