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GENERAL

1. French object to German representation at CEEC session--
US Embassy Paris has learned that the French Foreign Office is opposed to the presence of German representatives at the plenary session of the Committee on European Economic Co-operation. The Embassy expresses the view that "it would be a great mistake to have the Germans attend the plenary session." Commanding General Clay in Berlin comments that refusal at this time to allow Germans to attend would have a "profoundly depressing" effect on German morale. Clay strongly urges that German economic officials be allowed to attend the plenary session.
2. Greeks reluctant to renounce Italian reparations--US Charge Rankin in Athens reports that Prime Minister Sophoulis and Foreign Minister Tsaldaris have indicated, in separate conversations, their reluctance to follow the US suggestion that Greece propose a general renunciation of Italian reparations. The Ministers feel that "virtually all concessions" to date have been requested of the Greeks rather than the Italians; moreover, they doubt that the Greek Government could legally renounce reparations without a vote by the National Assembly.
3. US view on reconvention of London talks--The Department of State has advised US Embassy London of its view that the London talks on Germany should be reconvened on 20 April but should be subject to an earlier convening if there is a "definitive break" in Berlin. The Department observes that if the USSR should in the meantime announce the establishment of a German government, this Soviet action would clearly shift to the USSR the responsibility for splitting Germany and would facilitate the early establishment of a provisional government in western Germany.

State Dept. review completed

ARMY review completed

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EUROPE

4. **DENMARK: Arms request to be considered on overall basis--**
The Department of State has informed US Ambassador Marvel that the Danish government's request for US arms cannot be met at this time because the European security problem "can best be dealt with on an overall basis" and not piecemeal. The Department suggests that Marvel: (a) inform Foreign Minister Rasmussen that the US is hopeful of reaching such an overall solution which will do much to relieve Danish anxiety, and (b) express the satisfaction of the US with the indications given by the Danes of their determination to defend their independence.

5. **ITALY: Dunn's views on treaty revision--US Ambassador**
Dunn suggests that, in order to forestall any possible last-minute Soviet moves to influence the elections in favor of Italian Communists, the US, the UK, and France propose as soon as possible a general revision of the military clauses of the Italian Treaty. Dunn believes that even if this proposal were accepted by the USSR, it would be to the advantage of the US because Italy would thereby be sufficiently armed to defend itself from aggression.

(CIA Comment: CIA believes that the move proposed by Ambassador Dunn would be effective in maintaining the present anti-Communist trend in Italy.)

FAR EAST

6. **KOREA: US concern over effects of Pyongyang conference--**
The Department of State has expressed to US Political Adviser Jacobs in Seoul its "grave concern" that North Korean propaganda about the Pyongyang conference may cause a sharp decline in popular support for the scheduled elections in South Korea. The Department: (a) points out that any lessening of popular support for the elections will contribute

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to the instability of the resulting South Korean government, and (b) urges that the US occupation authorities launch an aggressive counter-propaganda campaign which will contrast US objectives in Korea with Soviet obstructionist tactics.

Possible future Soviet tactics -- Political Adviser

Jacobs has been informed [redacted] that Kim Doo Bong (Vice-Chairman of the North Korean People's Council) recently expressed the following views concerning future Soviet tactics in Korea: (a) Soviet authorities are prepared to grant 30% of the future Assembly seats to "Rightists" at the forthcoming Pyongyang conference; (b) Soviet occupation troops will be withdrawn following the formation of the Korean bizonal government; (c) the Kremlin will submit the Korean problem to the September session of the UN General Assembly, claiming that the USSR has aided in the creation of an independent, unified Korean government and has withdrawn Soviet forces in recognition of that government's national sovereignty; and (d) the USSR will ask that the US withdraw its forces in order to demonstrate that it is not following a colonial policy in Korea.

(CIA Comment: This outline of possible developments is entirely consistent with current Soviet tactics in Korea and with previous CIA estimates of Soviet intentions there.)

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