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TOP SPCRET SECRET

GENERAL

<u>Chinese Communists intervention in Korea discounted--</u> US Ambassador Murphy in Brussels has been informed by a high official of the Belgian Foreign Office that the Belgian Government, which has many contacts in China, has no information "of a disturbing nature" regarding the possibility fidirect military intervention in Korea by the Chinese Communists. The official expressed the opinion that the recent Statements of Chou En-lai, Chinese Foreign Minister, should be closely examined because the Chinese were evidently prepared to make equivocal statements to please the Russians, without, however, making a definite commitment to act openly in Korea. The Belgian official also pointed out that present Chinese obligations were great and their supply and economic situation very difficult.

(CIA Comment: Communist China has carefully refrained from making a public commitment to aid North Korea by direct intervention. Public and private threats by Communist China officials to intervene directly in North Korea have probably been designed primarily to deter UN forces from going beyond the 38th Parallel.)

EUROPE

SECRET TOP SECRET

2. BELGIUM: Supreme commander for NATO favored--US Ambassador Murphy in Brussels transmits the opinion of former Belgian Premier Spaak that the Western Europeans would "more eagerly" improve their defense effort if some outstanding person were appointed supreme commander of the forces of the North Atlantic Treaty Organization, and if that person had "very large powers" over those forces. Spaak also feels that the "more 25X

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cautious" US proposal for a chief of staff, to be succeeded later by a supreme commander, would not arouse much enthusiasm in Europe.

3. FRANCE: German participation in defense gaining favor--US Ambassador Bruce reports that the trend of thinking in France continues to be toward the eventual acceptance of a German role in an integrated Western European defense, with the question now becoming that of timing rather than that of German participation. Bruce adds that another growing concern of the French now appears to be whether the Germans are to be rearmed at the expense of French rearmament.

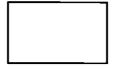
4. GERMANY: <u>Concern expressed over effects of US Security Act</u>--US High Commissioner McCloy in Bonn has learned that the West German Consul General Krekeler in New York, now in Bonn for consultations, is "enormously concerned" about the repercussions in West Germany of the US International Security Act. Krekeler is worried about the unfavorable effect the act might have on the exchange program which, he feels is very important for drawing German youth firmly into the Western camp and for furthering the cause of democracy in Western Germany. Meanwhile, US Representative Cowan in Hamburg expresses the opinion that economic contacts between German and US enterprises will doubtless suffer so long as the restrictions of the Security Act remain in effect, thus considerably impairing trade relations.

5. YUGOSLAVIA: Joint aid in food crisis proposed--US Ambassador Allen in Belgrade reports that the British and French Embassies and Canadian Legation there are concerned about the timeliness and adequacy of outside aid to Yugoslavia needed to prevent

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human suffering and excessive slaughter of livestock as a result of the recent crop shortages. The British, French and Canadian representatives agreed that: (a) essential items should be collected and shipped without delay in order to permit distribution within Yugoslavia before winter weather hampers the already overburdened transportation system; and (b) outright grants would be preferable to credits for food and feed purchases.

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