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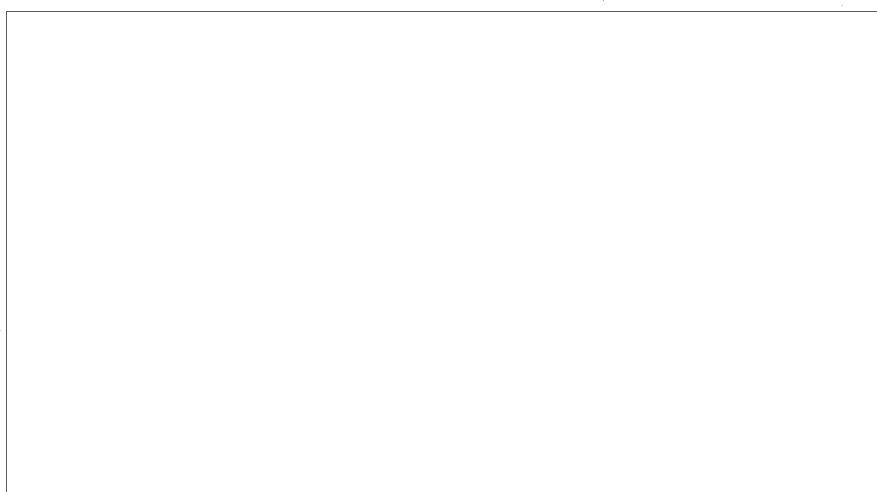
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1. KHRUSHCHEV REPORTED CONSIDERING RE-ESTABLISHING INTERNATIONAL COMMUNIST LINKS

Comment on:

Soviet leaders had under study proposals to "re-establish links" between Moscow and foreign Communist parties to exchange views and information. They discussed the possibility of

having representatives of Communist parties meet at regular intervals and forming a telegraphic news agency to transmit information to Communist parties. Khrushchev agreed that something of the sort was necessary.

Moscow believes it necessary to establish some new form of international control to prevent serious deviations in Communist parties.

Speculation that this is the subject of current talks has probably inspired press reports that Khrushchev has already proposed such a plan to Tito. Tito would fear the inevitable domination of an arrangement of this sort by Moscow and would prefer to exert Yugoslavia's influence through bilateral relations.

Any loose organization along Cominform lines would be inadequate to deal with Moscow's problem of maintaining, and where necessary re-establishing, discipline over Satellite Communist parties. An overt organization reminiscent of the old Comintern or Cominform would damage Communist efforts to establish unity of action with West European Socialists.

2. BRITAIN FAVORS STATIONING IRAQI TROOPS IN JORDAN

The British Foreign Office is convinced it would be desirable from the standpoint of Western interests to have Iraq station troops in Jordan, as requested by Jordan's King Hussain. In particular, London believes such a move would greatly enhance Iraq's prestige at the expense of Nasr's in the entire region.

According to the American embassy in London, the Foreign Office appears confident that it could allay any of Israel's fears which might result from Iraq's movement into Jordan.

Comment Britain is probably assisting Iraq to strengthen its influence in Jordan in order to be in a position to profit from an eventual partition of Jordan and to strengthen Iraq as a counterweight to Egypt. In addition to recent diplomatic moves aimed at promoting the proposed Iraqi troop movement, the British are evidently active in Jordan itself on Iraq's behalf.

Israeli prime minister Ben-Gurion has said Israel would not attack Jordan as a result of movement of Iraqi troops into Jordan as long as the troops remain east of the Jordan River.

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3. USSR RENEWS OFFER OF ECONOMIC ASSISTANCE TO IRAN

The Shah informed Ambassador Chapin on 30 September that N. M. Pegov, the new Soviet ambassador to Iran, told him that the USSR is ready to give Iran economic assistance of any kind and in almost any amount Iran wishes to name. Specifically, Pegov proposed joint construction of a million-kilowatt hydroelectric project on the Araks River on Iran's northwest border with the USSR. The USSR offered to submit plans shortly for Iranian concurrence.

Comment When the Shah visited the Soviet Union in July, he was assured by Soviet leaders that the USSR was prepared to give Iran unconditional large-scale assistance for its economic development, but no specific offers were made. The Shah indicated interest at the time in common development of water resources along the border.

The present offer comes at a time when Iran faces serious economic problems and is uncertain of the extent of aid from the West, and will be difficult for Tehran to reject.

In its negotiations with Afghanistan, Burma and Indonesia, the USSR quickly followed up acceptance of initial general offers of economic assistance with specific proposals on terms and projects.

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4. THREAT OF VIOLENCE INCREASES IN HONDURAS

The political struggle in Honduras is approaching a crisis, and the election of a constituent assembly scheduled for 7 October seems likely to provoke disorders and, possibly, an attempted revolt. The election will be rigged against the Nationalist and Liberal Parties on behalf of a government-supported National Union slate dominated by the small Reformist Party.

