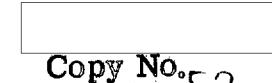


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SECURITY INFORMATION

26 April 1952



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Copy No. 52

CURRENT INTELLIGENCE BULLETIN

DOCUMENT NO. 54
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CLASS. CHANGED TO: TS-6

NEXT REVIEW DATE:

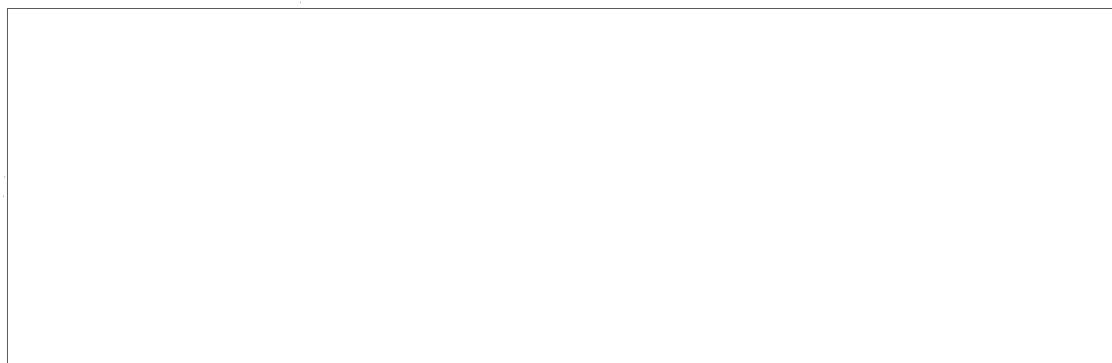
AUTH: HR 70-2

DATE 12-15-71 REVIEWER: 2001

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~~TOP SECRET~~**GENERAL**

1. North Koreans order increased hate propaganda for military units:

3.3(h)(2)

Comment: Although the enemy has consistently maintained that the UN grossly mistreated its prisoners of war, the current reaction to the new list handed to the Communist negotiators at Panmunjom, containing the names of only 70,000 enemy prisoners who would not resist repatriation, will probably reach new heights of invective.

The new attempt to intensify animosity may have a connection with coming military operations of which there have been some indications but no confirmation.

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SOVIET UNION

2. Fuel shipments for Soviet Far East sharply increased:

3.3(h)(2)

plan has been increased 60 percent over 1951.

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Comment: This is evidence of the increasing importance of the Lena River as a transportation artery for the Yakutsk area and of the city as a distribution center. It also underscores the importance of the mining and timber enterprises of Dalstroy, the MVD construction enterprise in the Soviet Far East.

The increased plan for river traffic follows the completion in November 1950 of the strategic Baikal-Amur-Magistral rail line connecting the Trans-Siberian Railway with the Lena.

FAR EAST

3. Soviet air unit at new base in central Manchuria:

3.3(h)(2)

a Soviet air detachment at Tungfeng, 120 miles northeast of Mukden. On the same day, six Soviet MIG-15's landed at Tungfeng.

* Three transports, probably of the Soviet 9th Air Army, made shuttle flights from Mukden and Anshan to Tungfeng between 16 and 23 April.

Comment: These developments suggest that a Soviet air unit, equipped with MIG-15's is now based at Tungfeng. The only Soviet MIG-15's previously known to be based outside of the Dairen and Antung area of Manchuria were in a small unit at Anshan, which may include the aircraft involved in the move to Tungfeng. This group has been associated with night interception over Korea.

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Tungfeng was reportedly reconditioned in 1951. The basing of a Soviet air unit there may signify Russian interest in the protection of potential targets in central Manchuria, such as the important hydro-electric installation near Kirin.

SOUTH ASIA

4. Nehru condemns United Nations attitude toward Tunisian case: 3.3(h)(2)

Prime Minister Nehru

condemning
the UN position on the Tunisian case.

3.3(h)(2)

Nehru appeals to member nations to oppose the subordination of discussions to the convenience of the great powers. He reportedly declares that the United Nations will meet the same fate as the League of Nations unless its member states "unite under the banner of justice."

Comment: Nehru apparently formalizes the uniformly adverse South Asian public opinion on the United Nations' failure to consider the Tunisian case.

3.3(h)(2)

This is the second recent instance in which high Indian officials have suggested that the future of the United Nations is uncertain and that its existence may be brief.

3.3(h)(2)

5. India will need extensive external assistance in 1952-53:

Ambassador Bowles reports that India's need for external assistance during the coming fiscal year will be between 260 and 285 million dollars, and that all but about 25 million must come from the United States.

