

~~SECRET~~

25X1



**CONFIDENTIAL**

COPY NO. 18

SRN - 1

11 September 1953

**SPECIAL REPORT**

THIS DOCUMENT IS FOR THE EYES OF THE RECIPIENT ONLY. IT MUST NOT BE FURTHER DISSEMINATED IN WHOLE OR IN PART.

State Dept. review completed

THIS MATERIAL CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE LAWS, TITLE 18, USC, SECS. 793 AND 794, THE TRANSMISSION OR REVELATION OF WHICH IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.

Document No. _____
No Change in Class. <input type="checkbox"/>
<input type="checkbox"/> Declassified
Class. Changed To: TS S (C)
Auth.: MB 70-2
Date: 20 JUN 1978

25X1

~~SECRET~~



229437

25X1

**SECRET**

25X1

REPORTED DECLINE IN US PRESTIGE ABROAD

Foreword

This report is an attempt to present a synthesis of opinion held in certain foreign countries respecting the United States. It is based on reports largely prepared by American officials and intelligence officers in various foreign countries, pursuant to request. It has been assembled by intelligence officers whose duty it was to reproduce not what they themselves thought but what they had received from observers on the spot in foreign lands. To have tempered these views in order to make them more palatable here would have been false to the purpose of the entire exercise. At the same time, those who have compiled this synthesis are conscious of the fact that it might prove misleading if it were accepted as representing a settled, long range opinion of certain countries toward the United States and its policy. Inevitably, American contacts are disproportionately with educated, articulate sectors of the population, and one must guard against attributing to an entire populace sentiments expressed by this relatively small group.

Nothing is more fleeting or inconstant than the feeling of one country towards another. The American people have a very particular yearning to be loved and even possibly to be flattered by other peoples. We feel that we have been generous in our policy and with our money and that we have sought no unfair political, territorial, or other advantages. Therefore we tend to be shocked when we find that we are not universally admired and even that in certain areas there is growing hostility. It is well to remember that history does not show many precedents of lasting love and affection between nations. It also shows that the more powerful a nation becomes the less popular it is. The most that a nation can aspire to and should aspire to in international relations is healthy respect.

In the present case the attitude of certain countries toward the United States is influenced by factors such as these: A debtor never loves a creditor and those who receive bounty rarely feel lasting gratitude to the giver; states which quickly assume commanding positions in the world are viewed with jealousy and suspicion by those who lately exercised great power and who by force of circumstances have lost it;

**CONFIDENTIAL**  
**SECRET**

**SECRET**

25X1

the devastation and disillusionment of war, bring to victor and vanquished alike, psychopathic conditions, which superimposed on economic and social stress and strain, tend to exaggerate international friction. This is particularly true in Western Europe today.

Countless historical precedents could be cited which throw light upon the present international feeling toward the United States. Harold Nicolson in his recent work on the Life and Reign of King George the Fifth describes the attitude toward Britain at the close of the 19th Century which as he states "had rendered England the richest and most powerful country in the world." Then came the Boer war with initial reverses for British policy. This produced in London a black cloud of depression shot with flashes of bewildered rage. Even more perplexing to the British was the wave of gloating animosity which suddenly swept across the continent of Europe. (King George V, His Life and Reign, Harold Nicolson, Constable, Page 58-59.) One more recent precedent might be cited: Woodrow Wilson visited Europe in triumph after the Armistice in 1918. He was deified in the countries of Western Europe by victors and vanquished alike. When he refused to accede to all the claims of the victors or to satisfy all the hopes of the vanquished, he became the most hated man in Europe. Italy, early in 1919, had given him a reception such as no man, Italian or foreigner, had ever before received. A few months later when he rejected Italian claims to Fiume his face, encased in a German helmet, was imprinted on toilet paper and circulated in millions and millions of copies from the north to the south of Italy. Such is the stability of "affection" among nations.

In appending this foreword to the factual intelligence report which follows, it should be emphasized that it would be false to draw the conclusion that there is anything durable or fundamentally wrong in the relationships between the United States and other countries. The outcome of the recent elections in Germany, in which alignment with the United States-led coalition was a major issue, is reassuring in this regard. We are, however, passing through a phase in which an attitude of hostility is being shown us here and there and this must be reckoned as a factor in the accomplishment of our policy objectives. Naturally it is an element that we should seek to eliminate in order to facilitate the carrying out of that policy.

**CONFIDENTIAL**

**SECRET**

25X1

**REPORTED DECLINE IN UNITED STATES PRESTIGE ABROAD**

The reported decline in American prestige abroad is considered separately in each of the general regions of the globe. Attitudes toward the United States are influenced by diverse factors in the different areas, many of them directly opposite in impact, so that no significant common trend can be deduced. Therefore, the problem will be dealt with separately in each of the following arbitrary groupings of the free world:

- I. Europe and Canada
- II. Far East and Western Pacific
- III. Near East and South Asia
- IV. Latin America

Under each, an attempt will be made to show the variations in American prestige from its first decline after World War II, pointing out especially the low point and the trends during the past six months.

Part V is a tabulation of the favorable and unfavorable references to the United States for the past six months in the radio broadcasts normally monitored from non-Communist countries.

**CONFIDENTIAL**

**SECRET**

25X1

I. EUROPE AND CANADA  
(detailed report as Tab A)

The high point of US prestige in Western Europe and Canada during the cold war era is difficult to identify but can probably be fixed between the lifting of the Berlin Blockade in the spring of 1949 and the apparent crushing of North Korea's aggression in mid-September 1950. Western Europe's general response to the decision to defend South Korea was one of relief and admiration for American leadership. The military defeats of July and August at the hands of a third rate power raised apprehensions as to American military ability, but the Inchon landings restored European respect for our power.

Almost simultaneously, however, doubts arose in European minds as to the wisdom of American leadership. The decision in September 1950 to seek German rearmament shocked many former victims of the Nazis in the countries they had overrun. Our insistence on exploiting the Korean victory with an advance to the Yalu River seemed to many of our allies provocative. The subsequent intervention of the Chinese and their defeat of a first rate Western army spread gloom in Europe. Even stronger apprehensions were evoked, however, by rumors that Washington was seriously contemplating the use of the atom bomb and the expansion of the war in order to extricate itself from the local difficulty. Many Europeans came to feel for the first time that their gravest danger lay in the possibility of America's recklessly touching off a new war. British Prime Minister Attlee's sudden visit to President Truman in December 1950 was one measure of the depth of this fear.

The first six months of 1951 saw a genuine recovery of European confidence in America. Though the Korean war news was not followed with the same close attention in Europe as it received in the United States, the Eighth Army's recovery and decisive defensive victories against heavy Chinese attacks in April and May had their effect on public opinion. The 23 June Soviet initiative for a truce further rehabilitated US military prestige. General Eisenhower's mission to establish SHAPE succeeded in shaking off much of Europe's lethargy. Whether by the summer of 1951 our stock had again reached its 1950 high is debatable; probably it had at least regained a comparatively high plateau.

The 1952 presidential campaign had an impact on US prestige in Europe that was definitely adverse. With all their liking for Eisenhower as a man and as a military leader in war or peace, many Europeans distrusted the Republican

**CONFIDENTIAL**

**SECRET**

25X1

party among other things for the past isolationist tendencies of certain of its leaders. By election day they clearly favored Stevenson. The attacks on the respective candidates contributed to the European distrust.

Thus by inauguration day the Eisenhower administration was viewed in Europe with an attitude of watchful scepticism that has persisted throughout the past eight months. Relatively minor incidents which seemed to confirm previously expressed fears have consequently loomed larger to many Europeans than substantial evidence that the new administration is pursuing broad policies that they consider far-sighted and in accord with their essential interests. For example:

The selection as ambassador to the USSR of an experienced career officer, rather than a political figure, was confused in European minds by the attempts of a relatively few Senators to block his confirmation.

The reaffirmation of American support for NATO and the EDC was in part eclipsed by Europeans' resentment at the Secretary of State's call for a speeding up of EDC ratification.

The achievement of a truce in Korea was partially lost sight of in the European disapproval of our apparent condoning of President Rhee's irresponsible actions.

The impact of the President's generally acclaimed 16 April speech was to some extent lost in the almost simultaneous reaction of mingled ridicule and dismay provoked by the Cohn-Schine investigations of US information centers in Europe and the subsequent "book burnings."

Our prestige in Europe in this period was necessarily affected by certain external factors. Chief among these was Stalin's death in February and the ensuing Soviet "peace offensive," which for most Europeans made the need to rely on American power seem much less urgent. An additional factor was the way European economic trends combined with the tapering off of American aid. Further deterioration in the French and Italian economies led those nations in part to see their difficulties as resulting from America's policies. On the other hand, in Britain the achievement of a new recovery high tended to produce a renewed assertiveness in foreign policy.

In summary, the decline in US prestige began approximately three years ago, and accelerated during the last part of 1952,

**CONFIDENTIAL**

**SECRET**

25X1

and in certain countries is currently at or near a postwar low.

The past six months have in most countries seen no general improvement; relatively high prestige in West Germany and the Netherlands has been roughly counterbalanced by a further ebbing of respect for American policies in France and Italy. Except in the latter two countries, however, there is less evidence of actual decline than of an increasingly sceptical attitude. On the whole, the situation seems such that a few ill-considered American actions--or even inaction with respect to certain problems--could stimulate a further and accelerated fall.

Major Causes:

It is impossible to separate these into neat compartments. Each impinges on the other. Nevertheless, the following salient features may be identified.

(1) Declining fear of the Soviet Union

The fact that the USSR did not attack Western Europe when it was much weaker than today, the varied "peace" gestures of Stalin's successors, and the European nations' own desire to escape the burdens of armament have for many articulate Europeans added up to the conclusion that there is now little danger from the East. The 1947 guerrilla war in Greece, the 1948 coup in Czechoslovakia and the 1950 invasion of South Korea have found no comparable counterpart in the past three years: hence it is argued that the Kremlin has learned its lesson and will concentrate for some time on ameliorating conditions within the Orbit. Thus when American leaders stress the continuance and growth of the Soviet threat, they are regarded as doing so from ulterior motives, and even charged with insincerity on the ground that we would not be reducing our own arms budget if we really believed in the Soviet threat ourselves.

Another and familiar line of European reasoning, though inconsistent with the above, nevertheless induces the same tendency toward defense cutbacks. This view holds that if the American contention is right and the USSR is indeed building a powerful military machine to achieve world domination, this force will be far too potent for Europeans to cope with alone and will be defeated only after a protracted struggle in which Western European civilization will be destroyed no matter what defensive measures the free countries take.

**SECRET**

**SECRET**

25X1

Whatever the line of reasoning may be, there is a very strong desire in Europe to settle the cold war by negotiation, and this is transmuted by wishful thinking into the conviction that such a settlement is in fact attainable in the relatively near future. In immediate practical terms, this European conviction has removed much of the sense of urgency and willingness to sacrifice which marked the early NATO build-up. As regards American prestige, it means that Washington, by continuing to insist that the West demand some prior evidence of Moscow's peaceful intentions, now draws condemnation as a major obstacle to peace.

(2) Distrust of American Leadership

Many Europeans who profess to follow international developments believe that the United States has not had sufficient experience in foreign affairs to offer wise and farsighted leadership. This opinion arises in the capitals of states which have been important European powers for centuries and global powers for many decades. In Britain, the return of Churchill and the Conservatives has strengthened the nostalgia for the time when Britain was the leading global power, and hypersensitivity to playing the role of a junior partner manifests itself in reflections on American inexperience.

