

12 September 1957

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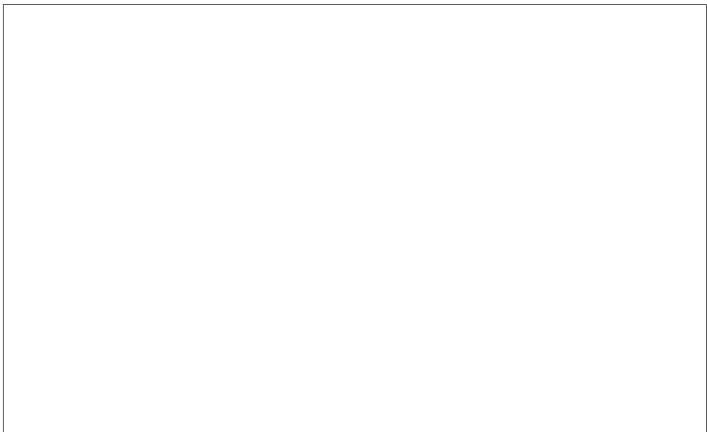
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THE TAIWAN STRAIT

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1. TURKISH OFFICIAL SEES INVASION AS ONLY SOLUTION TO SYRIAN QUESTION

The only solution to the Syrian crisis, in the opinion of Ahmed Korur, acting chief of the Turkish National Security Service and adviser to Prime Minister Menderes, is for the Turkish army to march directly into Syria.

Comment The opinion expressed by Korur is probably widely shared throughout Turkish officialdom.

The Turks are gravely concerned, especially over the stockpiling of Soviet materiel in Syria which they believe makes them vulnerable to a possible two-pronged attack.

Turkey is not likely to precipitate military action against Syria, either unilaterally or in cooperation with one or more neighboring Arab countries, without at least the tacit approval of its Western allies. The extensive military and air "maneuvers" planned by Turkey to take place soon in the vicinity of the Syrian border could result in a chain of incidents that might be difficult to stop.

2. GROMYKO STATEMENT ON MIDDLE EAST AND DISARMAMENT

Comment on:

Soviet Foreign Minister Gromyko's lengthy statement on Soviet and Western disarmament policies in Moscow on 10 September apparently is intended as a preview of the USSR's line in the forthcoming UN General Assembly debate. His denunciation of Western moves in the Middle East probably is aimed at countering recent American statements and actions, at stifling the Syrian regime's resistance to pressures from its neighbors, and at supporting Soviet bloc charges that the UN debate on Hungary has been arranged by the United States to divert world attention from aggressive Western designs in the Middle East.

Gromyko's charge, backed by even blunter accusations in the Soviet press, that the United States is preparing plans "aimed at stifling Syria as an independent state" apparently is intended to inhibit US freedom of action in dealing with the Syrian situation.

Complaining that Turkish forces are concentrating on Syria's frontier, Gromyko asked Ankara "how would Turkey feel if troops of a foreign state were being concentrated on her frontiers?" He warned that developments in military technology have increased the danger that local conflicts might develop into a general war and noted that Syria "has numerous and reliable friends."

Gromyko's criticism of the UN Disarmament Subcommittee's heavy NATO representation suggests that the USSR will again seek to enlarge the subcommittee. He listed as priority subjects for General Assembly consideration the cessation of nuclear tests, the withdrawal of foreign troops from Germany and other European countries, the liquidation of all foreign military bases, and the establishment of

ground control posts to prevent surprise attack. Gromyko asserted that aerial inspection of the US, the USSR, and other countries could not begin until the "last stage of disarmament" when the "necessary confidence has been established." He made no reference to earlier Soviet proposals for limited aerial inspection as part of a first-step agreement. [redacted]

3. JAPAN TO PROPOSE UN CALL FOR SUSPENSION OF NUCLEAR TESTS

The Japanese foreign minister is considering a resolution for submission to the UN General Assembly calling for suspension of nuclear tests and for resumption of negotiations for subsequent supervision and inspection procedures.

Ambassador MacArthur reports that Foreign Ministry officials, when they gave him a translation of the resolution as drafted, explained that public opinion throughout the world is more concerned with nuclear tests than with any other disarmament problem. They said that strong public pressure in Japan is forcing the government to this action.

Comment

Japan previously had agreed with the United States on the need for an effective inspection and control system prior to the suspension of tests. The proposed resolution also does not provide for agreement on stopping production of nuclear weapons, which is considered vital by the West.

Aside from its desire to accommodate public opinion, the Japanese government hopes to increase its international prestige by playing a leading role in attempting to ease world tensions.

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4. MIKOYAN DISCUSSES SOVIET ECONOMY

[Redacted]

Deputy Premier Mikoyan told Senator Ellender on 9 September that the USSR has decided to plan for only one year at a time until 1960, thus sidestepping the revision of the Sixth Five-Year Plan called for at the December 1956 central committee plenum.

Mikoyan admitted that the five-year plan had received "great criticism" from the various republics and regions and he implied there had been "great difference of opinion in Moscow" about it. By 1960, the planners hope to be prepared to issue the Seventh Five-Year Plan based on the reorganized administrative structure with the participation of the regional sovnarkhozy.

Crop prospects were generally good this year despite difficulties in some areas, according to Mikoyan. He said that yields on the new lands proved much better in the first year than in succeeding years, but asked the senator to give no publicity to this statement as "this was out of his field." Mikoyan indicated that the USSR planned to open 25,000,000-30,000,000 more acres of new lands, chiefly in Siberia. He said he had not "heard of any plans" for a major change in the collective or state farm systems.

