



INDIAN AMBASSADOR HAS INTERVIEW WITH STALIN

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There is an apparent relationship between India's recent efforts to achieve peace in Korea, its attempts to gain Communist China's admission to the United Nations, its critical attitude toward President Eisenhower's Seventh Fleet announcement and the interview granted by Stalin to Indian Ambassador Kumar. P. S. Menon on 17 February.


No information regarding the nature of the interview is available. In two audiences given to Menon's predecessor, Radhakrishnan, in 1950 and 1952, Stalin displayed an interest only in inconsequential matters. This suggests that the latest interview, like the earlier ones, was intended to win Indian support merely by granting its Ambassador an unusual honor rather than by appealing to it with specific arguments.

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State Department review completed

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K. P. S. Menon is a career civil servant who was educated at Oxford, and who has the reputation of a middle-of-the-road man. He is believed to be pro-Western and completely loyal to Nehru.

He is not related to Krishna Menon, who sponsored the Indian UN resolution for a Korean settlement, and who is suspected of being susceptible to the Soviet line.



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INTERNAL THREAT TO IRANIAN SECURITY

Continuing deterioration of Iranian situation, confusion in Tehran highlighted by:

1. The oil problem. Mossadeq told Ambassador Henderson that on 21 February he would:
 - a) tell Majlis there is no hope of oil settlement.
 - b) recommend sale of oil to anyone including Orbit.
2. Mossadeq's ~~suspicion of British~~ → charged ~~again~~ ~~that~~ British don't want a settlement, are trying to overthrow him, using fanatical religious groups, Communist-front organizations, and the tribes.

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3. Tribal unrest:



- a) numerous reports of unrest.
- b) intrigues appear aimed primarily at strengthening tribes' position against government rather than overthrow of government.



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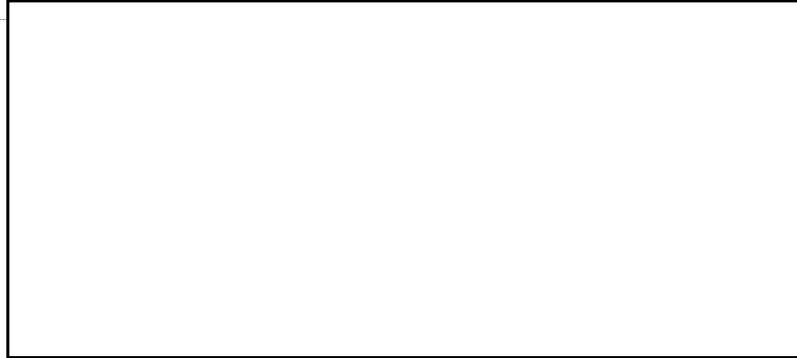
- d) No indication of unified tribal plot. Concerted tribal effort might result in breakdown of internal law and order.

(1) Soviet contacts among tribes, especially Kurds, long reported, evidence slim.

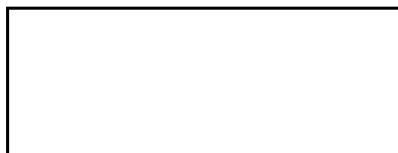


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- e) Imminent failure of oil negotiations and continuing internal decline will not necessarily arouse tribes to action.
4. Mossadeq^{13/28} threatened to throw up his hands and resign:
- a) He has threatened to do this before.
 - b) His death or removal might furnish occasion for unified tribal action, especially if successor government is leftist, revolt is foreign-backed.
5. Shah has said he would abdicate. Reportedly in same breath he might take control of government in emergency. Latter unlikely in view of his record of indecision and weakness.



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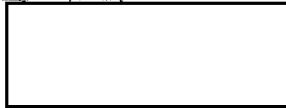
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- [REDACTED]
6. The Iranian situation is highly dangerous. For the moment events have brought all of the elements back into a temporary focus, which may be preliminary to a final disintegration. This is not the first time in the past two years when Iran's collapse seemed imminent, but the situation now appears more explosive than at any time in immediate past.

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LATIN AMERICA

LA considers self "forgotten continent"

Compare recent aid Europe and LA.

They feel US takes for granted

LA will give raw materials at our indicated prices as we want them. They buy manufactured goods at ever increasing prices.

Peron and Company out to show US we are wrong and that LA can get free of "economic servitude" to USA.

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LA economic and political condition most
serious in decades

Certain exceptions are

Mexico - Peru - Uruguay - Venezuela

But these are affected by the others

These trends highly dangerous to US -

Now Communists take advantage of Radical
Dictatorships

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LATIN AMERICA (Contd)

(Basic reasons for situation)

Basic revolution taking place - *Indian awakening*

Radical - nationalists based on left-wing elements, taking over.