Throughout Europe we are often charged with impatience and impetuosity, with an "all-or-nothing" approach in the East-West conflict, and with intending to press the present struggle to a conclusion entailing humiliation of or annihilation of the Soviet Union. The smaller countries like Denmark and Switzerland, which in the past have managed to survive under the shadows of vastly greater powers, are especially prone to regard the American approach as dangerous and greatly lacking in historical perspective. Such misgivings are evidenced particularly in the strong reactions to any intimations that we might embark on a course designed to "liberate" the satellites.

To many Europeans we also appear unfair in our ready criticism of the colonial policies of some European nations. We seem to them too reluctant to give credit to the French and Dutch for their positive accomplishments in improving conditions in French North Africa and the Netherlands East Indies. Others see us as so anxious to have the European defense and political communities established that we forget the strides already taken in forming the Coal and Steel Community.

**SECRET**



**SECRET**

25X1

(3) "McCarthyism"

Whether or not European reaction to Senator McCarthy is fundamentally the most active cause of the current distrust of American leadership, in many European minds "McCarthyism" is used to justify much of their dislike and distrust of the United States.

Rightly or wrongly, many articulate Europeans point to the possibility that the McCarthy philosophy may become dominant in the United States. They profess to see a powerful and prosperous country with a negligible Communist Party showing signs of acute alarm over the dangers of internal subversion, and they conclude that this country is either unsure of itself or has no genuine attachment to some of the fundamental values of a democratic society. Recalling that in 1928, barely four years before becoming Chancellor of Germany, Hitler and his Nazis polled only three percent of the German vote, these European observers note that more than one-third of the US electorate have a favorable view of McCarthy, and that one-fifth hold this opinion intensely. They speculate on what might happen if America should suffer a disaster in foreign affairs coupled with a depression akin to Germany's in 1930-31.

Besides this fear of the potentialities of "McCarthyism" is the widespread European view that the senator's methods are abusive. These Europeans not only object on grounds of principle to his efforts to destroy his opponents' individual integrity but also hold in high esteem many of McCarthy's targets, whom they directly associate with the development of the most constructive postwar American policies.

Since to many Europeans McCarthy is a symbol entirely incompatible with their image of President Eisenhower, they profess to be particularly bewildered at the apparent deferential treatment McCarthy has received from the administration. They consider that no European party entrusted with executive leadership would tolerate such an open challenge to its top direction. These Europeans see McCarthy as, on the contrary, exercising an increasing influence over American foreign policy. They note his attacks on foreign trade with China, his influence over State Department personnel policy, and particularly his success during the spring in apparently forcing a shake-up of the whole overseas information program.

**SECRET**

SECRET

25X1

(4) Economic Policies

Certain aspects of our international economic policies have also been pointed out as being harmful to our standing in most of Europe as well as in Canada. Europeans have been heavily sold on a policy of "trade not aid," many of them realizing that in any case American willingness to provide subsidies is drying up. Many seriously question our sincerity, however, when we fail to lower our own trade barriers and at the same time oppose their trading with the Soviet Orbit. Canada has already threatened retaliation against new American trade restrictions.

In Europe there are frequent indications of resentment against the Battle Act and our positions taken in COCOM, despite the efforts of American representatives to minimize friction on these questions. American policy is seen as forcing European countries to curtail its traditional trade with areas now within the Orbit, while relatively little has been accomplished to help them find alternative markets in the free world. Consequently, our extremist critics in Europe charge that European economic shortcomings can be laid at the door of the United States. Even in more responsible circles of European opinion there is a conviction that as a great creditor nation the United States must move nearly all the way to a policy of free trade. They believe that restrictions on East-West trade have hurt the free world far more than was necessary to avoid significant assistance to the Soviet military build-up.

(5) Miscellaneous lesser factors

Suspected American interference in domestic politics.

Labor's failure to achieve the higher standard of living expected from the Marshall Plan.

Rigid American immigration laws.

Statements by Congressmen and private citizens which Europeans consider to be offensive to them.

SECRET

**SECRET**

25X1

## II. FAR EAST AND WESTERN PACIFIC (Detailed Report as Tab B)

The great mass of oriental peoples have little or no understanding of international issues and thus their attitudes towards the United States are either formulated by their leaders or are nebulous. The government-inspired demonstrations of the South Korean populace during various allegedly unpopular phases of the Korean armistice negotiations are a case in point.

It is difficult to characterize the status of US prestige in the orient in any generalization because, lacking the homogeneity of western European nations, there is less uniformity of attitude towards the United States in the Far East and Western Pacific than in the West. In Indonesia in 1948 and 1949 our prestige was at its postwar high thanks to US support for the Indonesian struggle for independence. The Chinese Nationalists in 1949, however, credited America with much responsibility for the Communists' mainland victory and American prestige was at its lowest ebb since World War II. Our prestige in these two countries is now reversed.

The white man's prestige in the Far East suffered a nearly total eclipse at the beginning of World War II as a result of the Pearl Harbor fiasco, and the fall of Singapore, Bataan and Corregidor in rapid succession. America's impressive military victory in the war and our contribution to the Atlantic Charter and the formation of the UN brought US prestige to unprecedented heights in the months following the war. American prestige has declined since the Japanese defeat but the ebbing has not been uniform. Generally speaking, however, the prestige of the United States with the non-Communist leaders in Japan, South Korea, Formosa, the Philippines and Thailand, while subject to fluctuations, is still high. Comparatively in Burma, Indonesia and Indochina, however, it has deteriorated and is now low.

The loss of mainland China to the Chinese Communists saw our prestige at its lowest since World War II. The Korean "police action" has been a period of ups and downs. There was a great rise in prestige with the Inchon landing and a sharp fall with the retreat from the Yalu. The war in Korea has seen the reputation of the United States on the rise in Formosa while the peoples of the Philippines and Thailand have taken pride in the accomplishments of their troops in Korea fighting in a common cause with the forces of the United States.

**SECRET**

**SECRET**

25X1

In summary, American prestige reached its nadir in the orient in 1949 with the fall of mainland China to the Chinese Communists. The Korean war has been a period of successive rises and declines.

There has been no over-all change in US prestige during the past six months, although there has been some recent recession over the question of India's participation at the Korean political conference.

Major Causes:

The following salient causes may be identified.

(1) Economic Problems

American economic and medical aid programs, the results of which can be clearly seen, have made deep and favorable impressions on the public and intelligentsia of several countries. American financial aid, which has often been squandered by corrupt governments or misapplied by impractical local American administrators, has sometimes been more than wasteful and has resulted in varying degrees of disrespect. A number of governments have sought American economic aid as a means of maintaining the position of the politicians in power. Frequently the popular protests over failure to receive aid in the amounts desired is more indicative of politician-inspired pressure on the US to raise the ante rather than genuine public dissatisfaction.

United States trade policy has been a source of worry for Japan and the Philippines. High tariffs against Japanese exports combined with pressure not to trade with Communist China leaves the Japanese frustrated. The Philippines are growing alarmed over the prospect of gradual loss of the preferential tariffs on their sugar.

(2) Colonialism and Race

Close American relations in Western Europe with the United Kingdom, France and the Netherlands as well as our former relationship with the Philippines leaves the US open to charges of colonialism whenever we have

**SECRET**

**SECRET**

25X1

failed to support a Far Eastern nation in its nationalistic aspirations. Suspicion of American "imperialism" is the single most adverse influence on American prestige.

All orientals are acutely sensitive to any hint of racial discrimination. Asians bitterly resent any American policy that states or implies a "Europe First" preference because of racial affinity. They see a contemptuous quality in the suggestion that we will retain Asians to fight our battles in the Far East.

(3) Distrust of American Leadership

The attitudes of the non-Communist oriental countries towards Communism are so divergent as to make a satisfactory middle ground impossible of attainment. South Korea and Formosa feel that the US fails to appreciate sufficiently the dangers of Communism and that we are not instituting severe enough anti-Communist action. The Japanese view themselves as understanding the Chinese mind better than Americans do and they have attempted to advance themselves as political middlemen. The neutralist-minded nations in Southeast Asia view our actions as designed to lure them into our camp and frequently our actions are seen as provocative towards the Communist orbit.

Many native leaders are naive about the threat of Communism and American prestige would be greatly enhanced if these men were persuaded to see Communism in its true light. President Sukarno of Indonesia, who is typical, has publicly announced that a Communist government in his country would be fully acceptable to him if it attained power by legal means.

**SECRET**

**SECRET**

25X1

### III. NEAR EAST AND SOUTH ASIA (detailed report as Tab C)

American prestige in the Near East and South Asia since 1947 has varied widely in the different parts of the area. In Greece and Turkey it has been high for many years, and since 1947, when the United States filled the vacuum created by Britain's contraction of its sphere of influence in the Mediterranean, it has continued on the same high plane. In Egypt and Lebanon, American prestige has improved somewhat from the all-time low it reached in 1948 after the close of the Palestine War and the establishment of the state of Israel, but the United States has yet to prove itself in the area.

In South Asia, American prestige has registered a fairly steady decline in government circles since 1947 when India became independent, though among the peasant classes it has risen somewhat in the past two years as the effects of economic assistance and emergency food aid have become evident.

The historical friendship between Greece and the United States and the post-World War II economic and military aid given by this country have combined to keep American prestige at a high level. Similarly in Turkey, Turkish recognition of the cultural and educational contribution being made by American institutions there has contributed to the friendly attitude taken toward the United States. The considerable quantity of economic and military aid given Turkey since World War II has also helped. Occasional slight decreases in American prestige in both Greece and Turkey have not in recent years materially altered the basic good will felt toward the United States.

In Egypt and Lebanon, the situation has been different. Prior to and following the establishment of the state of Israel and the ensuing Palestine War of 1948, in which the Israelis soundly defeated the Arab armies, American prestige reached an extreme low throughout the Arab world. Since that time, American support for Israel has continuously irritated Egypt, Lebanon, and the other Arab nations. American diplomatic actions and promises of economic assistance to the Arabs have only slightly increased the prestige of the United States in the area.

In 1947, American prestige in South Asia was high. The Indian people, newly freed from British domination, regarded the United States as the world's mightiest nation as well as its greatest democracy, and they hoped to emulate its example. Since then, however, American prestige has declined almost steadily,

**SECRET**

**SECRET**

25X1

especially in government circles, rising only temporarily when American and Indian views on world issues happened to coincide, or when spectacular American economic assistance has been forthcoming.

During 1953, friction between India and the United States has again become pronounced. The February announcement that the US Seventh Fleet would no longer protect the Chinese mainland from Nationalistic attack, American efforts to keep India out of the Korean political conference, the United States' opposition to admitting Communist China into the UN, and its reiterated stand against inscribing the North African issue on the Security Council agenda are all cases in point.

Major causes:

The basic causes for periodic declines in American prestige in the Near East and South Asia are:

(1) Nationalist sensitivity

The intense national pride and independence which has developed in most of the Near East and South Asia since World War II has created an ardent drive for recognition, a sensitivity to criticism or advice, an antagonism toward color bars, and a fear of political and economic domination that have created constant friction with the United States.

