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1. SHIGEMITSU MAY BE DROPPED FROM JAPANESE CABINET

Foreign Minister Shigemitsu is in a precarious position as a result of the furore over his alleged commitment in Washington to send Japanese troops overseas, and may be forced to resign or be dropped from the cabinet, according to the American embassy in Tokyo. Former deputy prime minister Ogata informed an American official that Prime Minister Hatoyama was so concerned over the effects of Shigemitsu's "failure" in Washington on the government's position that he had, as a countermeasure, instructed the Japanese representative in London to make concessions to the USSR on the territorial issues if necessary to bring about a quick treaty with the Soviet Union.

The embassy reports that the Hatoyama government may also feel it necessary to adopt a "stiffer" stand toward the United States, tone down its recent positive attitude toward rearmament, and attempt to avoid a major increase in the present defense budget.

Comment The adverse Japanese reaction to the Washington talks can be partly attributed to criticism and deliberate press leaks by members of Shigemitsu's own political party who are anxious to remove him to advance their own ambitions. Shigemitsu has restrained Hatoyama from moving too rapidly toward relations with the Soviet bloc, and his removal would probably weaken Foreign Ministry efforts to protect joint Japanese-American interests.

It is quite likely that the cabinet will be reshuffled before the Diet convenes in late November.

2. COMMENT ON INCREASED CHINESE COMMUNIST JET FIGHTER STRENGTH NORTH OF THE MATSUS

The Chinese Communists recently have almost doubled the number of MIG jet fighters at their East Coast base of Luchiao, the operational field closest the Nationalist-held Matsus and Formosa. Chinese Nationalist photo-reconnaissance of 7 September revealed 78 jet fighters there as compared with 42 in August.

Increased fighter strength at Luchiao appears to be another Communist move to improve defenses against Nationalist overflights. New and more modern radar equipment has been detected recently along the China coast, and Communist fighter units have been trying a variety of tactics in efforts to halt Nationalist reconnaissance flights.

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3. COMMENT ON FAURE'S MOROCCAN POLICY

The early removal of Sultan Mohammed ben Arafa is the key issue in French premier Faure's program for Morocco, but opponents of the Faure program are increasingly hostile and are encouraging the sultan to remain. Early implementation of Faure's policy depends on his ability to avoid an open break with rightists in his cabinet, such as Foreign Minister Pinay and Defense Minister Koenig, and yet proceed fast enough to assure the support of moderate Moroccan nationalists.

Reports from Morocco indicate general disbelief that Paris will soon remove Ben Arafa,

Former sultan Ben Youssef, however, has reportedly agreed to make an appeal for calm to the Moroccan people, over whom he has great influence.

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4. STASSEN COMMENTS ON SOVIET TACTICS IN DISARMAMENT SUBCOMMITTEE

[Redacted]

Governor Stassen has reported that the most important thing about the disarmament subcommittee meetings in New York is the change in atmosphere since subcommittee talks in

London earlier this year. Although the "Geneva spirit" may later wear thin, the Soviet representatives' attitude is still moderate and they have not yet sought to transform the meeting into a cold war forum.

Stassen believes that the USSR has President Eisenhower's Geneva proposals under serious consideration. While the Soviet delegation still is insisting on the USSR's 10 May proposals, it has not yet emphasized the political aspects of these or even the need for dismantling bases. The USSR during the meetings has stressed the need to concentrate on preventing surprise attacks and the difficulty of inspecting accumulated nuclear production.

Stassen believes the USSR may be laying the ground work for a new proposal combining the President's proposals with a limited ground inspection based on the Soviet plan of 10 May, or that it may intend to reject the American proposals on the grounds that they do not assure a reduction in conventional and nuclear weapons.

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5. BRITISH ATTITUDE TOWARD THE CYPRUS SITUATION

The British government expects increased violence in Cyprus, and has given the governor there full discretionary authority to declare an emergency and eliminate terrorist activity.

The British expected their proposals for a new Cyprus constitution to be rejected by Greece. London apparently believes, however, that Athens's rejection will vitiate its appeal for support from other UN members. According to the American embassy in London, Britain is almost sure to argue that Cyprus is wholly within Britain's domestic jurisdiction, and that its proposals for self-government provide a basis for eventual reconsideration of the principle of self-determination for the island.

The British apparently expect further deterioration in Greek-Turkish relations as a result of events in Cyprus. The Foreign Office sees no Greek leader "big enough" to restore calm, and fears that the Turks cannot easily be moved from their adamant position.

Comment

The British government is likely to continue under heavy public and parliamentary criticism for having allowed the Cyprus situation to drift. Both parties, however, are expected to accept the government's contention that present circumstances--and especially the possibility of unilateral Turkish action--do not permit British concessions on self-determination for the island.