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SOUTHEAST ASIA

1. Viet Minh concentration near the Tonkin delta reported:

 During a period when inclement weather and Viet Minh troop reorganization are curtailing all military operations in Tonkin, the insurgent forces appear to be still concentrating generally in the Phu Tho area,
 3.3(h)(2)

 about 50 miles northwest of Hanoi.
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2. Laurel and Magsaysay reportedly to head Philippine Nacionalista ticket:

3.3(h)(2) Nacionalista Party senators agreed on Senator Laurel as the party's candidate for president and Defense Secretary Magsaysay for vice president. The latter has reportedly agreed, and has also been promised the defense portfolio.

Laurel might possibly withdraw at the conven- 3.3(h)(2) tion in favor of Magsaysay.

<u>Comment</u>: Both Magsaysay and independent Senator Tanada have informed the American Embassy of an agreement signed in early November between Tanada and a group of Nacionalista

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senators to support Magsaysay as the presidential candidate at their party convention now scheduled for 12 April. Doubt has been expressed, however, about the good faith of some of the signers of the agreement.

Magsaysay last fall refused President Quirino's offer of the Liberal vice-presidential candidacy.

NEAR EAST - AFRICA

3. <u>Mossadeq apparently abandons hope for US aid in Anglo-Iranian oil</u> dispute:

Prime Minister Mossadeq told the Indian Ambassador in Tehran on 23 February that he could not particularly blame the United States for backing Britain in the oil dispute

as the two countries were compelled to cooperate "for global reasons."

The Indian Ambassador also informed Ambassador Henderson that Mossadeq's attitude indicated that the Prime Minister would reject the latest proposals for settling the oil dispute

or possibly make counterproposals.

<u>Comment</u>: Iranian tactics in the oil dispute have been based on the hope of getting the United States to persuade Britain to settle on terms favorable to Iran. Mossadeq's statement appears to indicate that for the present at least he has abandoned this hope.

4. Mossadeq continues to strengthen his position:

The Tehran Police Chief has confirmed the arrest of retired General Zahedi for "antigovernment activity," the American Embassy 3.3(h)(2)

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reported on 25 February. Unconfirmed rumors state that others, including former Prime Minister Ali Mansur and General Hejazi, a senator, have also been arrested.

<u>Comment</u>: Zahedi has often been mentioned as a possible successor to Mossadeq. He and Hejazi were under arrest briefly last September for implication in a plot to overthrow Mossadeq.

These arrests, following the Shah's virtual capitulation to Mossadeq, are probably designed to demonstrate that the Prime Minister's control of the government is fully restored.

5. Pakistani Foreign Minister worried over delay in Suez talks:

Pakistani Foreign Minister Zafrullah Khan, now in Cairo, is concerned over the "stiffened attitude" of the British toward the forthcoming Suez Canal base

talks, according to Ambassador Caffery. Zafrullah Khan believes that Britain's delay in beginning negotiations is losing the good will created by the recent Sudan agreement.

Comment: Zafrullah Khan's concern in the matter may reflect his fear that delay in achieving an Anglo-Egyptian agreement on the Suez base issue will further postpone discussion of MEDO, which Pakistan wishes to join.

The impatience of Egypt to begin Suez discussions with the British has been confirmed not only by statements of the army leaders but also by a recent warning from the pro-West Egyptian Foreign Minister on the dangers inherent in delay.

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3.3(h)(2)



6. Egypt reported favoring Arab bloc as basis for Middle East defense:

Italian military officials have recently returned from Cairo convinced that Egypt will never accept the British formula for a Middle East defense organization, since

General Nagib desires a political and military alliance of the Arab states with the West. Nagib de-

clared that Italy and Greece should constitute the "bridge" between the Arabs and the Western powers.

<u>Comment</u>: This is the first definite indication that Egypt is interested in the creation of an Arab group allied to the West rather than the proposed Western-dominated defense organization.