(2) Neutralism

Nationalism has also led to a desire to remain apart from big-power politics and from participation in either the Eastern or Western blocs. This feeling of neutralism is best exemplified in India, where Prime Minister Nehru's concept of an Asian "Third Force" or "neutral" bloc has become well known. Constant American efforts to draw Near Eastern nations closer to the West have produced antagonism. American failure to recognize India as the leader of a "Third Force" also rankles Nehru.

(3) American backing of Western powers

Concurrently with disappointment over the United States' failure to encourage nationalist movements in Indochina, Iran, Egypt, and Morocco, the Near East feels that the United States is tied to British and French apron strings and that it does not dare to make its own independent policies. This feeling is akin to that which considers the United States more interested in big-power politics than in the welfare of Near Eastern peoples.

(4) Dislike of American materialism

The feeling that the United States is politically selfish is accompanied within the area by the concept that it is

**SECRET**

**SECRET**

25X1

economically selfish. Regardless of the amount of aid granted to various Near Eastern countries to date, the view is expressed that the United States favors Europe over the more needy underdeveloped regions of Asia and there is constant criticism of American failure to provide economic and military aid in the quantities desired. It is also felt that the United States is not the altruistic democracy it claims to be. Suspicious of "something for nothing," Near Easterners and South Asians feel that some hidden motive must lie behind American offers of aid.

(5) Inconsistency of American policy

Apparent inconsistency in American policy on various occasions creates uncertainty in Asian minds as to American motives and intentions. American alacrity in springing to the defense of South Korea, for instance, is contrasted with its unwillingness to support Iran, Egypt, and Morocco against "colonial" powers whose intentions are deemed oppressive, if not actually aggressive. In India, particularly, American "aggressiveness" in advancing to the Yalu River in Korea and the statement that the Seventh Fleet would no longer protect the Chinese mainland from Nationalist attack were contrasted with statements that the United States desired peace.

(6) American fear of Communism

Many Near Easterners, and especially South Asians, have been unable to understand the sense of urgency displayed by the United States in its war on Communism. To them, Communism is not a danger, and Soviet imperialism is an empty phrase. The Islamic religion is seen as a strong barrier against any Communist threat. Consequently, American efforts to point out the dangers of Communism have been rebuffed or minimized. The "threat to turn to the USSR," if the United States does not supply desired political or economic support, has also been used by Near Easterners who recognize its usefulness in exploiting American concern.

(7) Religiously-inspired national rivalries

National antagonisms based on religious differences, such as the Moslem-Jewish friction between the Arab states and Israel and the Hindu-Moslem rivalry between India and Pakistan, also lead to occasional bad relations with the United States. Any apparent display of favoritism toward one side is invariably severely criticized by the other.

**SECRET**



**SECRET**

25X1

#### IV. LATIN AMERICA (detailed report as Tab D)

For several generations "the Colossus of the North" and "dollar diplomacy" have been favorite subjects of attack by Latin American nationalists, who have nevertheless grudgingly admitted their respect for the United States. Our prestige and popularity in Latin America probably reached their peak on the eve of the Allied victory in World War II, when representatives of the American republics gathered in Mexico City for the Chapultepec Conference in February and March 1945. Our success at this inter-American Conference on the Problems of War and Peace, however, was somewhat tempered when Assistant Secretary of State Clayton strongly insinuated that after the war Latin America should forsake its industrialization aims and make every effort to expand and improve its agriculture and extractive industries.

In Latin America our prestige, in the sense of respect for the strength, material wealth, technical development and democratic institutions of the United States, has remained at a relatively constant high level during recent years. It has, however, varied among different socio-economic groups and from country to country, probably being lowest in southern South America and highest in the Caribbean area. United States' popularity, on the other hand, has fluctuated according to the favorable or unfavorable reception in the various countries of Washington's policies with respect to the individual republics.

Our postwar policies of rebuilding a sound Europe gave rise to American charges that the United States, friendly toward them only during the war years, was again neglecting them. Latin Americans felt that they should at least have received a larger share of aid. This feeling of irritation increased almost to a point of disrespect for the United States on the part of many Latin American delegates to the Ninth Inter-American Conference in Bogota, Colombia, in April 1948, when Secretary of State Marshall explained the logic of first rebuilding Western Europe in order to strengthen the free world. American popularity and prestige in Latin America was probably at its lowest ebb at that time.

The promptness with which the United States opposed Communist aggression in Korea in June 1950 greatly increased our standing with the Latin American governments. The people of Latin America, however, never felt the urgency of fighting in

**SECRET**

**SECRET**

25X1

Korea. The Truman administration was increasingly attacked for calling on the Latin Americans to give up, albeit momentarily, their industrialization programs in order to increase the production of those raw materials necessary for winning the Korean war. Many Latin Americans felt that Roosevelt's Good Neighbor policy had now been abandoned.

The election of President Eisenhower last November brought a halt to the decline of our prestige and popularity in Latin America. Since January of this year, the Latin Americans have adopted a "wait and see" attitude toward the developing Latin American policy of the Eisenhower administration. They were generally encouraged by Assistant Secretary of State Cabot's trip through Mexico, Central America and the republics in the Caribbean and even more by Dr. Milton Eisenhower's visit to the ten South American capitals. Argentina in particular hailed the latter's trip as the turning point in its relations with us. All apparently expect his visit to result in concrete offers of economic assistance and loans.

In summary, American prestige was at its peak during World War II. The decline began shortly after the end of the war and probably reached its lowest ebb in the spring of 1948. Our prestige again reached a relatively high point at the time of the meeting of the foreign ministers of the American republics in Washington early in 1951, but then decreased once more.

The Eisenhower election last November brought at least a momentary halt in the decline of US prestige and popularity in Latin America. During the last six months, American prestige has risen in some of the countries, notably Argentina. All are adopting a "wait and see" attitude. A very few ill-considered actions or statements on our part could again precipitate a slump. Failure to act favorably on certain Latin American problems--notably those of American loans and raw material purchases--may also stimulate a decline. Conversely, a relatively small increase in economic and military aid to Latin America could bring about a sharp increase of our prestige and popularity in the area.

#### Major Causes:

It is impossible to separate these into neat compartments. Each impinges on the other. Nevertheless, the following salient features may be identified:

**SECRET**

**SECRET**

25X1

(1) Latin American feeling of being neglected

Since the United States has become preoccupied with problems of the cold war, the Latin American nations have come more and more to feel that they are simply being taken for granted. They believe strongly that their strategic importance and their close association with the United States entitle them to at least equal consideration with the European and Asian nations which are receiving the bulk of American Economic and military aid.

(2) Growth of nationalism

An increase in their national consciousness in recent years has made the Latin Americans vulnerable to the propaganda of ultranationalist minorities and of small groups of Communists. Politically, this has resulted in an oversensitivity to any appearance of infringement by the United States on their sovereign rights and a tendency to blame us for many of their own difficulties.

Economically, this growing nationalism has resulted in renewed efforts to free their economies from dependence on those of the highly industrialized countries. "Economic colonialism," in their view, holds them to an unfair trade relationship with the United States and other great industrial countries which, they claim, impose price ceilings on raw materials imported from Latin America while doing little to control the export prices of manufactured goods needed by the Latin Americas.

The strength of this desire for economic independence is seen in such measures as protective tariffs, exchange restrictions, and government-sponsored industrialization. Sentiment is also growing, particularly in Guatemala, Chile and Bolivia, for the expropriation and nationalization of foreign owned enterprises, which in many countries are mainly owned by US citizens, and for more control over the form and scope of foreign investments.

(3) US demands on Latin America in the East-West struggle

Latin Americans fear that the United States has been demanding too much from them in the East-West struggle. Their initial enthusiasm for our decision to intervene in Korea soon gave way to an attitude of caution, while Communist and Peronist propaganda exploited the fear of global war and stressed the theme that Latin America had nothing to gain and much to lose from involvement in world conflict. As a result, only

**SECRET**

**SECRET**

25X1

Colombia contributed troops to the UN action in Korea, and Latin American implementation of the pledge to increase production of strategic materials was not as effective as the emergency warranted. Further evidence of the neutralist pressures in those countries is seen in the long delay of some South American legislatures, notably in Brazil and Uruguay, in ratifying military agreements with the United States.

(4) High tariff sentiment in the US

Latin American nations have indicated concern over the recent growth of high tariff sentiment in the United States; our prestige in the hemisphere is endangered whenever a bill is introduced in Congress which would restrict imports of important Latin American commodities. The Venezuelans, for example, strongly opposed the so-called Simpson Bill which would have restricted imports of petroleum. Latin Americans also fear that the Korean truce may result in a general recession in the US which would be disastrous to their ill-balanced economies.

(5) Miscellaneous lesser factors

Offensive statements about Latin America and its internal affairs by Congressmen or private citizens.

US press attacks on chiefs of Latin American states and other high government officials.

Poaching in Latin American territorial waters, notably in Mexico, Ecuador and Peru, by American-owned fishing vessels.

**SECRET**

**SECRET**

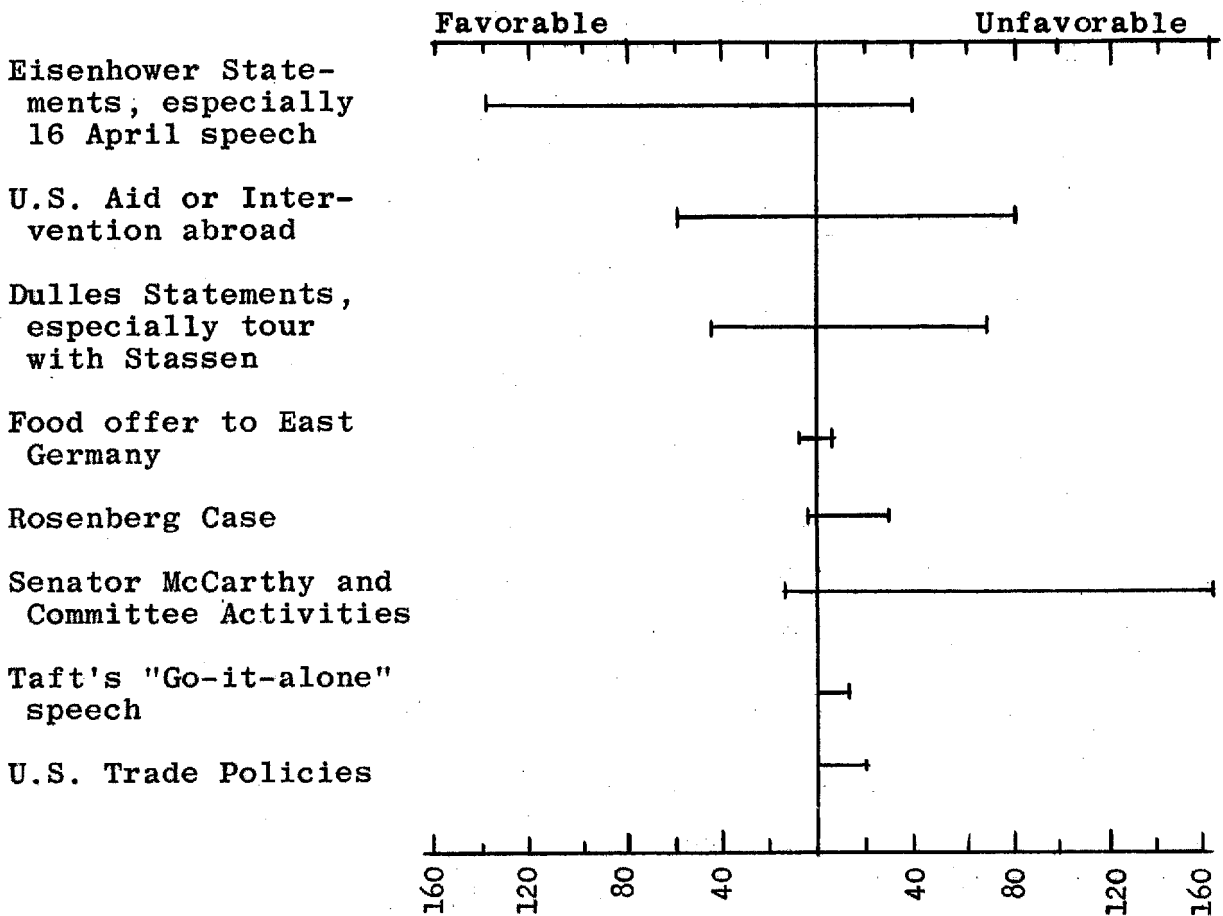
25X1

**V. FOREIGN RADIO BROADCAST SUMMARY**

Some hint of how our policies appear to non-Communist nations abroad is discernible in a tabulation of references in the radio broadcasts [redacted]. The sample is, however, too haphazard for firm or precise results.

