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SECURITY INFORMATION

4 April 1952

[Redacted]

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Copy No. 49

CURRENT INTELLIGENCE BULLETIN

DOCUMENT NO. 35
NO CHANGE IN CLASS. X
DECLASSIFIED
CLASS. CHANGED TO: TS S 2001
NEXT REVIEW DATE:
AUTH: HR 70-2
DATE: 12-15-79

[Redacted]

3.5(c)

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

[Redacted]

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FAR EAST

1. Chinese Nationalists threaten to oppose termination of Allied Council for Japan:


A representative of the Chinese Embassy in Washington has informed American officials that his government is considering opposing the dissolution of the Allied Council for Japan when the San Francisco peace treaty comes into force. 3.3(h)(2)

The Chinese official pointed out that the peace treaty negotiations between Japan and China have reached a stalemate, and his government believes that it will have "little leverage" to apply to Japan after the multilateral treaty becomes effective.



Comment: The Chinese Nationalists are unlikely to take this extreme action, and they have undoubtedly advanced this suggestion to reinforce their recent requests for United States intervention in the Sino-Japanese treaty talks.

Taipei is well aware that its proposed action would be favorable to the USSR, which is officially represented in Japan only through membership in the Allied Council.

2. Burmese plan to capture Chinese Nationalist airfield reported:

 the army has asked the Union of Burma Airways to transport 1400 troops from Rangoon to the town of Kengtung in northeast Burma over a ten-day period beginning on 27 March.

3.3(h)(2)


 the objective of this operation is the capture of the Chinese Nationalist airfield at Mong Hsat, 60 miles southwest of Kengtung.

3.3(h)(2)

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Comment: Previous Burmese military operations against the Chinese Nationalists have been unsuccessful.

[redacted] the Nationalists around Mong Hsat are well-equipped and far outnumber the Burmese force being flown to Kengtung.

3.3(h)(2)

3. Karens in southeast Burma planning attack on Moulmein:

[redacted]

Karen forces in southeastern Burma are reported to be planning a 13 April attack on Moulmein, Burma's third largest port.

These troops, numbering about 9,000 well-equipped men, recently received two air-drops of arms. They believe that their arms, which have been obtained in Thailand in exchange for tungsten, originated from American sources, and their morale is high.

3.3(h)(2)

Comment: Information [redacted] exaggerates the size of Karen armed forces in southeastern Burma. There is no evidence of air-drops in the area, and although the trading of tungsten for arms by the Karens has been reported on a number of occasions, the source of these arms has never been determined.

3.3(h)(2)

The Karens have been more aggressive in southeastern Burma recently, but there is no reliable evidence that they are prepared to attack the comparatively large garrison at Moulmein.

EASTERN EUROPE

4. Western export controls "threaten" Czech power industry:

[redacted]

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Comment: Silicon carbide, which in certain forms is on the US Security Export Control List, is used in the manufacture of lightning arresters and grounding devices essential to prevent burning out of generators and transformer equipment. Czech industry would probably require only a small amount of this substance per year for this purpose. Silicon carbide is also used as an abrasive in the machine tool industry.

5. Trieste seen jeopardizing Tito's relations with West:



The American Charge in Belgrade states that if developments with regard to Trieste continue to be unfavorable to Yugoslavia, the current campaign against the influences of Western culture may be intensified. In any event, he believes, the Trieste situation has aided Tito in his efforts to restore national unity under party leadership.

3.3(h)(2)

The Charge warns that Yugoslav relations with the United States and Italy may worsen as a consequence of the growing impression in Belgrade that the West may sacrifice Yugoslav interests in order to ensure continued Italian support for NATO.

Comment: Acquiescence in a greater Italian role in Trieste would run counter to the Yugoslav Government's policy of demonstrating its independence from foreign pressure and interference, as well as its contempt for the Tripartite Declaration of 1948.

The anti-Western aspect of the campaign to revitalize the Communist Party as a control mechanism is well illustrated by a report that Belgrade municipal authorities are warning the general populace, as well as party members, against using United States Information Center reading facilities.

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LATIN AMERICA

6. Czechoslovakia requests permission to establish a commercial office in Panama:

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[REDACTED] The Czechoslovak Minister to Venezuela has asked the Panamanian Foreign Minister for permission to establish a commercial office. He assured the Foreign Minister that the office would not be headed by a Communist and that it would deal only with commercial affairs.

According to Ambassador Wiley, the Foreign Minister believes that he disposed of the question by replying that Panama would want a similar office in Prague.

Comment: A Czechoslovak commercial firm, Kotva, was established in Panama in 1948; it was used as a contact point by emissaries of the Czechoslovak Government passing through Panama. However, no connection between this establishment and the Panamanian Communists was noted at any time. Kotva was being closed out in late 1951 and was reportedly to be replaced by another Czechoslovak agency.

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