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SECURITY INFORMATION

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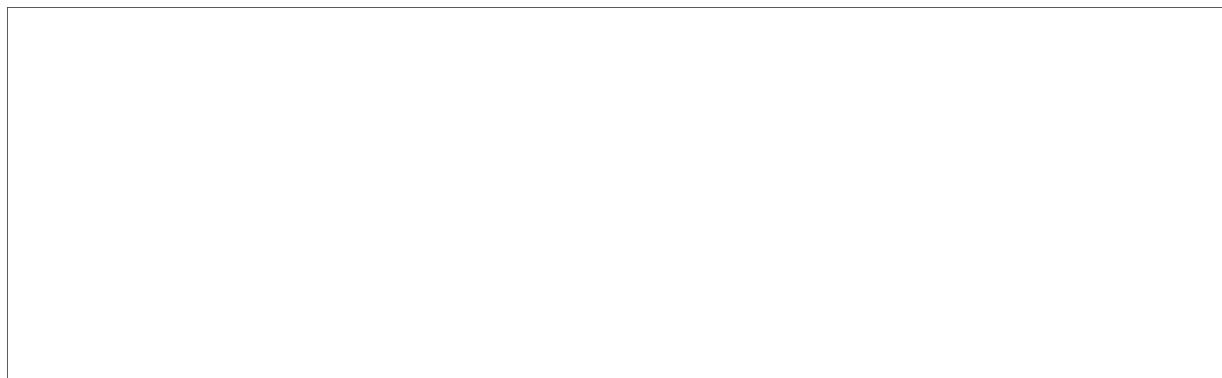
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GENERAL

1. Cominform meeting [redacted] held near Warsaw: 3.3(h)(2)

[redacted] The Iranian Minister in Warsaw has informed his government that Malenkov arrived in Warsaw on 5 April to take part in a meeting of the Cominform outside the city. 3.3(h)(2)

Comment: [redacted] 3.3(h)(2)

[redacted] No important Satellite political leaders are known to have been absent from their countries during this period. However, Pietro Secchia, the Italian representative to the June 1948 Cominform meeting, departed for Warsaw on 6 April.

The French Government Press Agency reported on 15 March that Communist circles in London expected a Cominform meeting to be held in mid-March near Warsaw and to be presided over by Malenkov.

The purpose of such a meeting at this time would probably be to set forth the party line in light of the latest Soviet proposals concerning Germany and the current peace offensive.

There has been no known Cominform meeting since November 1949. The main function of the Cominform has apparently become one of publishing a journal setting forth the Soviet foreign propaganda line.

SOVIET UNION

2. Construction work opposite Sakhalin receiving increased attention:

[redacted] An official of the Ministry of Railroad Transportation on Cape Lazareva asked authorization for 623,000 hours of overtime for construction work during the first quarter of 1952. This request had been submitted to Moscow twice previously. 3.3(h)(2)

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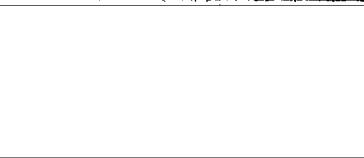
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Comment: The overtime planned for construction work is consistent with other indications that about 4,000 workers are employed in the construction activities of the Ministry of Railroad Transportation at Cape Lazareva. This estimate is based on a 60-hour week, which would require 12 hours overtime per worker. Other construction organizations are also employed at this site.

The large influx of workers to Cape Lazareva, which started in 1951, included engineers and technicians. The continued recruitment of labor and the tone of the message suggest that high priority is being attached to the construction project, which may include a rail and road connection between Sakhalin and the mainland.

FAR EAST

3. Viet Minh division survives concentrated French assault:



3.3(h)(2)

The Assistant US Army Attaché in Hanoi reports that the Viet Minh 320th Division, which has been the target of a major clearing operation by the bulk of French mobile ground forces and aircraft in Tonkin over the past several weeks, is still in "fairly good condition." A new operation against this division is scheduled to start soon.

Comment: As late as 13 April, American officials in Saigon were led to believe, on the basis of casualty figures supplied by the French Army, that "the 320th's capabilities as an entire unit have been reduced to practically zero for several months to come."

Reports from French sources on this campaign follow a previously noted pattern -- highly optimistic and misleading claims during the progress of an operation, followed by far more moderate estimates of the significance of the concluded operation.