25X1

References to the United States  
in non-Communist Broadcasts, all countries  
 (From 1 March to 1 September 1953)



**SECRET**

**SECRET**

25X1

I. EUROPE AND CANADA

United Kingdom

American prestige has suffered a moderate decline in Great Britain over the past two years, and this trend has accelerated since the inauguration of President Eisenhower in January.

The British nation is particularly sensitive to its relinquishment of world leadership to the United States. The British do not believe that their own decline in power and prestige has lessened their understanding of world affairs, and fundamentally doubt that the United States is learning fast enough the proper role of leader. They see Washington more divided than ever on the general approach to international problems, unwilling to take the economic steps a creditor country should in international affairs and in particular failing to understand the need for flexibility in its diplomacy.

In several important respects American policies have been deemed ill-conceived. Differences over the conduct of the Korean war and Washington's pressure upon the Chinese Communists has been the most frequent aggravant of Anglo-American relations.

25X6

Renewed criticism was aroused by each hint that the United States might extend the Korean fighting or conversely that Washington was not bending every effort to bring the fighting there to an end. Official circles generally sympathized with the American approach and tried to explain it, but the underlying doubts about the maturity of Washington's leadership remained. American insistence on the two-sided Korean political conference, with India excluded, was considered particularly shortsighted, causing almost universal condemnation of the Washington position.

Regarding the Middle East, both public and officialdom have been sensitive toward any signs that the United States might not be giving full support to Britain in its difficulties with Iran and Egypt. Additional elements of importance have included the focusing of public annoyance at

**SECRET**

**SECRET**

25X1

American trade practices by the widely publicized rejection of the British bid on the Chief Joseph Dam project and the British public's distinct preference for Governor Stevenson over General Eisenhower during the presidential campaign-- which still survives in expressions of doubt as to the desirability of a general's occupying the White House.

The varied activities of Senator McCarthy have been pointed out as having markedly harmful effects on the prestige of the Eisenhower administration. The press made a great deal of his efforts to defeat the Bohlen nomination. It initially played up Cohn and Schine's travels about Europe as a subject for amusement, but soon turned to their more serious aspects as highlighted by the "book burning" issue. Conservative as well as Labor papers were indignant over McCarthy's personal attack on Attlee in May. British officials were directly affected by the Senator's strictures on the United Kingdom's trade with China. Many British have professed to be particularly disturbed at his apparent immunity from control by the leader of his own party, in matters which they considered as clearly affecting the foreign policy and standing of the United States government, and welcomed signs in mid-summer that the president might be moving to deal with the situation.

### France

The problem of a decline in American prestige assumes greater proportions in France than in any other continental European country. During the past year, and more especially during the past six months, Frenchmen's sense of frustration over their country's own difficulties has been reflected in part in a profession of spreading distrust of Washington's leadership and increased criticisms of what the US stands for as a country.

An influential urban minority composed largely of intellectuals has been bitterly critical of the effects of Hollywood and Coca-Cola in Europe and has waged a vociferous campaign against America's "lapse" from democratic traditions. Such elements eagerly grasp at the USSR's "peace" feelers, and internal political trends have intensified a demand that France follow a new course in foreign affairs, which would diverge considerably from a number of key American policies. Basically, moreover, French views on all major foreign issues are distorted by their excessive concern over Germany's economic resurgence. Now for the first time since World War II there is danger of a real cleavage between the United States and France on fundamental issues.


**SECRET**

**SECRET**  


25X1

According to a poll conducted in mid-1950, the French were least disposed of all the major Western European peoples to trust United States leadership, praise American cultural standards, or credit this country with continuing progress toward democratic goals. Commencing in the summer of 1952, events in France and the United States combined to intensify these attitudes. Demands in the American election campaign for a shift to a policy of liberation in the cold war badly frightened the French, who dread a drive to restore Germany's pre-war frontiers or any other tipping of the scales toward total war. At the same time organized opposition to the proposed EDC treaty was beginning to emerge in France, and the widespread skepticism and disapproval were reflected in Premier Pinay's procrastination on the issue. By October, Foreign Minister Robert Schuman's pro-US position was being rapidly discredited as out of step with the growing sentiment for nationalistic stands on EDC and Tunisia.

The critical French financial situation of early 1953, the resulting prolonged cabinet crisis of mid-year, and the increasing temptation to abandon the Indochina War greatly strengthened the hand of those nationalistic political and press elements seeking to discredit the "Schuman" policies, portray the United States as basically hostile to French interests, and thus promote French independence from American influence. Even though a more nationalistic left-center government under a leader such as Mendes-France is not likely to be formed in the near future, the evident support for such a coalition is sufficient to exert considerable influence on the present government.



25X1

These domestic factors reducing French respect for American leadership were accompanied by the many unfavorable reactions to the new Washington administration's policies and to "McCarthyism." The emphasis on deep economies in the United States budget struck a special terror in the French, for whom this was a further indication that they might be left alone sooner than expected to cope with German economic ascendancy. Senator McCarthy's methods evoked much criticism in French intellectual circles. Already this allegedly has contributed to the discrediting of the French government's own anti-Communist

**SECRET**



**SECRET**

25X1

campaign, which has now been broken off. There are those who say that the French people as a whole would far sooner tolerate Communism in France in its present form and to the extent under which it has hitherto been brought under control than to have it eradicated thanks to the importation of McCarthy's methods and tactics. Certain of these seem to regard Senator McCarthy as only a symbol of a deep-seated American trend. The intellectual leadership reads, even though it may disapprove of, the Paris newspaper Le Monde, whose strong nationalism has frequently resulted in expressions of anti-American and neutralistic sentiments. "McCarthyism would not disappear with McCarthy; it has become one of the main currents of American public opinion," and "McCarthyism is only an atrophied expression of the sentiment which carried President Eisenhower to the White House," Le Monde has declared. There is evidence that America's bridgeheads among labor and youth groups have been weakened, and the rising doubts in scientific circles that intellectual freedom can be maintained in America promote Communist efforts to disrupt the valuable liaison between American and European scientists.

Thus, granted a continuation of France's economic difficulties and further relaxation of cold war tensions, the stage is set in France for an additional decline of United States prestige. Despite the French nation's deep respect for America's dynamism, this situation tends toward serious clashes with Paris over major cold war policies as American aid declines.

### Italy

After France, Italy would appear to call for the greatest attention in any effort to reverse the decline of American prestige. This decline began as early as 1948, when the revival of Italian national aspirations and the continuation of heavy economic burdens resulted in a growing volume of attacks against American leadership of the West. American prestige reached perhaps its lowest point after this year's June national elections in which the US-oriented De Gasperi government suffered serious defeats from both the extreme left and, but to a lesser extent, the extreme right.

**CONFIDENTIAL**  
**SECRET**

**SECRET**

25X1

The June election results point up one of the major reasons for the deterioration of American prestige in Italy. A large part of the Italian public appears to feel that the De Gasperi government was gradually turning to the right in the face of an increasing popular trend to the left, and that this is partially a result of United States influence. Many Italians say that the De Gasperi government was encouraged by Washington to ignore the demands of the moderate left for sweeping social reform as a counter to Communism and that they fear that the United States is even now exerting pressure on the Christian Democrats to ignore the "popular mandate" for giving elements of the left a voice in the government.

Although many Italians admire American economic self-sufficiency and technical know-how, some are distrustful of the stability of the American temperament particularly in regard to Communism and the Soviet Union. These find the American attitude toward Communism hectic and exaggerated, and the Italian press registers alarm over the influence of McCarthyism on American policies. Many Italians fear that the United States is willing to engage the USSR in a preventive war in which Italy would be destroyed, and consequently they view the presence of US forces on Italian soil as unnecessarily provocative and as a sign of Italy's satellite status. The presence of a former general in the White House is regarded by some as a further indication that the United States may become aggressive. Meanwhile, numbers of Italians have little faith in NATO's present military strength and are critical of their subordinate status in that organization.

Similarly, Italy's failure to gain admission to the UN seems to be charged less to Soviet intransigence than to American lack of insistence in pushing Italy's cause.

Long-standing grievances have been American tariff restrictions on Italian products such as fats, oils, and hatters' fur, and low US immigration quotas for Italian nationals. More recently, Italians have resented the McCarran Act and the effects on their economy of the Battle Act and the US-sponsored COCOM restrictions on East-West trade.

The strong neutralist sentiment in Italy has been consistently and skillfully exploited by the large Communist Party and its ally, the Italian Socialist Party led by Pietro Nenni.

**SECRET**

**SECRET**

25X1

Both have taken effective advantage of the recent change in Soviet international tactics to discredit American foreign policy in the popular mind.

Particularly within the past few months American prestige has been seriously impaired by the growing suspicion that Yugoslav military cooperation is being purchased at the expense of Italian interests in Trieste and elsewhere. The Italian press was sharply critical of Secretary Dulles' recent statement that the United States was willing to reconsider alternative solutions to the 1948 tripartite declaration calling for the return of the entire Free Territory of Trieste to Italy. Italians are also sensitive to American criticism that their economic policies are to blame for the failure of American economic aid to produce the expected results. Ambassador Luce's pre-election statement that a "totalitarian victory" would have "grave consequences" for cooperation between Italy and the United States is stated by some important observers as having been a factor in the failure of De Gasperi's center bloc to win a majority of the popular vote.

#### West Germany

25X6 [redacted] the Germans focus attention on America's overwhelming industrial and military potential; for them, traditionally, power is the essence of prestige. Hence, American prestige in Germany has undergone no appreciable deterioration and will probably continue at its high level for a long time to come. Chancellor Adenauer's overwhelming electoral victory on 6 September was, in part, a reflection of America's current standing.

Criticisms of American policy methods, and dissatisfaction with our policy shortcomings, are almost as rife in Germany as, for example, in France. But whereas the French are likely to be preoccupied with the implications of Washington's actions for the larger question of America's moral leadership, the Germans tend to judge the United States' role in terms of specific results. By the same token, a clear-cut failure of our policies could impair America's prestige with the Germans.

