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GENERAL**1. Turkey suspects Yugoslav motives in Balkan Pact:**

[Redacted]

Pact.

[Redacted]

In conversations with the American army attaché, the Turkish deputy minister of national defense and the acting G-2 of the Turkish general staff indicated "deep distrust" of Yugoslav motives in the Balkan

Turkey intends to postpone indefinitely further military talks unless its suspicions are allayed.

Comment: This is the first occasion on which Turkish officials have voiced any suspicion of Yugoslav motives in Balkan Pact relations. These fears can have a damaging effect on Balkan Pact planning. The scheduled tripartite military meeting has been postponed until mid-March.

Greek officials, representing the third partner in the Balkan Pact, have recently expressed confidence in Yugoslavia's alignment with the West.

FAR EAST**2. Yoshida confident scandals will not compel his resignation:**

[Redacted]

On 25 February Prime Minister Yoshida, through his foreign minister, informed Ambassador Allison that the implication

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of lesser members of his party in the financial scandals will not compel him to dissolve his cabinet. Yoshida, after a personal investigation, is convinced that no member of the cabinet or top-ranking official of the Liberal Party is involved and is confident that he will weather the storm.

Comment: Since none of the conservative parties desires new elections at this time, Yoshida may be able to survive the crisis by sacrificing a few relatively minor figures. The fate of his cabinet, however, still hinges on the extent to which top members may be implicated with indisputable legal evidence.

3. Taipei presses for immediate security pact with United States:

The Chinese Nationalist foreign minister told the American chargé on 24 February that this is the psychological moment for concluding a mutual security pact between his country and the United States. He argued that since the forthcoming Geneva conference is regarded by many Chinese Nationalists as a step toward admitting Communist China to the United Nations, the signing of the pact would provide strong reassurance that the United States will "not let free China down."

Comment: The Nationalists have long been seeking such a pact to formalize the existing American commitment to the defense of Formosa. They also have an abiding suspicion, stimulated by the agreement on the Geneva conference, that the United States may be induced by its major allies to compromise with the Chinese Communists at Nationalist expense.

SOUTHEAST ASIA

4. Navarre criticizes Bao Dai for his inertia:

General Navarre told Ambassador Heath on 24 February that he would not be able to "break the back" of Viet Minh resistance

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within 15 months as he had planned unless the Vietnamese government provides him with the anticipated additional battalions "ready for serious combat." He observed that a national war spirit could hardly be expected when Bao Dai remained removed from his people, and said that if he had the power, he would be tempted to order Bao Dai to take up residence in Saigon within 15 days or relinquish his authority over the Vietnamese government and army.

Comment: Bao Dai's policy is to move gradually toward more direct and active leadership of the Vietnamese government as that government increases in strength. There is little prospect that the French can induce him to accelerate his pace.

SOUTH ASIA

5. Nehru receives news of military aid to Pakistan calmly:

Nehru's reaction was "surprisingly pleasant" when Ambassador Allen informed him on 24 February that President Eisenhower's decision to grant military aid to Pakistan would be announced the next day. In response to Allen's statement that the action was in no way aimed against India, Nehru replied that he had never believed the United States wished to harm India, but that he had been concerned over possible Hindu-Moslem friction following the grant of aid.

Allen commented that Nehru might issue a public statement strongly condemning the American action. The ambassador foresaw no serious public demonstrations, however, and hoped that discussion on the subject would diminish in a few days.

NEAR EAST - AFRICA

6. Comment on situation in Egypt:

Relinquishment of all offices by Egypt's President Mohammad Nagib on 24 February and assumption of leadership by Colonel

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Abdul Gamal Nasr formalize a situation which has existed for several months. This development is not likely to bring any immediate significant changes in internal affairs or in foreign policy, since Nasr has practically controlled both while the ill and discontented Nagib served as the popular figurehead.

Nasr has been involved in the day-to-day negotiations with Britain on the Suez issue. He believes that the present regime has already gone further in making concessions to Britain than any previous Egyptian government. It is doubtful that he will yield any more in the absence of new British moves, but he will not necessarily be more difficult. He may be expected to maintain internal order, preferring political and diplomatic measures to guerrilla warfare as a means of bringing about a Suez settlement.

Without Nagib as a front, the military dictatorship may appear more starkly to be what it is. The absence of Nagib may deprive the regime of considerable genuine popular support and necessitate greater reliance on police measures. Lacking a counterbalance, Nasr may become more arbitrary in his internal and external relations, and there may be more friction within the governing army clique.

WESTERN EUROPE

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Comment: Although Italian Foreign Ministry officials recently told the American embassy that Scelba planned to present the EDC draft bill to parliament "within three or four weeks" after receiving a vote of confidence, Zoppi's statements reported above are more in line with Rome's past and possibly current position on this issue.

LATIN AMERICA

8. Plans for disturbances during Caracas conference reported:

[redacted] Representatives of the four largest Venezuelan political parties opposed to the present regime met [redacted] [redacted] to discuss plans for disturbances and propaganda activities during the Inter-American Conference, [redacted] Among the projects discussed was a general strike "if conditions permit." [redacted] two of the groups, the outlawed Democratic Action Party and the Communists, may attempt to create a "second Bogotazo" even though this apparently was not discussed at the meeting.

The government is confident, however, that it can thwart any of these plans. Police and army leaders reportedly met [redacted] to discuss preventive measures, including the disposition of tanks and automatic weapons.

Comment: Representatives of these four groups reportedly failed at a meeting [redacted] to agree on a joint attitude toward the Caracas conference. Since these four parties include the moderate Christian Socialists and the Republican Democrats, who together won a majority of the popular vote in the November 1952 elections for the present Constitutional Assembly, agreement among them now on a joint position would create a situation potentially much more explosive than would be likely from any plans for violence by the Communists or the Democratic Action Party alone.

The security precautions taken by the government for next month's conference far exceed those taken for the 1952 election and for the attempted general strike last year.

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LATE ITEM

9. Comment on Syrian revolt:

[Redacted]

The ouster of President Shishakli by an alliance of military and civilian malcontents may plunge Syria into a new struggle for power between the two elements, even though it offers the prospect of restoration of the constitutional government abolished five years ago. The military leaders, largely unidentified, who were instrumental in removing Shishakli almost immediately announced that they were returning the government to the people and proposed former president Hashim al Atasi as a possible new chief of state. The aged Atasi offers little more than an official rallying point.

The years of tight dictatorship have eliminated most of Syria's able politicians and have resulted in the suppression of political parties. It will accordingly be difficult to re-establish bonafide constitutional government. Moreover, the forces which overthrew Shishakli have no unifying element other than opposition to his regime. There will be strong temptation for Syrian army officers to continue the well-established pattern of military dictatorship.

In the chaotic period ahead an opportunity will be afforded for feverish maneuvering on the part of those opposing and favoring union with Iraq.

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