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GENERAL

1. Strong US policy on repatriation of Germans in China urged--US Embassy Nanking is certain that a number of the Germans who remain in China constitute a serious political and economic "safehaven" and that some who remain will provide the nucleus of an organization working for a resurgent Germany. The Embassy suggests that the US Government not delay implementation of a final repatriation program, because the US "bargaining position vis-a-vis the Chinese is now strongest," and that any US intentions in this respect be announced from Washington as politico-military policy.

EUROPE

2. USSR: Food ration cut for non-workers--US Embassy Moscow reports that on the January food ration cards, unemployed dependents with no acceptable excuse for not working will be able to purchase only salt and matches. In November, persons in this category were allowed 1,000 grams of cereals and 400 of sugar; the sugar was removed in December.
- 3.3(h)(2) 3. FRANCE: De Gaulle's plans for 1947--US Embassy Paris reports that, [redacted] the General is "still" convinced that an economic collapse will occur in France next year and that the people will then call upon him to return to power. [redacted] De Gaulle will return and will have the Constitution amended to give the President "some of the powers" of the US President.
- 3.3(h)(2) 4. ICELAND: Withdrawal of US Navy personnel recommended--US Legation Reykjavik considers that the best political interests of the US would be served if a way were found to authorize immediate withdrawal of US Navy personnel.

FAR EAST

- 3.3(h)(2) 5. FRENCH INDOCHINA: Estimates of French and Vietnam Forces--US Military Attache Paris has been informed by [redacted]

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[] that French troops in Indochina number 80,000 including 3,000 navy and 3,500 air. Reinforcements totalling 3,000 left France on 24 December; an additional 7,000 are expected to go during January. Vietnam forces are estimated by "French official military circles" at 125,000.

With regard to French forces in Indochina, Premier Blum has told US Ambassador Caffery that: "We have 45,000 in all. How many of them are combat troops I do not know."

(US Naval Attache Paris had previously reported to Caffery that French forces in Indochina totalled 26,000 and Vietnam's forces were estimated by the French at 175,000; see Daily Summary of 27 December, item 3.)

6. CHINA: Generalissimo's prestige increased--US Ambassador Stuart reports that the Generalissimo, with the help of almost all other groups in the National Assembly, imposed his will on the reactionary CC clique which had organized a "formidable" revolt against the draft constitution. Stuart adds that the Assembly ended with the Generalissimo "in full and confident control of the situation," following what may be termed one of his "greater political victories."

THE AMERICAS

7. PANAMA: Means of obtaining defense sites agreement proposed--US Ambassador Hines reports that Panama's Acting Foreign Minister says he will recommend acceptance of the defense sites agreement, if the US will agree to a seven-point program of economic assistance, trade concessions, and property transfers. Hines adds his opinion that the US, once Panama has indicated a willingness to accept the agreement in principle, should be prepared to discuss such pending problems.

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