German criticisms of American policy which can bear watching include the tendencies to regret the excitability of Americans, to resent American "preferential treatment of France, and to attack certain occupation practices. The

**SECRET**

**SECRET**

25X1

extension of Senator McCarthy's activities to Germany gave rise to a considerable volume of adverse publicity which played down Congress' constitutional rights and the facts pointing to Communist conspiracy. Various German elements, particularly rightist newspapers, have hinted strongly that "McCarthyism" cancels the Americans' right to criticize the Nazi regime. Many well-educated Germans, however, profess to believe that "McCarthyism" is only temporary, and that the more serious long-term threat to respect for American officials abroad arises from the publicity given to the deep conflicts between the Executive departments and Congress.

### Austria

The decline of American prestige in Austria has been more gradual than in France and Italy and may be traced back to 1947 or 1948, when hope for an early end of the occupation or of dependence on American "charity" began to fade. With the progressive decline of Communist influence within Western Europe Austrians have discounted the Soviet threat from without and have displayed a growing conviction that they could criticize American positions without necessarily playing into Communist hands. This attitude was reinforced as they came to realize that any basic improvement in the Austrian situation depended on Soviet concessions rather than on the United States' good will.

Foreign Minister Gruber has taken unilateral actions in quest of a state treaty and has had a tendency to disparage the local staff of American officials. The Austrians have shown that they do not accept American officials in Vienna as really representing present Washington policy, in view of the change of administration. The Cohn and Shine investigations caused many criticisms. Furthermore, Austrians frequently reveal their sensitivity to blows suffered by American policy at the hands of other major Western powers, as for example by British attacks on America's Far Eastern policy and by French procrastination on EDC.

### Sweden

American prestige in Sweden has apparently suffered a slight decline in the past year, continuing a general though irregular postwar trend.

**SECRET**

**SECRET**

25X1

Committed to a policy of neutrality, and hence less involved with American foreign policies than most European countries, Sweden is most directly influenced by indications of American determination to seek a peaceful settlement of disputes. Accordingly, the Swedes, who were disturbed early in the Korean war that American military leaders might act contrary to Washington's intentions, have in the past year been similarly alarmed at occasional signs to them that Republican leadership is divided over continuing a conciliatory approach on East-West issues. Many Swedes initially saw dangerous implications in many Republican administration statements about pursuing a more dynamic program and liberating enslaved people. In the past six months, Swedish leaders of opinion have indicated that they have been reassured by the achievement of the truce in Korea and the positive approach of President Eisenhower's 16 April speech.

Detracting from this generally higher regard for American actions in the foreign field is a continued decline in many Swedes' esteem for the moral stature of the United States. The varied aspects of "McCarthyism" have caused most criticism. Criticism has also been directed against the rigid provisions in immigration laws and the limiting of the shipment of anti-biotics to China, the execution of the Rosenbergs, and, as always, discrimination against Negroes. In addition, some Swedes have deprecated an increasingly propagandistic tone in official statements, and signs of interference in the internal affairs of other countries, [redacted]

In general, Swedish opinion, which frequently follows the British approach to international affairs, professes to see the United States as not yet sufficiently sure of itself to act maturely as leader of the free world.

### Belgium

American prestige declined somewhat in Belgium during the first few weeks after the Republican administration took office in Washington and reached its low point by the end of March, though even then not falling far below the general level maintained during the period 1946-50.

With their high living standards and advanced technological development, the Belgians are proud of their close approach to American standards and are predisposed toward approving United States leadership. This economic prosperity, plus their historic insecurity, however, make them wary of any threats to international stability. Hence they have been

**SECRET**

**SECRET**

25X1

highly sensitive to any indications that the new Washington administration might be tending to "go it alone" or follow inflexible lines in international problems. Such apprehension has been increased by the publicity given by the leftist press in particular to a "reactionary" trend in the United States, as exemplified by such developments as "McCarthyism," the McCarran Immigration Act, and the Rosenberg case.

### The Netherlands

American prestige in The Netherlands has reached its highest point of the post-liberation period in the past six months, principally as a result of gratitude for the United States' response in the flood disaster of February 1953. In addition, the Dutch are believed to be aware that their steady economic gains are made possible by the American aid program.

Dutch supersensitivity on two points, however, tends to diminish deep confidence in American leadership. The loss of their Far Eastern possessions has made them unusually quick to see themselves slighted by the big powers and regarded as merely a minor European state.

The second point of sensitivity is on East-West trade controls, where the Dutch are prone to complain that the United States puts less pressure on the British than on them and that the United Kingdom will benefit from any increase of restrictions on Dutch exports to the Orbit. Dutch dissatisfaction with the control program is heightened as a result of the rapid over-all expansion of their trade with the USSR, which in 1952 reached a level 15 times that of 1950.

### Switzerland

There has been a decrease in United States prestige in Switzerland since the summer of 1952, but it has not been so deep or far-reaching as in France or Italy. This decline has been reflected in a more critical attitude toward American policies, rather than outright rejection of them.

The Swiss press disagrees with those who attribute America's decline in influence to reductions of foreign aid, and instead blames the inconstancy of Washington's foreign policy since the 1952 election campaign, together with a lack of leadership and foresight. As an example of the latter, South Korean President Rhee's coup in releasing the war prisoners is cited.

**CONFIDENTIAL**

**SECRET**

25X1

Many Swiss, moreover, now profess to feel that Senator McCarthy represents a dominant element within the Republican Party and hence within the present administration.

US prestige seems not to have suffered appreciably from Swiss criticism of American policies, and the working relationships between the two governments have not been affected. Bern did present Washington with a note, however, requesting that we desist from undertaking security investigations of American nationals employed in UN agencies in Geneva.

### Spain

United States prestige in Spain has not declined and has remained substantially unchanged during the past twelve months. A major recent factor in this situation has been the highly favorable reactions to the visits of the United States Sixth Fleet to Spanish ports. On the other hand, there has been some disappointment over the long delay in the base negotiations and over President Eisenhower's failure to exercise the dominant leadership which the Spaniards expected as the result of associating his role in their minds with that of General Franco.

Basically, the Spaniards' attitude toward the United States is conditioned by their view [redacted] contrasting sharply with the United States, which they regard as the Western world's main present hope.

25X6

### Canada

American prestige has apparently suffered a small to moderate decline in Canada during the past year, particularly since January. Canadians, fully conscious of their natural close association with the United States, are all the more sensitive about retaining their national identity and about Ottawa's diplomatic support being taken for granted in Washington.

During the past year they have been increasingly sharp critics of the course of American international leadership. Considering themselves a bridge between Britain and the United States, many Canadians have taken particular alarm at the apparent rise in Anglo-American friction. Though often in postwar

**SECRET**

25X6

**SECRET**

25X1

years adopting an American rather than a British stand on such questions as the recognition of Communist China, Canada in the past twelve months has taken the British side on virtually all divisive issues.

Many Canadians have criticized Washington as being insufficiently imaginative and flexible in its search for peaceful solutions of East-West problems. American conduct of the Korean war and truce negotiations frequently caused uneasiness. The American opposition to the seating of India at the post-armistice political conference, a proposal co-sponsored by Canada, evoked sharp criticism even in normally friendly papers. Other issues which have disturbed people in Britain have agitated Canadians to a somewhat lesser degree.

A special consideration in recent months has been a Canadian fear that the Republican administration is moving toward increasingly restrictive trade policies to the detriment of cross-border trade on which Canada's prosperity largely depends. Continued inaction on the St. Lawrence seaway project also tends to lower American standing.

**SECRET**



**SECRET**

25X1

**II. FAR EAST AND WESTERN PACIFIC**Japan

American prestige in Japan reached a peak in 1947 and since that time has experienced declines and upsurges. Although the US enjoys less prestige today than in 1947, the decline, while noticeable, has not been serious; rather, it represents a readjustment from the high point following the military victory in World War II and the subsequent benevolent occupation policies. There has been no concomitant transfer of prestige to another power. A majority of the Japanese people look to the United States for protection and aid.

American prestige competes with growing Japanese nationalism, which is sensitive to any infringement of Japan's sovereignty or interference in affairs which the nation considers its own responsibility. Nationalistic sentiment has been responsible for the popular concept that Japan is an unequal partner in the Japan-United States relationship. The Japanese resent any "big brother" attitude, any statements that the United States regards Japan as a source of manpower for defense against the USSR, and any implication that the United States is formulating a defense plan for the Japanese to implement.

The necessity to subordinate the occupation's original democratic reforms and pacificism to the demands of security against communism has tended to alienate the intelligentsia, who wield an influence in information media that is disproportionate to their numbers. Nationalistic sentiment creates a belief that existing Japanese-American treaty relations were negotiated under occupation coercion and represent a continuation of that type of control and subserviency. To the sensitive Japanese, the exercise of criminal jurisdiction by the American forces represents a grant of extraterritoriality and implies that the United States is unwilling to accord Japan a status equal to that of our other allies. In addition, continued use of facilities that were prominent landmarks of the occupation tends to emphasize that the peace treaty did not remove all vestiges of foreign control.

The presence of large numbers of American troops engenders cultural conflict. American behavior patterns which differ from those of the Japanese in many social relationships and the obvious difference in standards of living

**CONFIDENTIAL**

**SECRET**

25X1

arouse Japanese resentment and create suspicion that Americans consider the Japanese inferior.

United States trade policy probably is the crucial economic issue involved in declining American prestige. Japan sees in the US decision to refrain from major tariff negotiations a block to Japanese accession to the General Agreement on Tariffs and Trade, which prevents Japan from gaining an enlarged market among the free nations. Currently, the Japanese feel the United States is also blocking trade with China which many businessmen feel offers the only alternative hope for achieving a self-sustaining economy.

Japanese trade circles have been alarmed by US moves to increase the tariff on imports of Japanese tuna and silk scarves. Despite the favorable effects of the long-standing "most favored nation" treatment of Japan by the United States and the reciprocity provisions of the recently ratified commercial treaty, the Japanese tend to doubt the sincerity of American "free trade" pronouncements.

The Japanese have some reservations regarding American qualifications for dealing with orientals. This general attitude has been indicated in Japanese proposals for Japanese-British-American talks on Far East problems, approaches on participation in the Korean political conference, and intimations that Japanese businessmen might develop trade with Communist China to the advantage of the free world.

The impact of American base requirements on Japan's limited resources naturally produces local irritations which are exploited by leftist elements. However, such conflicts do not represent any irreconcilable issues, despite the loud public clamor.

Although American prestige currently appears to be at its lowest ebb, the level does not appear to be serious. The recent promise to return part of the Ryukyu Islands may mark an upward turn in Japanese esteem for the United States.

During the past six months there has been a significant increase in the overt expression of anti-American sentiment in Japan. Much of this arises from Communist and other left-wing exploitation of local opposition to American military bases. In June adverse reporting and comment on the American security forces reached a post-occupation high, bases being the major target.

**CONFIDENTIAL**

**SECRET**

25X1

A newspaper opinion poll in June showed that 35 percent of the respondents favored a pro-American policy for Japan, a decline of 20 percent from the previous year. At the same time 47 percent desired an early departure of American forces while only 27 percent wished them to remain.

### South Korea

Public opinion in South Korea normally lies dormant and takes form only when purposefully stimulated from above. It currently tends to follow the lead established by President Rhee, who maintains close supervision over all sources of information and does not permit opposing viewpoints to arise. American prestige in South Korea thus rises and falls in direct relation to the president's attitude toward American policy at any particular time.

