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GENERAL

1. Soviet delegates in Paris reveal concern over US rearmament:

Ambassador Jessup reports that Soviet determination to include the reduction of armaments and a separate item on Trieste in the agenda for

Big Four talks was apparent Thursday in informal luncheon conversations at the Soviet Embassy among a limited number of delegates to the Deputy Foreign Ministers' Conference. In general, the Soviet representatives seemed primarily concerned with halting the US rearmament program, whose dimensions and potentialities they probably appraise accurately and realistically, and again showed themselves unduly sensitive on Balkan issues. They gave some indication that they regard their recently proposed item on the North Atlantic Treaty as a bargaining point. Gromyko is presumed to have gained the impression that the Western Powers place great importance on dealing with the present level of armaments as well as their control before discussing the issue of a reduction of armaments.

French and UK readiness to give in to the USSR on this point as well as on the position on the agenda of the German demilitarization item was manifest at a tripartite meeting that morning. In addition, the chief of the UK delegation was ready to accept Trieste as a separate point because he believed this essential for Soviet acceptance of a separate Austrian Treaty item.

2. Communist Orbit offers food relief to India:

The Secretary of the Indian Food and Agriculture Ministry reports that China has offered to India 500,000 tons of rice at prices below those of Burma and Thailand, as well as 500,000 tons of wheat and milo at prices well below the US market price. India is preparing to send a representative to Peiping to discuss the offer.

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In addition, Indian Ambassador Panikkar in Peiping has informed the British Charge that he has negotiated a long-term contract for the purchase from China of 500,000 to 1,000,000

tons of grain for a six-month period beginning 1 May 1951. Panikkar inquired whether British shipping would be available to move the grain, and US Embassy London reports that the British have no objection from a political point of view. US Embassy New Delhi also states that Soviet officials are telling the Government of India that "any amount" of Soviet wheat is available for delivery to India if arrangements can be made for a barter deal. The Indian Government has informed the Embassy that it is considering the above offers as a means of assuring the Indian people of at least minimum food requirements, in view of the uncertainty that the US will furnish the 2,000,000 tons of food grains which India has requested.

Comment: These Soviet and Chinese Communist offers appear to be part of a campaign to take the initiative from the US in providing special food supplies to India. China and the USSR have the capability to furnish and ship 2,000,000 tons of grain to India within the next year. Communist governments in the past have demonstrated their willingness to ignore the welfare of their people in the pursuit of important political objectives. Favorable publicity accorded in India to recent arrivals of Chinese rice suggests that even token shipments of Soviet or Chinese Communist grain will be used by the Indian press to draw critical comparisons between the efforts of the West and the Communist bloc to prevent starvation in India.

3. Yugoslavs sound out Greek reaction to attack on Yugoslavia:

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Greek Prime Minister Venizelos has informed US Ambassador Peurifoy that the Yugoslav Minister in Athens made a formal demarche on

3 April to the Greek Government, seeking to learn the course of action Greece planned to take if Yugoslavia were attacked. The Greek Prime Minister replied that Greece would presumably mobilize and assist Yugoslavia economically, but that he would have to consider the matter carefully before giving any further or definite assurances. In relating the conversation to Ambassador

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Peurifoy, the Greek Prime Minister implied that he wished the US to advise him regarding his reply to Yugoslavia.

Comment: The reported demarche by Yugoslavia contrasts with its previous attitude in dealings with Greece, since it opens the way for military talks between the two countries. During the early March negotiations for the exchange of military attaches between Yugoslavia and Greece, the Yugoslav Minister explained that, although the community of interests between the two countries was clear, there was no necessity to coordinate military preparations, since this could be accomplished in a short time when the occasion arose. The Yugoslavs have, heretofore, been extremely careful to avoid any action which would appear to justify Cominform charges that the Tito regime and the Greek "Monarcho-Fascists" were coordinating their military plans. The reported demarche may, therefore, reflect increased Yugoslav apprehension regarding the possibility of a Soviet-Satellite attack.

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FAR EAST

4. Republic of Korea interested in extending administration north of the 38th Parallel:

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[redacted] the Prime Minister of the Republic of Korea recently called on the Turkish chairman of the United Nations Commission for the Unification and Rehabilitation of Korea to ask about the Commission's

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position on the question of administering North Korean territory which may be liberated in the future. Reportedly, the Prime Minister expressed the wish that the Commission agree that the Republic of Korea has the right to appoint local administrators and to insure public order through the use of its police forces. The chairman was noncommittal but took the position that the liberated areas should be under military administration.