Inexperienced in government - gutted economy

Examples are:

Peron - Argentina Ibanez - Chile

Arbenz - Guatemala Paz - Bolivia

Only army keeps same elements from power in

Peru - Venezuela

Consequence of these Trends

- (1) Economic Nationalism
- (2) Regionalism (*vs Pan Americanism*)
- (3) Neutralism
- (4) Growth of Communist influence



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(1) Economic Nationalism

LA tries remedy of hasty self-sufficiency

programs like Argentina

They also try import and marketing controls

This affects LA-US trade (3.5 billion each way)

Also affects US supply vital raw materials

Figures are:

LA supplies 20% Free World petroleum

" " 30% " " tungsten

" " 18% " " tin

" " 71% US copper imports (nearly 50%

US requirements)

Nationalization Bolivian tin threatens US supply

Nationalization Chilean copper is only threat still

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(II) Regionalism

Based largely on Yankeeophobia -led by Argentina

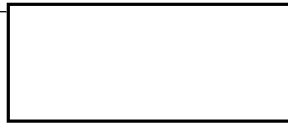
Peron attempting economic bloc with
Paz of Bolivia and Ibanez of Chile

Peron labor attaches try persuade others
to abandon ORIT (ICFTU) and join
Peronista ATLAS (anti-US)

Peron endangers hemisphere
solidarity (Rio pact etc.) with regionalism

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(III) Neutralism

Keep out of US-Soviet involvement

Enthusiasm for Korea waned

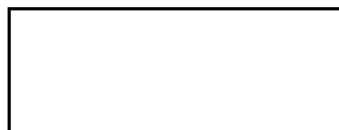
only Colombia sent troops

~~in~~ Bilateral military assistance pacts:

US approached 9 countries with following results:

<u>Completed</u>	<u>Pending</u>	<u>Refused</u>
Cuba	Dominican Republic	Mexico
Peru	Brazil	
Chile	Uruguay	
Colombia		
Ecuador		

LA (20 votes) support of US in UN sometimes precarious



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(IV) Communism

Thrives on economic nationalism, regionalism
and neutralism

Not numerically strong, generally operates
through fronts

Only Guatemala is really dangerous

"Dissident" commies have Peron's ears

Strategic materials go to Orbit

15,000 tons Chilean copper in year ending

May 52 (1 year Czech requirements)

More LA delegates attend commie conferences

30 delegates to Moscow Economic Conference Aug 52

90 delegates to Peiping Peace Conference Oct 52

200 delegates to Vienna Peace Conference Dec 52

Argentina talks trade with USSR (Stalin interview)

Soviet Missions

Satellite Missions

Argentina

Argentina

Mexico

Brazil

Uruguay

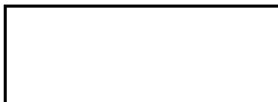
Ecuador

Mexico

Uruguay



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Special Situation

Argentina

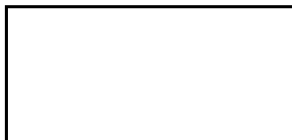
Peron gutted economy but has built personal power
and leadership toward "third position" bloc.

Since 4 November Peron puts out friendly feelers
But basic position change unlikely

Brazil

Despite fundamentally sound economy
Brazil faces crisis due to excess purchasing,
unfavorable trade balance.

Curable but needs watching





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GUATEMALA

Political situation outgrowth 1944
revolution against pro-American Ubico
"dictatorship." First Arevalo then Arbenz
established leftist dictatorship to "free"
country from military dictatorship, social
backgrounds, economic colonialism, under
basic anti-Yankee slogan. Commies infiltrated
government and political parties now dominate
organized labor despite anti-Communist attitude
individual laborers. They have effective
alliance with President Arbenz though control
only 4 out of 56 votes in Congress. Many
others of 56 crypto Communists.

- (1) Both pro-government papers use party line.
- (2) Director major radio station pro-Commie.
- (3) Director National Election Board and Social
Security Institute Commies.

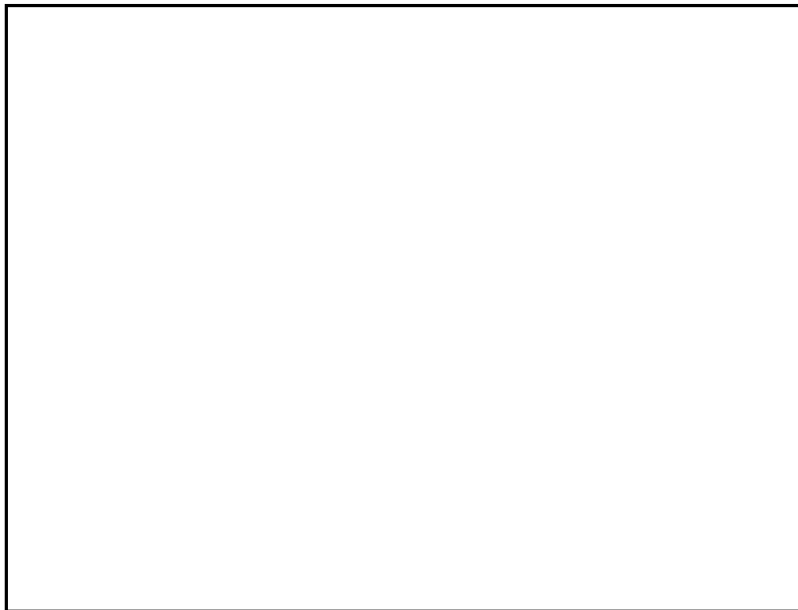




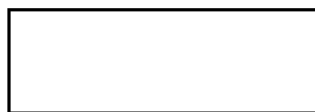
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Army basically anti-Commie but loyal to
Arbenz who has favored them.



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CONCLUSIONS

US surprised at UK, French short-sightedness
in Middle East, North Africa

But we have had situation at our door - vitally
affects us

US stock started downward in 1946 (end OPA)

If trends continue Good Neighbor policy hurt
and vital material supply threatened.



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NSC Briefing

18 Feb 53

TOPICS (MATERIAL INCLOSED)

1. Current NOTE — Stalin's interview with
Indian Ambassador
2. Iranian Situation
3. Briefing on Latin America