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SECURITY INFORMATION

21 April 1952

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CURRENT INTELLIGENCE DIGEST

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

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GENERAL

1. German delegate to COCOM suggests discussion of the results of the WEC: An exchange of information and views on the World Economic Conference is scheduled for discussion in the Coordinating Committee for export controls on 30 April at the request of the German delegate. The discussion will include the identity of the participants, the deals actually concluded, the authority under which the deals were concluded, whether they are inside or outside the terms of current trade agreements, and information on the Soviet bloc economic situation. (S Paris 6406, 18 Apr 52)

Comment: Despite US pressure on the Bonn Government, as well as on other Western governments, to discourage participation of their nationals in the WEC, a sizable group of Germans appeared at the conference and allegedly concluded various trade deals with the Orbit countries, particularly China.

Nevertheless, the East German press promotes the theme of the Federal Republic being "left out" of the profitable East-West trade and attempts to fan British-German commercial rivalry. This theme has reappeared in many West German newspapers and the German delegate's move in the Coordinating Committee for export controls may be further evidence of a certain German apprehension in regard to its position at the World Economic Conference and vis-a-vis East-West trade in general. This attitude is further borne out by the recent demand for restoration of East-West trade by the powerful Foreign Policy Committee of the West German Bundestag.

2. Indonesian delegation to Moscow allegedly offers rubber to the USSR: The Economic Secretary of the Singapore Government states that he has fairly reliable information that Indonesian representatives to the Moscow Economic Conference emphasized to the Russians that the difficulties of the Indonesian rubber

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producers result from American "price depressing tactics." They appealed for Russian help and offered "unlimited quantities" of Indonesian rubber to the Soviet Union. (C Singapore 1127, 18 Apr 52)

Comment: Within the past month the Indonesian Government has conducted conversations with at least three central European countries for the exchange of raw materials, including rubber, for capital goods. Indonesia, however, is not known heretofore to have approached the USSR to sell rubber.

3. Extension of Austro-Rumanian trade agreement likely: The Rumanian Government, through its Legation in Vienna, has asked the Austrian Government for an extension until September of their trade agreement which was to have expired this month. The Rumanians, who proposed to re-examine the commodity exchange lists in September, have promised in the meantime to increase shipments of wheat and fodder and to make strenuous efforts to reduce Rumania's deficit to Austria. The Rumanian Legation expressed regret for the low level of deliveries heretofore and attributed these deficits to economic troubles preceding the currency reform. The Austrian Government is reportedly willing to renew the agreement. [REDACTED]

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The Austrian Foreign Office had reportedly warned the Rumanian Government that the trade agreement would be cancelled unless improvements in the commodity lists and deliveries were made. Since the agreement was also extended last November despite Austrian dissatisfaction, a new extension until September would probably not represent full exploitation of a bargaining position which the Austrians have previously estimated as favorable.

EASTERN EUROPE

4. Possible identification of additional paratroop units in Bulgaria: The US Army Attache in Rome has forwarded a report [REDACTED] who identifies four parachute regiments in the Bulgarian Army. This source identified subordinate units of these regiments, at 10 locations. (S Army Attache Rome R-74-52, 27 Feb 52)

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Comment: Current Order of Battle accepts only five parachute battalions in the Bulgarian Army. The formation of additional battalions and the establishment of regimental organizations has not been previously reported and remains to be confirmed.

5. Lack of purchasing power in Yugoslavia results in surplus of goods: According to the United States Embassy in Belgrade, although it is evident that retail stores contain a larger volume of consumer goods than they did a year ago, the average Yugoslav does not have the level of income necessary to purchase the goods produced by consumer goods industries. As a result, some Yugoslav officials have publicly supported the introduction of installment buying in an effort to bridge the gap between wages and prices.

Embassy observers comment that although the government may desire to continue its deflationary policy, some adjustment will have to be made between purchasing power and inflated prices if factories are to remain in operation. (R Zagreb Desp 201, 11 Mar 52)

Comment: Despite the fact that over-all purchasing power has increased slightly during the past few months, the average worker still has little left after he purchases food.

The new insistence on profitability and self-sufficiency of enterprises and a minimum wage system preclude the possibility of significant price decline in the non-agricultural sector. The arguments of party leaders who favor the substitution of an inflationary policy for the present restrictive monetary policy, which was instituted last fall in an attempt to stabilize the economy, will be considerably strengthened by the current disparity between wages and prices. High costs, which perpetuate high prices, remain the outstanding problem limiting the profitable sale of Yugoslav goods at home as well as abroad.

