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SECURITY INFORMATION

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1 August 1953 3.5(c)

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SOVIET UNION

1. Comment on Soviet actions following shooting down of US plane:

[redacted] Soviet air and naval activity in the Vladivostok area immediately after the shooting down of the US reconnaissance plane on 29 July may reflect attempts to recover survivors and it is likely that some are now in Soviet hands. 3.5(c)

[redacted] 3.3(h)(2)
Moreover, the crew of one of the US rescue aircraft reported seeing nine Soviet PT-type boats operating in the area where the US crew later sighted four to seven survivors 11 hours after the incident. The US destroyer which picked up the copilot reported encountering a Soviet trawler in the area.

The wording of the Soviet protest, similar to notes in the past when the USSR has shot down foreign planes, reflects a desire neither to magnify nor to minimize the gravity of the present affair as compared with previous ones.

FAR EAST

2. [redacted] Rhee capable of ordering "suicide attack": 3.3(h)(2)

[redacted] told 3.3(h)(2)
Ambassador Briggs on 30 July that Rhee is entirely capable of ordering a "suicide attack" on the Communists in the conviction that it is better to die as an "example" to the free world than to suffer slow death by strangulation.

While Rhee admits there is no written guarantee of American moral and material support if South Korea should renew the war after 90 days of political discussions, he believes such support is "inherent" in the developing Communist-free world conflict in which the "United States has no place to go except along with Rhee."

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Comment: Rhee assumes that the United States and South Korea will walk out automatically if Korean unification has not been achieved after 90 days of political discussions and he refuses to recognize the conditions which the United States has placed on such a withdrawal.

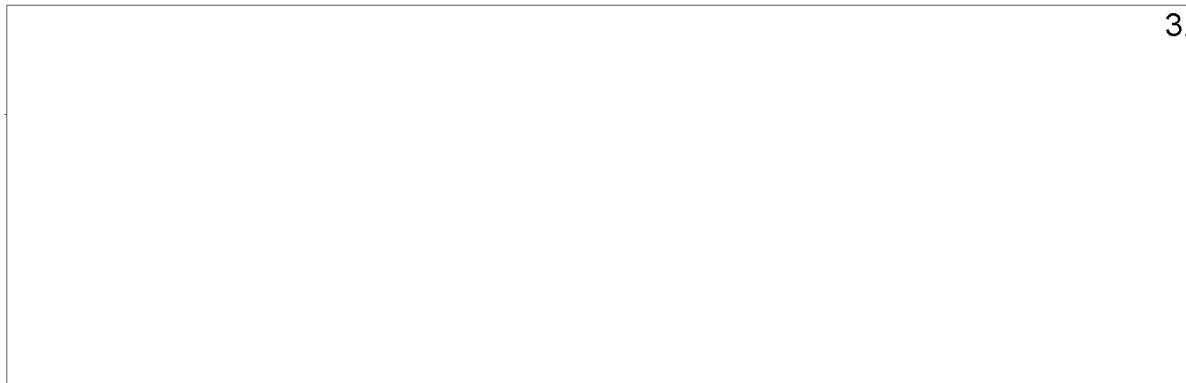
The uncertain attitude of the South Korean military might limit Rhee actions.

3. Swiss representative emphasizes anti-Communist attitude of Korean prisoners:

 A Swiss Red Cross representative en route home from Korea believes that the Communist "persuaders" will have a "rough time" at the hands of the prisoners in Korea unwilling to be repatriated. He informed the Swiss minister in New Delhi that the bitterness of the prisoners against the Communists and their emotional fervor against forcible repatriation "must be seen to be believed." 3.3(h)(2)

Ambassador Allen comments that many Indians accept the Communist line that the prisoners will return willingly to Communist territory once given a free opportunity to choose. He predicts that the Indians are in for a rude awakening.

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3.3(h)(2)

5. French officials in Tonkin feel Viet Minh can overrun delta:

[REDACTED] High French officials in Tonkin believe that Viet Minh forces, unscathed during their last campaign and recently strengthened by additional Chinese supplies, are capable of overrunning the delta without Chinese Communist aid. They may, however, be deterred by the prospect of heavy casualties. 3.3(h)(2)

The Viet Minh, through coercion and an attractive land reform policy, has now gained effective control over more than half the Tonkin population. In addition, any Viet Minh campaign in this area will be aided by the unreliability and low morale of the Indochinese troops under French command and the lack of sufficient mobile reserves. General Cogy, French commander in Tonkin, says he has six fewer battalions than were available a year ago, and fears he may be forced further to deplete his reserves to meet a Viet Minh diversion in Laos or elsewhere.

Comment: There are as yet no indications of the Viet Minh's strategy next fall.

This report highlights the steadily increasing adherence of the Tonkin population to the Viet Minh which is abetted by antipathy to the lethargic, French-sponsored government of Bao Dai and Tam.

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6. Comment on new Indonesian cabinet:

[redacted] President Sukarno's acceptance of a strongly leftist cabinet indicates that the political situation in Indonesia has deteriorated to a state of near chaos in which the Communists are making considerable gains. Although the Communists are not represented in the Nationalist-led cabinet, they reportedly will indirectly control the ministries of foreign affairs, defense, labor, economy and finance and will exert influence in several others. They will also strive to reduce the moderating influence of the vice president.

