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SECURITY INFORMATION


10 February 1952



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CURRENT INTELLIGENCE BULLETIN

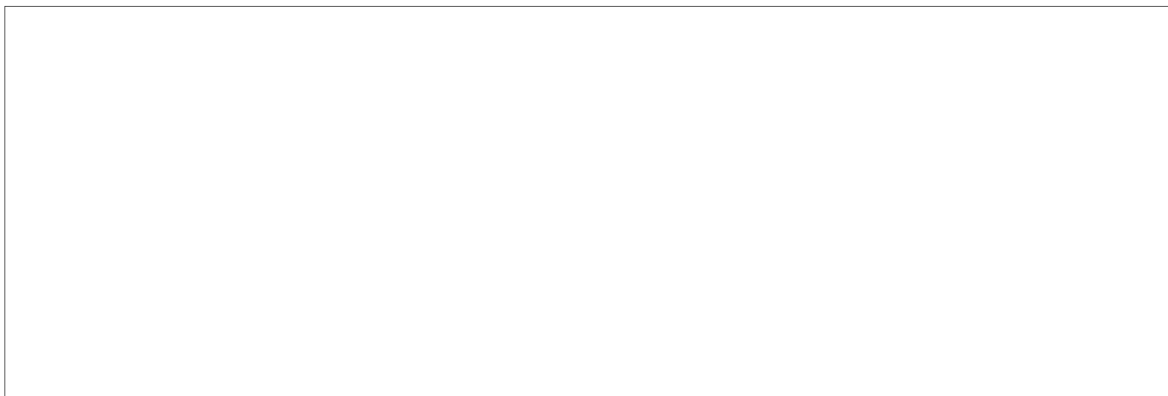
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Office of Current Intelligence

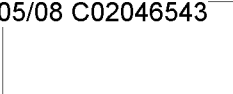
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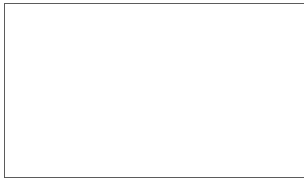


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FAR EAST**1. Chinese postpone Sino-Soviet Friendship Week indefinitely:**

The Sino-Soviet Friendship Association's headquarters in Peiping announced on 7 February that "Sino-Soviet Friendship Week" had been postponed until further notice. The postponement was attributed to the demands of the present nation-wide campaign against corruption, waste, and bureaucracy. The announcement stated that "appropriate celebrations" should be held on 14 February, the anniversary of the signing of the Sino-Soviet treaty of 1950, and that propaganda designed to promote understanding of the treaty should be carried out.

3.3(h)(2)

Comment: The motive for this postponement is obscure, but this action alone is not sufficient evidence of a cooling of Sino-Soviet relations. Peiping may be telling the truth in stating that it is too occupied with its current anti-corruption campaign to do justice at this time to a special drive for Sino-Soviet friendship.

SOUTH ASIA**2. Soviet Government demands recall of Pakistani Embassy official in Moscow:**

The Soviet Government has demanded the recall of a Third Secretary from the Pakistani Embassy in Moscow. According to the Pakistani Foreign Office, the demand was made on trumped up charges, and the Karachi government is considering retaliatory expulsion of a member of the Soviet Embassy. Soviet police reportedly held the Pakistani official for questioning and tried to extract confidential information from him in return for his release.

3.3(h)(2)

Comment: This is the first known instance of serious diplomatic friction between the USSR and Pakistan although Soviet propaganda has occasionally been unfriendly.

The reason for the Soviet action is unclear. The USSR is presumably aware of the fact that this incident will increase the suspicion already felt by Pakistani government leaders.

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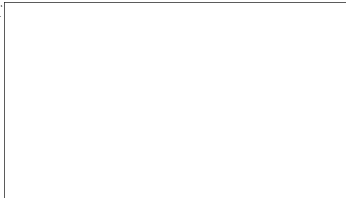
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NEAR EAST - AFRICA

3. Turkish company interested in buying Iranian oil:

A Turkish company wants to buy 25,000 tons of Iranian gasoline to be paid for in Turkish pounds. The Iranian Ambassador in Ankara who forwarded the inquiry to the Iranian National Oil Company asked that he be sent further information such as the octane rating of the gasoline available and the price f. o. b. Turkey. The Ambassador also requested that the offer be kept confidential.

3.3(h)(2)

Comment: Turkey's oil needs are currently supplied by western oil companies, and Turkey is aware that any purchase of Iranian oil would bring restrictive action by the West. Consequently, the government, which controls the distribution of oil products within the country, would be unlikely to purchase oil from Iran. It is possible that the present bid represents a Turkish maneuver to secure more oil from Western sources.

