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FAR EAST

1. Pro-French faction purges opposition nationalists in North Vietnam:

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Under the vigorous direction of Nguyen Van Tam, Police Chief and close associate of Premier Tran Van Huu, drastic personnel changes have been made in the regional administration of North Vietnam. The list of expelled office-holders includes both members of the nationalist Dai Viet party and independent nationalists who have opposed, or been suspected of opposing, the policies of Premier Huu.

Comment: The reorganization of the North Vietnam administration began with Premier Huu's successful campaign to remove the able and intensely nationalistic Governor of North Vietnam, Nguyen Huu Tri. In late March, Tri was replaced by an official of meager ability whose amenability to the policies of the Huu cabinet has been demonstrated by his submissiveness to the purge tactics of Police Chief Tam. The current ascendancy of Huu and Tam, both of whom are naturalized French citizens and pro-French in sentiment, has undermined the effective North Vietnam administration that had been built up under the leadership of ex-governor Tri and has discouraged Vietnamese nationalists who oppose both Communism and continued French domination of Vietnam.

NEAR EAST - AFRICA

2. Iranian Shah plans strong measures in current crisis:

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US Ambassador Grady in Tehran reported on 16 April that significant political changes in Iran are anticipated in the very near future. According to Grady, the internal situation is becoming increasingly ominous -- with continued difficulties in the Isfahan textile industry and the general strike in Abadan -- and the Shah, almost in desperation, may look to Seyyid Zia Ed-Din Tabatabai as a successor to Prime Minister Ala. Grady

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suggests that the US should consider its position in this eventuality, for if the US supports Seyyid Zia, it will be stigmatized as identified with British interests in Iran. On the other hand, if the US fails to support him, Seyyid Zia will be deprived of an element of strength that he will need if he is to bring about stability at this time. The Ambassador concludes that support of Seyyid Zia is to be preferred, despite the attendant risks.

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[redacted] the Shah is prepared to install Seyyid Zia as prime minister within the next few days and to have the Majlis dissolved as soon as it has confirmed this appointment. This move is to be followed by decree rule and widespread arrests, which should render impotent the National Front and the various subversive elements in the country. At this time, Iran will abandon its neutrality policy and come out openly on the side of the West.

Comment: While Prime Minister Ala has appreciably strengthened his position in the last weeks and while the London press states that Ala has now received a vote of confidence from both houses of Parliament, Seyyid Zia and Qavam are continuing to maneuver politically to succeed Ala. The Shah's plan to install Seyyid Zia as a strong man, a plan consistently backed by the UK as the most feasible method of reversing Parliament's recent approval of the nationalization of Iran's oil, presents many difficulties. The oil issue is so controversial that the appointment of Seyyid Zia, with his reported UK connections, and dissolution of the Majlis without a firm commitment to hold new elections promptly would probably be followed by widespread popular disapproval and by increased internal disorder.

3. Comment on report of critical French-Moroccan relations:

According to a special dispatch to the New York Times, Resident General Juin has been engaged in emergency consultations with the government regarding the deteriorating relations between France and the Moroccan nationalists, including the Sultan. Juin is reported to have claimed that his presence is required in the Protectorate until at least 1 December to ensure order.

Juin had been slated to assume the command of the armed forces in the central sector of the European Army on 1 June.

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The New York Times article may have been "inspired" by the French because of (a) General Juin's dissatisfaction with the importance of his post in SHAPE, (b) his fear that any successor might yield to some of the Moroccan nationalist demands, (c) his belief that North Africa is more important to French defense than Europe, and (d) his suspicions regarding US activities in Morocco.

It is considered unlikely that the Moroccan situation has deteriorated to the extent implied in the article. Although the Moroccan nationalist parties have formed an alliance, no effective campaign in the near future is possible, in view of the restrictions imposed on nationalist activity as well as the pressure of a French army in Morocco large enough to put down native disorders.

EASTERN EUROPE

4. Comment on Yugoslav preparations for a break in relations with Hungary:

The Yugoslav Government has announced that the Swiss Government has been asked and has agreed to protect Yugoslav interests in Hungary in the event of a rupture of relations between Yugoslavia and Hungary. According to a government spokesman, this action was taken because of the obvious intent of the Hungarian Government to worsen relations between the two countries.

In 1949 the Cominform States and Yugoslavia began to withdraw their chiefs of missions and gradually reduce their diplomatic representations to token staffs. In November 1950 Yugoslavia suspended relations with Albania and closed the Albanian Legation in Belgrade. With this exception, the Yugoslav action with respect to Hungary marks the first time that any country on either side of the quarrel has prepared for a complete severance of relations. The Yugoslav initiative may be an attempt to strengthen Yugoslavia's propaganda position in the West and, at the same time, forestall an actual break in relations by placing Hungary in a disadvantageous propaganda position.

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5. Soviet controls tightened in Albania:



According to the Albanian radio, pro-Soviet Minister of Interior Mehmet Shehu has been appointed interim Minister of State Control by decree of the Presidium of the Albanian

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People's Assembly. Former Minister of State Control Manush Myftiu has been appointed Vice Premier.

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[redacted] in addition to harsh control measures previously instituted by the Stalinist hierarchy under Shehu, all privately owned radio sets have been seized and persons guilty of violating the current regulations concerning radios will be severely punished. Since the bomb explosion at the Soviet Legation on 19 February, all persons are reportedly searched before being permitted to enter any government office. "Special Police" units have now returned to their various headquarters and have resumed "normal activity," an action that may be a forewarning of mass arrests of nationalist suspects.

Comment: The appointment of Moscow-favored Shehu as Minister of State Control is a further indication of additional Soviet controls over Albanian internal affairs. Reports in recent weeks have revealed intensified Soviet efforts to maintain its domination in Albania in the face of a marked growth in resistance activity.

LATIN AMERICA

6. Comment on political tension in Bolivia:

A situation potentially dangerous to the stability of the government has developed in Bolivia, where the administration has thus far refused to allow the presidential candidate of the Nationalist Revolutionary Movement, Paz Estenssoro, to return from exile. Political tension has been mounting and there have been large-scale demonstrations by Paz supporters.

The Bolivian Minister of Government has stated that the administration does not intend to impose a state of seige or postpone the 6 May presidential elections. However, if it appears that Paz will be prevented from running in the elections -- either because he

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is not permitted to return to Bolivia or because his legal status as a candidate is not clarified -- the Nationalist Revolutionary Movement may resort to revolutionary activity. The government's ability to control a revolutionary situation will depend in large part upon the loyalty of the army.

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