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30 March 1952

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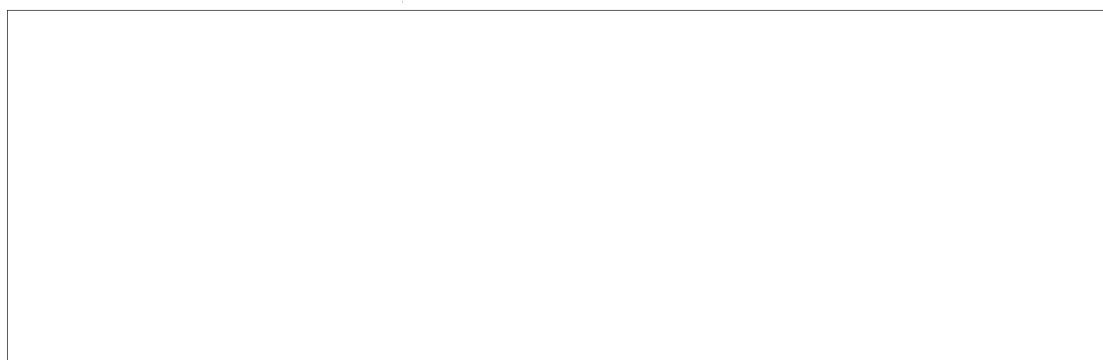
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Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY



3.5(c)

~~TOP SECRET
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~~TOP SECRET~~**S U M M A R Y****FAR EAST**

1. Communists report BW attacks in South China (page 3).
2. Chinese aid to the Viet Minh increased (page 3).

NEAR EAST - AFRICA

3. Greek Government split over issue of condemned Communists (page 4).
4. France may soon face Security Council discussion on Tunisian policy (page 5).

WESTERN EUROPE

5. Allied authorities oppose joint Trieste administration with Italy (page 5).
6. Withdrawal from Indochina foreseen as French political issue (page 6).
7. Spain favors Portuguese participation in military talks with United States (page 7).
8. New Soviet election proposals for Germany held possible (page 7).

L A T I N A M E R I C A

9. Bolivia considers lower price in new tin negotiations (page 8).

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FAR EAST

1. Communists report BW attacks in South China:

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[redacted] Officials of the Telegraph Bureau at the city of Chiehyang near the southeast China coast have reported to their superiors that two enemy planes "released poisonous germs" there on 22 March. The officials declared that "cholera, typhus, and cerebral meningitis" germs were dropped and urged that since local medical facilities were inadequate, preventive medicines for these diseases, as well as for plague, be sent immediately.

Comment: Peiping has previously accused the United States of BW attacks in Korea, Manchuria, and North China. The allegation of an attack in South China came from minor officials and has not yet been picked up in Peiping's propaganda.

2. Chinese aid to the Viet Minh increased:

3.3(h)(2)

[redacted] [redacted] in Indochina states that Chinese Communist aid to the Viet Minh has greatly increased since September 1951; a total of 4,000 tons of materiel was supplied during the last quarter of that year. He cites as proof of increased assistance the recent use by the Viet Minh of light antiaircraft guns, 75-mm artillery and flame throwers. He says that Soviet advisers are present in undetermined numbers.

The official points out that no Chinese units have been identified in action in Tonkin nor is there any evidence that Chinese troops have been integrated into Viet Minh formations. There are, however, 1,800 to 2,000 Chinese technical and administrative advisers in Tonkin serving in units down to the regimental level.

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Comment: While the use of 75-mm artillery by the Viet Minh has been established, there have been no previous credible reports that the Viet Minh possesses or has employed antiaircraft guns or flame throwers.

This is the first time [redacted]
reported the presence of Soviet advisers in Indochina.

3.3(h)(2)

Although up to 15,000 Chinese technical personnel have been frequently reported in Tonkin during the past six months, [redacted] has never estimated the number above 5,000.

3.3(h)(2)

NEAR EAST - AFRICA

3. Greek Government split over issue of condemned Communists:

[redacted] Greek government leaders are split over the policy to be adopted in the case of the Communists recently condemned to death for espionage. Their sentences are now under review by the Board of Pardons, and Acting Prime Minister Venizelos has informed the American Ambassador that he is determined to carry out the Board's recommendation. Prime Minister Plastiras, however, who formerly favored executing the Communists, is now reportedly seeking to prevent the executions or at least to limit them to the less prominent Communists.

3.3(h)(2)

Comment: Left wing leaders of Plastiras' party have threatened to bolt and thus cause the government's fall, if the major Communists are executed. The opposition, on the other hand, has already attacked the government for leniency in releasing political prisoners and might well bring about its fall if the sentences are commuted. In view of the consequences involved, government leaders will probably choose a solution such as that advocated by Plastiras or place the final responsibility for a decision on the King. Even these maneuvers may be unsuccessful in keeping the government in power.

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4. France may soon face Security Council discussion on Tunisian policy:

According to the Pakistani representative on the UN Security Council, the Arab-Asian bloc has definitely decided to raise the question of France's Tunisian policy, possibly on 2 April.

