

48020 TOP SECRET

1407

GENERAL

1. US concerned over lessened German cooperation--The Department of State has expressed to US High Commissioner McCloy its concern over indications from several sources that the Germans have recently taken a less cooperative attitude in negotiations on the Schuman Plan, probably because they feel their position has been strengthened by the apparent eagerness of the Western Powers to sue for German military support. The Department suggests, in view of the great importance of the German attitude during this period while the Western allies are attempting to reach agreement of German participation in a common defense, as well as the long-range importance of the outcome of the Schuman Plan, that McCloy may wish to point out to West German Chancellor Adenauer that this feeling of decreased German cooperation exists generally among the Western nations. The Department considers that current discussions of drawing Germany into a common defense arrangement, far from lessening the need for European economic cooperation, make it more imperative that the negotiations on the Schuman Plan, to whose success the US attaches great importance, be concluded rapidly and satisfactorily.

S/TS

FAR EAST

2. Possible Chinese Communist intervention in Korea--US Ambassador Kirk has received reports from his British and Dutch colleagues in Moscow that Chinese Communist leaders in Peiping favor Chinese military intervention in the Korean war if UN forces cross the 38th Parallel. According to Kirk's information, reports concerning the existence of this sentiment among Chinese Communists have come from the Dutch charge and the Indian ambassador in Peiping. The Indian representative is reported to have told his government that a Chinese Communist decision on intervention has

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crystallized since mid-September and is based on the conviction that the entering of US forces into North Korea would indicate a basic US aim to carry the war to Manchuria and China in order to return Chiang Kai-shek to power in China. In commenting on this information, Kirk says he finds it difficult to accept these reports as authoritative analyses of Chinese Communist plans. He takes the line that the logical moment for Communist armed intervention came when the UN forces were desperately defending a small area in southern Korea and when the influx of an overwhelming number of Chinese ground forces would have proved a decisive factor. He warns that prudence is indicated in this situation but expresses his view that the Chinese Communists, through press propaganda and through personal contacts with foreign diplomatic personnel, have taken a strong line since the Inchon landing in the hope of bluffing the UN on the 38th Parallel issue.

3. INDONESIA: Army faces tense situation with Ambonese--
An Indonesian army officer has disclosed to US Consul Mill in Surabaya that the Indonesian army is on stand-by orders in that area as a consequence of increasing tension with Ambonese armed units which were members of the Dutch colonial forces prior to the granting of Indonesian independence. According to Mill's informant, the Ambonese are well armed and very bitter against the Indonesian army. He regards the situation as potentially very serious.

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