

~~TOP SECRET~~  
SECURITY INFORMATION

26 January 1952

[Redacted]

[Redacted]

Copy No. 43

3.5(c)

CURRENT INTELLIGENCE BULLETIN

DOCUMENT NO. 38  
NO CHANGE IN CLASS.   
DECLASSIFIED  
CLASS. CHANGED TO: TS S C  
NEXT REVIEW DATE: 2001  
AUTH: HR 70-2  
DATE 12-4-79 REVIEWER: [Redacted]

[Redacted]

3.5(c)

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

[Redacted]

3.5(c)

~~TOP SECRET~~  
SECURITY INFORMATION

~~TOP SECRET~~ 

## SUMMARY

## FAR EAST

1. French officers disturbed over Tonkin military situation (page 3).
2. General insurrection reported to be imminent in Thailand (page 3).

## NEAR EAST - AFRICA

3. Iranian Minister in Warsaw warns against Iranian-Polish oil agreement (page 4).
4. Iranians face increasing difficulties in Abadan area (page 4).
5. Egyptian stubbornness allegedly reinforced by Soviet contacts (page 5).

## EASTERN EUROPE

6. Polish shipping to China through Kiel Canal doubled (page 5).

## WESTERN EUROPE

7. East Germans call Soviet rejection of Berlin trade permits a "mistake" (page 6).
8. French irked at US position on Saar issue (page 6).
9. Franco asserts Britain now favors American aid to Spain (page 7).

## LATIN AMERICA

10. Serious illness of President Arbenz may precipitate revolution in Guatemala (page 7).
11. End of school strike eases situation in Panama (page 8).

\* \* \* \*



3.5(c)

~~TOP SECRET~~ 


3.5(c)

~~TOP SECRET~~


3.5(c)

## FAR EAST

1. French officers disturbed over Tonkin military situation:

 Several French officers in Tonkin who are on close personal terms with US Consulate officers have expressed concern at current heavy French casualties, which they believe are double the official figures. They are also disturbed at the increasing unreliability of Vietnamese troops, and at the increasingly effective artillery of the Viet Minh. The Consulate comments that the Viet Minh appears, at least for the time being, to have assumed the initiative, and that continued Viet Minh pressure has taken on a quality of "endlessness" in the minds of many French combat officers. 3.3(h)(2)

2. General insurrection reported to be imminent in Thailand:

 The rank and file of the Thai military and police forces will revolt against the ruling clique before 2 February, according to a usually reliable source in contact with the conspirators. The leader of the plot has not been identified, but the plotters are said to be completely free of Communist influence. 3.3(h)(2)

The swift liquidation of all present military leaders with the possible exception of General Sarit, the popular commander of the Bangkok garrison, is planned. The monarchy will remain undisturbed and Phibun is to be retained as Premier for the present.

The source comments that government leaders are aware of this plot, but are unable to take counter action because of the disloyalty of their respective commands.

Comment: The military clique now dominating Thailand is widely disliked, and there have been several recent reports that an effort is about to be made to overthrow the regime. These reports have been consistent only in their prediction of action against the government.

There are no indications that the Thai leaders, who are reportedly aware of their inability to prevent an uprising, are preparing to flee the country.

- 3 -

~~TOP SECRET~~

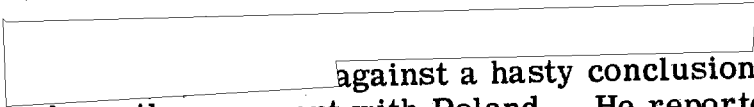
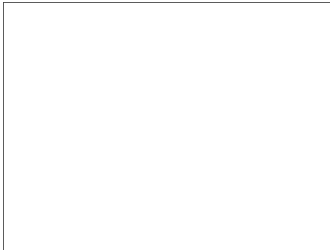
3.5(c)

~~TOP SECRET~~ [redacted]

3.5(c)

NEAR EAST - AFRICA

3. Iranian Minister in Warsaw warns against Iranian-Polish oil agreement:



against a hasty conclusion of an oil agreement with Poland. He reported that the Polish Minister of Foreign Trade had told him that Poland could not transport oil from Iran.

