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ARMY review(s) completed.

DIA & DOS review(s) completed.

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GENERAL

1. Elliott Roosevelt's views on the USSR and US--Ambassador Smith reports that Elliott Roosevelt, in the presence of the Soviet guest of honor, made the following observations to US journalists at a reception given in Moscow by an Embassy OIC staff member: (a) foreign correspondents have as much liberty in the USSR as they do in the US where Soviet cultural representatives are subjected to "humiliating" treatment; (b) the Danubian question is no affair of the US, which did not go to war to restore the international regime; (c) it is proper for the USSR to insist on a joint regime with Turkey for the Dardenelles in which the USSR would "naturally play a leading role"; (d) the US and UK should insist on internationalization of the Dardenelles only if they were willing to permit the same for the Panama and Suez Canals; (e) the USSR would not be interested in building up Communism in states along its borders if the US and UK were not pursuing their "present expansionist policies"; (f) the US and UK have often broken their word as given at Tehran, Yalta and Potsdam, but the "Soviets have never broken theirs"; (g) the UN is being used by the US merely to further its own "selfish ambitions"; (h) Soviet officials admit that some things are wrong with "Soviet as well as US foreign policy" and hope that the two countries will compromise their views.

2. Dutch reaction to agreement with Indonesia--Reports from US Ambassador The Hague indicate that Netherlands Government officials expect the Dutch-Indonesian agreement recently initialed at Batavia to receive Cabinet approval and Parliamentary acceptance after delays occasioned by clarification of certain points and protracted Parliamentary debate. The vote of the Catholic Party, which is reportedly divided on the Government's Indonesian policy, is considered crucial; but in view of the anticipated serious consequences of rejection, it is expected to be favorable.

EUROPE

3. FRANCE: Communist tactics--US Embassy Paris feels that the Communists, while contributing to the "decomposition" of the existing regime, are "simultaneously and paradoxically" convincing an increasing number of Frenchmen that the Communist Party is the "sole force" capable of restoring "order, authority, and prosperity." The Embassy interprets

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the recent "diabolically clever" interviews given the US and UK press by Thorez as an admission that the Communists still consider it expedient to exploit the liberties enjoyed in a "bourgeois democracy" in their attempt to install "gradually and legally" a "Soviet" dictatorship in France. The Embassy adds that no force in France appears capable of arresting the advance of this "Soviet Trojan Horse."

4. AUSTRIA: Soviet-inspired rumor causes anxiety--Erhardt reports that anxiety "even in top Government circles" was caused by a recent article in a pro-Soviet Viennese newspaper alleging that the US intends to "abandon its present policy in Eastern Europe" as a result of secret Soviet-US negotiations over spheres of influence. Erhardt adds that President Renner and Chancellor Figl now accept the view that the article was "possibly designed" to sow suspicion of US intentions.

Formation of new Danube shipping company considered--The War Department has requested General Clark to discuss with Austrian authorities the advisability of forming a new Danube shipping company (in addition to the Soviet-seized company located in Vienna) as a means of preventing eventual Soviet seizure of such Danube vessels as the US may return to Austria in accordance with "restitution" negotiations.

5. SPAIN: Objections to immediate "political evolution"--The Foreign Minister, replying to US Charge Bonsal's reiteration of US policy toward Spain, explained that no "political evolution" will be possible at present because (a) recent bombings in Madrid indicate that subversive elements must be closely controlled; (b) "unfriendly activities" based on France are likely to increase as a result of the French elections, and (c) the Franco Government is worried by evidence, even in the UK and the US, of Communist penetration.

Leftist opposition to agreement with monarchists looms--Embassy Madrid has learned that the chief leftist negotiator of the recent agreement with the Monarchists is considered by "certain leftist elements" to have exceeded his authority [redacted] 25X1 25X1
Active negotiations between Monarchists and Republicans, however, are reported to be continuing.

6. RUMANIA: Preliminary report on elections--US Representative Berry characterizes Rumania's election as a "travesty," and reports that armed Communists "for all practical purposes took over" Bucharest

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on election day. Berry was "astonished" that, in view of the tight pre-electoral preparations, the Government thought it necessary to make such a show of force.

NEAR EAST-AFRICA

7. INDIA: Jinnah favors postponing Assembly--US Embassy New Delhi has been informed by the Viceroy's private secretary that Jinnah has said that Moslem League representatives will not attend the Constituent Assembly if it is held on 9 December as scheduled. Jinnah urges postponement because of prevailing communal tension. Nehru appears determined to hold the Assembly on schedule, although immediate adjournment is expected.

THE AMERICAS

8. ECUADOR: Army favors leasing Galapagos to US--US Military Attache Quito reports that Ecuadorian Army circles favor a 99-year US lease on Galapagos, in view of reported Soviet interest in fishing rights in Galapagos waters and the "continual threat of invasion from Peru."

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