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20 October 1951

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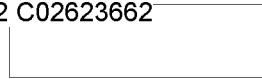
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GENERAL

1. Comment on Italian offer to mediate Anglo-Egyptian controversy:

Premier de Gasperi's offer of Italian good offices to mediate the Anglo-Egyptian controversy stems from a desire to improve Italo-Arab relations, to prevent further political instability in the eastern Mediterranean, and to guard against the economic losses that Italy would suffer from any prolonged closing of the Suez Canal.

De Gasperi stated that Italy could exert her best efforts to conciliate the national aspirations of Middle Eastern peoples with the necessity of defending the common Mediterranean civilization. This championing of Arab nationalism is probably an attempt to gain support from the Arab countries for Italian Peace Treaty revision, which the Arabs have viewed with some suspicion. In addition, the Italians are anxious to allay Egyptian hostility toward continuation of Italy's economic relations with the former Italian colony of Libya, soon to become independent.

In this instance it is probable that de Gasperi's stand is not as entirely favorable to the Egyptian position as would appear from his statements.

FAR EAST

2. Thai Embassy official fears Communist seizure of Phibun government:

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During the past two months there has been a substantial influx into Thailand of a Chinese Communist fifth column, according to a Thai Embassy official in Washington. He further states that

unless the Phibun government is successful in obtaining the support of certain opposition political elements, which it is now seeking, its fall before Communist-supported elements is imminent.

Comment: The US Air Attache in Taipei reported on 15 October that he had been informed of a definite Chinese Communist plan to overthrow Premier Phibun's regime in the latter part of November.

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Although coups d'etat are continuously being planned in Bangkok and a state of uneasiness has existed ever since the abortive coup attempt of last June, there is no information to confirm or deny these reports. Unless the Communists covertly obtain the support of a substantial portion of the Thai army or police forces or receive considerable support from Communist China -- which would have to be supplied through Burma or Indochina -- it would be extremely difficult for them to seize power in Thailand.

NEAR EAST

3. Egyptian Moslem Brotherhood resolves to conduct campaign of violence and terrorism:

3.3(h)(2)

According to information reaching the US Embassy in Cairo, the fanatic Moslem Brotherhood is planning to go ahead with a program of violence and terrorism, regardless of Egyptian

Government policy. One Brotherhood group has acquired 25 machine guns for use against the British.

Comment: The Moslem Brotherhood was banned in Egypt for two and one-half years for its terroristic activities, and is now permitted a semi-legal existence. There is evidence that it has had contacts with Communists. Its hard core membership may be only a few thousand; its adherents under present conditions may be many times more.

Although the Egyptian Prime Minister has asked his people to cease public demonstrations, and while the government may take stronger control measures, reports indicate widespread and violent popular attitudes which, under extremist guidance, may be uncontrollable.

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4. Anglo-Iranian Oil Company plans construction of refinery at Aden: 3.3(h)(2)

The US Consulate in Aden reports that the Anglo-Iranian Oil Company will soon build a refinery of approximately five million tons annual capacity in that British Crown colony at an estimated cost of 40 to 50 million pounds sterling. This project would take over two years to complete and would necessitate improving the Aden harbour and constructing loading and unloading facilities for tankers.

Local AIOC officials believe that the construction of a refinery at Aden reflects a change in British policy from refining at sources in non-British territory, as in the case of Abadan, to refining within British possessions.

Comment: The total production of the proposed AIOC refinery at Aden would amount to approximately one-fifth of the capacity of the large Abadan refinery. Since there are no proven oil fields in the vicinity of Aden, crude oil for the refinery would come chiefly from Iraq and Kuwait. With the Abadan refinery under Iranian control, the completion of a refinery at Aden would help the British to service Africa and the Middle and Far East more economically than from Western Europe.

