

15 Nov. 1952

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EUROPE

1. YUGOSLAVIA: Tito to modify industrialization program--  
 US Embassy Belgrade reports that during an interview between Tito and Heinz Kernek, West German news agency correspondent, the Yugoslav leader stated "there will be no second five year plan similar to the first five year plan," and further development of the Yugoslav economy will emphasize increased consumer goods production. (The present Yugoslav five year plan emphasizes expansion of industry at the expense of consumer production.) [redacted]  
 Tito added, "Above all we must raise living standards in the next few years."

(CIA Comment: Tito will probably attempt to raise the present low living standard in Yugoslavia in the hope of:  
 (a) reducing internal resistance to his regime; and (b) making Yugoslav "socialism" more acceptable to the West.)

FAR EAST

2. INDOCHINA: Possible French "statement" on Indochina--  
 US Ambassador Bruce in Paris has learned that French Minister for the Associated States Letourneau intends to seek Cabinet approval for an announcement that the French Government plans to interpret and implement liberally the 8 March 1949 agreements with Bao Dai. Bruce was also informed that although Letourneau is sympathetic to the idea, when the present emergency is over, of a French statement favoring "full independence" for the three Associated States of Indochina, within the French Union or associated with it, he could make no commitment on this question.

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DIA and DOS review(s) completed.

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(CIA Comment: CIA believes the French are not likely to do more at this time than announce their intention to interpret and implement liberally the 8 March Accords.)

French reinforcements to arrive in December--US Minister Heath in Saigon reports that General Carpentier, the French Commander in Indochina, has told the US Military Attache that French reinforcements from metropolitan France and North Africa will arrive in Indochina by the end of December. Carpentier has sent an urgent request to Paris to have the units arrive at least fifteen days earlier than scheduled, so they can be operative in the Tonkin area by 1 January 1951. The reinforcements, according to Carpentier, will consist of five infantry battalions, one regiment of medium tanks, and three battalions of light artillery (the five infantry battalions are replacements).

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3. KOREA: North Korean currency rapidly losing value--US Embassy Seoul reports that, because of the uncertainty regarding the currency situation in North Korea, North Korean currency is rapidly depreciating. The Embassy adds that as a result of this depreciation, the average North Korean citizen is now severely limited in his ability to buy daily necessities. The Republic of Korea Finance Minister has stated that he can take no responsibility for redeeming North Korean currency because the plates are believed to be in Communist hands.

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#### THE AMERICAS

4. VENEZUELA: Situation to remain stable--US Embassy Caracas reports the assassination of Lt. Col. Carlos Delgado Chalbaud, president of the military junta government of Venezuela. The

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Embassy adds that the government has suspended constitutional guarantees, apparently in order to facilitate apprehending the assassins and to prevent civil strife at this time.

(CIA Comment: The assassination of Delgado Chalbaud will have an unfavorable effect upon US interests in Venezuela. Of the three junta members who governed Venezuela since the coup of 24 November 1948, Delgado Chalbaud was the most astute politician and also decidedly sympathetic toward the US. The two surviving junta members, Lt. Col. Marcos Perez Jimenez and Lt. Col. Luis Felipe Llovera Paez, will probably remain in power; Lt. Col. Felix Roman Moreno, the armed forces chief of staff, may become the third member of the junta. No major disturbances will occur in the immediate future.)

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