6. Yugoslavs release figures on Satellite refugees in Yugoslavia: A Yugoslav news agency in Belgrade reported on 12 March that 9,505 citizens from Bulgaria, Rumania, Albania, and Hungary have come to Yugoslavia since 1948. Of this total 3,124 came from Albania; 2,437 from Bulgaria; 2,323 from Rumania; and 1,621 from Hungary. (U Belgrade Desp. 867, 15 Mar 52)

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Comment: Some of these refugees have subsequently been deported to Trieste, but the vast majority of Albanians and Bulgarians who have remained have been organized into exile committees by the Yugoslavs. The objective of these organizations is to recruit refugees for espionage and subversive activity and to create well-controlled units capable of attracting and holding the allegiance of other refugees or potential defectors. Ideological divergencies, nationalism, and group hostilities among these groups severely handicap Yugoslav efforts in this field.

The above figure on the number of Albanian refugees arriving in Yugoslavia is considerably lower than the generally accepted figure of 4,000 to 6,000 Albanian refugees reported by reliable contacts.

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FAR EAST

7. Far East Command sees no imminent Communist offensive:
The Far East Command, in a review of the enemy's intentions and capabilities in Korea, observes that "there are no indications of an imminent attack." The comment continues, however, to point out that the Communists have made good use of the relative quiet provided by the cease-fire to reinforce, both in men and materiel, and to re-deploy and retrain their units.

The enemy, FECOM estimates, is able to launch a major offensive with little warning. The duration of such an attack would depend on the Communists' ability to keep their advancing units supplied. (S CINCFE Telecon 5762, 17 Apr 52)

8. South Korean Prime Minister comments on Rhee election plans: Prime Minister Chang, in discussing Rhee's reelection campaign with Ambassador Muccio on 18 April, stated that Rhee is accumulating petitions for a direct presidential election amendment and for the recall of Assemblymen opposing it. If the Assembly fails to reelect Rhee, he will immediately declare the election invalid and say it is against "the will of the people," according to Chang. The Prime Minister added that the Assembly will never reelect Rhee, and that the only way to thwart the President's move is for the UN to immediately recognize the validity of the Assembly's decision.

The Ambassador, however, is not as certain as Chang that the Assembly will abide by its present firm anti-Rhee position. Muccio adds that this suggested tactic of Rhee's is one of several courses open to the President. (S Pusan 1014, 18 Apr 52)

Comment: The remarks of Prime Minister Chang, who has tendered his resignation at Rhee's request, may reflect personal presidential ambitions. [redacted] has suggested that Rhee may be planning to have the Assemblymen who are loyal to him boycott the election session, thus blocking the election through quorum requirements.

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9. Top Chinese official in Tibet reportedly intends to visit India: [redacted] General Chang Ching-wu, senior Chinese representative in Tibet, intends to visit India to discuss with Prime Minister Nehru plans for

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a "most-favored-nation trade treaty" with Tibet and to request "increased" exports of grain, cloth and construction materials from India. [REDACTED]

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Comment: There has been no high-level contact between India and Tibet since the Chinese occupation of Tibet in autumn 1951. Chang's visit could prepare the way for a discussion of all aspects of Indo-Tibetan relations.

Chang's immediate mission, however, may be to ease a serious food shortage reported in Tibet. India, which probably cannot supply much food, may agree to cooperate in expediting shipments of Chinese commodities sent via Calcutta.

10. Anti-Communist drive in Thailand questioned: The Chinese Communist newspaper in Bangkok issued a special enclosure to its 12 April publication which advertised that "107 Russian Communist books" were available in three local bookstores. The American Embassy states that this development "points up" the insincerity of Police Director General Phao's announced drive against Communist propaganda. (C Bangkok 2235, 17 Apr 52)

Comment: One of the chief justifications for the November coup was the alleged necessity of cracking down on Communist activity. Since that time there have been a number of reports revealing hesitancy on the part of the Thai Government to follow through with a campaign against Communists.

11. Chief of British military mission in Burma replaced: Major General Temple, Chief of the British Services Mission in Rangoon, has been relieved by Air Commodore Ward. The American Embassy comments that a lower ranking officer may work more harmoniously with Burmese Commander in Chief Ne Win, and that the appointment of an air officer is fortunate because the air component of the mission has been the most successful in working with the Burmese. (C Rangoon 1011, 18 Apr 52)

Comment: General Temple's relations with Ne Win have always been strained, but this situation has generally been attributed to the former's personality rather than to his rank.