3.3(h)(2)

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He states that the present Indian Government is unlikely to survive if it fails to meet the goals of its current five-year plan, adding that no one in New Delhi believes these goals can be met without foreign aid.

Comment: The above figures emphasize again the magnitude of the task facing the Indian Government in achieving economic stability. They also suggest that last year's 190 million dollar loan to India for the purchase of wheat was merely the first of a series of similar requests to be expected in the future.

NEAR EAST - AFRICA

6. Israel seeks British loan to meet oil payments:

3.3(h)(2)

a six million pound loan to enable Israel to meet its sterling obligations to the Shell Oil Company during the next few months. The request is given urgency by a Shell Company decision that it cannot grant further credit for the distribution of oil products in Israel beyond 30 April.

The American Ambassador in London states that Britain will probably refuse the requested loan since its financial position is critical and such a loan would further antagonize the Arabs. The British also believe that Israel has sufficient dollars to meet its financial obligations to the Shell Company.

Comment: Britain turned down a similar request for a loan in February. Israel's serious financial situation is underlined by its concurrent request to the United States to make available in advance several million dollars of MSA funds to meet its immediate dollar crisis.

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7. Egypt may take Suez dispute to UN:

Prime Minister

3.3(h)(2)

Hilali Pasha may take the Anglo-Egyptian dispute to the United Nations if he decides that "negotiations with the British are fruitless."

Comment: In 1947, Egypt tried without success to obtain a Security Council decision against Britain. Any new attempt by the Egyptian Government to obtain a UN solution of the dispute would probably be made in the General Assembly.

WESTERN EUROPE

8. France cannot again expect UN support for its Tunisian policy:

3.3(h)(2)

any appearance of reneging on the promises of reform in Tunisia, any resort to force, or even over-harsh repression of demonstrations would cause the Tunisian question to be raised again in the Security Council or General Assembly.

3.3(h)(2)

the French delegation was morally isolated during the recent Security Council action, and even Britain's support was tinged with embarrassment and mental reservations. The feelings of all UN groups ranged from open to moderate disapproval, "never any sympathy or approval."

Comment: The Quai d' Orsay's recommendations for reform have been drastically revised, and no concessions to Tunisian desires for autonomy are now envisaged.

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9. Adenauer blames Schuman for Saar accord failure:

[Redacted] Chancellor Adenauer has asserted privately 3.3(h)(2) that French Foreign Minister Schuman agreed in their March conversations that the Saar legislature to be elected this fall should decide whether the economic union with France should be maintained or allowed to "vanish in some sort of Europeanization." 3.3(h)(2)

Comment: [Redacted]

[Redacted] Adenauer and Schuman, whose position in the French Cabinet is insecure, both seem to have conceded more than their legislatures would permit. Adenauer agreed to the Saar's political separation from Germany, and Schuman to a review by the Saar legislature of the economic union.

The French are willing to discuss no more than the political future of the territory, and Schuman recently promised the Council of the Republic that France would continue to insist on maintenance of the 1950 economic conventions with the Saar.

Adenauer told the Bundestag on 23 April that the minimum French demands left little hope for French-German negotiations at this time.

LATIN AMERICA

10. Comment on possible disturbances in Ecuador this week-end:

Reports from Quito indicate that this week-end may be a crisis point in the stormy Ecuadoran election campaign. Rumors that several army leaders, including the Minister of Defense may attempt a revolution today are now added to the virtually certain prospect of major street clashes when the controversial presidential candidate Velasco Ibarra arrives in Quito.

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The withdrawal on 20 April of the left-wing coalition candidate and the resignation of the entire cabinet on 23 April have increased the likelihood of serious disturbances.

President Galo Plaza is continuing his efforts to maintain order and insure an orderly election. His efforts may fail, however, unless he can persuade the army high command and the adamantly anti-Velasco Socialists to observe constitutional procedures.

11. Chilean Foreign Minister fears Bolivian crisis affects South American stability:

3.3(h)(2)

[redacted] the crisis might worsen and that he has unconfirmed information that Paraguay is about to align itself with "the La Paz-Buenos Aires axis," which "would dangerously compromise the existence of the last two democracies in this part of the world, Chile and Uruguay."

Comment: Chilean and Peruvian officials have expressed fear that any new disorders in Bolivia might eventually spread to their countries. The Brazilian Government believes that the new Bolivian regime is not sufficiently stable to prevent another coup.

An Argentine newspaper reported on 24 April that the Paraguayan Government had uncovered a revolutionary plot and had deported at least 40 persons accused of being opposition leaders.

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