The Turks, although sympathetic toward Iranian nationalist aspirations, have supported the Western view in the Anglo-Iranian oil dispute and have not responded favorably to previous Iranian efforts to interest them in buying oil. Iran currently does not have the facilities to deliver any quantity of oil to Turkey.

4. Syria's difficulties blamed on French influence:

Former Syrian Foreign Minister Arslan, recently Minister to Ankara, attributed Syria's current difficulties to France's policy of seeking to exploit the country. He charged that this had been made possible by American and British acknowledgement that Syria and Lebanon belonged to the French sphere of influence.

3.3(h)(2)

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The Minister stated that France maintains its control over Syria primarily through the "Banque de Syrie et Liban" and through influence over the Syrian army. He further charged that the French had deliberately killed the potentially important Syrian-Iraqi trade agreement and had also opposed Syrian acceptance of US economic assistance.

According to the Minister, Army Chief of Staff Shishakli is becoming increasingly unpopular, can get no responsible people to join his government, and keeps control only by force.

Comment:

France considers its position in Lebanon and Syria as privileged and wishes to strengthen it even at the expense of the US and Great Britain. French support of Shishakli has been generally assumed. At present, rumors in the Near East suggest, however, that Shishakli's "puppet" Chief of State, Fawzi Selo, might receive French assistance in attempting to end Shishakli's power.

3.3(h)(2)

5. Syrian Government may fall by end of March:

The present Syrian Government which is under the control of Chief of Staff Shishakli, cannot last beyond March.

3.3(h)(2)

the breach between army leaders and politicians is widening and there are signs of dissension between Shishakli and Colonel Fawzi Selo the Chief of State whom he recently installed.

3.3(h)(2)

Comment: Shishakli has been in virtual control for over two years despite several efforts to remove him. Recent reports indicate increased dissatisfaction and new plots to dispose of Shishakli. There is no indication, however, that his removal by force would necessarily result in anything but the establishment of a new military dictator.

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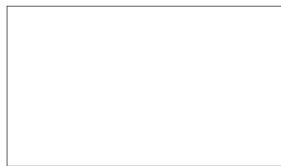
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6. Britain takes initiative to open negotiations with Egypt:

Foreign Secretary Eden instructed the British Ambassador in Cairo on 8 February to take the initiative in opening negotiations with Egyptian Prime Minister Ali Maher. Ambassador Gifford reports that "Eden seemed more willing to try to work something out on the Sudan than at any previous time I have talked with him." 3.3(h)(2)

Comment: Previously Britain, though it wanted talks with the new Egyptian Government to begin quickly, had been awaiting word from Prime Minister Maher.

On the Sudan question, London has so far not substantially altered its position that real concessions to the Egyptian demands are impossible because of their probable effects on the Sudanese.

7. Wafd accused of supporting recent riots in Egypt:

The 26 January riots in Cairo were financed to the extent of 10,000 Egyptian pounds, or \$29,000, by secret funds taken from the Ministry of Interior by the Wafd Secretary General Sérageddin, who was at that time Secretary of the Interior. 3.3(h)(2)

these funds were given to Socialist leader Ahmad Husayn, currently under arrest for his part in the riots. It is also reported that auxiliary and regular police helped incite students to anti-British action on the day of the riots. 3.3(h)(2)

Comment: While the Wafd, according to the American Ambassador in Cairo, is now spreading the story that palace intrigue and British bribery of police caused the riots, the Wafd is at least guilty of indirect involvement. It deliberately fomented anti-British sentiment during past months and openly permitted the extremists to organize into freedom battalions. the police, who are directly responsible to the government, did not oppose the mobs on 26 January and at times joined with them. 3.3(h)(2)

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WESTERN EUROPE

8. Comment on reaction to Austrian Foreign Minister's speech:

The Austrian Chancellor and Vice-Chancellor are annoyed over Foreign Minister Gruber's recent policy address, which has been under violent Communist attack for some days.

Fearing a strong Soviet protest to the Allied Council, the government has officially denied the implications drawn from Gruber's speech. These were that Austria (a) has made proposals to the West to meet any Russian move to partition the country, (b) has decided to refer the Austrian question to the UN, (c) expects to place at the disposal of the Americans a number of Austrian divisions, and (d) intends to interfere with supplies for Soviet enterprises.

The Foreign Minister's speech has revitalized Communist allegations that Austria is being remilitarized and has probably worsened the unfavorable atmosphere for the introduction of new proposals by the West for an Austrian settlement. While the government may be reluctant to drop Gruber while he is under fire, his none-too-strong position in the cabinet appears to have been further jeopardized.

The Western High Commissioners in Vienna have cautioned the Foreign Minister that it is inadvisable to refer to possible utilization of Austrians in Western defense plans.

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