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SUMMARY

NEAR EAST

[redacted]

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- 2. British appear less worried about situation in Egypt (page 3).

[redacted]

EASTERN EUROPE

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- 4. Yugoslav terms for a Trieste settlement [redacted] (page 4).

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WESTERN EUROPE

- 5. Dutch see possibility of war in September 1952 (page 5).
- 6. Dutch believe that European Defense Forces depend on German admission to NATO (page 5).
- 7. French Assembly's approval of European Army in the balance (page 6).

[redacted]

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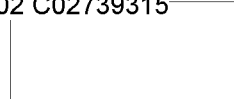
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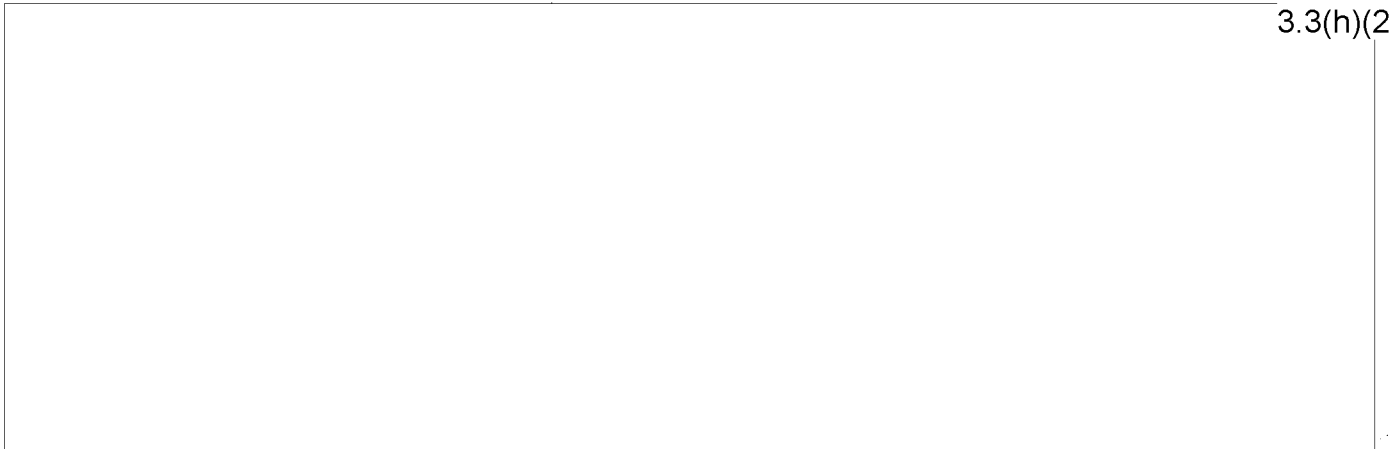
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2. British appear less worried about situation in Egypt:

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the War Office is of the opinion that the situation in Egypt will continue quiet and that in a month or two Egyptian laborers will return to work in the Canal zone.

Comment: The Egyptian authorities successfully forestalled unmanageable demonstrations in Cairo and Alexandria during the

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national holidays and the opening of Parliament, 13 to 15 November. Clashes between British and Egyptians did, however, occur in Ismailia on 18 and 19 November. [redacted]

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EASTERN EUROPE

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4. Yugoslav terms for a Trieste settlement [redacted]

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[redacted]

The Yugoslav Government is [redacted] ready [redacted] to settle the Trieste issue largely on the basis of the status quo. The

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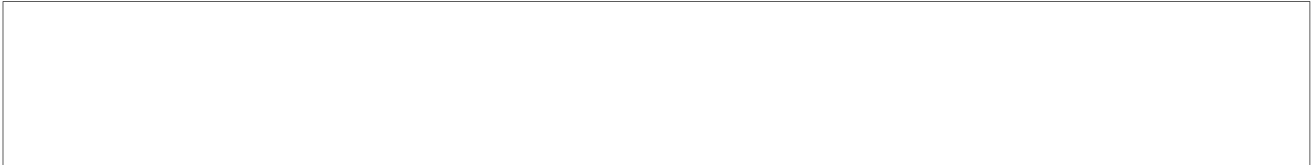
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Yugoslavs are willing to make certain concessions in Zone B in return for certain Slovene areas in Zone A, extraterritorial rights in Trieste, and a connecting corridor from Zone B to the port of Trieste.

Comment: Yugoslav officials have previously expressed their willingness to return the predominately Italian coastal city of Capodistria in Zone B to Italy if Yugoslavia is given certain rights and territory in Zone A.

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WESTERN EUROPE

5. Dutch see possibility of war in September 1952:

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The Netherlands Defense Minister refused responsibility for fulfillment of the Dutch defense program if equipment shortages prevent his country from fielding a combat-equipped division in time for the SHAPE maneuvers next September. The Dutch still maintain that these maneuvers coincide with "the moment of greatest danger" and will not send an incompletely equipped division toward "possible combat."

Comment: The Dutch have previously referred to September 1952 as "the moment of greatest danger," but without giving a reason.

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6. Dutch believe that European Defense Forces depend on German admission to NATO:

The Dutch Foreign Minister has stated that his government continues to favor the idea of a European Defense Force, but has expressed

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concern over the slow progress at the Paris conference and the consequent difficulty of obtaining German participation in the plan. He added that the best solution would be prompt admission of Germany to NATO.

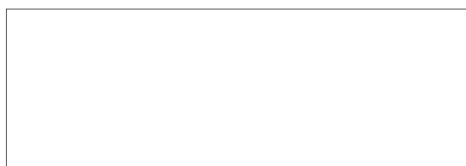
Fearful lest Benelux constitutional limitations should prevent adoption of the plan if it should "go too far toward political federation," Foreign Minister Stikker further commented that though the present plans seem to be militarily sound, he doubts their political feasibility.

Comment: For some time, the Dutch have taken the attitude that German membership in NATO is an essential element in NATO control of the European Defense Forces. The lack of Dutch enthusiasm for the plan stems from fear of domination by France and Germany, and for this reason the Netherlands has sought to establish a definite link between NATO and the EDF.

The Dutch have consistently objected to expansion of the EDF plans into political and economic spheres outside the original concept, and specifically oppose proposals for a common budget and a single high commissioner.

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7. French Assembly's approval of European Army in the balance:



The French National Assembly is now in "full ferment" with respect to the European Defense Force, although the US Embassy believes that the final vote will be favorable. Since, however, the

socialists may still force a foreign affairs debate on 21 November before the government can benefit from its sudden "frantic missionary work" among "critical deputies," the government's freedom of action in forthcoming negotiations may be restricted.

Numerous Socialists still argue that a last effort for German unification and neutralization should be made before a final decision is reached on the European Army. Many Socialist and other deputies are supporting the Gaullist thesis that France must be permitted to maintain troops in Europe outside the EDF framework.

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Comment: This is the first indication that the Plevin government faces an immediate and serious challenge on a major foreign policy issue in addition to the challenge on basic economic problems.

The Socialists, who are basically opposed to German rearmament in any form, initially gave only reluctant approval to the EDF plan. A year ago in Washington former Defense Minister Moch, a Socialist, stubbornly held to his party's views by ruling out the creation of German divisions, and the French Government's recent concessions on this point have apparently antagonized the Socialists.

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