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State Department review completed

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5. India will need extensive external assistance in 1952-53:

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Ambassador Bowles reports that India's need for external assistance during the coming fiscal year will be between 260 and 285 million dollars, and that all but about 25 million must come from the United States.

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He states that the present Indian Government is unlikely to survive if it fails to meet the goals of its current five-year plan, adding that no one in New Delhi believes these goals can be met without foreign aid.

Comment: The above figures emphasize again the magnitude of the task facing the Indian Government in achieving economic stability. They also suggest that last year's 190 million dollar loan to India for the purchase of wheat was merely the first of a series of similar requests to be expected in the future.

NEAR EAST - AFRICA

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7. Egypt may take Suez dispute to UN:

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[Redacted]

Prime Minister

Hilali Pasha may take the Anglo-Egyptian dispute to the United Nations if he decides that "negotiations with the British are fruitless."

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Comment: In 1947, Egypt tried without success to obtain a Security Council decision against Britain. Any new attempt by the Egyptian Government to obtain a UN solution of the dispute would probably be made in the General Assembly.

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9. Adenauer blames Schuman for Saar accord failure:

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[redacted] Chancellor Adenauer has asserted privately that French Foreign Minister Schuman agreed in their March conversations that the Saar legislature to be elected this fall should decide whether the economic union with France should be maintained or allowed to "vanish in some sort of Europeanization."

Comment: [redacted]

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[redacted] Adenauer and Schuman, whose position in the French Cabinet is insecure, both seem to have conceded more than their legislatures would permit. Adenauer agreed to the Saar's political separation from Germany, and Schuman to a review by the Saar legislature of the economic union.

The French are willing to discuss no more than the political future of the territory, and Schuman recently promised the Council of the Republic that France would continue to insist on maintenance of the 1950 economic conventions with the Saar.

Adenauer told the Bundestag on 23 April that the minimum French demands left little hope for French-German negotiations at this time.

LATIN AMERICA

10. Comment on possible disturbances in Ecuador this week-end:

Reports from Quito indicate that this week-end may be a crisis point in the stormy Ecuadoran election campaign. Rumors that several army leaders, including the Minister of Defense may attempt a revolution today are now added to the virtually certain prospect of major street clashes when the controversial presidential candidate Velasco Ibarra arrives in Quito.

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The withdrawal on 20 April of the left-wing coalition candidate and the resignation of the entire cabinet on 23 April have increased the likelihood of serious disturbances.

President Galo Plaza is continuing his efforts to maintain order and insure an orderly election. His efforts may fail, however, unless he can persuade the army high command and the adamantly anti-Velasco Socialists to observe constitutional procedures.

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