While US prestige has dropped in recent months because of what has been interpreted as American unwillingness to inflict a complete defeat on the Communists, the extent of this decline is not serious. The public demonstrations against the cease-fire were staged by the government and lacked real enthusiasm. They showed no popular resentment toward the US and resulted in no violence against Americans. Moreover, despite the divergent attitudes toward the armistice, the overwhelmingly pro-US sentiment among the South Korean leaders is still basically unaltered.

The loss of China to the Communists marked the first noticeable decline in American prestige in Korea since World War II. It rose to new heights following the American intervention in 1950 and following the Inchon landing, but declined again with the start of the truce talks in mid-1951.

President Rhee, and thus most Koreans, interpret America's willingness to conclude a truce on the 38th Parallel as a surrender to the Western European nations which have influenced the US toward a policy of appeasement of the Communists. While the truce and the loss of China to the Communists are the only adverse developments which have significantly affected American prestige in Korea, there have been a number of irritants in US-Korean relations which have made inroads on the reservoir of good will built up toward America over the years. These include:

(a) American responsibility for the Japanese surrender arrangements which led to the division of Korea;

**SECRET**

**SECRET**

25X1

(b) The statement of Secretary Acheson in the spring of 1950, defining the American outer defense as excluding Korea. Many Koreans believe this statement brought on the war;

(c) Failure of the US to provide South Korea with heavy equipment prior to the attack by the North Koreans;

(d) Friction between US occupation personnel and Koreans, and discontent over many rigid occupation policies;

(e) American policy in the early years of NATO emphasizing Western Europe as the key to successful defense against Soviet attack, and as better able to utilize American aid than Asia;

(f) Failure of the US to make prompt settlement for the money advanced to the UN forces in 1951 and 1952;

(g) American emphasis on the reconstruction of Japan and the procurement in Japan of items necessary for the Korean war;

(h) President Eisenhower's campaign suggestion for replacing US troops by Asians. A public opinion poll taken in Pusan by the government during the Eisenhower visit, probably not completely reliable, showed that 83 percent were opposed to replacing US with Korean troops;

(i) Alleged failure of the US to consult in advance with South Korea on decisions taken at Panmunjom.

American prestige reached its lowest ebb in June and July 1953, following the 25 May proposal to the Communists which reversed the earlier stand that the anti-Communist Korean prisoners must be released in South Korea. In these months Rhee publicly accused the US of following appeasement policies, of bad faith in our commitments to South Korea, and openly questioned our motives.

American prestige has recovered somewhat since July by the strong stand taken against India's participation in the Korean political conference, by insistence that the USSR participate on the side of the Communists, and by reassurances against future Communist aggression as demonstrated by the proposed US-South Korean Security Treaty. A measure of good will has also been recovered by US promises of military and economic aid, by Secretary Dulles' consultations with President

**SECRET**

**SECRET**

25X1

Rhee, and by our consideration of South Korea's views on reconstruction planning.

Rhee has been influenced by [redacted] Foreign Minister Pyun and Provost Marshal General Won, and his past tactics in dealing with the US have consistently been to increase his demands once a concession was granted.

25X6

### Formosa

Since the establishment of the Chinese National Government on Formosa in late 1949, American prestige with the most important groups on the island has varied appreciably, being primarily affected by the progress of the UN military effort in Korea and American policies regarding Communist China and Formosa. During the current year American prestige on Formosa has been enhanced.

American prestige among the Chinese Nationalists was low during and immediately after the Nationalist retreat from the mainland, when Formosa itself was threatened. It increased sharply in June 1950 after the United States had taken the lead in resisting Communist aggression in Korea and had committed the 7th Fleet to the defense of Formosa. It steadily improved further with UN successes in Korea during the next several months, but declined with UN reverses following the Chinese Communist intervention in late 1950. It remained fairly stable during the period from the beginning of the truce talks to late 1952, at which time it began to rise in the light of indications of increased American support for the Nationalist cause. American prestige with the Nationalists has fluctuated during 1953, but it is now rising and appears to be at its highest point in several years.

The three principal groups on Formosa to be considered are the Chinese Nationalist leadership and the pro-Nationalist majority of the 2,000,000 Chinese who came with it from the mainland; the much smaller group of anti-Communist Chinese who are opposed to the current Nationalist leadership; and the 8,000,000 native Formosans, who are generally anti-Communist and anti-Nationalist. American prestige has been affected by different considerations for each of these groups.

Nationalist leaders and the bulk of their followers believe that the United States failed to see the dangers presented by the Chinese Communists after World War II, failed to

**SECRET**

**SECRET**

25X1

support the Nationalists on a sufficient scale in those years, failed to accord the Nationalist leadership sufficient respect as an ally, and failed and still fails to adopt a sufficiently aggressive policy toward Communist China. These beliefs are outweighed, however, by Nationalist recognition that the United States is the leader of the free world, that Nationalist China is heavily dependent on the United States for its continued existence, and that Nationalist prospects for returning to the mainland depend completely on the United States. For these reasons American prestige has remained high despite Nationalist disappointment with American policies toward China in recent years.

The anti-Communist group which is opposed to the Nationalist leadership tends to blame the United States for not having had greater successes in reforming Chiang Kai-shek's government, for providing Chiang with support without adequate guarantees as to its use, and for failing to support an anti-Communist and anti-Nationalist "third force." Like the Nationalists, however, this group recognizes American leadership of the free world, believes that American leaders are in sympathy with many of its views, and is aware that its position would be much worse than it is if American influence were removed from Formosa.

The native Formosans, most of whom would reportedly prefer Japanese to Chinese rule, tend to blame the United States in part for permitting the Nationalists to take over the island after World War II, for Nationalist misrule of Formosa at that time, and for the small Formosan share in the island's government now. On the other hand, they recognize the American contribution to the defense and economy of the island and give the United States much of the credit for the great improvement in Formosa's government in the past three years.

During 1953, American prestige with the Nationalist leadership, the most important of these groups, has had both declines and rises. The declines have been due to such matters as Korean truce issues, rumors of a contemplated UN trusteeship over Formosa, and the American effort to evacuate Li Mi's forces from Burma. The rises have followed the change of mission of the 7th Fleet in early February, a growing Nationalist belief in increasing American sympathy with Nationalist objectives, such developments as the appointment of a pro-Nationalist US ambassador, an acceleration of American military aid to Formosa, the arrival of jet aircraft,

\_\_\_\_\_ American statements regarding China's seat in the UN, the status of Formosa, and sanctions against

25X1

25X1

**SECRET**

**SECRET**

25X1

Communist China, and other verbal and material indications that American policy involves increased support of a more aggressive Nationalist policy.

### The Philippines

American prestige in the Philippines is probably as high as anywhere in the Far East, although some disillusionment among Filipino intellectuals has been reported with regard to American policy toward China and the long Korean stalemate and subsequent armistice. The occasional bitter attacks on US policies by some elements have usually been motivated by domestic politics or a desire to assert Philippine independence and affinity with Asian interests and is not symptomatic of growing ill will toward the United States.

Criticisms of complex and allegedly poorly administered US programs, such as the disposal of war surplus property and settlement of war claims, have been more than offset by a steady improvement in Philippine security and progress in economic recovery and stability, accomplished with American advice and assistance. Filipinos in general continue to show enthusiasm for United States techniques, institutions and civilization. Moreover, most Filipinos have always recognized their dependence on US military strength and leadership in the Pacific area.

United States prestige in the Philippines, however, will be severely tested by the success or failure of the democratic processes in the coming Philippine elections. If the Quirino administration retains power through fraud and violence, the United States will undoubtedly bear much of the blame. An honest election, however, will enhance American prestige.

### Thailand

In Thailand, where the stigma of colonialism has not been a major influence, American prestige has remained high since the end of World War II. Thai friendliness was greatly increased this past spring when the American military aid program was accelerated [redacted]

While the Thai occasionally show irritation over relatively minor incidents, it is unlikely that the esteem with which the United States is widely held will decrease within the foreseeable future.

25X1

**CONFIDENTIAL**

**SECRET**

25X1

The great majority of the Thai people are farmers and have little interest in international politics. They are, however, gradually becoming aware of the results of the various American aid programs.

The small, politically articulate segment of the population, concentrated largely in Bangkok, is also favorably disposed toward the United States. Political opposition groups tend to resent the increase of the ruling military junta's power through American aid, but there is little evidence that this sentiment reflects a basically anti-American bias.

The Phibun regime has always aligned itself closely with the United States and has almost invariably supported American foreign policy. Although this orientation undoubtedly contains a substantial measure of opportunism, there is evidence that important leaders are developing a genuine friendship for the United States and are increasingly aware that Thailand's survival can best be assured by a strongly pro-US policy. There is occasional irritation over specific American acts, as in the case of the recent decision not to support the foreign minister for the UN General Assembly presidency and in what the Thai feel is failure to consult them on matters of Southeast Asia defense. These irritations, however, are not deep-seated.

The increasing Thai tendency to look to Washington for the solution to all problems is potentially embarrassing. Such a tendency increases Thai vulnerability to Communist propaganda blaming the United States for the world's economic problems and could assume serious proportions should the current downward trend in the price of Thailand's chief exports have a significantly adverse effect.

Despite their apparent feeling of dependence on the United States, the Thai are a proud people who resent criticism and condescension. They especially resent magazine and newspaper articles depicting Thailand in comic opera terms.

### Indonesia

American prestige in Indonesia was high in 1948 and 1949 when the United States supported Indonesia's struggle for independence. It decreased, however, immediately after independence was achieved in December 1949. Indonesia adopted a defensive attitude toward the United States, fearing that the price of American help would mean inclusion in the Western

**SECRET**



**SECRET**

25X1

bloc which would be inconsistent with its "independent" foreign policy.

American prestige reached its low ebb in February 1952 when the cabinet fell over the issue of commitments for US assistance, in which it was charged that the aid agreement violated their sovereignty. Concurrently, a sudden decrease in the price of rubber, Indonesia's principal export, was blamed on the United States.

US prestige rose slightly in January 1953, as manifested by an Indonesian acceptance of a revised agreement for American economic and technical assistance. The Indonesians viewed this development as a diplomatic victory and good will toward the US was enhanced. During the past six months, there has been no perceptible change in US-Indonesian relations despite the installation of a Communist-influenced cabinet on 1 August.

Many articulate Indonesians' attitude toward the United States is conditioned by fear of foreign encroachment and they regard the United States as a powerful nation which would, if it could, draw Indonesia into its own power bloc. The deep consciousness of newly-won independence makes the majority of politically conscious Indonesians suspicious of US motives and susceptible to allegations of US imperialistic intentions. On the other hand, those Indonesians who are friendly toward the US have been concerned that national expressions of friendship toward America would bring reprisals from both internal and foreign Communists.

The recent establishment of a Communist-influenced government may force non-Communist elements into a position of open opposition to the Soviet bloc. The strategy of the new government, however, appears to be one of outwardly following a moderate course in order to avoid vigorous opposition while at the same time pursuing a policy of quiet infiltration of its supporters throughout the government, the army, and the police. Such a development portends a dangerous change in Indonesia's attitude toward the United States.

Throughout the period of independence, American prestige has suffered somewhat from the criticism of the Dutch who hold a few advisory positions in the Indonesian government, and from the extension of Washington politics to Indonesia as shown in the rivalry among US agencies in Indonesia. This rivalry has not only damaged the US position but has permitted the Indonesians to play one agency off against another.

