

3 Feb 1950

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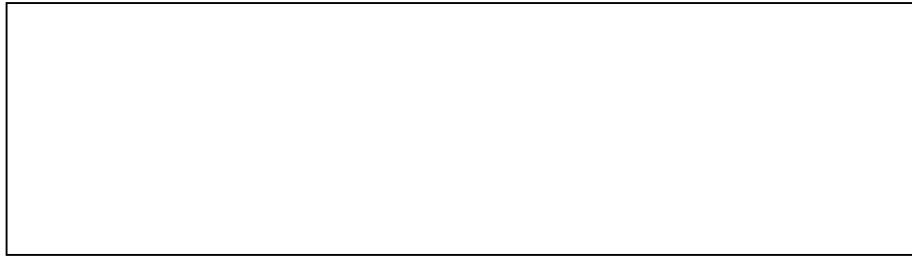
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## E A S T E R N E U R O P E

✓ Soviet Walkout One major purpose of the Soviet UN walkout was probably to contribute to the Soviet effort to isolate China from Western influence by making it as difficult as possible for the US to reverse its China policy. The dramatic Soviet boycott of the UN, along with abuses of US officials and property in China, makes US recognition of the Peiping regime increasingly difficult in the face of opposition in the US Congress and press. The USSR is, therefore, encouraging a situation in which US recognition of the Chinese Communist regime could be widely construed and propagandized as an outright surrender to Soviet pressure. The walkout, although ostensibly designed to force the early unseating of Nationalist delegates, may actually have delayed the shift to Communist Chinese representation in the UN.

Although Chinese and Soviet recognition of Ho Chi Minh (Communist leader in Indochina) is primarily aimed at fostering revolutionary activity in Southeast Asia, this action may also be parts of the Soviet effort to minimize contacts between China and the West. Such Soviet moves which effectively postpone the establishment of US and French relations with China correspond to the general Soviet policy of discouraging Western contacts with the Soviet Satellites in Europe.

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CHINA

✓  
Mao-Stalin Talks Although no reliable information on the progress of the Moscow talks between Mao and Stalin is available, the pattern of Sino-Soviet relations suggests that a new treaty which will probably strengthen the position of Stalinists in the Chinese Communist Party will be signed in the near future.

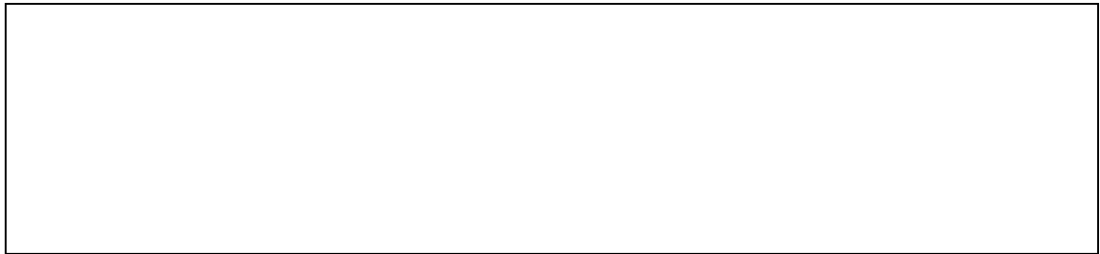
Neither Soviet nor Chinese Communist leaders would attempt to force a transparently "unequal" treaty on the Chinese people, who are openly suspicious of Sino-Soviet "friendship." Any protocols damaging to Mao's position, such as the joint use and development of Chinese military facilities, will be secret, and the published provisions of the treaty will be innocuous. The treaty, or a separate agreement, probably will provide for Soviet credits sufficiently extensive to be impressive paper evidence of Soviet aid to China. The number and quantity of commodities to be exchanged between the two nations under the new trade agreement will be increased, and the agreement will appear, superficially, to be mutually beneficial.

Although special political arrangements with Manchuria and Sinkiang and provisions for "joint development" of those areas will bring the border regions further under Soviet domination, the treaty will camouflage the process by which Soviet influence in China may become Soviet control.

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SOUTHEAST ASIA

✓ Soviet Pressure      The extension of Soviet recognition to the United States of Indonesia and to Ho Chi Minh (Communist leader opposing the Bao Dai Government in Indochina) may presage greatly increased Soviet pressure against the Western position in Southeast Asia. In Indochina, support from the USSR and the Chinese Communists will probably strengthen resistance to Bao Dai and may turn the balance in favor of Ho. Moreover, the extension of Soviet recognition to Ho will: (1) counteract the expected political impact of Western recognition of Bao Dai; and (2) probably increase the reluctance of neighboring countries to follow the Western lead in recognizing Bao Dai. In Indonesia, where political leaders are attempting to maintain a neutral position between the US and the USSR, Soviet recognition will arouse little suspicion that the USSR may eventually use its mission to work with subversive groups. Near the Chinese border in the Burmese hill state of Kengtung, Chinese "Communist" freebooters are creating enough trouble to arouse some apprehension in Rangoon.

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