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3.3(h)(2)

30 January 1954 3.5(c)

Copy No. 84

CURRENT INTELLIGENCE BULLETIN

DOCUMENT NO. 37
NO CHANGE IN CLASS.
 DECLASSIFIED
CLASS. CHANGED TO: TS S C
NEXT REVIEW DATE: 2009
AUTH: HR 70-2
DATE: DEC 1959 REVIEWER:

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

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GENERAL1. Soviet diplomat comments on Berlin conference:

[Redacted]

A counselor of the Soviet embassy in London, who has previously been used to disclose Soviet policy, told an American diplomat on 28 January that he believes

it is idle to hope for progress on Germany and Austria at Berlin. He said these problems can be solved only after the Western powers have shown their willingness to relax tensions through agreement to outlaw atomic weapons, abandon advance bases and reduce armed forces by a given percentage.

He said that rumors of the presence of 12 Chinese Communist representatives in Berlin were "absolutely without foundation," but that the presence in the Soviet delegation of M. T. Fedorenko, the foremost Soviet expert on China, was "significant."

He further asserted that Moscow and not Peiping took the initiative in insisting that the USSR could not attend a Korean political conference as a member of the Communist side.

SOVIET UNION

2. USSR prepares to open new oil field in the Stalingrad region:

[Redacted]

[Redacted]

Earlier in 1953, planning for the Stalingrad refinery had been delayed, apparently in order to adapt it as required by the type of crude oil anticipated from that region.

Comment: The organization of the work near Stalingrad as an oil trust rather than as a prospecting trust provides the first evidence that there is already some production. Since 1946, extensive geological surveys have been conducted in this region,

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which the Soviet press has asserted would become "a second Baku." The diversion of crews from new drillings in Azerbaijan, where the Baku fields are located, indicates that Soviet planners expect this area to justify an expanded effort.

SOUTHEAST ASIA

3. American observers report on supply of ammunition at Dien Bien Phu:

A team of American officers who recently visited Dien Bien Phu reported on 28 January that the French artillery commander there estimated he had on hand only four to six days' supply of 105mm and 155mm ammunition.

Intermittent rains are causing concern over the condition of the main airstrip, where about 50 C-47's are landing daily. Twenty C-119 airdrop sorties are flown daily, a rate sustainable for only six days if enemy action were to prevent the recovery of the heavy drop parachutes.

Comment: The artillery commander's estimate contrasts with a 4 January figure from French headquarters of 30 days' supply. The headquarters figure covering all categories of ammunition may have emphasized the smaller calibers. The field commander may also be exaggerating his supply needs.

NEAR EAST - AFRICA

4. Saudi Arabia increasing its pressure on TWA to stop air service to Israel:

Saudi Arabia is increasing its pressure on TWA to discontinue air service to Israel, according to Ambassador Wadsworth. Acting Foreign Minister Yassin stated that the

Saudi government boycotts commercial enterprises with branches in Israel and that if TWA continues its flights to Israel, the government will have "to re-examine its relationship with TWA."

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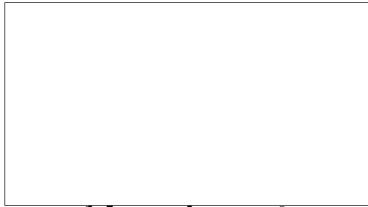
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Yassin implied that the boycott has been accepted in principle by all the Arab League countries, and that if put into effect, it would prevent any foreign airline serving Israel from landing in or overflying the Arab states.

Comment: This is the strongest effort yet made by Saudi Arabia to force TWA to suspend air operations into Israel. TWA not only operates flights to Dhahran but also serves and manages the Saudi Arabian Airline.

LATIN AMERICA

5. Chilean ambassador urges prompt submission of copper bill:



The Chilean ambassador [redacted] recommended to his government that it submit its draft copper bill to the legislature without further negotiations with the United States. Such action, he said, would confirm the government's decision to promote legislation "free from any possible pressure" and would clarify the position of the United States government.

Comment: The ambassador apparently believes that the United States will begin to purchase Chile's copper stocks as soon as a new copper bill has been presented to the Chilean congress, although he has been informed repeatedly that this is unlikely.

The new copper bill defining the status of the American companies is believed to be unsatisfactory to them. Earlier this week President Ibanez reportedly reacted "violently" to what he considered intervention in domestic Chilean legislation by the American companies and the American ambassador, and went on record as favoring provisions disadvantageous to the companies.

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