3.3(h)(2)

Comment: The Iranian Minister in Warsaw appears to have a better grasp of the difficulties involved in any Iranian-Polish oil agreement than his superiors in Tehran. Previous Polish reports from Iran stated that the Iranians were pressing for an oil agreement despite the Polish negotiator's lack of authority to make one.

4. Iranians face increasing difficulties in Abadan area:



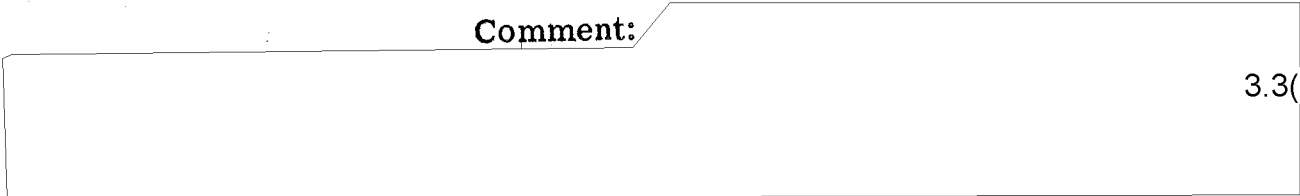
Serious shortages of important materials and an inefficient administration are hampering operations at the Abadan refinery. Although the International Bank representatives were

3.3(h)(2)

impressed by the good maintenance of the refinery, British observers in nearby Basra report that the situation is deteriorating.

Communists are openly engaged in agitation in both the refinery area and the nearby technical school. Fear of the Communists has already forced the Iranian management to give in to demands for the reinstatement of dismissed Tudeh members. Nepotism, payroll padding, and thefts are also complicating operations.

Comment:



3.3(h)(2)

~~TOP SECRET~~ [redacted]

3.5(c)

~~TOP SECRET~~5. Egyptian stubbornness allegedly reinforced by Soviet contacts:

[redacted] Charles Malik, Lebanese UN Delegate and Minister to the United States, is greatly alarmed over the degree of Soviet influence entering "into the highest Egyptian circles" at the UN General Assembly in Paris and in Egypt. He believes that "very fruitful contacts" have been established between Egyptians and Russians and that this might partially explain Egypt's inflexible attitude in the UN meetings. Malik also charged that an effective unholy alliance existed between Egypt's fanatical nationalist leaders and the Communists. 3.3(h)(2)

Comment: The increasing troubles in Egypt in the past three months have promoted closer relations between Egypt and the USSR. Frequent Egyptian abstentions on East-West issues in the General Assembly meetings seem to confirm a November report that the two countries had reached a tacit understanding to aid each other's objectives in the United Nations.

## EASTERN EUROPE

6. Polish shipping to China through Kiel Canal doubled:

[redacted] Polish shipping through the Kiel Canal destined for Chinese and Manchurian ports has, during the six-month period ending 31 December 1951, more than doubled the figure for the preceding six months. During the last six months of 1951, approximately 45,000 cargo tons were shipped. The greatest increase occurred during December, when six China-bound ships carrying 25,318 tons passed through the canal. 3.3(h)(2)

Comment: The increase in December 1951 is largely accounted for by the fact that Poland purchased three vessels of Panamanian registry late last fall. [redacted] 3.3(h)(2)


- 5 -

~~TOP SECRET~~

~~TOP SECRET~~

## WESTERN EUROPE


7. East Germans call Soviet rejection of Berlin trade permits a "mistake":

 East German officials have informed the West German Government that the return of large numbers of unstamped West Berlin export permits during the past two days was a "mistake" on the part of the Soviet and East German authorities. The Communist officials maintained that the "rejections" were merely an attempt to clear up the entire backlog of export permits held by them, prior to the establishment of the planned joint East-West German procedure for handling the permits.

3.3(h)(2)

United States officials now do not regard the Communist action as causing a new crisis. US High Commissioner McCloy states that if further evaluation supports the Communists' explanation, the Allied High Commission may soon permit the West Germans to resume interzonal trade.