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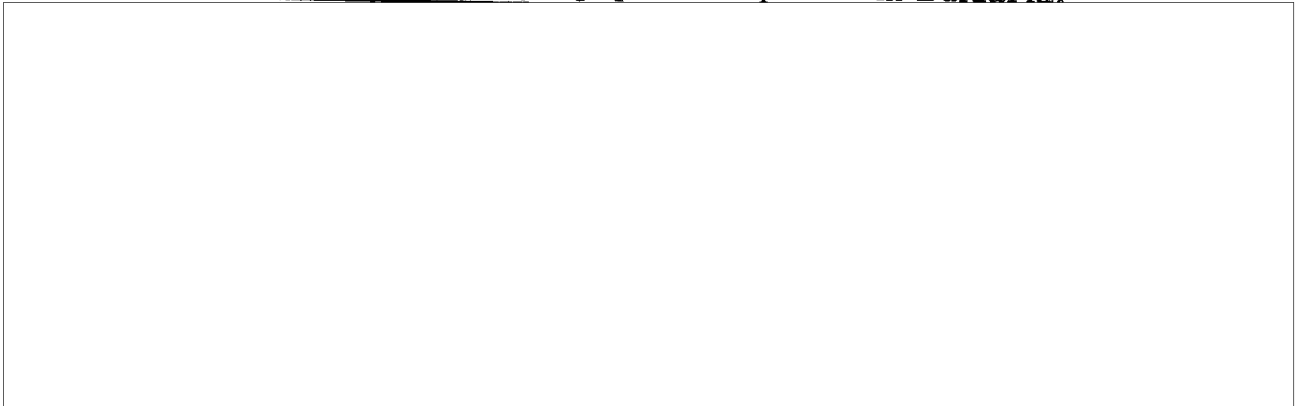
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**EASTERN EUROPE**6. Large influx of Soviet military equipment reported in Bulgaria:

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Comment: This is one of several unconfirmed reports received during the last month of the presence of unspecified types of aircraft with Yugoslav markings in the Cominform countries adjacent to Yugoslavia. A report, , had 3.3(h)(2) claimed that Soviet bombers with Yugoslav markings were to bomb a Hungarian town in mid-September in order to create an incident. On 24 September, Marshal Tito charged that bombers with Yugoslav markings were in Hungary, poised to attack Yugoslavia.

There were indications of considerable Bulgarian Air Force activity during 1951, which undoubtedly included the Bulgarian fighter division equipped with Soviet-made aircraft, stationed at Bozhuriste.

Bulgarian Army annual training is such as to place about half the country's divisions on the Yugoslav border during the summer, but there are no indications of an imminent move against Yugoslavia.

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7. Yugoslavs dissatisfied with motives for Western aid:

During General Collins' visit to Yugoslavia, Party theoretician Djilas advanced the current complaint that US support was based primarily on Yugoslav political and military defiance of the USSR rather than on the social and industrial progress which the Yugoslav Government is attempting to achieve internally. Djilas justified the present control of the Yugoslav Government by a small group as a temporary necessity because of the inadequate political education of the masses.

Comment: Djilas' remarks were probably meant as a warning that Yugoslavia will not tolerate any US or Western pressure to change its internal system. They may also be a reflection of Yugoslav concern that Western aid, disassociated from political support of the government, is encouraging popular resistance to the regime's internal policies.

WESTERN EUROPE

8. East Germans attempt to procure heavy industrial equipment from West German concern:

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Comment: One of the most critical shortages in East Germany is that of steel. Despite all efforts to increase the production of existing plants, the quantity and quality of available sheet steel cannot meet the demand.

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9. High Italian official discusses Communist strike and "peace" plans: *drafted*

[REDACTED] A "high official" of the Italian Ministry of Interior told US representatives in Rome on 17 October that leaders of the French and Italian Communist Parties had recently ~~dropped~~ plans for a series of wide-scale strikes in both countries. The strikes ostensibly were to be strictly economic in character.

The Italian official said there were as yet no signs that the working class in general was prepared to undergo the serious sacrifices such strikes would entail. He further pointed out that the Communists had not succeeded anywhere in putting on mass "manifestations" to step up the "peace" campaign. He declared that the most dangerous and damaging aspect of current Communist activities was the widespread house-to-house propaganda to the effect that the Italian Government's support of American policies, and particularly participation in the Atlantic Pact, meant war.

Comment: This is the first definite information on Communist strike plans since midsummer when the Communists were reported planning European-wide crippling strikes this fall against US aid. There are no indications that such strikes are imminent in either France or Italy.

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22 October 1951

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Correction to

CURRENT INTELLIGENCE BULLETIN
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The first sentence of article 9, page 8 should read:

A "high official" of the Italian Ministry of Interior told US representatives in Rome on 17 October that leaders of the French and Italian Communist Parties had recently drafted plans for a series of wide-scale strikes in both countries.

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