The change in the British mission's leadership comes at a time when the Burmese Government has indicated a desire for additional military assistance.

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12. Indonesia concerned over smuggling from Thailand to Sumatra: An officer of the Indonesian Embassy in Bangkok expressed concern to the American Embassy over information that arms and opium are being smuggled from Thailand and Malaya to Sumatra, where they go to the "leftist Chinese-backed" labor organization, SOBSI. The officer stated that the traffic increased during the last two months of 1951. (C Bangkok 2235, 17 Apr 52)

Comment: The smuggling of arms and opium from Thailand to the rest of Southeast Asia has been confirmed.

SOBSI, Indonesia's largest labor federation, is Communist-dominated and in constant contact with Chinese Communists and with the Chinese Embassy in Djakarta. Its activity as a receiving agent of arms and opium has not previously been reported.

SOUTH ASIA

13. Congress Party loses control in north Indian state: On 19 April, one day after the resignation of the Congress Party Government, the United Front opposition coalition in the State Assembly of the Patiala and East Punjab States Union in northern India announced its intention of forming a government. If successful, it would become the first non-Congress group to win control of any Indian state. (U FBIS, 19 Apr 52)

Comment: The coalition, which is controlled by the Sikhs, is apparently supported by the elected delegates of all other political parties, including the Communists, as well as by independents and several dissident Congress Party members.

Since the opposition outnumbers the Congress Party by at least six votes, it will be difficult for the governor of the state to refuse it the right to form a government.

The Sikhs are for the most part not attracted to Communism, but they have agitated for a separate, Punjabi-speaking Sikh state in north India. The ex-rulers of the princely states, from which the Patiala and East Punjab States Union is formed, have also occasionally engaged in intrigue against the Indian Congress Party. It is likely that political conditions in the Union will become more unsettled than they have been in the past.

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There is no indication that Communists will seize control. Sikh delegates in the State Assembly outnumber the Communists by 19 to 3. The total strength of the opposition, most of which is non-Communist, is at least 32.

The most immediate danger in the present situation is that it will encourage the anti-Congress opposition in other states, particularly in south India where Communists are strong, to attempt the overthrow of newly-formed Congress Party governments.

NEAR EAST - AFRICA

14. Iranian "evidence" against British causes dissension in National Front: Publication by the Iranian Government of "documentary proof" of British interference in Iran's internal affairs has brought the National Front differences to public attention. One newspaper, reportedly supported by Mullah Kashani, has not only deplored the "friction among important members of the National Front" but has insisted that the Foreign Ministry did a "pretty foolish thing" in publishing the letters. Opposition charges that the evidence also implicated the Prime Minister have forced Mossadeq to insist that "nothing in the documents is directed against those whose names may be mentioned." (R Tehran 3899, 12 Apr; C Tehran 3900, 12 Apr; U Tehran 3930, 14 Apr 52)

Comment: The documents so far published do not provide strong support for Iranian charges of British interference. While differences among leaders of the National Front coalition have always existed, this is the first time a dispute has been aired in the press. There is no indication, however, that Mossadeq's control of the coalition is threatened.

15. Iranian Communists ordered to hold May Day demonstration in spite of martial law: The Tehran Provincial Committee of the Tudeh Party has ordered that the scheduled May Day demonstration is to be held "with or without martial law." [redacted]

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Comment: In a 28 March encounter with the police, Communist-led demonstrators suffered a setback; therefore, it is doubtful that the Tudeh is strong enough at this time to risk a clash with the army. However, martial law in Tehran is scheduled to end before 1 May. While it could be renewed, Mossadeq reportedly is opposed to its extension in spite of army advice.

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16. King reportedly considers dissolving Greek Parliament:
The King may dissolve parliament next week and declare new
elections, [redacted]

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[redacted]
Papagos thinks that the King will not take an unfriendly position toward him, as in the last election. [redacted]

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Comment: In early March the King reportedly considered dissolving parliament in view of the illness of Prime Minister Plastiras. The outgoing government has the right to designate the system to be used in the following election. It is doubtful, therefore, that parliament would be dissolved before the current controversy over the electoral system is settled.

While it seems certain that the majority system, which would favor the Greek Rally, will be employed, the Palace and the Liberals are said to be attempting a gerrymander in order to reduce Papagos' strength in southern Greece.

17.

Syria willing to accept 500,000 more Arab refugees: Syria is willing to resettle 500,000 Arab refugees in addition to those already there, according to the Chief of State, Colonel Selo. Colonel Shishakli had previously intimated that he would welcome this opportunity for economic development.

