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GENERAL

1. Jebb not hopeful about talks with Wu--The US delegation at the UN transmits information from a member of the British delegation that Sir Gladwyn Jebb is certain, from his discussions with the Peiping representatives, that the main preoccupation of the Chinese Communists, and the consideration giving them the most pause, is the disastrous effect a full-scale war would have on China's economic situation, which is shaky and about which they are much concerned. The Chinese Communists are said to realize that herculean efforts to improve their economic situation are essential to the consolidation of their power. On the other hand, a Greek delegate indicates that Jebb was "not very optimistic" concerning his talks with General Wu who made the familiar charges of US "aggression" and who always links the problem of Formosa with Korea.

2. Current Soviet-Communist propaganda line-

in Trieste, the leader of the pro-Cominform Communist Party there has declared that the new Party propaganda line should: (a) warn the people that war may break out at any moment; (b) publicize President Truman's speech regarding use of the atom bomb, stressing that the West may use the bomb and indicating that the USSR would be justified in retaliating; and (c) prepare the people for the possibility that the USSR will attack first.

On the other hand, US Embassy Moscow reports that the Soviet press, while continuing to lay heavy stress on the differences of opinion among Western nations regarding German and Far Eastern questions, has made only one reference to President Truman's statement on use of the atom bomb.

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EUROPE

3. GERMANY: Socialist opposition to Schuman Plan--Socialist leader Schumacher has told the US High Commission in Bonn that the Schuman Plan is an unconcealed French attempt to gain control of the German Ruhr. Schumacher accused the US of permitting the French to use Marshall Plan funds for national purposes rather than to further the idea of a united Europe. Schumacher characterized the present draft of the Schuman Plan as "impossible and unacceptable." The High Commission believes that Schumacher's opposition to the Schuman Plan is not based solely on alleged defects in the plan but is to a large extent a reflection of the growing Socialist tendency to make domestic political capital of the general opposition to all Allied policies.

FAR EAST

4. KOREA: Possible evacuation of Seoul considered--According to US Ambassador Muccio, Korean authorities have formulated preliminary plans for the evacuation of Seoul. Muccio further reports a "widespread uneasiness" among the Seoul populace and says this state of mind stems from the critical military situation, increased guerrilla activity, rumors concerning a desire for appeasement on the part of Prime Minister Attlee, the southward movement of North Korean refugees and heavy military equipment, and the evacuation of certain wealthy families.

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THE AMERICAS

5. PERU: Haya dispute referred to Hague court--US Embassy Lima has been informed that the Peruvian Government has decided to accept Colombia's proposal to resubmit the case of Haya de la Torre to the International Court of Justice at The Hague.

(Comment: Colombia indicated in its proposal a willingness to deliver Haya to Peru if specifically instructed to do so by the International Court.)

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