8. French irked at US position on Saar issue:

 The French Foreign Office is "not only adamant but apparently impatient" to give diplomatic status to its representative in the Saar, despite American requests for a delay. The French do not agree that this is a particularly bad time for such a move, and probably suspect that the United States' position may be developing in favor of the Germans.

3.3(h)(2)

Comment: Although replacement of the French High Commission by an embassy would have no practical effect on its relations with the Saar, France wants to establish the basis for a permanent political separation of the Saar from Germany before the German contractual arrangements are completed.

- 6 -

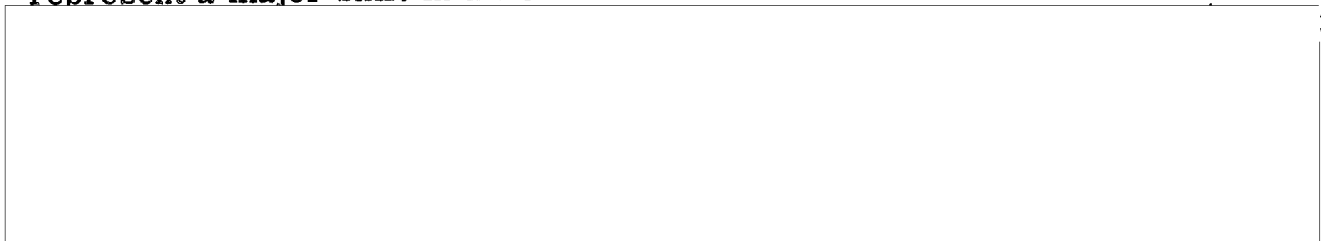
~~TOP SECRET~~

3.5(c)

~~TOP SECRET~~9. Franco asserts Britain now favors American aid to Spain:

According to General Franco, British Foreign Secretary Eden has assured the Spanish Ambassador in London that Britain, far from objecting to bilateral economic and military agreements between the United States and Spain, would favor them in every way. Franco told American Ambassador Griffis on 23 January that immediately after this assurance was given, the British General Staff invited the Spanish Army Minister to send twenty officers to Britain as student observers. 3.3(h)(2)

Comment: Eden's alleged remarks would represent a major shift in the British Government's attitude towards Spain.



3.3(h)(2)

The controlled Spanish press has of late been showing increasing cordiality towards Britain and has been hinting at a Franco-Churchill meeting.

## LATIN AMERICA

10. Serious illness of President Arbenz may precipitate revolution in Guatemala:

Salvadoran Minister of Defense Bolanos, recently returned from Guatemala, expects an anti-Communist revolutionary movement there "very soon." El Salvador and Honduras reportedly favor such a movement and will assist. 3.3(h)(2)

- 7 -

~~TOP SECRET~~

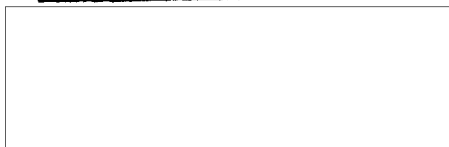
3.5(c)

~~TOP SECRET~~

While in Guatemala, Bolanos was reliably informed that President Arbenz of Guatemala has leukemia, but that the Army refuses him a leave of absence because his constitutional successor is a known Communist.

Comment: If Arbenz is seriously ill, as is now believed, the Army is undoubtedly preparing to assume control of the government. The supporters of Lieutenant Colonel Castillo Armas, the exiled military leader reputedly planning a military revolution for late January, would probably join forces with an Army revolt initiated within the country.

11. End of school strike eases situation in Panama:



The strike committee issued a statement on 3.3(h)(2) 22 January calling an end to the school strike in Panama. The strike had failed to attain its announced aim of precipitating changes in the

Panamanian Cabinet. Its end should, for the present at least, lessen the likelihood of disorders and reduce agitation.

Comment: The school strike, in which Communist participation was apparent, began last October.

- 8 -

~~TOP SECRET~~

3.5(c)