**SECRET**

**SECRET**

25X1

A minor factor contributing to decreased US prestige is the behavior of various American businessmen and government employees. The unethical standards of certain of the former and the social isolation of the latter are primarily responsible in this respect.

**CONFIDENTIAL**

**SECRET**

25X1

**III NEAR EAST AND SOUTH ASIA**

**Egypt**

A general decline in American prestige in Egypt dates from the Palestine War of 1948 and US support for the establishment of Israel. While the effects of the United States' close identity with Israel continue, American influence in Egypt has increased since the military regime assumed power in July 1952.

The young, inexperienced rulers of Egypt soon realized that the future of their regime depended on obtaining extensive foreign economic and military assistance, which the United States alone could supply. Reliance on the United States for advice and the hope of support, both moral and material, have been important factors in increasing the American influence among the Egyptian leaders.

The populace and press, however, have remained generally critical of the United States, particularly when it is identified with British and French interests or when it lends support to Israel. The press and official spokesmen, speaking for popular consumption, have attacked the United States for its failure to "make" Britain accept Egyptian terms in the Suez dispute; for support of France in the Moroccan question; and for disproportionate aid to Israel.

American prestige in Egypt, which reached its lowest ebb immediately following the Palestine affair in 1948-49, has generally increased during the past six months, despite incidental rebuffs. The time is approaching, however, when the Egyptian regime may insist on positive evidence of the United States' professed interest. The military leaders wish to build up their armed forces and look to the United States for military assistance. Should they feel that American military and economic aid is not adequate, these leaders may turn from the United States, and American prestige would suffer a severe setback.

The current favorable attitude of the military regime toward the United States affords an opportunity to extend American influence in Egypt and indirectly throughout the Near East.

**CONFIDENTIAL**

**SECRET**

25X1

Lebanon

American prestige, which suffered a serious setback in Lebanon and the other Arab states during the period immediately preceding and following the establishment of Israel in 1948, has improved to some extent in recent years. This improvement became particularly noticeable after the advent of the new administration in Washington, with its declared policy of treating the Arab nations on a par with Israel. American influence, however, is not yet close to the high level it enjoyed in the World War II era before the United States became involved with the Palestine issue or subsequently with the Iranian, Egyptian, and Moroccan questions.

Lebanese elation over the Eisenhower election has diminished in recent weeks as a result of disillusionment over American failure to implement what the Lebanese had hoped would be a new pro-Arab policy. In particular, the Lebanese have expressed suspicions over the American stand on the internationalization of Jerusalem, and they oppose US backing of France on the Moroccan issue. Criticism of the United States has long been evident in the neutralist and leftist press as well as in the Arab refugee camps, but many government officials, and even such pro-West leaders as Charles Malik, have periodically opposed American policies in the Near East.

Lebanon's small size and geographic position in the Arab world have often forced the government to follow the anti-Western line of the larger Arab states or of the Arab League, even when the Lebanese, some 50 percent of whom are Christians, have privately favored a pro-Western policy. General Arab misunderstanding has also caused the Lebanese to become impatient with the American long-term aid programs.

Greece

There has been a slight but significant drop in American prestige in Greece during the past year. Greek officials have privately criticized decreased American aid without concurrent cuts in Greek defense expenditures.

The previous Liberal-EPEK government asserted that the reduction in American aid made it necessary to put into effect some unpopular economic and financial restrictions, thus blaming the United States for the measures. The Papagos government has not resorted to these tactics and has presented unpalatable reforms as necessary if Greece is to become more

**SECRET**

**SECRET**

25X1

self-sufficient. As Greece recovers some stability, officials are reluctant to accept detailed American guidance, a situation caused in part by Papagos' assertions that Greece must stand on its own feet.

In addition, there appears to be some feeling in Greek government and intellectual circles that Senator McCarthy is attacking traditional American liberties, that he is inhibiting the pursuit of announced policies, and that he may force a return to American isolationism.

In the press, most of the criticism of the United States is related to domestic political issues. Pro-government papers usually follow the line that continued American aid indicates American support for Papagos; anti-government papers take the view that his failure to get more aid indicates his inability to govern Greece successfully. It is probable that occasional articles, more or less critical of American policy toward Greece, have been planted by individuals now in the government in an effort to persuade the United States to change some aspects of its Greek policies.

The degree to which the press is pro-American depends on the political beliefs of the editor or owner and on expediency. Newspapers speaking for the Communist-dominated EDA party are consistently critical of the United States. The more sensational newspapers occasionally print articles setting forth American criticism of the Greek government or the royal family.

On the whole, the Greek public opinion is overwhelmingly pro-American. Long association of the people with United States--particularly through immigrant contacts, private remittances to Greece, and more recent American governmental economic and financial aid--has raised the prestige of the United States to a high level.

Some provincial criticism has resulted from the feeling that the United States has permitted too much American aid to go to the cities and from the belief that the administration of this aid has been placed in incompetent, dishonest Greek hands. Certain elements of the population such as the tobacco workers have been displeased by American failure to aid Greece to sell its large tobacco surplus. This Greek failure to sell its tobacco has produced genuine hardship and provided fertile ground for Communist exploitation.

**CONFIDENTIAL**

**SECRET**

25X1

An additional factor affecting American prestige and reflecting adversely on the United States comes from errors in judgment made by individual Americans. They show an ignorance of Greek sensitivities and, by attempting to describe all phases of American life, often do so in an unbalanced manner.

The cumulative effect of all these factors has resulted in a slight decrease in American prestige, especially on the official level where the reduction in aid produces the most reaction. There is no indication that this decline will affect internal Greek policies except to produce reluctance among officials to accept detailed American guidance. The Greek government, however, will continue to support the United States on all major international issues.

#### Turkey

American prestige in Turkey is being sustained at a high level. There has been no significant variation for many months, and there is apparently complete accord on all matters of substance. There is currently no important body of anti-American opinion in Turkey nor any indication of an incipient neutralist attitude.

There is no evidence in either official or popular circles to suggest a probable future decline in American prestige in Turkey. Spokesmen for both the government and its opposition, Turkish press editorials, and radio comment reflect the high degree of prestige accorded the United States and its representatives in Turkey and approval of basic American foreign policy. Government representatives have displayed a cordial attitude and have stated their desire to cooperate fully. In the opening debate before the Grand National Assembly on the budget for 1953-54, leaders of both parties reaffirmed their solidarity on issues of foreign policy.

President Eisenhower's foreign policy address on 16 April was well received by the majority of the Istanbul and Ankara newspapers where editorial reaction was generally favorable. Public and press reaction to Secretary Dulles' visit to Turkey was highly satisfactory, reflecting Turkey's solidarity with the United States on all major issues.

Turkey shows a genuine interest in the United States and appreciates the economic and military assistance which it has furnished. There has, however, been some minor criticism of ECA information methods as too blatant and spectacular.

**SECRET**

**SECRET**

25X1

One reason for the basically favorable Turkish attitude toward the United States is the fact that the Turks do not regard themselves as the recipients of American largesse. They feel that they are making a more than equal contribution to the American-Turkish "alliance," and hence do not harbor the resentful attitude which sometimes develops in a debtor country toward a major creditor. Turkey acknowledges the indispensability of American aid and its heavy dependence on American military guidance.

An adverse effect on public opinion of the inevitable decline in military and economic aid to Turkey is a potential source of friction. As long as aid persists, American prestige can be expected to remain high. Once the flow of arms and money is cut off, a reaction will undoubtedly set in which will be reflected primarily in the press and among the political leaders. It is not expected, however, to disturb the esteem in which the public holds the United States.

The primary American objective in Turkey is to retain the conviction among the people that the United States is the center of the free world which will remain constant, and that their adherence to this free world will benefit Turkey.

### India

American prestige in India, which was probably at its highest point in 1947 when India became an independent nation, had declined materially by about 1950 and since then has fluctuated within relatively narrow limits. It is currently experiencing a setback, caused primarily by American opposition to India's views on the Korean question and by the withdrawal of Ambassador Bowles from New Delhi.

During World War II, the United States had proved itself to be the world's mightiest single nation industrially and militarily. Indians were impressed and hoped, with American encouragement, to emulate its example. The diminution in American prestige resulted from strains imposed by Indian nationalist attitudes and aims, hesitant and apparently inconsistent American policies, and divergent views on world problems. These frictions have only occasionally been lessened by forthright expressions of American opinions or by an acquiescence to Indian desires.

Possibly the most important factor adversely affecting American prestige has been Indian nationalism, developing out of the country's recent experience as a dependent of

**SECRET**

**SECRET**

25X1

Britain. This has taken the form of an exaggerated sense of pride and independence, an over-emphasis on equality with other nations, a sensitivity to color bars, extreme dislike of criticism and advice, and an intense urge for world recognition.

In foreign relations this nationalism has become manifest in Prime Minister Nehru's concept of an Asian "Third Force" or neutral bloc under Indian leadership, as well as in his insistence that India remain aloof from both the East and West. It was also obvious in India's desire to sign a separate peace treaty with Japan. The belief that American policy has refused to recognize and support emerging Asian nationalist movements such as those in Communist China, Indochina and Iran has created ill-will, especially on the part of Nehru and the press. The failure of the United States to recognize India as the spokesman of non-Communist Asia, as illustrated by its opposition to Indian participation in the political conference on Korea, has produced additional bitterness. Finally, Indian rivalry with Pakistan caused violent outcries in Indian government and press circles when, early in 1953, Pakistan indicated an interest in a Middle East defense organization. Indian antagonism was aimed at the United States, one of the prime movers in this matter.

Nehru's personal dislike of materialism, as well as his feeling that Americans have little culture, has made him hesitant to accept American aid or advice. In this he is supported by other Hindu nationalist leaders, who seek a return to ancient glory along strictly Indian lines. The oriental suspicion of "something for nothing" originally made all Indians hesitate to accept American assistance. Having once determined the true nature of such aid, however, many Indians became critical of American failure to produce it in greater quantity. By 1950, frustrated by their own inability to achieve desired economic advances, many government officials and some segments of the press had turned against the United States. They accused it of not sharing its wealth adequately among the needy nations of the world. Nevertheless, American economic assistance and the granting of emergency food aid in 1951 have been effective in maintaining or temporarily increasing American prestige, particularly among the Indian people.

American actions interpreted as inconsistency in policy or a departure from announced moral principles add to Indian disrespect. The alacrity of the United States in springing

**SECRET**



**SECRET**

25X1

to the defense of South Korea, where American security interests were obviously at stake, as opposed to its unwillingness to support the peoples of Morocco against what the Indians consider to be French aggressive action is a case in point. America's failure to come to the aid of colonial peoples is attributed to a fear of offending its traditional allies. The United States' success in keeping India out of the political conference on Korea and its efforts to keep Communist China out of the UN are also taken as evidence that it is interested primarily in power politics.

25X1

Basically divergent views held by India and the United States on world problems constantly cause friction between the two countries. Prime Minister Nehru, who is primarily responsible for India's policy of neutrality, thoroughly dislikes continuous American attempts to swing his allegiance to the Western bloc. He, like many other Indian leaders, believes that the United States is dominated by an almost hysterical fear of Communism rather than a reasoned opposition to Soviet imperialism. Many Indians hold the United States equally guilty with the USSR for the present state of world tension, and they cannot understand American failure to respond to Soviet "peace" propaganda backed up, as in recent months, by apparently tangible demonstrations of peaceful intent.

