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WEEKLY SUMMARY

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Initial Meetings of the Council of Foreign Ministers

The Council of Foreign Ministers, by its agreement to postpone for one year a decision regarding the Italian colonies, has disposed of one of the three unresolved issues in the Italian draft treaty but deliberations on the reparations issue have as yet reached no solution. The third and most contested issue, that of Trieste, has not yet come up for discussion.

Soviet concurrence in postponement of the colonial issue represents a recession from the previous Soviet position that the Big Four must reach agreement on all points in the Axis satellite treaties before they are submitted to a Peace Conference. The Soviets, however, have shown no similar inclination to modify their position on Italian reparations. Instead, by refusing to abandon their reparations claims, by insisting upon the use of current production for reparations account and by seeking opportunities for unilateral action with Italy on treaty implementation, the Soviets are making concerted efforts to obtain a basis for long-term interference in Italian affairs.

French demands that current Italian production be available for reparations over an eight-year period parallel the Soviet position but not the Soviet intent.

In an apparent effort to create a further excuse for interference in Italy, the Soviets at the opening meeting insisted that the Italian political situation be added to the agenda on the grounds that it constitutes a threat of civil war and is directly connected with the question of a draft treaty. The Ministers agreed to take up this point as the last item on the agenda, but the Soviets may again press to have it taken up out of order.

Soviet agreement that Austria be placed on the agenda for the current CFM session at present represents only a limited concession. Molotov has so far agreed to the US proposal only if discussion is concerned with the Austrian "question" and not an Austrian peace treaty.

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Issues in the Polish Referendum

The Polish referendum on 30 June, originally proposed by the Left as a means of deferring national elections, is expected to play a decisive role in determining the future extent of Communist influence in Poland. The Leftist parties which control the Government suggested a referendum on "non-controversial" questions when, in April, it became apparent that Mikolajczyk's Peasant Party would not join them in a single electoral bloc. The Leftists expected Mikolajczyk to support them in the referendum vote and hoped that the resulting overwhelming popular endorsement of their policies would give them more time before the elections to consolidate their control over the country and force Mikolajczyk's acceptance of the single electoral list. Two of the questions -- those concerning the Oder-Neisse line and a program of land reform and the nationalization of industry -- are in effect non-controversial, but a third involving the elimination of the Senate has become the subject of bitter dispute.

Encouraged by the outcome of the French constitutional referendum of 5 May, which also included the issue of a bicameral legislature and became in effect a plebiscite on Communism, the Polish Peasant Party decided to force a showdown with the Leftist parties by advocating a negative vote on the abolition of the Senate. Mikolajczyk has become increasingly convinced that the Leftists are determined to use the referendum results to discredit his party and possibly even to expel it from participation in the Provisional Government. He has been concerned by the Government's avowed intent to interpret an affirmative vote on a unicameral legislature as, in effect, an amendment to the 1921 Constitution which the Government is pledged to support and which provides for a bicameral legislature. Such an interpretation would eliminate Senatorial elections this fall and would serve as a precedent for further constitutional changes designed to keep the Leftists in power.

The Leftists apparently are considerably disturbed by the conflict which Mikolajczyk has provoked. They are insisting that a defeat of the referendum will not be tolerated, have intensified their ruthless oppression of opposition elements, and apparently are making preparations to stuff the ballot boxes. Whatever the outcome of the referendum, it appears improbable that the Leftist majority in the Government will feel it can risk violence by expelling Mikolajczyk's party. The danger

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of violence also is lessened by recent indications that Moscow has ordered a more conciliatory attitude toward Mikolajczyk. Civil war in Poland at this time clearly would endanger Soviet long-range interests and the Soviets may well feel that Mikolajczyk would prove less of an obstacle to Soviet policy if he were in a position of power rather than leader of the opposition. Mikolajczyk has consistently tried to convince Stalin that, if he were given power, he could guarantee a more stable, popular and reasonably pro-Soviet regime than could the Polish Communists.

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US Countermoves in Korea

Soviet actions since the Japanese surrender indicate a determination to bring Korea within the Soviet orbit as a Communist dictatorship. Under the guise of establishing a country "friendly" to the Soviet Union which cannot become a "base for attack" on the USSR, the Soviets are seeking to implant Communism firmly in Soviet-occupied northern Korea, to strengthen the Communist Party in the US-occupied zone by clandestine means, and to establish a provisional government controlled by the minority Communist elements.

The US on the other hand has been seeking to set up a democratic government representative of the wishes of the majority of the population. The Soviet and US representatives on the Joint Commission, appointed to set up a provisional government for Korea, therefore have been unable to reach agreement, and after several months of futile deliberations the sessions of the Commission were adjourned on US initiative. The deliberations were deadlocked over the Soviet demand that opponents of the Moscow decision on an extended trusteeship be excluded from consultation in the formation of an interim government. Since non-Communist elements have in general opposed the trusteeship plan, US acquiescence on this point would have resulted in the formation of a Soviet-dominated Communist regime.

The failure to establish a provisional government has had serious economic consequences. The present dual occupation of Korea bisects an economically integrated country, and the continuance of a

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rigid enforcement of this zonal delineation is hindering the economic rehabilitation necessary to effective self-government. Both the US Commander and non-Communist Koreans view this situation with real concern.

Since the adjournment of the Joint Commission, the US Commander has been making determined efforts to build up the political strength of democratic elements in southern Korea, to prevent Korean Communist infiltration from the northern into the southern zone, and to fix on the USSR responsibility for failure to establish a provisional government and eliminate the zonal barriers. In these objectives General Hodge appears to be attaining a certain measure of success. Soviet policy has aroused strong opposition from all Korean groups except the strong Communist-controlled minority, and the vigorous US efforts to block Soviet attempts at political domination of the country have met wide popular support. Rightist and Leftist leaders in southern Korea, with US encouragement, have recently been conducting negotiations with a view to forming a strong coalition that could assume greater responsibility in the administration of southern Korea. The major parties in this coalition may shortly make a common declaration of amity, and request that the Joint Commission resume deliberations and consult with all democratic parties without exception or exclusion. Should this coalition movement of the southern Korean parties succeed, the US may be able to force a joint solution that would not leave the Communists in initial control.

The Soviets have obviously been following a policy of outstaying the US, hoping that their persistent obstruction to a joint solution for Korea would eventually induce the US to forego its aims and withdraw from the country.

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