Colonel Selo urged an agreement integrating Syrian plans for a \$200,000,000 development program with the UN Relief and Works Agency (UNRWA) projects. He also made it clear that in view of the political risks involved in accepting the refugees and in spite of the economic advantages, Syria would welcome any additional funds for general economic development which UNRWA could secure. (C Beirut 1111, 18 Apr 52)

Comment: Acceptance of Arab refugees along with sizable economic assistance would enable the Shishakli-Selo regime to build a larger, more powerful Syria.

Successful resettlement of so many refugees would be a major step toward the solution of one of the Near East's most pressing problems. Other Arab states are likely to be uncooperative on the resettlement project and insist that the refugees be returned to their Palestinian homes.

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18. No evidence of arms smuggling into Tunisia: Although arms smuggling into Tunisia from Tripolitania is quite possible, neither the American Legation in Tripoli nor the Consulate General in Tunis has been able to obtain any evidence of such traffic. Organized smuggling on a large scale could not go undetected under the security regulations now in force in Tunisia, and occasional gun running is a negligible factor in view of the remaining sizable stocks in Tunisia of weapons abandoned by Axis forces. (C Tripoli 566, 17 Apr; C Tunis 159, 18 Apr 52)

Comment: Despite sensational rumors that Afrika Korps veterans are being recruited for an army to "liberate North Africa" and that Tunisian and Libyan Missions are seeking arms and funds, there is no evidence that substantial support is reaching Tunisian nationalists or that a serious military effort to dislodge the French from North Africa can be made in the near future.

19. Tangier business interests grow apprehensive: The American Legation in Tangier states that since the recent riots, business and financial circles are worried about physical security in the Zone. The effect of the Spanish proposal to alter the Zone's government upon the question of the permanence of the administration is also causing concern. It is feared that the uncertainty will discourage flight capital to the Zone, though bankers have not noted any change in capital holdings in Tangier. A few business ventures have already been cancelled and some withdrawals of gold made. (C Tangier Weeka 67, 10 Apr 52)

Comment: Tangier's economy is based on its uncontrolled currency market, and internal disturbances, such as the 30 March riot, put it at a competitive disadvantage with more stable money markets.

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WESTERN EUROPE

20.

German Protestant leaders discuss Soviet note: A reported 12 March discussion of the Soviet note of 10 March, attended by East German Christian Democratic Union (CDU) leaders and Dr. Gustav Heinemann, President of the Synod of the all-German Protestant Church, and Pastor Koch of the West Berlin Evangelical Church, concluded in agreement to rally all possible forces for a peace treaty.

During the discussion, Heinemann emphasized that although the Oder-Neisse line is painful to many Germans, it is a problem subordinate to the maintenance of peace. His attempt to discuss the Weimar election law was rejected by the East Germans, and his request for an amnesty of prisoners in East Germany met with evasion. [REDACTED] 25X1A

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Comment: The East German CDU has been used extensively to recruit support among West Germans for the East German position on unification. Strong efforts have been made to use such "neutralists" as Heinemann and Pastor Niemoeller to gather support. The tenor of this meeting suggests that Koch and Heinemann will continue to support the East German ideas on unification.

The report indicates a reversal of Heinemann's position on the Oder-Neisse line, which he had previously declared was unacceptable.

21.

East Germans may admit investigating commission under close supervision: A reliable West German newspaper has printed an unconfirmed report that a Soviet Control Commission order for the expurgation of East German election records is being executed in Thuringia and Brandenburg under the direction of the East German Interior Ministry. (R FBIS Frankfurter Rundschau, 15 Apr 52)

Comment: If true, this report suggests that the East Germans may be preparing ultimately to admit some sort of investigating commission, possibly the four-power commission suggested in the Soviet note of 9 April.

22.

Prominent East German Communist interprets "four-power control": Professor Robert Havemann, president of the East German "Committee for the Fighters of Peace," has reportedly

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stated that international control of all-German elections "cannot be in the sense of investigating the possibility of democratic elections and controlling the German population while it is voting," but that international control could only be "exerted by the four occupying powers among themselves; that is, reciprocal supervision of and by each other to ensure that no power exerts undue influence on the outcome of the elections." (S Berlin 1220, 12 Apr 52)

Comment: This interpretation suggests that "inspection" or "supervision" as proposed by Moscow will have entirely different meanings for the Communists and the West.

23.

