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FAR EAST

1. Japan modifies exclusion policy toward Soviet traders:

The Yoshida government, modifying its former exclusion policy, has announced that it will permit the entry of Soviet traders when investigation confirms the necessity for the visit. This action reportedly was taken because of Japan's need to expand foreign trade and to compete with trading conditions prevailing in Western Europe.

This move may indicate a switch by the Japanese government from rather passive toleration of trade with the Soviet bloc to active support and promotion, and will probably serve as a precedent for similar action toward Communist China.

The political principle of exclusion, based on the technically continuing state of war, was apparently outweighed by the economic advantages involved. There is, however, no indication that Japan intends to violate Western trade controls.

2. Comment on politburo's report to Chinese Communist Party:

The Political Bureau's report to a plenary session of the Chinese Communist Party's central committee held from 6 to 10 February indicates that the party's current "reorganization" will, in its final phase this year, extend to the leadership. The report was read by Vice Chairman Liu Shao-chi, as Chairman Mao Tse-tung was "taking a holiday."

The report states that a "party conference" will be held later this year. This probably means a national congress to elect a new central committee. Such an election could be expected to formalize the rise in recent years of several new leaders and the removal from power of certain central committee members whose status has been in doubt for some time.

The politburo's resolution on "strengthening party unity" may indicate an intention to stage a public purge. In the past, however, Mao has chosen to deal with those in his disfavor by demoting them quietly within the party structure.

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SOUTHEAST ASIA

3.

4. Need for French military initiative in Indochina emphasized:

French foreign minister Bidault, following talks with Secretary Dulles on 17 February in Berlin, promised to urge vigorously in Paris that General Navarre undertake a maximum military effort between now and the end of the Indochina dry season in June. Pointing out the possibility of negotiations on Indochina, Dulles stressed that the Viet Minh would probably stage an all-out campaign to gain the best possible military position before peace talks begin, as did the North Koreans in similar circumstances.

Comment: It would be difficult, because of the wide dispersal of French troops and continued Viet Minh pressure throughout the whole area, for the French forces to concentrate now for a maximum effort.

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There have been reports from Indochina that the French have avoided heavy casualties on orders from Paris. It is unlikely that such orders would be reversed now with negotiations scheduled for late April.

NEAR EAST - AFRICA

5. Israel interested in Swedish jet aircraft:

The American air attaché in Tel Aviv reports that [redacted]

[redacted] Israel is interested in purchasing 18 of the J-29 jet fighters recently offered by Sweden. The price of the planes, which are considered comparable to the MIG-15, is to be approximately \$165,000 each.

Comment: Britain also is offering to sell seven jet fighters to Israel. The United States has objected to these sales, but both Sweden and Britain have indicated that the offers will not be withdrawn. If these purchases are completed, Israel will have approximately 40 jet aircraft.

Purchase of this number of jets will impose an additional strain on Israel's defense budget, and will stimulate a desire on the part of the Arab states, which now have a combined total of some 60 jets, for further acquisitions.

6. Iraq accepts invitation to join Turkish-Pakistani pact:

[redacted] Iraqi prime minister Jamali enthusiastically accepted an invitation on 16 February from the Turkish ambassador in Baghdad to co-operate with Turkey and Pakistan in developing an area security arrangement. In answer to the ambassador's query, Jamali stated that only the Communists and the Independence Party would oppose the action.

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Radio Baghdad shortly thereafter broadcast a report on the meeting, apparently as a trial balloon to test public reaction to inclusion of Iraq in a Turkish-Pakistani pact.

Comment: Jamali's bold action may be aimed at maintaining himself in power. He is supported by the king, but has not had the full support of ex-prime minister Nuri Said, who controls parliament. Jamali's quick acceptance of the pact is apparently aimed at obtaining the support of Nuri, who favors such an agreement.

In attempting to lead Iraq into the proposed Turkish-Pakistani pact, Jamali faces serious Arab League opposition and possibly a violent popular reaction.

