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CENTRAL INTELLIGENCE AGENCY

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GENERAL

1. USSR favors UN atomic agency with "universal" membership:

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[Redacted] Soviet ambassador Zarubin is reported to have told the Yugoslav UN delegate that the USSR believes the development of atomic energy for peaceful uses should be directed by a "UN agency" with "universal" membership, rather than a specialized agency. Ambassador Lodge comments that by an agency with "universal" membership, Zarubin presumably means one including Communist China.

Zarubin also said that the conference of experts proposed by the West to explore means of developing peaceful uses of atomic energy should be a "UN conference," [Redacted]

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Comment: The "UN agency" suggested by Zarubin presumably would be subject to a Soviet veto in the Security Council. An international atomic energy agency as envisioned by the Western powers would be a specialized agency with indirect ties to the UN. Under the Western plan, agency membership would be open to all members of the UN and its specialized agencies. This would exclude Communist China.

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2. Dutch seeking American support on New Guinea question in UN:

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[Redacted] Dutch co-foreign minister Luns has told Ambassador Matthews that the Netherlands will not accept any UN resolution, no matter how mild, on New Guinea. He added that his parliament found it hard to understand why the United States and other countries do not openly support the Netherlands on this issue.

Luns also expressed the belief that the United States was abstaining on the New Guinea question in the UN out of fear that the Communists might be strengthened if Indonesia were defeated on this issue. He had heard that moderate Indonesians

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were, on the contrary, privately urging UN delegations to vote against the Indonesian draft resolution on New Guinea since success in this matter for the present incompetent regime would not be in Indonesia's interest.

Comment: Luns has told the Dutch press that the current atmosphere in the General Assembly is much more favorable toward the Netherlands than it was before Indonesia received its independence.

Should Indonesia fail to obtain satisfaction in the UN, it will probably initiate more drastic action against the Dutch in Indonesia.

SOUTHEAST ASIA

3. Viet Minh chief in Hanoi shows friendly attitude toward British mission:

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[Redacted]

General Vuong Thua Vu, chief of the Hanoi administration, told British consul general Baker during a friendly meeting on 3 November that the Viet Minh would

be pleased to enter into relations with the British mission. According to Baker, Vu indicated by unfriendly references to the United States that the British in Hanoi would be accorded a different status and treatment from the Americans. Vu specifically charged that the United States is obstructing Viet Minh efforts to import gasoline.

Comment: This Viet Minh attitude is in line with the general Orbit policy of trying to drive a wedge between the United States and its major allies.

The American consul reported on 1 November that the next Viet Minh move might be direct expulsion or an order silencing the consulate's radio transmitter. A third possibility he fears is a refusal to permit the consulate to have legal access to local currency. The consulate's present supply of currency was provided by the French in a one-time deal and will be expended by the end of November.

4. Early Indonesian recognition of Associated States of Indochina unlikely:

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[Redacted]

Public opinion in Indonesia makes it politically impossible to recognize Vietnam, according to members of an Indonesian mission now visiting Indochina to study the question of recognizing the Associated States. They expressed to the American ambassador in Phnom Penh considerable doubt that Indonesian public opinion would permit recognition even of Cambodia and Laos. They said their people regard Indochina as an entity with two opposing champions, one good and one bad, in the persons of Ho Chi Minh and Bao Dai.

The leader of the mission said, however, he would recommend that Indonesia send a representative to reside in Phnom Penh with the purpose of ultimately granting de jure recognition. He thought a possible solution to recognition of Vietnam would be to accredit consuls resident in both Hanoi and Saigon.

Comment: Most Indonesians have regarded Ho Chi Minh as a nationalist leader and Bao Dai as a French puppet. Indonesian leaders, moreover, have tended to consider recognition of the Associated States as tantamount to siding with the West and thus inconsistent with their government's "independent" foreign policy.

Anxiety over Communist encroachment in Southeast Asia, however, and Burma's example of recognizing Laos and Cambodia appear to have prompted Indonesia to consider recognition more seriously than heretofore.

SOUTH ASIA

5. Pakistani government to abolish provincial governments:

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[Redacted]
[Redacted] Karachi intends to abolish all provincial legislatures and reconstitute

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the country into two governmental units--presumably East and West Pakistan--under a strong national government with a unicameral legislature. [redacted] the dissolution of the Bahawalpur State legislature and cabinet, which was carried out on 3 November, was the first step in this plan.

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Comment: Principal purpose of the reorganization presumably is to reduce the power of East Pakistan in the national legislature, where the more populous East Pakistan now controls the majority of the seats. The two new units presumably would have equal standing. The recent coup against the central government was led by East Pakistanis. There is little likelihood that East Pakistanis can prevent the reorganization.

The change apparently will be accomplished prior to elections for a new Constituent Assembly. It is still too early to determine whether the plan would be acceptable to a new Assembly, but the governor general and his supporters are unlikely to face this problem in the near future.

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EASTERN EUROPE

7. Czechoslovakia quietly releasing many imprisoned during Slansky trial:

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Czechoslovakia's recent release of Israeli citizen Shimon Orenstein, who had been implicated in the Slansky purge trial in 1952, coincides with the current policy of quietly releasing many of the individuals imprisoned during the Slansky indictments, according to the American embassy in Prague.

Comment: This is the first indication that Czechoslovakia, like Hungary and to a lesser extent Bulgaria, has begun to release citizens involved in major purge trials during the Stalin era.

These releases may parallel developments in Hungary, where the freeing of several "national deviationists" is part of a pattern of current efforts to utilize nationalism as a stimulus to morale. The original accusations against those being released in Czechoslovakia, however, are not yet known.

The announcement of Orenstein's release from a sentence of life imprisonment followed by only a few days the Polish announcement of the freeing of American citizen Hermann Field.

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LATIN AMERICA

8. Honduran president may extend own term in face of election stalemate:

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[REDACTED]

Honduran president Galvez gave Ambassador Willauer the "definite impression" on 2 November that he now favors continuing in office beyond his constitutional term in order to prevent the Liberal Party from gaining power in the current electoral deadlock. The president charged that the Liberal leaders, including the party's presidential candidate, are strongly influenced by Communism.

An influential adviser of the Nationalist presidential candidate, ex-dictator Carias, agreed with the ambassador on 3 November that the popular strength of the Liberal Party made a peaceful solution impossible without substantial Liberal participation in the next government.

Comment: Galvez' estimate of the degree of Communist influence among the Liberals is probably excessive. Some Liberal leaders are believed to have accepted Communist support in the past but currently profess a strong anti-Communist stand.

The Liberals, who won a much larger popular vote than either of the other two parties in the 10 October elections, are becoming increasingly bitter over electoral frauds committed against their candidates. They may resort to conspiracy and violence and become more vulnerable to Communist influence.

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