The Nationalists, angered at illegal government actions against them, announced on 1 October that they would boycott the election. The Liberals, whose hatred for the government surpasses their traditional enmity for the Nationalists, have considered co-operation on common political action with the Nationalists. Together, the two parties polled 79 percent of the votes in the relatively free 1954 national elections. There are indications that Nationalist Party chief Carias may now be preparing for armed action against the government.

The ailing Julio Lozano, whose strenuous efforts to create a stable coalition government have led merely to an increase in tension, temporarily turned the government over to popular ex-president Galvez last month. Lozano's return as chief of state, which may occur before the election, would probably spark serious disorders.

Most top army leaders are loyal to Galvez and Lozano and could probably suppress a revolt at this time.

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5. INDONESIAN ARMY OFFICERS ALLEGEDLY PLAN COUP

[redacted]

As of mid-September, three high-ranking Indonesian army officers--one of them former deputy chief of staff Colonel Lubis--were still planning action to take over the government, [redacted]. They expected to implement their plans sometime after 2 October and anticipated no resistance from within the army except in East Java.

Comment

Reports of an impending army coup have appeared regularly since mid-summer, and it is quite likely that Colonel Lubis is eager to take some form of action against the government. In such an action, he would be supported by a number of young officers, chiefly at the brigade command level, in West Java.

Army dissatisfaction derives from a feeling that the army is not receiving adequate material support from the government, a belief that the government has interfered unnecessarily in strictly military affairs, and disillusionment over corruption in the government. Army leaders may also be disturbed by President Sukarno's strong show of friendship toward Communist countries during his current tour of the Sino-Soviet Orbit.

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THE ARAB-ISRAELI SITUATION (Information as of 1700, 3 October)

Israel plans to restrict its future participation in the proceedings of the Israeli-Jordanian Mixed Armistice Commission, according to an unconfirmed report from the Israeli sector of Jerusalem. It plans not to request meetings to discuss armistice violations by Jordan, and will not attend meetings called by Jordan to consider alleged armistice violations by Israel. Israel, according to a Foreign Ministry spokesman, "sees no useful purpose in continued routine examinations of border incidents... in view of steady attempts by the UN Truce Supervision Organization to equalize Jordanian acts of aggression with justified Israeli measures in self-defense." The spokesman denied that the new policy amounted to a complete boycott of the commission, and stated that Israel would continue to register complaints against Jordan if border violations were reported. (Press)

[redacted] the movement of Iraqi troops into Jordan is imminent, [redacted]

Other reports [redacted] however, suggest that if any Iraqi troops are sent into Jordan, the force will probably not exceed a battalion.

[redacted] many people questioned whether Jordan was a viable state, and that even the British doubted whether it could survive.

[redacted] The Israeli government, [redacted] recognizes that retaliation is not a solution to the border problem,

but considers it an effective deterrent and believes that conditions would be much worse along the border without retaliation.

Rapid Egyptian response to Jordan's appeal for military aid following the Israeli raid [redacted] resulted in delivery of 21 tons of arms by air [redacted] and 60 tons on the following day, [redacted]

[redacted] the arrival of five Egyptian transport aircraft, described in the press as IL-14's, on the 28th, and [redacted] an additional eight aircraft were expected later. [redacted] three planeloads of Egyptian arms were delivered to Amman, and a shipload of undisclosed size was dispatched to Jordan via the Syrian port of Latakia. In addition, Syria is attempting to expedite delivery of \$1,300,000 worth of arms to Jordan from Czechoslovakia. [redacted]

[redacted]

**BIWEEKLY SUMMARY
(20 September-3 October 1956)**

THE TAIWAN STRAIT

**Report of the IAC Current Intelligence Group
for the Taiwan Strait Problem**

1. The only noteworthy combat activity during the period occurred when four Chinese Nationalist F-84's on a reconnaissance mission along the South China coast on 1 October were engaged by four Chinese Communist jet fighters near Swatow. In the ensuing engagement two Communist aircraft were damaged, according to Chinese Nationalist claims, and one F-84 received minor damage. The incident appears to have been a chance encounter between the Nationalist aircraft and a Communist jet fighter patrol on a routine mission.
2. The eighth congress of the Chinese Communist Party, which concluded on 27 September, and statements made on National Day (1 October) reiterated Peiping's intention to "liberate" Taiwan by either peaceful or other means, but this theme received little stress.
3. In a statement on 21 September on the Johnson-Wang talks at Geneva, the Chinese Communist Foreign Ministry indicated that it regards further discussion of the question of renunciation of force as fruitless and proposed that the talks move on to the question of trade controls. The tone of the statement was moderate and gave no indication of any Chinese intention to break off the talks at this time.