Federal Republic defense costs may complicate Paris treaty negotiations: West German Defense Minister Blank recently declared in Bonn that his government assumed that the United States would supply five billion dollars worth of heavy equipment not included in previous estimates of German defense expenditures, and that delivery would coincide exactly with German troop drafts. He said that if the Federal Republic must supply and finance some of this equipment the amounts, types, and delivery schedules of equipment contributed by the US must be known before the West German government can accurately estimate the costs of the German EDC contingent.

The US High Commissioner observes that although he had explained the US priority system on end-item aid to Blank, the West German delegation in Paris may adopt the Minister's view. (S Bonn 2439 and 2441, 18 Apr 52)

Comment: Under the American system for end-item aid, it is customary for recipient nations to plan their military production on schedules and costs before asking US aid to cover defense gaps. If the German delegation in Paris does not proceed realistically in determining defense costs, the European Defense Community negotiations could be delayed at a time when the Allies are pressing for their speedy termination.

24.

French-German controversy over Saar worsens: The most recent developments in the Saar are forcing both France and the Federal Republic into antagonistic positions from which it will be increasingly difficult to retreat, according to American representatives in Bonn. The French, indignant over German Government-sponsored propaganda in the Saar, have now angered the Germans by banning a German magazine which criticized the French Ambassador to the Saar.

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American officials fear that when the Bundestag debates the Saar issue on 23 April, dissident elements in the coalition might, under the goading of the opposition, demand a Saar solution before the ratification or even signing of the contractual agreement and the European Defense Community treaty.

One of Adenauer's close advisers, Blankenhorn, remarks that it is useless now to negotiate with the French for a definitive Saar solution, since Schuman is "discredited in Paris" and could make no binding commitments. (C Bonn 2413, 17 Apr 52)

25. Clandestine trade in scrap iron attributed to weakness in Austrian law: The Socialist paper, Arbeiter Zeitung, which is frequently well informed on such matters, attributes the current lively illegal East-West trade in scrap iron to loopholes in the Austrian Raw Material Control Act. Under this law, Austrian scrap dealers are compelled to sell scrap at fixed prices to the Austrian Scrap Iron Association. These prices, however, are so far below the world level and the prices Orbit buyers offer that "black market" sales are encouraged.

The law, furthermore, does not control sales of higher-quality "utility" scrap. In consequence, large quantities of scrap classified as "utility," the paper charges, are delivered every month to Orbit buyers who operate through the Hungarian Restitution Commission or under the Administration of Soviet Enterprises in Austria. (R FBIS, Vienna Arbeiter Zeitung, 15 Apr 52)

26. Belgian Government and people unresponsive to Moscow Economic Conference blandishments: Although Belgium is still generally interested in increasing exports of non-strategic goods to eastern Europe, the Belgian Government will not permit shipments of strategic materials to Communist China or Soviet Orbit countries under any package purchase arrangements or by so-called conventions with these countries. No one in Belgian business or official circles has received information on the Chinese and Soviet trade package offers to Belgium reported in the press.

Belgian financiers are reportedly not interested in financing these deals, and business circles are opposed to exports of strategic materials. Labor groups have not responded to Communist propaganda that increased trade with the Orbit will solve Belgium's unemployment problem. (C Brussels 1546, 16 Apr 52)

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Comment: Belgium's trade with eastern Europe has traditionally not been of substantial proportions. The control of shipments of strategic goods routed through Belgian ports, however, has been a weak point in the East-West trade problem, and the Belgian Government is now planning to institute its own transit trade control system over selected strategic items, such as nonferrous metals.

27. Norway dislikes expansion of export controls: The American Embassy at Oslo reports that Norway is reluctant to see pyrites placed on COCOM's List II (quantitative restriction). The Foreign Office points out that pyrites are an important item in Norway's trade with Czechoslovakia, Poland and East Germany. (S Oslo 904, 17 Apr 52)

Comment: Czechoslovakia will receive 25,000 tons of pyrites and Poland 15,000 from Norway during the current trade year.

28. Norwegian views on Yugoslav and Spanish participation in OEEC: The Norwegian Government will accept informal Yugoslav participation in the Organization for European Economic Cooperation on the grounds that the economic advantages outweigh the political disadvantages. Spanish participation, however, would be quite a different "kettle of fish." (S Paris Repto 1729, 16 Apr 52)

Comment: Scandinavian opinion generally inclines to a reluctant collaboration with Yugoslavia in the present emergency but still tends to regard cooperation with Franco as quite impossible.