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SOUTH ASIA

4. Future of Kashmir negotiations still undecided:

The Pakistani Government has informed United Nations Representative Graham that it desires to see his full report on the Kashmir situation before committing itself to continuing negotiations. The government also desires clarification of the part to be played in the negotiations by Admiral Nimitz, plebiscite administrator-designate.

3.3(h)(2)

Comment: The Pakistani Government can do little to influence decisions in its favor except to display belligerency or hesitancy from time to time. It cannot long refuse to participate in further discussions without endangering its prestige and security, and it may be expected to acquiesce in the relatively near future.

The Indian Government is not likely to reverse its earlier agreement to the resumption of talks. It has left itself an avenue of escape, however, by raising the possibility of delaying the eventual plebiscite by refusing to appoint Admiral Nimitz as plebiscite administrator on the grounds that his impartiality would be open to question.

NEAR EAST - AFRICA

5. Shah still unwilling to remove Prime Minister Mossadeq:

Removal of the Mossadeq government, the Shah told the American Ambassador on 13 April, might come about by its own resignation, by Majlis action, or by intervention of the Crown.

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He added, however, that the time was not yet ripe for the Crown to act.

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The Shah said that the present government's popularity was decreasing while his was increasing, and predicted that Mossadeq would retire when his government was thoroughly discredited. He hoped that it would be replaced by one more friendly toward the West and that the United States would then assist Iran.

Comment: Mossadeq has been meeting with the newly-elected Majlis deputies to explain his economic and financial program and learn their reactions. In contrast, the Shah recently refused to advise a group of deputies who called for instructions.

EASTERN EUROPE

6. Dismissed Rumanian Finance Minister linked to "Right deviation":

[redacted]
The dismissal of Rumanian Finance Minister Vasile Luca last month may have been due to his lack of vigilance against a "Right opportunist deviation," [redacted]

3.3(h)(2)

[redacted] cites a subsequent article in the Cominform journal by Rumanian Politburo member Miron Constantinescu, which asserted that a "deviation from the party line" had enabled hostile elements to infiltrate agencies of the Ministry of Finance. The January currency reform dealt these hostile elements a "crushing blow," according to Constantinescu, and began the liquidation of this "deviation."

3.3(h)(2)

Although Constantinescu made no direct reference to Luca, [redacted] feels that his remarks imply that the latter was dismissed for failure to combat the "hostile elements" who had infiltrated his Ministry.

3.3(h)(2)

Comment: Recent press references which credit Party Secretary-General Gheorghiu-Dej with initiating the January currency reform lend credence to the belief that Luca's dismissal may have been connected with a split in top Communist leadership. Although Luca, who with Ana Pauker is considered a "Moscow Communist," still retains his position as Vice Premier, the fact that his former ministry is under attack might foreshadow further action against him.

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WESTERN EUROPE

7. Italians call their Trieste proposals conciliatory:

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[redacted] Italy's proposals for a share in Zone A's administration represent a "notable" effort toward conciliation, and that in making them Italy has tried to avoid giving Yugoslavia a pretext for retaliatory action.

[redacted] the American and British representatives believe that the Italian proposals would deprive the military commander of Zone A of all real authority.

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Comment: Because Italian public opinion is becoming increasingly restive about the Trieste problem, the De Gasperi government fears a serious loss of prestige on the eve of next month's local elections.

The Italians may therefore be expected to press for their maximum objectives, which call for administration of all civil offices in Zone A, including control of the police, subject only to the overall authority of the zone commander.

LATIN AMERICA

8. American Embassy predicts copper strike in Chile:

[redacted] With regard to the copper strike threatened for 25 April in Chile, an Anaconda official has stated that the slightest increase in operating costs would force his company to shut down the already marginal operation at Portrerillos, and would put the larger but more economical operation at Chuquicamata in the red. He adds that the company can increase wages only if it receives a more favorable exchange rate.

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The US Embassy comments that "the uncompromising position of management, when coupled with the equally uncompromising position of copper labor," makes an industry-wide copper strike inevitable unless the Chilean Government agrees to issue a new copper exchange decree. This appears unlikely, since a similar decree was declared unconstitutional last year.

Comment: The president of the Chilean Copper Workers Confederation earlier this month regarded a copper strike at the Anaconda and Braden mines as inevitable. Anaconda's Chuquicamata and Portrerillos mines produced about 160,000 and 40,000 metric tons respectively in 1951.

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