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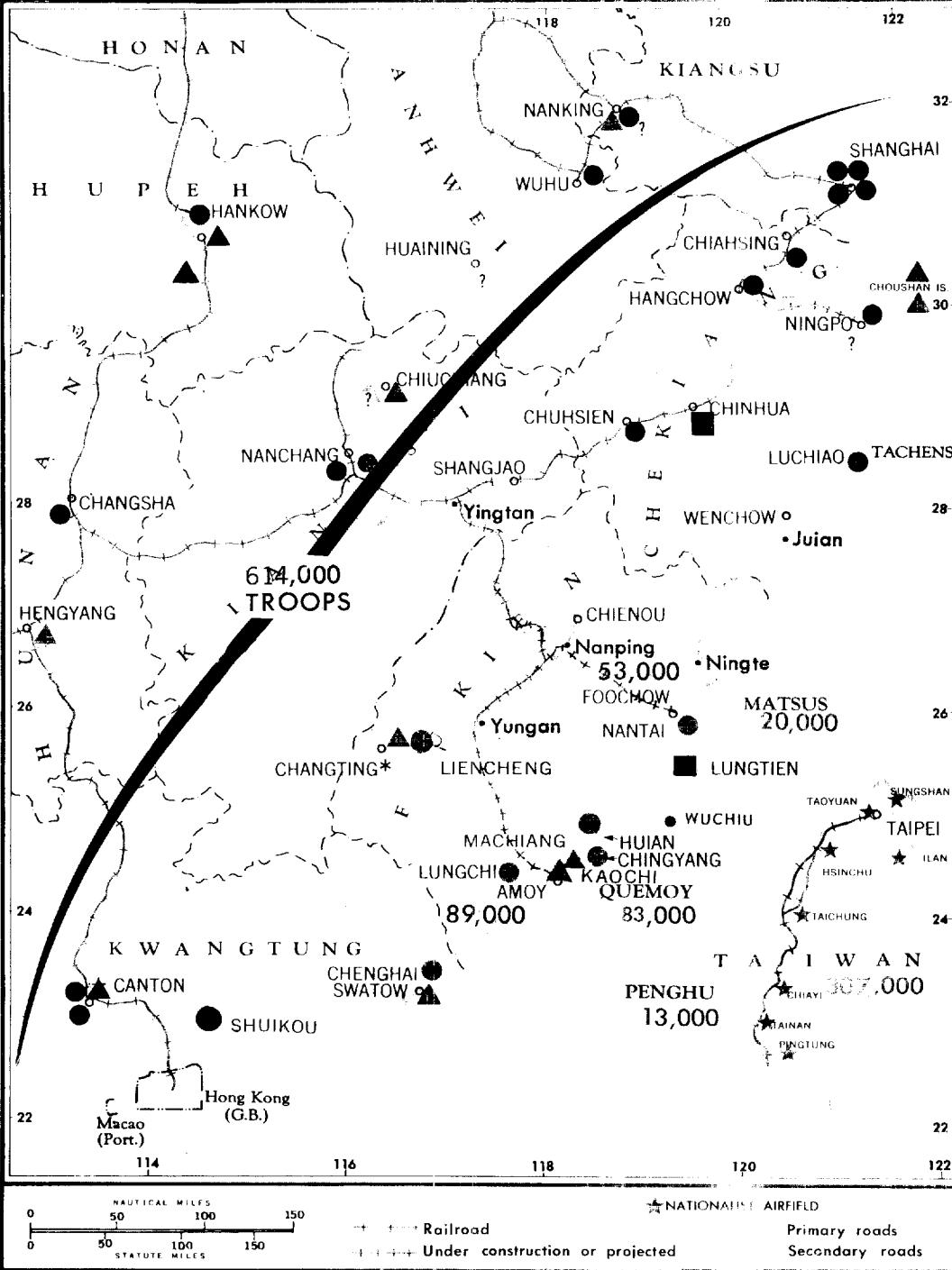
TAIWAN STRAIT SITUATION

OCTOBER 1956

CHINESE COMMUNIST AIRFIELD LEGEND:

DESIGNATIONS	PRIMARY AIRFIELD CONSIDERED MOST IMPORTANT IN AREA WITH PREPARED RUNWAY GENERALLY 5000 FEET OR LONGER			SECONDARY AIRFIELD AUXILIARY OR EMERGENCY BASES OR FIELDS OF LESSER IMPORTANCE. RUNWAYS GENERALLY LESS THAN 5000 FEET.			USABILITY
	OPERATIONAL	SERVICEABLE	UNKNOWN	TU-2, IL-10 LA-9/11 U-2 ETC.	UNKN	UNDER CONSTRUCTION	
ACTIVE BASE FOR MILITARY & CIVILIAN AIRCRAFT. SOME BASES USED BY PISTON TYPES MAY BE USABLE BY JETS	●	▲	△	MIG-15 MIG-17 TU-4 H-28	TU-2, IL-10 LA-9/11 U-2 ETC.	UNKN	UNDER CONSTRUCTION
INACTIVE BASES CAPABLE OF USE BY AIRCRAFT	●	▲	△				
CURRENT STATUS UNDETERMINED							

FIELDS NOT CONSIDERED CAPABLE OF SUPPORTING SUSTAINED OPERATIONS AT PRESENT.

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