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SOVIET UNION


1. Comment on further expansion of Soviet "new lands" program:



The expanded land reclamation program announced by Moscow on 17 August--the largest such program ever undertaken in the USSR--calls for a 20-percent increase in the total sown acreage in 1956 over 1953.

The land reclamation decree issued in March 1953 called for the cultivation of 32,000,000 acres of virgin and reclaimed land by 1955; the new decree raises that figure to 37,000,000 acres by 1955, and to between 69,000,000 and 74,000,000 acres by 1956.

The 1954 reclamation quota has been over-fulfilled by a wide margin, and favorable weather has created good harvest prospects. These successes, combined with poor harvest prospects elsewhere in the USSR, may have induced the government to enlarge the acreage expansion program earlier than anticipated.

The land scheduled for use after 1955, however, is probably even less suitable for cultivation than that scheduled for use in the early years of the program. In most of the areas involved, weather conditions unfavorable for grain crops have occurred on an average of two years out of five. 

FAR EAST

2. Ikeda attributes Japan's difficulties to American policies:



Hayato Ikeda, secretary general of the Japanese Liberal Party, told Ambassador Allison on 13 August that many of Japan's economic difficulties are due to "mistaken" American occupation policies and, therefore, the United States should be more generous in helping Japan recover. He warned that many Japanese believe Germany has received more benevolent treatment than Japan.

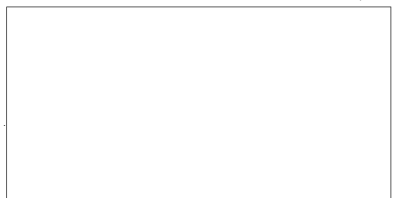
Ikeda said the prestige of Prime Minister Yoshida and the Liberal Party had never been so low as today, and the government needs increased strength to put American-Japanese co-operation on a permanent basis. He emphasized that Yoshida is still the key to sound Japanese relations with the United States, and it is thus "indispensable" that the prime minister be given "real presents" on his forthcoming trip to Washington.

Ikeda also asserted that his recent remarks urging more flexibility in Japan's Asian policies had been misquoted. He said co-operation with the United States is so basic to all aspects of Japanese policy he had not felt it necessary to dwell on this essential in his remarks.

Comment: Ikeda's attitude is typical of a trend among Japanese officials to look to the United States to help Japan in its current crisis, rather than to impose the austerity measures required by the nation's deteriorating economy.

American aid is important to Yoshida's position, since his popular strength derives primarily from the belief that he is the man who can best gain maximum benefits from the United States.

3. American offer of flood relief to China seen desirable:



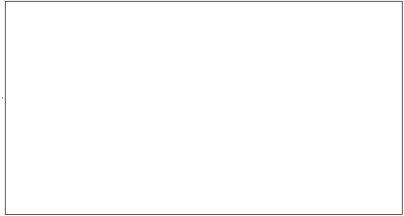
A semiofficial organ of the Chinese Nationalist government has announced a drive for flood relief to victims on the China mainland. The announcement stated that assistance would be sought from the United States.

The American embassy at Taipei suggests that an American failure to make some gesture of aid to flood victims will give another opportunity to those who wish to persuade Asian peoples that the United States places a low value on Asian lives.

Comment: Peiping would almost certainly reject an offer of flood relief from the Chinese Nationalists. It seems likely, although less certain, that an offer from the United States government would also be rejected.

There would be a psychological warfare advantage in an American offer of aid, particularly if the USSR failed to offer assistance or offered only token aid. If an American relief offer were made, Peiping would have difficulty concealing the fact.

4. Two more Chinese jet fighter divisions may have left Manchuria:



There are indications that the Chinese Communist MIG-15-equipped 6th and 15th Divisions have been transferred from the Yalu River area of southern Manchuria. The 6th Division may have moved to an airfield in East China. The destination of the 15th Division is not yet apparent.

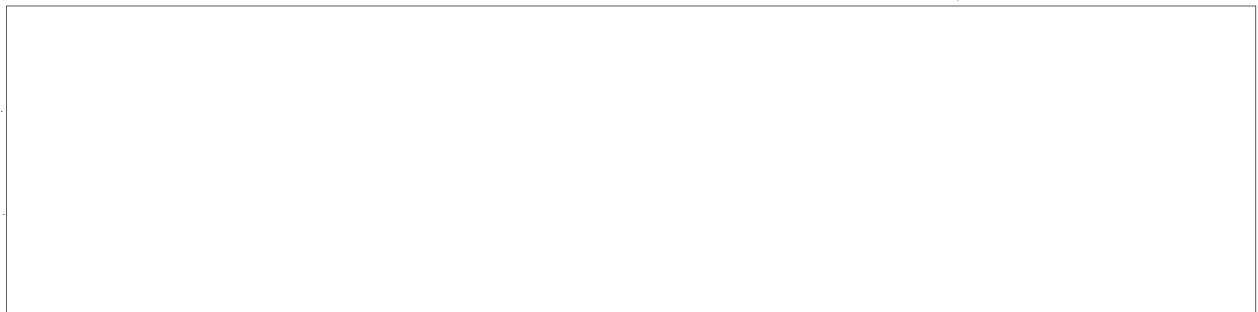
Comment: Three other Chinese Communist MIG-15 divisions have left Manchuria since March, two of them going to bases in the Shanghai area of East China.

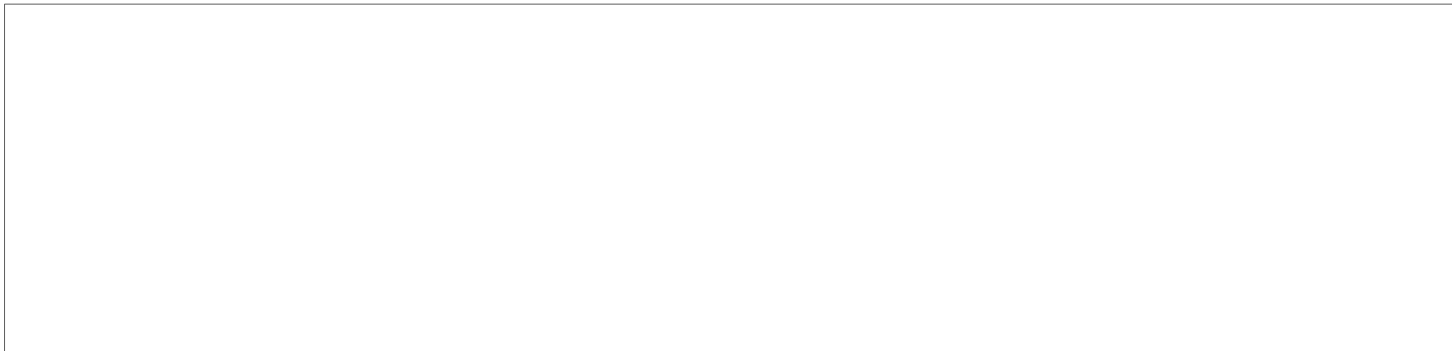
Transfer of the 6th and 15th Divisions would leave only one Chinese Communist MIG-15 division--with about 50 aircraft--in Manchuria, apparently placing primary responsibility for the fighter defense of the Yalu River area in the hands of six Soviet air regiments which have a strength of over 200 MIG-15's.

The movement of the 6th Division to East China would add considerably to Peiping's already formidable fighter strength in that area.

NEAR EAST - AFRICA

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