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5. MIKOYAN MAY BECOME SOVIET PREMIER

According to the Warsaw correspondent of the London Daily Telegraph, citing "well informed" Polish Communist sources, Premier Bulganin will soon be replaced by Deputy Premier Mikoyan. The same sources indicate that Bulganin will be appointed to the sinecural post of chairman of the Supreme Soviet Presidium replacing the 76-year-old Voroshilov, who will retire.

Comment

In the event of a change, Mikoyan would be a likely candidate to replace Bulganin. The party central committee reportedly gave Bulganin a "last chance" censure in June for vacillating in his support of Khrushchev against Malenkov, Kaganovich, and Molotov.

Mikoyan went to East Germany with Khrushchev in August after the Soviet press had announced that Bulganin would go. On 9 September, Mikoyan talked with US Senator Ellender for an hour and a half and discussed Soviet policy on a wide range of topics in an authoritative manner contrasting sharply with that of Bulganin in recent months.

Previous reports have mentioned Defense Minister Marshal Zhukov and Party Control Committee chairman Nikolai Shvernik as possible replacements for Bulganin.

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6. BRITISH OFFICIAL BELIEVES TITO MOVING CLOSER TO USSR

[redacted] the British view that Tito has been moving closer to the Soviet Union in recent months,

[redacted]
while the Yugoslavs are determined to retain their independence, they will probably side with the USSR on most international issues when their own interests are not directly involved.

[redacted]
[redacted]
although Belgrade and Moscow agreed in general on major international issues, they did not necessarily agree on details. The British had the distinct impression that the major significance of the latest Tito-Khrushchev meeting was Tito's agreement that he would not "push matters" in Eastern Europe.

7. FURTHER DEVALUATION OF FRENCH FRANC FORECAST

The French government will be forced to devalue the franc further in the next two months, probably to 500-520 for the dollar.

Comment When Premier Bourges-Maunoury devaluated the franc 20 percent on 10 August, there were rumors that a further devaluation would follow. The figure [redacted] would place the franc slightly below the 490-per-dollar ratio now considered to be the realistic value. The government's difficulties in winning national backing for its fight against inflation, however, may raise some doubts in Paris concerning the long-run effectiveness of a second reduction, despite pressure to make French prices more competitive in the world market.

8. FRENCH MINISTER FOR ALGERIA REVERSES STAND ON PROPOSED STATUTE

[redacted] French Minister for Algeria Robert Lacoste now favors retaining the existing system of separate balloting for European and Moslem voters in Algeria,

[redacted] Lacoste also insists that all executive powers of the future Algerian territories be held by a minister resident and that the proposed Algerian central assembly have only coordinating powers. [redacted]

Comment

Lacoste's draft basic statute had eliminated electoral discrimination on the assumption that gerrymandering would provide safeguards for the European minority. He may be influenced now by growing pressure from European extremists in Algeria and by the increasing optimism of French officials over the effectiveness of his pacification program. His reported reversal will reopen the split in his own Socialist party and further complicate the government's attempt to get an Algerian statute through the National Assembly when it reconvenes in special session on 17 September.

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9. LIBYA MAKES URGENT REQUEST FOR AMERICAN MILITARY EQUIPMENT

[redacted] Libya has requested American military equipment for 1,000 men [redacted]

[redacted] In making this request, Foreign Minister Wahbi al-Buri said that his country urgently needs "at least" uniforms and small arms.

Buri stated that since the United States had recently sent supplies to other Near Eastern countries, he felt that Libya's request could be met immediately. He added that his government had "special reasons" for the request.

Comment Al-Buri's request and the reference to "special reasons" may be related to Soviet and Egyptian offers first made last year to equip the Libyan army. The Soviet military attaché in Libya reportedly has indicated a continuing interest in the subject. [redacted] , the Egyptians [redacted] were to furnish King Idriss' royal guard with arms and armored cars.

Following the British decision to curtail subsidies to Libya, the United States and Libya on 30 June signed a military aid agreement under which the United States is obligated to furnish arms and equipment "in accordance with such terms and conditions as may be agreed." [redacted]

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10. NEW ZEALANDERS COOL TO BRITISH FAR EASTERN DEFENSE PLANS

The secretary of the New Zealand external affairs department, A. D. McIntosh, has told the American embassy in Wellington that the recent talks with British Defense Minister Sandys produced few constructive results, and that Sandys' explanation of the United Kingdom's new nuclear defense policy has strengthened the impression in New Zealand that British power in the Pacific is declining.

According to McIntosh, New Zealand sees little point to the Sandys proposal to maintain the ANZAM (Australia-New Zealand-Malaya) alliance for the defense of Malaya since independent Malaya will probably request the withdrawal of Commonwealth forces within a few years. McIntosh stated that the defense of Commonwealth interests depends largely on the effectiveness of SEATO, and that New Zealand's own interests are adequately served by membership in SEATO and by the ANZUS treaty with the United States.

Comment

The secretary's remarks underscore the considerable reorientation of New Zealand's defense thinking--away from traditional reliance on Britain and toward greater coordination with American defense policy. This trend is apparent in the recent New Zealand white paper on defense plans, and Australia has already taken steps in the same direction. Both countries have been concerned over the possibility of a British request to increase their contributions to Malayan defense.

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SUMMARY

15 August - 11 September 1957

THE TAIWAN STRAIT

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

There were no significant developments in the area
during the period.

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