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GENERAL

- 1. Moscow makes propaganda bid for resumption of diplomatic relations with Japan:**

[Redacted] Moscow made its first overture to the new Japanese government in a broadcast on 14 December minimizing the obstacles to Tokyo's resumption of diplomatic relations with the USSR and Communist China. The Soviet commentator claimed that the Sino-Soviet Treaty is purely defensive, that Moscow does not object to Japan possessing necessary defense forces, and that it is an "absolute lie" that Moscow wants Tokyo to sever its relations with the United States.

Comment: The Soviet overture challenges the new Hatoyama government to make good its public commitment to normalize relations with the Communist world. Shinsuke Kishi, a key man in the government party, told the American embassy in Tokyo that Yoshida was not "sufficiently enthusiastic" in exploring formulas for developing relations with the USSR and Communist China.

Tokyo will find it extremely difficult to ignore the Soviet overture, since such action would run counter to widespread sentiment for diplomatic relations with the Soviet bloc and would enhance Socialist prospects in the forthcoming elections.

Japanese leaders have indicated that they consider establishment of relations with Peiping would jeopardize relations with Washington. [Redacted]

SOUTHEAST ASIA

- 2. British and French governments approve gasoline shipment to Hanoi:**

[Redacted] The British consul general in Hanoi told American consul Corcoran that London had no objection to the shipment of certain

limited quantities of gasoline and lubricants to the French-owned Hanoi Tramway Company.

Meanwhile, the French Foreign Ministry has informed the American embassy in Paris that it considers these shipments justified on the basis of previous needs.

In order to expedite delivery, the French government favors a trilateral decision to make available only one month's supply, with future decisions to be left to COCOM.

Comment: Jean Sainteny, the French representative in Hanoi, has been the prime mover in negotiations regarding the tramway company and other French enterprises in Tonkin. Although Sainteny's mission is ostensibly economic, his ultimate goal is to demonstrate the possibility of French-Viet Minh "coexistence." He has maintained that economic concessions to the Viet Minh have political value, arguing that the Viet Minh is unwilling to be completely swallowed up by the Communist Orbit, and might develop deviationist tendencies if encouraged by the West.

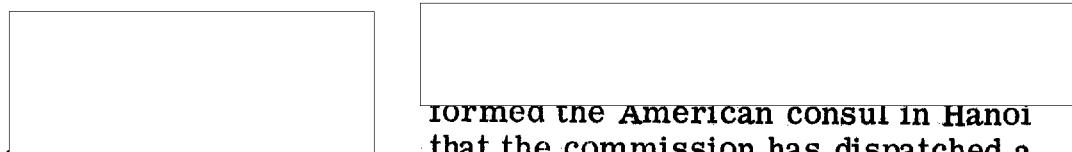
NEAR EAST - AFRICA

3. Nasr opposes Arab consultation with West on defense at this time:

Comment: Nasr is opposed to Egyptian participation in the "northern tier" arrangement for Middle East defense and remains insistent on the Arab Collective Security Pact as the basis for regional defense.

LATE ITEMS

4. Complaints of truce violation bring additional inspection of Vietnam-China border:



formed the American consul in Hanoi that the commission has dispatched a mobile inspection team to Cao Bang, near the China border, in response to French complaints made at the urging of the Canadians. French officials had finally released enough of their intelligence on the illegal shipments to the Viet Minh of Chinese Communist war materiel to convince the Indian commission chairman that there were probably grounds for a complaint.

the Indians and Canadians were then able to force their Polish colleagues to agree to mobile team inspection of the entire border by various means, including helicopter flights. He added, however, that he fears this inspection may turn out to be a case of "locking the barn door after the horse is stolen."

Comment: Communist acquiescence to more adequate supervision of the border suggests that the Viet Minh has largely accomplished its materiel build-up. The heavy flow of Chinese military supplies during the several months immediately following the July truce was for the purpose of equipping Viet Minh units being formed as well as resupplying existing ones.

5. Possible antiaircraft missile launching sites reported in the Moscow area:

Comment: Although the purpose of these complexes has not been determined, they are possibly intended to become part of the air defenses of the Moscow area. Such installations might be launching sites for unguided anti-aircraft rockets or guided surface-to-air missiles.

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