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The conservative Masjumi, the largest party in Indonesia, was excluded from the cabinet and will probably try to upset it by attracting support of the two small moderate parties of the 10 groups represented. There is, however, small likelihood of their early defection. Continued Communist allegations of connections between the Masjumi and the Darul Islam, a Moslem dissident group, may well reduce Masjumi popular support.

Army factionalism promoted by the National Party-Communist bloc in October 1952, will be further intensified as the result of opposing attitudes over the new government, and threatens open conflict. Many of the leading army and police officials are anti-Communist.

7. Rebellion in East Indonesia may be scheduled for late August:

[redacted] Anti-Javanese sentiment is reported rising in East Indonesia and there are persistent rumors that a general rebellion against Djakarta will break out in late August in the Moluccas, the Celebes, and Borneo. Separatist guerrilla bands reportedly will initiate the rebellion and dissident factions in the army will support it. It is to be timed to coincide with a renewed effort by an army group to take over the government in Djakarta.

3.3(h)(2)

Comment: Anti-Javanese and separatist sentiment has long existed in the Moluccas, the Celebes and Borneo, and reportedly is increasing in the latter.

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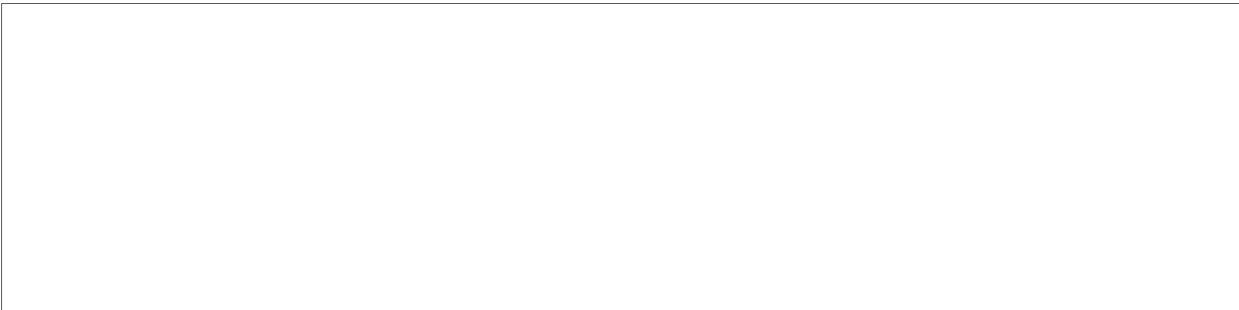
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NEAR EAST - AFRICA

8. Saudi Arabia negotiating for purchase of two Swedish tankers:

Comment: This is the first report that any of the Arab countries is seriously trying to obtain tankers to break the almost complete monopoly now enjoyed by the major Western oil companies in the area. Acquisition of these tankers might encourage Saudi Arabia to extend its control over the oil industry at the expense of ARAMCO, which has been constantly subjected to Saudi pressure for a larger share of profits.

WESTERN EUROPE

9. Comment on Soviet note to Western powers on an Austrian treaty:

 The Soviet note of 30 July to the Western powers demands, in effect, the formal and public withdrawal of the abbreviated Austrian treaty as a prerequisite to the "examination of the unsettled questions related to the conclusion of a treaty."

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The Kremlin offers no commitment that the settlement of these questions will in fact lead to an agreement. This tactic may serve to create dissension in the West since it is apparent that the United States has been the most insistent on using the short treaty as a tactical weapon to limit Soviet economic privileges granted in the long draft. The note may be a part of expected Soviet diversionary tactics aimed at avoiding discussion of the German and Austrian problems on Western terms.

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The Soviet note ignores the Western request of 12 June for exact terms on which the USSR would be willing to sign a treaty and the West's assertion that it would accept any treaty guaranteeing Austrian independence.

10. French may reduce military establishment in Austria:



Ambassador Thompson believes that the French may reduce their military establishment in Austria in consequence of the USSR's decision to pay its own occupation costs.

3.3(h)(2)

Both the French and the British high commissioners are "seriously perturbed" by the Soviet move, and Thompson feels there is little doubt that both Britain and France will be forced eventually to follow suit.

The French high commissioner intends to recommend to Paris that French forces be reduced to the token force now maintained by the British.

Comment: Soviet acceptance of the occupation costs allocated by quadripartite agreement has enabled the British and the French to resist strong Austrian pressure for their total elimination. American support of occupational economies and British and French reluctance to increase their own expenditures have resulted in the gradual reduction of their military establishments in Austria to forces now estimated at 9,000 and 4,000 respectively. Further reduction in the French forces has been consistently opposed by the US government.

11. Disorders feared if West Berlin food facilities overtaxed:



General Timberman, American commandant in Berlin, is somewhat concerned over the possibility that a tremendous influx of East German applicants for food over the week end of 1-2 August might completely swamp West Berlin facilities and result in public disorders. The acting mayor of West Berlin and the Bonn government representative share these fears, and intend to take precautionary measures.

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Comment: In anticipation of such difficulties, the East German authorities may do nothing to curb the flow of food applicants into West Berlin beyond harassing those returning with parcels.

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