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24 February 1956

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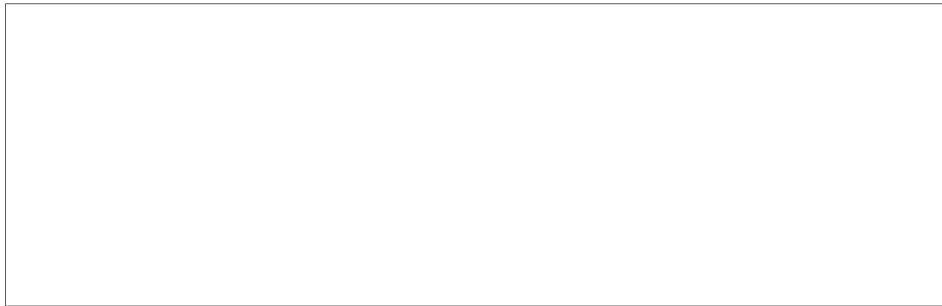
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**OFFICE OF CURRENT INTELLIGENCE
CENTRAL INTELLIGENCE AGENCY**~~TOP SECRET~~

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1. FREE DEMOCRATIC PARTY SPLITS OVER CHANGE IN WESTPHALIAN GOVERNMENT

[Redacted]

The announcement by the four Free Democratic Party (FDP) cabinet ministers, including Vice Chancellor Bluecher, of their secession from the FDP probably resulted from the failure of this pro-Adenauer group to come to an agreement with FDP chairman Thomas Dehler. Party moderates resent the action of Westphalia's right-wing group in over-

[Redacted] throwing the Christian Democratic government of that state on 20 February, but there is evidence that Dehler has refused to use the power of the national party to reverse the actions of its Westphalian branch. On the contrary, a statement by party headquarters has exploited the Westphalian situation to demand greater concessions by Chancellor Adenauer to the FDP.

[Redacted] August-

Martin Euler, FDP chairman for the state of Hesse, Euler had earlier stated that he would leave the FDP and form a new conservative party. Euler added that the FDP would lose the financial support of many industrialists if it formed a coalition with the Socialists in Westphalia, and hinted that he might continue to receive such support if he left the party. [Redacted] there was a rumor current within the FDP that Adenauer had given Euler funds amounting to over \$350,000 to form the new party.

Thus far the four cabinet ministers and 16 of 49 FDP Bundestag deputies have announced their secession from the party. While it is too early to determine the exact dimensions of the split, this group will probably act as a magnet for the large liberal element of the FDP.

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2. EX-PREMIER PINAY REPORTEDLY FAVORS CO-OPERATION WITH POUJADISTS

[Redacted] Former French premier Antoine Pinay favors strengthening unofficial ties between the right-center and Poujadist deputies, [Redacted]

[Redacted] Pinay feels that although it has controversial aspects, Poujadism is a growing popular movement which is fundamentally anti-Communist. [Redacted]

Comment The right-center with Poujadist support narrowly defeated a left-center move on 17 February to force early debate of the church school issue. The right-center has cast between 75 and 100 votes against expulsion of the three Poujadist deputies who have been ousted from the assembly.

Pinay may hope to draw the Poujadists into a broadened right-center as he did the ex-Gaullists in 1952. Among the factors which could have contributed to Pinay's reported position are the right-center's opposition to Mendes-France and his Republican Front, and the growing support for Poujade reported within conservative circles.

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3. FRENCH OFFICIALS EMPHASIZE COMMUNIST ROLE IN NORTH AFRICA

[Redacted] French premier Mollet told Ambassador Dillon on 21 February that Communist methods are becoming clearly apparent in the actions of guerrilla bands in Algeria and that Communist indoctrinated military leaders are taking over from the original leaders of the revolt. He said he now considers the establishment of Soviet embassies in Tunisia and Morocco inevitable.

Mollet urged that it is important for the United States, Britain, and France to develop a common policy to face the problems arising as a result of the new Soviet interest in North Africa.

On 22 February a spokesman for Robert Lacoste, French minister residing in Algeria, told Consul General Clark in Algiers that he believed the Russians were using Arab nationalism to attack the North African flank of NATO by way of Egypt.

Comment

The French have recently expressed concern over the influx of Soviet bloc arms into Near Eastern states, which permits an increase in the smuggling of arms from Egypt to North African nationalists.

The French ambassador in Washington has pointed out to Paris his belief that Americans are susceptible to arguments based on the threat of Communism. The French government probably is exaggerating the political role of Communists in North Africa to win American support. [Redacted]

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4. MOSCOW MAKES ECONOMIC OVERTURES TO LEBANON

The arrival in Lebanon on 21 February of a "survey team" of six high-level Soviet engineers is the latest move in the USSR's campaign to participate in development programs of Arab states. The Soviet engineers reportedly are interested in oil refineries and storage tanks, textile factories, construction of harbors, bridges and railway lines. The similarity of this list to the industries covered in a detailed market survey made by Czechoslovakia several months ago suggests that the Soviet "survey team" will probably attempt to negotiate detailed contracts on terms attractive to the Lebanese.