LATIN AMERICA

29. Political disturbances in Ecuador: The political situation in Ecuador is tense and rumors of a pending revolution are persistent, [redacted] A minor incident occurred in Quito on 18 April when university students shot at and burned an effigy of presidential candidate Velasco Ibarra. This resulted in unfounded rumors that the revolution had started. [redacted]

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Comment: The February announcement of Velasco Ibarra's candidacy and his return on 1 March from exile in Argentina have

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upset earlier predictions that the presidential contest would be a "fairly normal one." The political situation is now completely confused and military and political leaders are re-aligning themselves.

Velasco is scheduled to arrive in Quito on 22 April on his campaign tour, which has already resulted in violence. Communist leaders are reported to be organizing shock troops in Quito in preparation for Velasco's arrival, and Communist and Socialist students are actively engaged in propaganda campaigns against him. Should the expected disturbances in Quito reach serious proportions, it is possible that the ambitious Minister of Defense might stage a preventive coup "to protect" Ecuador from further bloodshed and from possible rule of the twice deposed ex-president Velasco.

30. Head of Mexican pro-Communist party committed for trial:
General Octavio Vejar Vasquez, provisional president of the leftist Popular Party, has been formally committed for trial by a military court. He is charged with disobeying orders assigning him to a mission in Tampico. (U NY Times, 18 Apr 52)

Comment: General Vejar became provisional president of the anti-administration, pro-Communist Popular Party when its leader, Vicente Lombardo Toledano, accepted the party's nomination as presidential candidate. It is probable that General Vejar was ordered away from Mexico City to minimize his political activity, and that he chose to create the present issue to make political capital. Army regulations forbid unauthorized participation in political activity by military personnel.

General Vejar's arrest is not likely to affect the outcome of the presidential campaign, in which Adolfo Ruiz Cortines, the administration candidate, is virtually certain of election.

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31. Revolution reportedly planned for Venezuela: [redacted]
[redacted] Gustavo Machado, a high Communist leader, and Valmore Rodriguez, spokesman for the Democratic Action Party, were on the Colombian-Venezuelan frontier with a large shipment of arms which they planned to deliver to the area around Maracaibo on 18 April. [redacted] the government was setting up an extensive water blockade and land patrols. The Chief of the National Security Forces in the capital, however, indicated that he had no knowledge of any planned disturbances. [redacted]

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Comment: Police precautions may be merely a routine follow-up on the government's 9 April announcement that the outlawed Democratic Action Party had planned disturbances for 19 April and 5 July. The Maracaibo oil area was not affected by the Democratic Action's uprisings last October.

The present report implies full-scale Communist-Democratic Action collaboration, which would be a new factor in current Venezuelan politics. It is not certain whether the meeting and collaboration of these two leaders -- if true -- would imply mere harassing or strike tactics in the Maracaibo oil area or would herald country-wide disturbances.

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WESTERN EUROPE

1. Britain believes four-power talks on German unity may be necessary: Foreign Secretary Eden plans to tell the British Cabinet that four-power talks on all-German elections may be a necessary prelude to French and German ratification of the European Defense Community treaty and the Allied-German contractual agreement. Eden, who sees no need for a prompt reply to the Soviet note of 9 April, believes that the West should continue to press for signature of both treaties, meanwhile taking into account British and Continental opinion toward subsequent ratification.

The American Embassy in London, recalling Churchill's and Eden's often expressed willingness to negotiate with the Soviet Union under favorable circumstances, expects that the British Labor Party's continuing fear of a rearmed Germany will lead it also to demand further probing of Soviet intentions. (S S/S London 4673, 17 Apr 52; S London 4683, 17 Apr 52)

Comment: The West German Government, especially Chancellor Adenauer, opposes four-power discussions on unity at this time. France, however, would probably not reject such talks if Britain insisted.

2. Belgium may be less adamant on uniform military service period for Defense Community members: The American Embassy in Brussels considers that Belgium is not yet ready to accept a proposal by General Eisenhower for discussing the establishment of a uniform military conscription period within the European Defense Community after the signing of the treaty. The Embassy states, however, that should the other questions facing the Defense Community be settled, Belgium probably will not hold out for a solution to the military service period before the treaty is signed.

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Embassy officials add that General Eisenhower made some progress in urging a speeding up of work on the treaty. (S S/S Paris 6385, 18 Apr 52)

Comment: Belgium is the only continental country with a twenty-four month conscription period, and this has become a serious issue in domestic politics.

There are no indications, however, that Belgium regards the establishment of a uniform period of military service as a major problem facing the Defense Community conference.

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