EASTERN EUROPE

7. Possible Czech attempt to assassinate Bogomolov:

An attempt to assassinate the former Soviet ambassador to Czechoslovakia, Alexander Bogomolov, may have been made on 16 February near the Czech-Austrian border as he was en route by train to his new post in Rome. Bogomolov and his wife apparently returned unexpectedly to Prague on the same date.

According to Vienna press reports, an explosion aboard Bogomolov's private railway car injured one person but did not harm the ambassador. A Czech stationmaster later stated that a stove in the galley had exploded. The initial Czech statement to the Italian legation in Prague attributed interruption of Bogomolov's journey to an "accident" which occurred to the car's conductor-attendant. A later statement claimed that the attendant had merely become "ill."

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WESTERN EUROPE

8.

LATIN AMERICA

9. Communists reportedly influence Brazilian position for Caracas:

The Brazilian delegation to the Inter-American Conference in Caracas carries instructions drawn up under Communist influence.

that Finance Minister Aranha may be able to get President Vargas to modify them.

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Comment: [redacted]

[redacted] Leite Ribeiro headed a Communist cell in the ministry. Leite reportedly adheres to the Communist line and associates with important Communists, but is not known to be a party member.

[redacted]

10. Costa Rica renews threat to boycott Inter-American Conference:

[redacted]

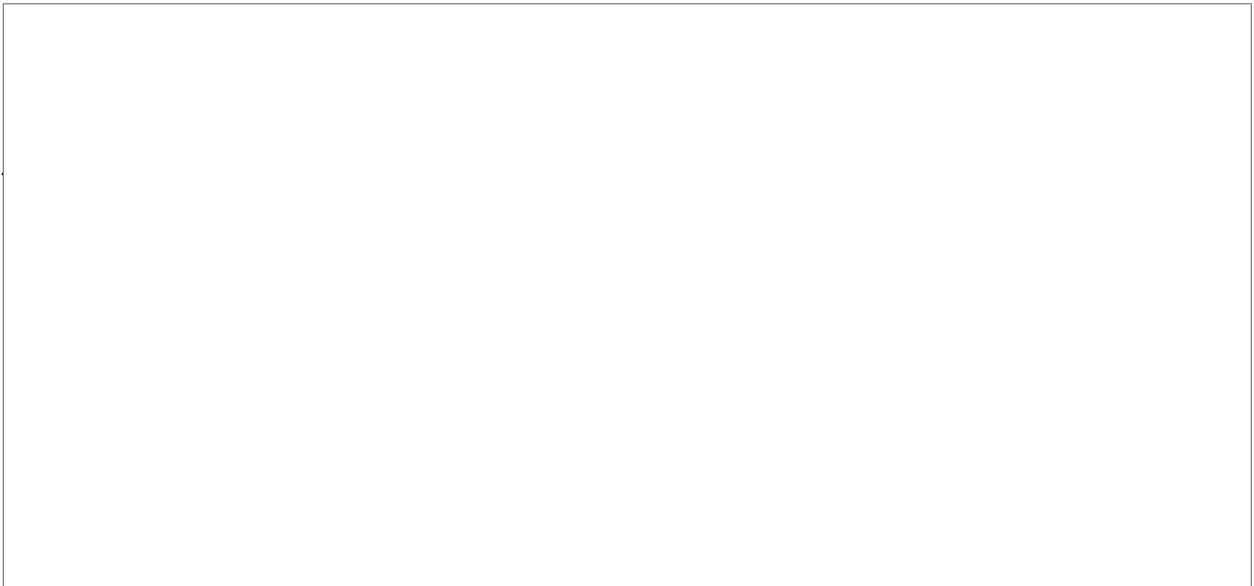
Costa Rican foreign minister Esquivel told Ambassador Hill on 17 February that the cabinet had voted not to send a delegation to the Inter-American Conference. He added, however, that he had obtained a 48-hour stay on the decision, which will be reversed if 60 specified political prisoners in Venezuela are released or there is a prospect of their release.

Comment: This new Costa Rican demarche, although much stronger and more specific than the one of 4 February, could still be a bluff designed to force the United States to bring pressure on the Venezuelan government, which has imprisoned numerous members of the opposition. Many other members have been given asylum by Costa Rica.

11. [redacted]

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