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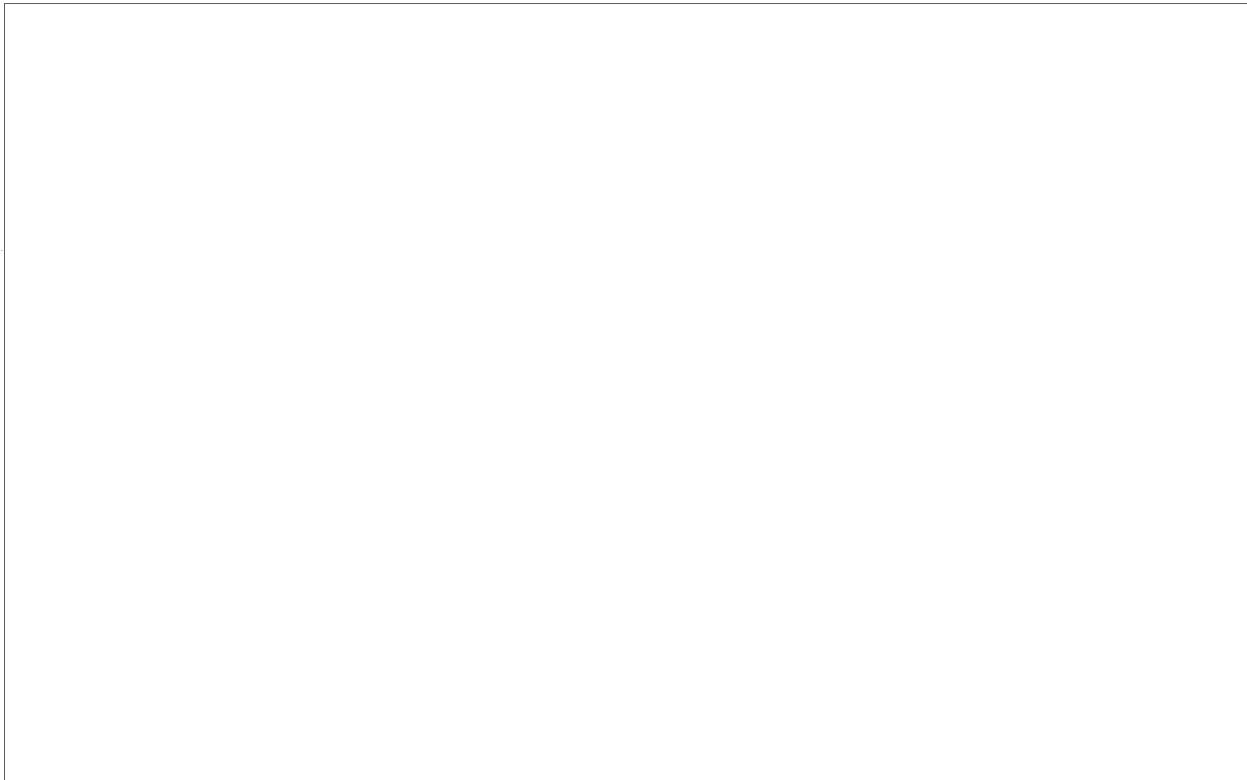
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Comment: A similar problem arose when UN forces advanced into North Korea last October. This is the first instance this year, however, of renewed Republic of Korea interest in administering liberated North Korean territory. The Prime Minister's inquiry is a further indication of his government's determination to eradicate the 38th Parallel as a political boundary and to extend its authority to the Yalu River.

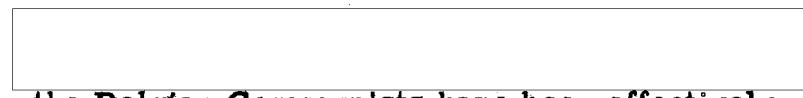
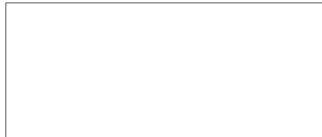
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WESTERN EUROPE



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6. Communists reportedly sabotage postal communications with Belgian troops in Korea:



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the Belgian Communists have been effectively

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sabotaging communications between the volunteers in Korea and their families. Communists have infiltrated the Ministry of Communications so successfully that letters to Belgian soldiers in Korea have been burned by Communist-influenced postmen. Because of the reluctance of the Minister of Communications (who is concurrently the Acting Prime Minister) to admit that this state of affairs exists in his ministry, the Belgian press and public are apparently unaware of the situation.

Comment: It is believed that Communist influence in the Belgian Government has become negligible since the immediate postwar period. It seems unlikely that the facts of this case would not have leaked to the press, if Communist sabotage activities had been as successful as this report suggests. Furthermore, the Minister's reluctance to take action does not seem plausible in view of the government's aggressive anti-Communist campaign (which has included the dismissal of employees actively combining Communist activities with their government positions).

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