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GENERAL

1. Soviet anniversary speech analyzed--US Ambassador Kirk in Moscow, in making an early assessment of Bulganin's October Revolution Anniversary speech, expresses the opinion that the speech indicates the past year was a lean one for Soviet foreign policy and that the Kremlin recognizes this fact. The greatest proportion of the address was devoted to progress of the Soviet people in the economic field, which was emphasized by the announcement that the goals of the present five year plan had been attained. Kirk notes that the address followed the familiar Soviet pattern of contrasting the peace policy of the USSR with the war policy of the US. Korea received significant mention as the banner of the liberation movement of oppressed and dependent peoples. Present North Korean reverses were treated as temporary and were compared to those experienced by the USSR in the period of civil war and intervention during 1918-1921.

(CIA Comment: CIA believes the speech, in addition to being a summary of Soviet accomplishments during the past year, represents a Soviet attempt to warn the West that the USSR does not intend to abandon its international program.)

EUROPE

2. GERMANY: Views of political leaders on rearmament-- In recent discussions of the German rearmament question with Chancellor Adenauer, US High Commissioner McCloy in Frankfurt learned that the Chancellor intends to obtain a declaration from the leaders of the government coalition parties, setting forth Germany's willingness to contribute to Western European defense. Adenauer believes that such

STATE review(s) completed.

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Document No. 33
 NO CHANGE in Class.
 DECLASSIFIED
 Class. CHANGED TO: TS S (C)
 DDA Memo, 4 Apr 77
 Auth: DDA REG. 77/1763
 Date: 23 MAR 1978 By:

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a declaration would clarify present "confused German thinking" and that it would then be difficult for the Socialist Party to take the opposite stand. Adenauer also declared that the signing of the Schuman Plan treaty was urgently necessary, and that this would make possible the solution of "other problems." The Chancellor warned that it was politically impossible for him to approve the treaty, however, unless he was assured that the Ruhr Authority would be eliminated when the Schuman Plan goes into effect.

During a later conversation with Socialist leader Schumacher, McCloy learned that Schumacher still insists that Germany should participate in Western defense efforts only after the creation of a Western force sufficiently strong to take the offensive in the event of war. In regard to the Pleven defense proposals, Adenauer felt that although they held long-range possibilities, the French had erred in presenting them as a solution for the present defense requirements; Schumacher expressed the feeling that the Pleven proposals were designed to give the French control over any European force.

(CIA Comment: CIA believes that Adenauer will not approve the Schuman Plan treaty until he is assured of the dissolution of the Ruhr Authority.)

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NEAR EAST-AFRICA

3. INDIA: Nehru reported as seeing no "threat" in Tibet--US Consulate General Bombay reports that Prime Minister Nehru, in a recent informal conversation, stated that China's "aggressive action" in Tibet poses no military threat to India either "now or in the foreseeable future." Nehru is also reported to have described Chinese leader Mao Tse-tung as a man "ideologically like Tito" who might eventually become oriented toward the democracies if not first driven into the Soviet camp by the actions and attitude of the US.

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(CIA Comment: The remarks attributed to Nehru are in line with previous estimates that Nehru will abandon his friendly attitude toward China reluctantly, if at all, and that Chinese aggression against Tibet is thus unlikely to cause any immediate change in his policy.)

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4. NEPAL: King seeks refuge in Indian Embassy--The Nepalese Ambassador in New Delhi has informed the US Embassy that the King of Nepal, the Crown Prince, and the latter's eldest son have taken refuge in the Indian Embassy in the Nepalese capital and that the Crown Prince's second son (aged three or four years) has been proclaimed King. The Nepalese Ambassador professed to be uninformed on the background of this development.

(CIA Comment: Inasmuch as all power in Nepal has long been vested by heredity in the hands of the family of the present Prime Minister (Maharaja), a change in the person of the King is of no internal significance. Exile of the former King in India could, however, have unfortunate consequences for the present Nepalese Government. Leftist elements in India, including many Nepalese residing there, have been increasingly active in their efforts to bring about the downfall of the Maharaja's family. Those elements might find the former King a useful symbol in furthering opposition to the Maharaja's family and thus in bringing about a collapse of present authority in Nepal.)

FAR EAST

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5. KOREA: ROK Assembly calls off feud with Rhee--US Embassy Counsellor Drumright reports that the recent change in the military situation in Korea has led the ROK National Assembly to postpone indefinitely consideration of the motion calling

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for resignation of the entire Rhee Cabinet. Drumright adds, however, that continuing anti-Rhee feeling in the Assembly was demonstrated by general criticism of the government's precipitous departure from Seoul and by attacks against various Cabinet members for their conduct of affairs during the invasion.

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