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SECURITY INFORMATION

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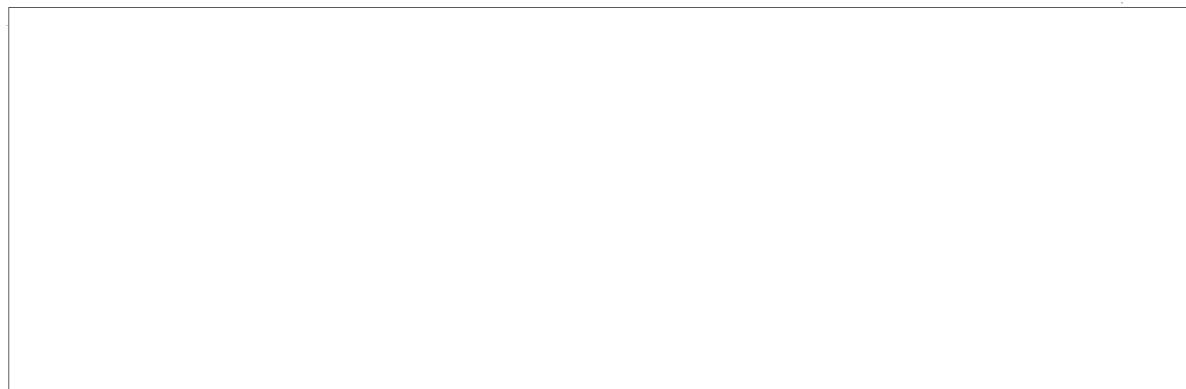
DATE 12-6-59

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Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY



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S U M M A R Y**USSR**

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USSR

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3.3(h)(2)

FAR EAST

2. Japan - Nationalist China treaty considered not applicable to mainland:

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Acting Japanese Foreign Minister Okazaki stated that the proposed Japan-China peace treaty would not apply to the Chinese mainland. In Okazaki's opinion, the phrase in Yoshida's 24 December letter to Ambassador Dulles regarding territories which might pass ultimately to Nationalist control referred only to the islands still being contested by the Nationalists and Communists.

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Comment: Yoshida's letter stated that the treaty shall "be applicable to all territories which are now, or which may hereafter be, under the control of the National Government of the Republic of China."

Okazaki's remarks are consistent with Japan's attempt, during the current negotiations, to avoid any phraseology or commitment which would imply current or future Nationalist sovereignty over the mainland.

3. Swiss hesitate to protect French interests in Shanghai:

The Swiss Minister to China is reluctant to grant France's request that his Consul General in Shanghai protect French interests there,

3.3(h)(2)

The Swiss Minister indicated that any action on behalf of French interests by Swiss representatives in Shanghai might arouse the animosity of the local Chinese authorities toward French nationals, but agreed to instruct the Consul General to use his good offices "personally and discreetly" to assist French interests.

3.3(h)(2)

Comment: France does not recognize the Peiping regime and is withdrawing its consular officials from Shanghai. The Swiss, in keeping with their traditions of diplomacy, may agree to look after French interests in China, provided the French request covers all of China and not just Shanghai.

4. American Minister analyzes rumors of French negotiations with Viet Minh:

Minister Heath in Saigon credits assurances given last month by Minister for Associated States Letourneau, and more recently by other high officials, that the French Government is not now engaged in, or considering the opening of, negotiations with the Viet Minh. Heath expresses the view, however, that some statements of French leaders on this subject are equivocal and do not preclude consideration of an offer for negotiations by the Viet Minh or a neutral like India.

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Minister Heath is convinced that the French would not initiate negotiations "at this precise time," and believes that the Viet Minh would refuse to deal with the French.

Comment: For some time rumors have persisted in Saigon and Hanoi that French officials have been, or have been on the point of, negotiating, or planning truce negotiations, with the Viet Minh. There is no evidence to substantiate these rumors.

NEAR EAST - AFRICA

5. Iranian Army concerned over possibility of British subversive activities:

The Iranian General Staff in Tehran on 29 February warned subordinate units along the Iraqi border to be on guard against Iraqis, posing as religious leaders, whom the British are sending

into Iran "to stir up discontent among the Iranian people with subversive propaganda."

3.3(h)(2)

Comment: Since the beginning of the oil dispute, Iranian military traffic has frequently mentioned suspicions of British subversive activity. While there is no evidence that the British are trying to arouse discontent, [redacted] do indicate that Iran is worried over the possibility of British action aimed at overthrowing the government in order to obtain a favorable settlement of the oil dispute.

3.3(h)(2)

6. American Ambassador pessimistic about British-proposed joint statement on Egypt:

The American Ambassador in Cairo believes that the statement the British Cabinet proposed as a joint Anglo-Egyptian communique for the treaty negotiations represents a "degree of progress," but is "not nearly enough" to arouse Egyptian action. He is particularly disturbed by the British assumption that Egypt would accept a verdict on the Sudan from a Sudanese cabinet and parliament selected entirely by the British.

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According to the Ambassador, his British colleague has discussed the proposed communique with Prime Minister Hilali and with an adviser of the King only in general terms, because he feels that the proposed statement concedes so little that it might disrupt the negotiations.

Comment: A Foreign Office official in London, while admitting that the British statement offers little on the Sudan question, has explained that the draft nevertheless represents the maximum concessions which the British Cabinet can make at this time.

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