3.3(h)(2)

The French UN delegates are relying heavily on the "new situation" following the Bey's capitulation, which they estimate will be at its optimum for the next few days, and are not now inclined to resist an early session of the Council.

Comment: At present the Arab-Asian bloc is confident it can muster at least six of the seven votes needed to place the issue on the Security Council agenda.

France's success in forcing the Bey to appoint a new cabinet may temporarily relieve the situation in Tunisia, but probably will increase international criticism of France's methods and policy there.

WESTERN EUROPE

5. Allied authorities oppose joint Trieste administration with Italy:

The British Commander in Chief and the American and British Political Advisers in Trieste believe that Italian participation in the Anglo-American administration and military occupation of Zone A would directly involve the United States and Britain in every Italo-Yugoslav dispute over the Free Territory. They point out that such participation would facilitate Italian control of the police and create a situation inimical to the maintenance of law and order whenever there was disagreement on policies.

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As an alternative they suggest the withdrawal of all Allied forces from Zone A. While this suggestion would not satisfy Italy, it would almost certainly make permanent the present boundary between the two zones.

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Comment: The Italians probably hope to use joint participation as a wedge for eventually taking over the entire military as well as civil administration of Zone A.

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Yugoslavia would undoubtedly look upon Italy's participation in the Allied administration of Zone A as "carte blanche" to consolidate its hold on Zone B.

6. Withdrawal from Indochina foreseen as French political issue:

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The US Ambassador in Paris reports the consensus of various party leaders that the Pinay government will be succeeded in the late summer or early fall by a coalition including the Socialists and possibly the De Gaullists as a result of a popular reaction against Pinay's eventual failure to solve France's financial difficulties.

The Ambassador also reports wide agreement that Indochina may soon re-emerge as a major internal political issue. He cites the prediction of a Radical Socialist leader that unless increased American assistance were forthcoming, withdrawal from Indochina would become a rallying point for the new coalition.

Comment: In view of the Pinay government's refusal to increase taxes to meet France's major commitments, there will be steady pressure for additional American aid not only to maintain the military position in Indochina but to help stabilize the economic and political situation at home. Public sentiment is also likely to prefer withdrawal to further financial sacrifices.

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7. Spain favors Portuguese participation in military talks with United States:

The Chief of the Spanish High General Staff has told the Portuguese Ambassador in Madrid that Portugal should be included in American-Spanish military negotiations in order that a trilateral pact, rather than the intended bilateral agreement, can be arranged. Another Spanish General Staff officer remarked that Franco himself held a similar opinion. The officer called attention, however, to the strong resistance such a tripartite pact would cause in France, Britain, and the United States.

3.3(h)(2)

The same officer reiterated Spain's wish to avoid membership in NATO, as well as any commitments to the United States beyond the immediate defense of the Iberian peninsula.

Comment: Portugal has consistently maintained that considerations of Iberian defense have a higher priority than its commitments under NATO to western European defense as a whole. It undoubtedly feels that, as US-Spanish military arrangements will directly affect Portuguese security interests, Portugal should have a voice in these arrangements.

8. New Soviet election proposals for Germany held possible:

In the opinion of the High Commissioner's office in Berlin, the Allied note of 25 March may encourage the Soviet Union to advance bolder proposals for free all-German elections, since the note seems to stress the importance of German integration with the West over German unity. Such Soviet proposals might offer more liberal inspection and election procedures involving the participation of the Allied powers and other "interested nations."

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A new Soviet offer might be difficult for the Allies to turn down without arousing suspicions that they will insist on integration before discussing any compromise election offer, no matter how reasonable.

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Comment: A modified Soviet election offer might find fairly wide acceptance in West Germany. The initial reaction of both the German Party and the Social Democratic Party to the Allied note was that it went too far in emphasizing Western integration and not far enough in stressing unity.

Mayor Reuter of West Berlin believes that the Soviet Union will make additional election concessions.

LATIN AMERICA

9. Bolivia considers lower price in new tin negotiations:

[Redacted]

Bolivian tin producers now in Washington intend to propose a price of 1.39 dollars a pound, c. i. f. New York, with the possibility that this price will be reduced if it is not accepted by the United States. The Bolivian

3.3(h)(2)

Ambassador informed his Foreign Office that he had made no objection to this proposal, in view of previous instructions authorizing him to indicate that Bolivia would accept less than 1.50 dollars. He did, however, point out the inadvisability of gradually lowering the price instead of making a firm proposal.

Comment: There are indications that Bolivia may be willing to accept a price only slightly higher than the 1.215 dollars a pound established for Malayan tin. The Bolivian Government is extremely anxious to conclude an agreement, because it believes that if its new efforts fail, it will be unable to continue to restrain anti-American elements. Since Bolivia depends on tin for approximately 70 percent of its foreign exchange earnings, the year-long delay in negotiations has resulted in considerable economic hardship.

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