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GENERAL

1. Latin Americans may support Byelorussia for Security Council seat:

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The chairman of the Latin American caucus at the Paris UN meeting has advised the American delegation that the United States should "not now" count on Latin American support of Greece's candidacy for the Yugoslav seat on the Security Council. He added that the Latin Americans attached particular importance to retention of "the London understanding on geographic distribution" of Security Council seats and the "right of each region to select its own candidates." This would lead them to vote for Byelorussia.

Comment: Support of Byelorussia over Greece would reflect a definite change of position by a number of the Latin American nations. Brazil, for example, had informed the US that it would not support any Soviet state to succeed Yugoslavia.

The attitude of the Latin American delegates at Paris was described as ranging from "disappointed to furious" over the US decision not to back a Latin American candidate for the seat on the International Court of Justice left vacant by the expired term of a Mexican judge. The Latin Americans fear that this US move may presage further reductions in their representation on international bodies.

FAR EAST

2. Japan reassesses its China policy:

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He credits this change to recent British pressure aimed at restraining Japan from going too far in establishing relations with the Nationalist government.

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In view of evident US-UK differences on this subject, the Political Adviser believes that Japan, in order not to offend either nation, has now decided that its most prudent course is to avoid any affirmative actions toward either Taipei or Peiping pending further developments. Consequently, he feels that the Japanese Government will no longer be responsive to any US pressure to reach a settlement with the Nationalists.

Comment: The Japanese have agreed in writing not to conclude a bilateral treaty with the Peiping regime and have implied that they would establish diplomatic relations with Nationalist China. Under heavy internal pressure to expand the present very limited trade with mainland China, Yoshida may well attempt to play off the US and Britain on an issue on which the two nations lack a coordinated policy.

3. ECA Chief in the Far East pessimistic over progress in Indochina:

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The Chief of ECA operations for the Far East emphasizes that the greatest impediment to US aims in Indochina is the weakness and conservatism of the present Vietnamese Government.

He believes the Viet Minh "revolution" will continue despite massive US military aid and a sizeable US economic program unless a socially-conscious government with "grass roots" instincts is formed.

The ECA Chief further believes that French officials in Indochina now realize they are fighting a war that cannot be won without a political solution and that the conservative Vietnamese "mandarins" they have been supporting as leaders will never attract the masses sufficiently to achieve such a solution. The US official recommends, therefore, that the United States now consider this problem jointly with the French to the end of developing a government with a broad popular base.

Comment: There is no convincing evidence available that the French authorities in Indochina have undergone such a change in attitude as described by the ECA Chief. Those Vietnamese politicians who have shown the clearest social purpose are the ones whose political life under the French-sponsored Vietnamese Government has been briefest.

EASTERN EUROPE

4. Comment on Soviet Bloc notes protesting US Mutual Security Act:

The notes protesting the Mutual Security Act -- sent to the United States by the USSR, Rumania, Hungary, Bulgaria and Poland -- suggest a feeling of genuine alarm at the implications of the Act's provisions. The notes charge that the Act constitutes proof that the US is financing exile groups to carry out espionage and sabotage in Eastern Europe. The alarm aroused in the Orbit is probably due in part to the anti-Communist resistance and widespread unrest reported in recent months from some of the Eastern European countries.

The USSR has already utilized the incident of the missing US military aircraft, now admitted by the USSR to have been forced down in Hungary by Soviet fighters, as additional evidence of American espionage operations. In revealing the whereabouts of the plane, the USSR alleged that it carried equipment "connected with the planting of spies and saboteurs" in Eastern Europe.

On the basis of these notes it is possible that Satellites will take steps to reduce further the effectiveness of existing US diplomatic establishments in Eastern Europe.

WESTERN EUROPE

5. Eden considers European Army situation critical:

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British Foreign Secretary Eden views the European Army situation as critical and feels that the whole NATO structure will be endangered if something is not done about the European Defense Forces.

Expressing the view that he had perhaps been too negative in his press conference statements, Eden asked Secretary Acheson if a more positive UK contribution could be made by suggesting some sort of British institutional association with the European Army, or by statements from Montgomery and Churchill on its military effectiveness. Eden suggested

that the US and Britain devote some "vigorous" thinking to the European Defense Forces problem, since a really critical situation might arise by January.

Comment: British concern was increased last week by the report to the NATO Council in Rome on the status of negotiations for the establishment of a European Defense Community and for contractual arrangements with the German Federal Republic. This report showed many points of disagreement requiring settlement before the February Council meeting.

Prime Minister Pleven has given assurance of personally pressing the Paris Conference to produce a draft treaty on the European Defense Community by the end of this month.

6. French ratification of Schuman Plan uncertain:

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Premier Pleven has told the US Ambassador that, if the Socialists' position can be "straightened out," the government will have a majority for passage of the Schuman Plan when it is debated on 6 and 7 December.

The Embassy reports, however, that the Socialists may demand negotiation of a supplementary agreement covering their objections, a condition which the government could not accept. The Socialists' votes will be decisive, because it is now clear that the Gaullists will vote against the Plan rather than abstain, and even the Radicals, a rightist group in the coalition, are receptive to a current "major campaign" by the steel interests to discredit the Plan.

Comment: In early October, Pleven expected the Plan to pass by "a comfortable majority"; however, powerful political and economic groups, whose opposition was evident earlier this year, have made their influence felt in the Assembly.

Nevertheless, it is unlikely that the Socialists, who favor the Plan in principle, would, in a showdown with the government, accept responsibility for non-ratification.