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1. FRANCE REPORTED PLANNING "FULL MOBILIZATION" TO MEET ALGERIAN CRISIS

[redacted] [redacted]
[redacted] there is reason to believe "full mobilization" (presumably of the ready reserve) is imminent in France. General Jean Valluy, French representative to the NATO Standing Group, told the attaché on 1 March that 500,000 men are required to restore order in Algeria. He added that he feels

the situation there is so explosive that there might not be time to train the men for guerrilla warfare.

General Augustin Guillaume, who recently resigned as chairman of the French Joint Chiefs of Staff Committee, asserted to Ambassador Dillon on 1 March that France has two alternatives in North Africa: to raise more troops for Algeria or evacuate the area. [redacted]

Comment

While some newspapers are reportedly demanding "full mobilization," such a move is impractical in terms of equipment available.

The French army maintains a reserve, subject to immediate recall without parliamentary consent, composed of all conscripts who have completed their military service within the past three years. This reserve is believed to total 420,000, and, although it has already been levied on, it should be adequate to cover a call-up of as many as 300,000.

It is unlikely that Mollet would initiate a massive recall, however, until the assembly votes on his request for extraordinary powers to deal with Algeria. The assembly is scheduled to discuss the granting of such powers on 8 and 9 March, and Mollet is expected to make the issue a vote of confidence.

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2. PEIPING'S STATEMENT ON THE SINO-AMERICAN NEGOTIATIONS AT GENEVA



The statement Peiping's Ministry of Foreign Affairs made on 4 March on the Sino-American negotiations at Geneva is more belligerent in tone than its statement of 18 January in declaring that Peiping cannot acquiesce in "dragging out" the talks and using them "as a tool to prevent China from exercising its sovereign rights."

The 4 March statement contains a threat to use military action in its reference to the off-shore islands. At five points in the statement, Peiping asserts its sovereign rights over or intention to "liberate" Taiwan and the offshore islands. On 18 January, Peiping merely referred to its rights in Taiwan or the Taiwan area. For the past year, Communist China has refrained from efforts to seize any more offshore islands and has generally de-emphasized the offshore islands in comments on the Sino-American talks.

The belligerent tone of the statement seems designed primarily to force US agreement to a Dulles-Chou meeting. In timing the statement to coincide with Secretary Dulles' visit to Asia, Peiping undoubtedly hopes Asian leaders, especially Nehru, will bring personal pressure on him for direct talks with Chou En-lai. At the time of the Khrushchev and Bulganin visit to India, Nehru expressed the hope that the current Sino-American ambassadorial talks at Geneva would lead to meetings "at higher levels." [redacted]

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3. IRAQI OFFICIAL DISSATISFIED WITH BAGHDAD PACT MILITARY PLANNING

[Redacted]

[Redacted] General Daghestani--the Iraqi chairman of the Military Deputies Committee of the Baghdad pact and the deputy chief of the Iraqi army--is strongly critical of the progress being made by the pact's military planners and by the "lack of faith" of some members, according to the American army attaché in Baghdad.

Daghestani says the Iranians insist on planning for the defense of their Elburz Mountain line, which is beyond the present capabilities of the pact, and the British refuse to disclose their capabilities in the area on security grounds. He said he would ask both Iran and Britain at the 15 March meeting of the military committee if their membership in the pact is sincere and, if so, he would insist on more realistic planning. If the replies are not satisfactory, Daghestani stated he will "turn in a hell of a report to his government." [Redacted]

Comment Iraq apparently feels rapid progress is necessary to justify its break with the other Arab states in joining the pact. Discouragement over what Iraq believes to be lack of progress and failure to persuade other Arab states to join the pact might lead Baghdad to reconsider the usefulness of continued membership.

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4. YI KI-PUNG NOMINATED FOR VICE PRESIDENT OF SOUTH KOREA

Comment on:



The Liberal Party's nomination of party chairman Yi Ki-pung for vice president of South Korea climaxes a long period of intense political maneuvering and places Yi in position to succeed the 80-year-old Rhee in the presidency. Yi has proved generally co-operative with American officials and is believed to favor a normalization of relations with Japan.

Although Rhee has not publicly endorsed Yi's candidacy, the nomination indicates that he at least did not interpose any objections. The president's continued prestige and the strength of the Liberal Party organization, combined with the disunity of the opposition, virtually assure the election of Rhee and Yi by an overwhelming majority this spring, possibly in May.

Rhee's statement on 5 March that he is not a candidate for re-election is probably only a political gesture. In 1952 he also at first refused renomination, but agreed to bow to "the will of the people."

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5. BURMA AGAIN ASKS PEIPING TO SET UP JOINT BOUNDARY COMMISSION

Burmese premier Nu has again asked Chinese Communist premier Chou En-lai to establish a Sino-Burmese boundary commission.

Nu accompanied [redacted] a request for extradition of the Kachin renegade Naw Seng, whose crimes, Nu said, left little justification for granting him political asylum.

Comment

During the past year, the Burmese government has moved vigorously to assert its authority in areas of the Sino-Burmese frontier which have long been in dispute. On 7 and 8 February 1956, the Burmese government held a "loyalty meeting" of tribesmen from both sides of the disputed border between China and Burma. Peiping raised no objection to this Burmese demonstration of intent to assert sovereignty in the area. Burma is now probably eager for early negotiations on the boundary question, hoping to capitalize on Peiping's current campaign to convince Burma of its peaceful intentions. The Chinese Communists, however, will probably continue to stall in order to avoid commitments regarding large areas which they claim.

Naw Seng, whose presence in China has been admitted by Peiping authorities, has been variously reported as dead or under arrest. At one time he reportedly commanded a guerrilla force of 1,500 Kachins trained and equipped by the Chinese Communists.

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6. THE GENERAL STRIKE IN FINLAND

Comment on:



The success of Social Democratic Party leader Fagerholm in forming a coalition government on 3 March considerably brightens prospects for an early settlement of the five-day-old general strike, which continues to spread. Since the government is a coalition of the Social Democrats and Agrarians, who represent the opposing interests in the strike, Fagerholm would probably not have accepted the responsibility of the premiership unless he felt reasonably sure of achieving a settlement.

The Communists do not appear to be playing any significant role in the strike, although there have been some reports of clashes between police and Communist demonstrators. The militancy demonstrated by the Socialist-controlled trade union federation in its demand for higher wages is likely to strengthen the Socialists' position among the workers and upset any Communist attempts to play a major role in the strike.



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THE ARAB-ISRAELI SITUATION (Information as of 1700, 5 March)

Syrian antiaircraft batteries on 5 March fired at and damaged a light Israeli plane. Israel claims the plane was over Israeli territory; Syria claims it was flying over Syrian territory. The pilot was injured and the plane made an emergency landing in Israel. Exchanges of fire occurred between Egyptian and Israeli forces near the Gaza strip. Israel charges that Jordanian infiltrators attempted to derail the Jerusalem-Tel Aviv train.

The American army attaché in Tel Aviv reports an accelerated mobilization of Israeli personnel and vehicles over the week end. He said that military vehicle traffic was very heavy, but no directional trend was noted. He adds that the Israeli defense force is in a high state of readiness.

the Egyptian army is requisitioning large amounts of surgical dressings and antiseptics and stocking large supplies of canned foods.

The American army attaché in Amman, Jordan, in commenting on the dismissal of General Glubb and other British officers, stated that most Jordanian units are without effective leadership, and that morale and capabilities of the Arab Legion are certain to suffer. He said the fact that three out of four top officers are police officials will weaken the top command.

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