Other Arab leaders, including Iraqi Defense Minister General Nuri Said, have expressed an interest in using the Arab League as the basis for a Middle East defense organization.

7. Comment on Greek-Turkish-Yugoslav treaty:

The Greek-Turkish-Yugoslav Treaty of Friendship and Cooperation initialed on 25 February provides a framework for common action in the event of unprovoked aggression and for continued examination of common security problems.

Ambassador Peurifoy in Athens reported on 23 February that the Greek Foreign Minister had assured him that all "contingent military plans" would be coordinated with the United States prior to their approval by the contracting parties. Peurifoy commented that American objections to specific military commitments in the original draft had been met.

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EASTERN EUROPE

8. Tougher Yugoslav attitude toward Satellites reported by French Ambassador:

According to the French Foreign Ministry, ^{3.3(h)(2)} its Ambassador in Belgrade believes that Yugoslavia has adopted an increasingly "tough and truculent" attitude toward its Satellite

neighbors and may be considering some adventure against Albania.

The Ambassador commented that this pattern of behavior seemed to be based on a feeling of greater security resulting from Yugoslavia's increasingly close connections with the West, and on the assumption that in the event of Soviet aggression Western support will be automatic.

<u>Comment</u>: While Yugoslavia is engaged in covert operations in Albania and with certain Albanian refugees, there is no firm evidence that it plans any overt moves against Albania at this time.

Yugoslavia's already bad relations with its Satellite neighbors have become more strained during the past few months. Contrary to the French Ambassador's estimate, however, Yugoslavia's desire for alliances with NATO powers and its attacks against alleged Italian efforts to isolate it demonstrate a feeling of insecurity.

9. President Eisenhower's speech impresses Czech public:

3.3(h)(2)President Eisenhower's State of the Union message had had a profound effect on the Czech people. The fact that the whole country knew about the speech, which had not been published

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in the press, indicated the extent to which Western radio broadcasts are followed in Czechoslovakia.

<u>Comment</u>: Evidence of popular unrest and opposition to the Communist regime has increased considerably since the Slansky trial last November. There has been no indication, however, of the existence of organized groups capable of effective resistance or of public demonstrations against the regime.

Listening to foreign broadcasts is not prohibited in Czechoslovakia, but jamming of Western broadcasts is becoming increasingly effective.

WESTERN EUROPE

10. Dutch and Belgians to grant Czech requests for landing rights in mid-March:

Belgium and the Netherlands have decided 3.3(h)(2) to grant landing rights to the Czech airline in mid-March. The Dutch Foreign Ministry states that if France rejects the Czech requests to use Paris as the terminus, as seems likely, the airline could designate Brussels instead.

<u>Comment</u>: In late 1951 Czechoslovakia made its initial proposal for a circuitous Prague-Paris route, via Copenhagen, Amsterdam and Brussels, largely in order to circumvent the ban on Czech overflights of West Germany. Denmark has already approved the request.

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3.3(h)(2)

Although Belgium and the Netherlands postponed granting the Czechs landing rights, they had indicated to American officials that they could not legally refuse the requests.

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LATIN AMERICA

11. Chile and Argentina may bring Deception Island controversy before OAS:

1. . . **. .** .

	Chile has formally demanded that Britain replace the Chilean installation on Deception Island which it recently dismantled. The Chilean Government said that it was con- sidering submitting these "violations of American security" to the Organization of American States under the 1947 Rio de Janeiro Treaty. A similar statement by the Argentine Foreign Minister demanding the replacement of Argen- tina's weather station on the island was pub- lished in Buenos Aires on 23 February.	3.3(h)(2)
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Comment: Deception Island is in the South Shetland group in the Antarctic area where British, Argentine, and Chilean territorial claims overlap. It is included in the region covered by the Rio de Janeiro Treaty, which states that an "attack by any state against an American state shall be considered as an attack against all. . ."

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