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GENERAL

1. British views differ on Korean POW repatriation:

   The American Embassy in London reports that the Foreign Office has submitted a brief to Foreign Secretary Eden recommending that Britain insist that the United States yield on the prisoner repatriation issue if necessary to keep the Korean truce talks going. The Embassy in Washington is understood to have sought an American commitment to consult the United Kingdom before negotiations are allowed to break down on this issue.

   According to the London Embassy, however, Prime Minister Churchill is personally interested in the problem and in informal ministerial discussion has maintained that under no circumstances should the prisoners held by UN forces be sent back against their will "to face Communist reprisals."

   Comment: Although previous indications of British views on the Panmunjom talks have not revealed any special concern over the American position, British officials apparently now appreciate that the prisoner exchange issue is the key problem.
3. Indonesia may propose breaking embargo on rubber sales to China:

The American Embassy in Djakarta has learned that immediately prior to the departure of the Indonesian delegation to the Ottawa Rubber Conference, to be held in May, the Foreign Office was considering breaking the embargo on rubber sales to China.

In addition, Prime Minister Wilopo has been publicly quoted as stating that the Indonesian Government is in contact with India, Ceylon and Singapore for presentation at Ottawa of a united stand on rubber exports to Iron Curtain countries. This stand, however, is as yet undetermined.

Comment: Indonesia has complained that the UN-sponsored ban on rubber exports to China, to which Indonesia reluctantly adhered, depressed rubber prices. During the past two months, a further drop in prices and a seriously shrunken market for low grade rubber have created a general demand in Indonesia for an expansion of exports.
5. Turkish abstention in Tunisian case causes domestic criticism:

Turkish abstention in the UN Security Council vote on the Tunisian - French dispute has been widely criticized in the Turkish press. A Turkish Foreign Office spokesman told the American Ambassador on 22 April that his country had taken this action because it wished to maintain solidarity with the Western powers, and that it would have voted for consideration of the Tunisian case if the United States had done so.

Comment: This is the first time that Turkish adherence to United States policy has aroused widespread criticism in the press. Although the Turks have been uniformly critical of Egypt and Iran in the disputes of those countries with Britain, there is apparently considerable belief in Turkey that the Tunisian complaint is justified.
7. East German Politburo charts action to culminate in May:

East German Premier Grotewohl and his deputy, Walter Ulbricht, returned from Moscow about 13 April and convened a meeting of the Socialist Unity Party (SED) politburo to discuss action to be taken should West Germany sign the contractual agreement prior to the holding of a four-power conference.

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The USSR will reportedly apply continuous pressure for a four-power conference while the SED takes immediate steps to mobilize the West German support. Through local action groups the SED will try to swing the West German Socialist Party over to the side of resistance before 1 May. The Communists plan May Day demonstrations for unity along the inter-zonal border, where large numbers of People's Police will be stationed.

The conference revealed that SED leaders believe the contractual agreement will be signed by mid-May, whereas the USSR believes it is still possible to "hinder" the signing.

LATIN AMERICA

8. Bolivian unrest affects South American stability:

The Chilean Foreign Minister believes that the Bolivian revolt was the "joint work of the Nazis, Peronists, and Communists," and was part of an over-all plan for South America. He states that President Paz Estenssoro is clearly not in control, since he cannot persuade the "Communist" miners to surrender their arms.

The general belief of diplomats in Santiago is that there must be an intensive investigation of the Communist and Peronista threat to South America before Bolivia is recognized, and that the United States decision on recognition will determine the immediate political future of South America.

Comment: Brazil also is not yet satisfied that the Paz Estenssoro regime is stable and a high Foreign Office official mentioned the possibility of an additional coup. Chile and Peru fear that any new disorders in Bolivia might eventually spread to their countries.

Spain and Guatemala are the only countries which have recognized the new Bolivian Government.