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1. SHEPILOV'S FORTHCOMING VISIT TO ATHENS

[Redacted]

The Greek government has taken pains to emphasize the nonofficial nature of Soviet foreign minister Shepilov's visit to Athens from 28 to 30 June. Athens expects the USSR to offer "something in the economic and cultural field" as well as support on Cyprus when Shepilov meets informally with Prime Minister Karamanlis and Foreign Minister Averoff, [Redacted] the USSR has already been told that an economic aid offer is not welcome. Since Greece cannot dispose of its surpluses in the free world, however, it would be vulnerable to Soviet offers to buy them.

Constantine Rodopoulos, the president of the Greek parliament, whose attitude probably reflects that of the Greek government, rebuffed the Soviet ambassador's suggestion that Shepilov lay a wreath on the tomb of Greece's unknown soldier and that he attend King Paul's Name Day ceremonies.

Rodopoulos also rejected the ambassador's suggestion that he head the Greek parliamentary delegation invited to visit the USSR. Rodopoulos said the visit could take place only if he selected the delegates, if no political discussions were held, and if the delegation were received by Soviet officials as a body.

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**2. NATIONALIST CHINA SEEN MOVING TOWARD
INCREASING ISOLATION**

[Redacted]

President Chiang's policy of boycotting even nonpolitical conferences in which Communist China participates is likely to diminish Taipei's international contacts and influence still further, according to Ambassador Rankin in Taipei. He observes that the Nationalist attitude stems from Chiang's fears that Nationalist participation in such meetings will indicate acquiescence in a "two Chinas" concept.

Ambassador Rankin adds that Chiang and most Nationalist leaders appear convinced that the United States is moving in the direction of a two-Chinas policy, and that the present trend is likely to bring Communist China into the UN within two years over gradually decreasing American opposition.

Comment	Many Nationalist officials, including Foreign Minister George Yeh, have come to believe that Taipei must actively participate in international activities in competition with Peiping.
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[Redacted]

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Comment

Use of the CHINCOM "exceptions procedures" by UN members as a device for increasing trade with Communist China is undermining the moral force exerted by the May 1951 UN embargo on shipments of strategic materials to Communist China.

The embargo resolution is based directly on the February 1951 censure resolution which is often cited as a bar to Peiping's entry into the United Nations. Neutralization of these UN resolutions would aid Peiping's drive to gain entry.

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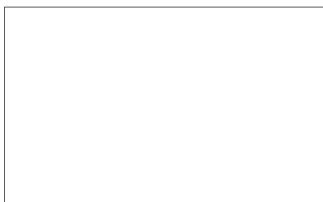
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4. INDONESIAN COMMUNIST PARTY'S ATTITUDE TOWARD
STALIN "UNCHANGED"



M. H. Lukman, deputy secretary general of the Indonesian Communist Party, told the press on 22 June that "Stalin was not free from faults and mistakes, but he did much for Russia and the Communist Party. Our attitude toward Stalin remains the same as before." Lukman's statement largely echoed that made by the party's secretary general, D. N. Aidit, on 3 June in which he denied that "Stalin had been set aside" and emphasized that "Stalin's services continue to be appreciated and respected."

The Indonesian Communist officials probably feel the denunciation of Stalin is largely an internal affair of the USSR. In this attitude they may have been influenced by the reluctance to criticize Stalin in Communist China, where Aidit spent two months following the Soviet 20th Party Congress.

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5. PROPOSED AGENDA FOR COMMONWEALTH TALKS

The Commonwealth prime ministers' conference beginning in London on 27 June will be Britain's first formal attempt to exercise its leadership in Commonwealth planning to meet the conditions of peaceful coexistence with the Soviet Union. The agenda the British have informally proposed to Pakistan, [redacted]

[redacted] suggests that they wish to impress Asian Commonwealth leaders, especially Nehru, with the dangers of Moscow's drive for economic penetration.

In addition to the Commonwealth stake in the Middle East and European security, the British wish to discuss future relations with Communist China, including the UN representation issue and Chinese relations with the United States.

The conference will study the sterling area's financial condition. The British will make a statement on the development of Britain's nuclear energy program, including consideration of its export potential, which it believes may eventually prove to be decisive in meeting the Soviet economic challenge. [redacted]

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6. GOVERNMENT IN GUATEMALA UNEASY OVER POLITICAL SITUATION

Comment on:

[Redacted] Reports that "trouble" is expected in Guatemala at the end of June or early in July are consistent with other signs of uneasiness over the political situation in the country.

[Redacted] the opposition is planning a demonstration in Guatemala City on 25 June in order to provoke the government into action which might create martyrs or lead to a spontaneous uprising.

The period specified covers the anniversaries of the beginning of the action which led to the overthrow of dictator Ubico on 25 June 1944, the downfall of pro-Communist president Arbenz in 1954, and the triumphant return to Guatemala City on 3 July of the present president, Castillo Armas.

Castillo Armas is reported confident that the army is loyal and that the situation is well in hand. The disaffection of some military personnel, however, has been pointed out in connection with information that Guatemalan exiles in Central America and Mexico are actively plotting an attempt against the government.

[Redacted]
Apparently feeling a decline in its popularity, the government has taken a few steps to improve its position. One such step was the government party's announcement of its intention to celebrate the Ubico ouster, confidently challenging the opposition to break up this rally. Pro-Communists and leftist students broke up a government-sponsored rally on May Day.

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THE ARAB-ISRAELI SITUATION
(Information as of 1700, 22 June)

An Israeli army spokesman said on 22 June that Egyptian machine gun fire on Israeli positions in the Gaza area had broken a week of quiet there. (Press)

Egypt reportedly told the owners of the Greek cargo ship Panngia, detained since 25 May from passing through the Suez Canal, that the vessel would be released provided it did not continue on its course to the Israeli port of Eilat on the Gulf of Aqaba. Israel made an official protest to the UN Security Council in early June over Egypt's continued blockade of the Suez Canal and stated Egyptian authorities were detaining this ship from completing its trip from Haifa to Eilat. Last February Egypt permitted another Greek ship on a similar trip to transit the canal after detaining the vessel for several days at Port Said.

During the political debate in the Israeli parliament following the 17 June resignation of Sharett as foreign minister, the chairman of the Foreign Relations and Defense Committee said the truth should be told that Israel has received military arms in recent months which give it "qualitative" superiority over any or all of the Arab states. The chairman was stopped by Prime Minister Ben-Gurion and others before he could elaborate further on this remark.

The two destroyers Israel purchased from Britain arrived in Haifa on 20 June.

Three British meteor MK-8 jet aircraft with Syrian markings left Rome on 20 June for Malta. He said the aircraft were probably not new but appeared to have been completely overhauled.

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