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State Dept. review completed

ARMY and DIA review(s) completed.

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GENERAL

1. Possible Canadian amendment to Soviet disarmament proposal--According to Austin, the Canadian Delegation to the UN contemplates submitting to the General Assembly an amendment to the Soviet proposal on disarmament, which will provide for a permanent international control commission with the power to carry out investigations on the spot in the event of reasonable suspicion of a breach of obligations undertaken to limit armaments.

2. Transfer of Jews to Italian camps urged--According to USFET, the American Joint Distribution Committee is prepared to arrange to divert 10,000 Jewish DPs to camps in Italy. USFET urges the War Department to take positive action on this project.

3. Resettlement of displaced persons in Belgium--General McNarney reports that inadequate housing facilities are the "only apparent obstruction" to immediate transfer from Germany of 20,000 or more non-repatriable displaced persons for employment in Belgian coal mines [redacted] 25X1
25X1 [redacted] The US commitment is limited to processing and transporting workers to Belgium and, "after a reasonable length of time," the return of dissatisfied or unsuitable persons to US Zone.

EUROPE

4. USSR: Rumor of workers' revolt in Leningrad--US Naval Attache Moscow
25X1 transmits a rumor [redacted] of a recent workers' revolt in Leningrad. ALUSNA considers that, while the accuracy of the rumor is undetermined, its circulation is a further indication of popular discontent.

5. AUSTRIA: Government prepared to disband State Police--US Charge Denby reports that, according to Vice Chancellor Schaerf, the Austrian Government is prepared to disband the "Gestapo-like" State Police "which is working entirely in the Russian's interests" and to "fight the battle out with the Russians alone." Schaerf believes that no democratic Austrian government can be secure while this independent force continues to operate.

ARMY, DOS and DIA review(s) completed.

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THE C.I.A. HAS NO OBJECTION TO THE DECLASSIFICATION OF THIS DOCUMENT.
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Soviet-announced return of certain non-German property--Erhardt reports that, according to Tass, the Soviets have begun to return to Austrian owners property which was transferred "under duress" to Germany [redacted] Erhardt adds that no property "of great importance" has been returned, and believes these gestures (a) are motivated by Soviet desires to avoid some of the onus for the seizure, and (b) to induce the Austrian Government to surrender formally to the USSR properties which are clearly German.

25X1

6. SPAIN: Signs of uncertainty and discontent reported--The US Military Attache Madrid reports "uneasiness" among Franco's friends at the volume of support in the UN for the new offensive against Spain. Criticism of the regime is also emerging in "some Army circles" because of the Government's failure to improve the "critical" economic situation.

NEAR EAST-AFRICA

7. IRAN: Prime Minister claims victory in coming election--Allen reports that Qavam believes his party strong enough to crush the Tudehs completely in the national elections announced for December 7, but that he would allow them the same number of seats they held in the last Majlis. These, with the representation from Azerbaijan, would give Tudeh about 30 of the 136 seats.

FAR EAST

8. CHINA: Marshall favors delay in lend-lease talks--General Marshall and Ambassador Stuart agree that it is preferable at present to delay the initiation of negotiations on a final lend-lease settlement with China, and suggest that the question be raised with them after one month. They believe that the possibility of negotiations' receiving publicity that would distort their true purpose far outweighs in importance any advantages of a prompt settlement.

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