Prime Minister Nehru, who claims to desire world peace despite his somewhat aggressive activities in South Asia, expresses fear that US aggressiveness or overconfidence will lead to World War III. The advance to the Yalu River in North Korea, the February 1953 announcement that the US Seventh Fleet would no longer protect the Chinese mainland from Nationalist attacks, and American insistence on demonstrations of Communist good faith before concluding an armistice in Korea have all been cited by Nehru as reasons to lose patience with the United States.

On the economic level, many Indian officials have concluded that the United States overemphasizes aid to Europe as opposed to the less developed countries of Asia, and is motivated less by humanitarian principles than by a desire to aid its allies.

Some American actions temporarily raised American prestige in India. The personal interest taken by former Ambassador Bowles and by some American visitors and students in

**SECRET**

**SECRET**

25X1

Indian history, aspirations, and activities serves constantly to maintain friendly relations on both government and popular levels. The ambassador's recognition of the Indian viewpoint, even when differences with the United States existed, demonstrated to the Indians a basic frankness and honesty of approach. The present American support for Madam Pandit's candidacy for presidency of the Eighth UN General Assembly will undoubtedly create good will among the Indian people, though its timing may lead the government and press to conclude it is an antidote for opposition to Indian participation in the Korean conference.

**SECRET**

**SECRET**

25X1

**IV. LATIN AMERICA****Brazil**

American prestige in Brazil has declined to some extent since its peak period during the last years of World War II, but there has been no marked decrease during the past year. The armistice in Korea has had little effect on American prestige. Senator McCarthy's activities have attracted comparatively little attention.

Washington's policies on economic assistance to Brazil, rather than on larger East-West issues, have been the main determinants of America's standing in the country. The Brazilians have felt that as the United States' best Latin American ally during World War II they should have received more economic help from the US after the war. Relations probably reached their lowest ebb in June 1953 when the US was severely criticized for taking steps to close the Joint Brazil-US Economic Development Commission. Although the Commission was merely going out of existence on schedule, many Brazilians seized on the closing as symbolic of lack of American interest in lending financial aid to Brazil.

In Brazil prestige of the United States as a world power has suffered no important change during the past year. Press attitudes remain generally unchanged, and the absence of any strong anti-Communist line is probably due basically to the fact that Brazil feels that the US can deal with the USSR and that Communism is therefore no menace to Brazil. Even in this most internationally-minded of the Latin American countries, Communists and ultranationalists were able through their propaganda to prevent the dispatch of Brazilian troops to Korea, in spite of urgent pleas from Washington.

Two basic causes of anti-US feeling in Brazil do, however, continue to be successfully exploited by the Communist press which consists of at least 25 regular publications. These two causes are envy of wealth of the United States and dislike of its reputed racial discrimination, which offends Brazilians with their century-long tradition of racial tolerance.

Favorable influences on US-Brazilian relations in recent months have been the granting of the \$300,000,000 loan by the Export-Import Bank to reduce Brazil's commercial backlog, the visit in July of several US naval vessels to Brazilian

**CONFIDENTIAL**

**SECRET**

25X1

ports and the visit of Dr. Milton Eisenhower.

### Argentina

American prestige in Argentina which has been low for many years, has improved during the past year, and especially since the visit of Dr. Milton Eisenhower in July. It has never been as high there as in other Latin American countries. Buenos Aires official attitude toward the United States has been adversely affected by the comparative absence of important trade relations and by fifty years of rivalry for leadership in the hemisphere.

Improvement in the United States' standing in Argentina commenced shortly after the death in July 1952 of Senora de Peron, who reportedly had been the strongest proponent of a sharply anti-American policy. After her death, anti-American propaganda tapered off and finally disappeared in January 1953 reappearing briefly in early May when Peron was convinced by anti-US elements among his advisers that the United States was behind the Buenos Aires bombing incident of 15 April.

During the last six months, American prestige has risen markedly, especially in government circles. Peron apparently decided during the latter half of 1952 that he had more to gain through friendship with the United States than through anti-Americanism. Also, with the change of administration in the United States, Argentina was able to use the face-saving device of saying that its quarrels had been with the Truman administration, not with the United States as a whole.

Thus the government prepared the public for the attitude of sympathetic expectancy adopted six months ago and of official friendliness adopted in July and characterized by the new press line, "Welcome Dr. Eisenhower! The Argentines Wipe the Slate Clean." Dr. Eisenhower's recent statement that the United States should in no way interfere in Latin America's internal affairs was quoted in the controlled press of Argentina as indicative of a more sympathetic understanding by the American administration and inevitably leading to improved relations between the two countries.

### Chile

Chile's copper problem has been a major factor in the decline in US prestige and popularity since 1950. Both

**SECRET**

**SECRET**

25X1

governments have been intimately involved in the problem since two American companies control Chile's largest copper mines and the US has been the major importer of the metal, which is the leading source of Chile's revenue. Chileans have long resented "exploitation" of their resources, and they took particular exception to the 1951 US-Chilean copper agreement by which the US was able to buy 80 percent of the large companies' production at a low price at a time when Chile could sell copper at high prices to non-US buyers.

American popularity in Chile declined rapidly in the two-year period of campaigning prior to the election of President Ibanez in September 1952 and reached a low point immediately prior to his election. The immediate cause was political opportunism which anticipated the presidential election, and criticism of the unpopular pro-American administration of Gonzalez Videla was tailored to include the United States itself.

Public dissatisfaction, aroused by the inability of the Gonzalez administration to cope with serious inflation, provided fertile ground for the proposal of extremist solutions to Chile's problems by the supporters of Ibanez and the Communists, who were allowed almost complete freedom of activity. To a large extent the US was blamed for Chile's economic problems, and demands were made for a denunciation of the US military assistance agreement, and for nationalization of American copper companies in Chile.

American popularity in Chile appears to have recovered partly since the inauguration of Ibanez in November of 1952. The relatively friendly attitude of his government toward the US, in sharp contrast to the campaign, has been largely responsible for the recovery. If a solution of Chile's current copper problem is worked out with US assistance, there should be further recovery of US prestige.

Most Chileans are basically pro-American today, and identify themselves with the US causes in the East-West conflict even though they reject the idea of participation in any possible war. They admire the American democratic process and industrial achievements. The apparent lowering of US prestige and popularity in Chile probably results from the Chilean desire for economic independence, the unsettled nature of the country today, and the acceptance of extremist propaganda. Other such factors include certain working class resentments at the large US-owned copper companies, and a continued tendency for Chilean intellectuals to look to Europe

**CONFIDENTIAL**

**SECRET**

25X1

for their cultural standards.

Also, Chileans see themselves as one of the most advanced nations of South America. Increasingly as a result of severe economic pressures, they therefore feel entitled to large-scale US financial assistance. Chileans do not understand why American aid to Europe and Asia appears to take precedence over assistance to them. What is interpreted as US disinterest in Chile's problems has caused some Chileans to begin to distrust American motives. This feeling may in effect be causing permanent damage to US prestige in Chile.

### Peru

American prestige with the ruling Peruvian upper class has generally remained on the high level it reached during World War II when it became clear that the US was on the winning side. It declined somewhat in 1952 as a result of a proposed tariff increase on tuna, and more recently because of proposed tariff increases on lead and zinc. To date, however, technical assistance grants, Export-Import Bank loans, and other forms of material aid have served to balance temporary displeasure in Peruvian official circles.

Among the Peruvian people generally, however, there has been a slow decline in American prestige and pro-US sentiment. The people do not have a feeling of unity with their government or with the upper class which dominates the government. Therefore cooperation with the autocratic Peruvian government has caused US reputation as a democracy to suffer among the Peruvian lower classes. Prestige of the United States as a world power is of far less importance to the Peruvian people than to government circles.

Anti-US propaganda in Peru has come from Communist, Peronist, European, and American Popular Revolutionary Alliance (APRA) sources. Until less than a year ago, Communist propaganda was given a free hand and even financial aid by the government on the condition that the Communist line be followed only on international affairs and that in domestic matters the Peruvian government would be supported. Peronist anti-US propaganda also had some, although much less, effect up to the cessation of its anti-US line in the summer of 1952. The propaganda of APRA, the only mass supported political party in Peruvian history, took a pro-US line during World War II, but its origins in Yankee-phobia have shown some tendency to re-emerge since the war.

**SECRET**

**SECRET**

25X1

Panama

In the Republic of Panama, United States prestige has probably remained constantly high over the past years, despite periodic irritations over specific issues. The great majority of Panamanians look to the United States for leadership in international affairs and for economic and technical aid, and they attempt to emulate United States political institutions. Most Panamanians are genuinely proud of the close association of their country with the United States.

Panama, however, has been affected by the post-war nationalistic trend particularly prevalent among politically weak and economically under-developed countries. While this has probably not yet significantly affected the Panamanians' basic respect for the United States, it has made them quick to attack, sometimes violently and irresponsibly, any US policy which they feel adversely affects the sovereign rights or economic well-being of their country.

In late 1947, efforts by the United States to reach an agreement with Panama on continued occupancy of defense bases on Panamanian territory became a violent political issue, and antagonism against the United States ran high. The Panamanian National Assembly rejected the proposed agreement when demonstrators successfully intimidated the deputies. In spite of the serious harm done to Panama's economy by the immediate United States withdrawal from the bases, few Panamanians have been consistently critical of the radical and ultranationalistic groups who were basically responsible for the situation. On the contrary, the United States is often made responsible for the current economic depression in Panama through alleged violations of the Canal Zone Treaty.

Feeling against the United States again became strong during March and April 1953. Newly-elected President Jose Antonio Remon, who had always shown a firm friendship for the United States, initiated a campaign for revision of the United States-Panama treaty which regulates relations between the Panama Canal Zone and the Republic of Panama. Alleged US violations of the treaty were given considerable space in the Panamanian press, and the United States attacked for allowing commercial activities in the Canal Zone to compete with Panamanian business and discriminating against Panamanians in the Zone.

**CONFIDENTIAL**

**SECRET**

25X1

Mexico

After World War II, US prestige began its decline from the peak reached in the era of the Roosevelt Good Neighbor policy, and finally hit a relatively low point prior to the Mexican presidential election of July 1952. The election-eering at that time again brought to the surface the historic undercurrents of anti-Americanism in Mexico as well as the varied irritations over cattle imports, migrant labor and shrimp fishing caused by the proximity of the two countries.

Aside from memories of past conflicts, a major cause for the decline in US prestige in Mexico since World War II has been resentment over the comparative lack of financial assistance to Latin America, as compared with large-scale US aid to other areas. Many Mexicans who had been particularly impressed by Roosevelt's interest in Latin America feel that with his death the Good Neighbor policy had ended. Mexican disillusionment with the US was quickly exploited by Communists and ultranationalists, who called for radical solutions to US-Mexican problems.

The anti-Americanism of the Mexican presidential election period appears to have been tempered by the election of President Eisenhower. The coming 19 October meeting of Eisenhower with President Ruiz Cortines to inaugurate the Falcon dam, built through Mexican-US cooperative effort, has caused the Mexican press to express hope that this meeting may be a significant step in the development of a favorable US policy toward Mexico. Similarly, the visit of US Assistant Secretary of State Cabot last spring, the defeat of the protectionist Simpson bill in the US Congress, and the trip of Dr. Milton Eisenhower to South America were viewed with encouragement by Mexican public opinion.

**CONFIDENTIAL**  
**SECRET**



**SECRET**