In the last several weeks Beirut has signed trade agreements with Poland, Rumania and Communist China. (Prepared by ORR)

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THE ARAB-ISRAELI SITUATION
(Information as of 1700, 23 February)

An Israeli spokesman alleged that Syrian riflemen opened fire on Israeli fishing boats near the northeastern sector of Lake Tiberias on 23 February. No casualties were reported. An Israeli spokesman also said that Egyptians had fired on an Israeli patrol in the Gaza strip on 22 February, wounding five Israelis.

Syria is increasing its strength on the Syrian-Israeli border. Twelve tanks, six half-tracks, and six trucks were reported moving toward Quneitra on 20 February. The American army attaché reports that Syrian troops at or near the frontier appear to be at full strength--four brigades--and that the usual force of 11 or 12 tanks may now have been doubled.

UN truce supervisor General Burns told the American consul general in Jerusalem on 23 February after an interview with Israeli foreign minister Sharett that he was "confronted on all outstanding subjects with a negative attitude on the part of Israel." Burns said that Israel has (1) taken no steps to implement the UN secretary general's proposals which it had "accepted unconditionally," (2) rejected his suggestion to discontinue daylight motor patrols along the Gaza strip, (3) shown no interest in his suggestions for improving the situation at Lake Tiberias, and (4) reasserted its "right" to resume work at Banat Yacov unless the Arabs agree to the Johnston plan.

Major Sarraj, head of Syrian army intelligence and leader of the dominant junior officer clique which advocates a tough policy against Israel, in a talk with the American army attaché in Damascus appeared to be much less warlike than before his visit to Cairo. Sarraj was most impressed with the growing strength of the

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Egyptian army and its new equipment. He said that the military talks with Egypt had been satisfactory, that Egypt and Syria had a full understanding, and that an Israeli attack would bring rapid retaliation whether launched against Syria, Jordan, or Egypt. Sarraj did not believe that Israel would attack Lebanon.

A Japanese Foreign Ministry official has inquired whether a change in policy is indicated by the lifting of the American embargo on arms to the Near East and Britain's statement that it proposes to continue shipments. Because of the depressed condition of the industry following the virtual cessation of American orders, Japanese businessmen have been searching for new markets. An Israeli mission is now visiting Japan, reportedly in the hope of purchasing arms and military equipment.

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BIWEEKLY SUMMARY

9-23 Feb 1956

THE TAIWAN STRAIT

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

1. Unfavorable weather restricted military activity in the offshore island area during the period. Ground force activity remained confined to sporadic artillery shelling. There was no significant air or naval activity.

2. The presence of 152-mm weapons on the Peiling Peninsula has been confirmed. These weapons are probably 152-mm gun/howitzers, which are capable of firing on all of the Matsu Islands except for the southern part of Matsu.

3. [redacted] a new Chinese Communist air force regional headquarters may have been established at Foochow. Establishment of this headquarters may presage activation of the new coastal airfields and would provide for better co-ordination of Communist air operations in the Taiwan Strait area.

4. [redacted] it now appears that the Nationalists may not intend to evacuate the Wuchiu Islands.

5. Chinese Nationalist shipping of supplies to the offshore islands has improved markedly during the past year. Backlogs in Taiwan have been reduced to the minimum practical level, and a 60-day stockpile of almost all supplies is being maintained on all major islands. In the event of a Communist attack, the Nationalist supply level on the offshore islands will not be a critical factor.

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6. On the propaganda front, Peiping continued to emphasize its "peaceful liberation" line, with calls for the "patriotic" defection of military and political personnel from Taiwan. [redacted]

7. Chou En-lai is reported [redacted]

[redacted] to have stated [redacted]

[redacted] that Taiwan would be taken during 1956 and Hong Kong and Macao at a later date. Chou's remark, if made, is probably a psychological warfare move. Similar statements were attributed to Chou with respect to "liberation" of Taiwan in 1955. [redacted]

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TAIWAN STRAIT SITUATION

23 FEBRUARY 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		
			+	I	?
ACTIVE BASE FOR MILITARY & CIVILIAN AIRCRAFT. SOME BASES USED BY PISTON TYPES MAY BE USABLE BY JETS	● OPERATIONAL	▲	MIG-15	TU-2	
INACTIVE BASES CAPABLE OF USE BY AIRCRAFT	● SERVICEABLE	▲	MIG-17	IL-10	
CURRENT STATUS UNDETERMINED	UNKNOWN		TU-4	IA-9/11	UNKNOWN
			IL-28	LI-2	UNDER CONSTRUCTION
			ETC.		

* FIELD NOT CONSIDERED CAPABLE OF SUPPORTING SUSTAINED OPERATIONS AT PRESENT.

