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SOVIET UNION

1. Soviet jet heavy bombers sighted over Moscow:

An observer sighted three BISON (Type 37) four-engine jet heavy bombers over Moscow on 6 April, according to the American air attaché. The aircraft were apparently practicing for the annual May Day aerial

parade. The unique engine-wing and wing tip pod configuration made identification nearly certain.

Comment: An earlier report had mentioned six aircraft. This is the first observation of more than one jet heavy bomber at a time although on several occasions since mid-February Soviet jet heavy bombers have been observed singly on the ground, or taking off from Fili airfield on the outskirts of Moscow. This airfield adjoins Aircraft Factory 23, which is believed to have participated in the development of jet aircraft and to have been associated with the construction of the prototype jet heavy bomber first seen in July 1953.

The observation of three aircraft in a practice fly-by would indicate that the USSR is pursuing plans to develop a jet heavy bomber capability and may mean that pre-series production of this aircraft was begun in order that further tests could be made.

It has been estimated that series production of a Soviet jet heavy bomber will begin in the third quarter of 1955, and that jet heavy bombers will be introduced into operational units early in 1957.

SOUTHEAST ASIA

2. Viet Minh air force training in China reported:

Viet Minh pilots and airmen are being trained in air force schools in South China, according to a Vietnamese refugee who allegedly talked with a recently returned air trainee.

Candidates for the training program, which has been under way for at least one year, are selected from the Viet Minh army. Upon return from the Chinese schools, the airmen and pilots are assigned to antiaircraft units pending the formation of a Viet Minh air force.

Comment: There have been persistent reports during the past few years that China has been providing air training for Viet Minh personnel. In January [redacted] directives had been issued to screen all Viet Minh units for suitable personnel.

Although the Viet Minh is currently prohibited by the Geneva agreement from establishing an air arm, it is probable that preparations for forming one following a final political settlement are being made. It is possible that, as in the case of North Korea, the Communists are creating a Viet Minh air force in China for future transfer to North Vietnam.

3. Viet Minh foreign minister to meet Laotian prime minister:

[redacted] The American minister to Laos has received reliable information that Viet Minh foreign minister Pham Van Dong will stop off at Vientiane on 12 April on his return from the Communist-sponsored New Delhi conference. Through the good offices of the Indian consul general, he is scheduled to be received by Laotian prime minister Katai and Foreign Minister Phoui.

The French chargé expects Pham to follow the line that Laos had better become reconciled with the Viet Minh because South Vietnam is as good as won, France is pulling out, and the United States is far away.

Comment: Pham is likely to urge Katai to make important concessions to the Pathet Lao.

Although Katay has demonstrated considerable vacillation in dealing with the Pathets, there is no doubt that he considers the Viet Minh ultimately responsible for Laos' grave internal security problem. He is likely, therefore, to be cautious toward any proposal made by Pham.

NEAR EAST - AFRICA

4. Iran faces period of government instability:

The Shah's appointment on 7 April of Minister of Court Hossein Ala as prime minister presages a period of political instability in Iran.

Ala probably will be only a figurehead and the Shah will, in effect, be his own prime minister, a job for which he is ill-equipped. Ala is reported to have accepted the post with reluctance, as he is ill and planning to go to Europe for medical care. A report that the post of minister of court is being held open for Ala suggests that his is only an interim appointment.

Iranian politicians and officials will be preoccupied in the coming weeks with maneuvers to assure themselves and their followers of a preferential place in the new government. Aspirants for the premiership can be expected to bring pressure on the Shah to be chosen as Ala's successor.

The duration of political instability will be determined primarily by the Shah's willingness to appoint a capable prime minister who is acceptable to and who will co-operate with the Mailis rather than try to dominate it.

5. Britain offers Israel guarantee to supplement 1950 Tripartite Declaration:

Britain has informed Israeli prime minister Sharett of its willingness to enter into some new form of guarantee

as part of an over-all Arab-Israeli settlement covering frontiers, Jordan waters, and refugees, according to the British assistant under secretary of state. In making this offer, Britain reaffirmed its obligations under the 1950 Tripartite Declaration.

Britain has also suggested to Egyptian prime minister Nasr that prior to his departure for Bandung on 8 April he leave instructions that Egypt apply every possible restraint in Gaza.

London plans to suggest that France send similar cautionary messages to Egypt and Israel.

Comment: Britain has been especially disturbed by the Gaza incidents because they have set back its efforts to obtain an Arab-Israeli settlement.

In the 1950 Tripartite Declaration, the United States, Britain, and France pledged to prevent the violation of frontiers or armistice lines in the Middle East.

6. Comment on new gains for Sudanese independence movement:

The decision of the Sudanese National Unionist parliamentary party on 8 April to reverse its original stand and support full independence rather than union with Egypt is the most serious reverse Cairo has suffered in its campaign to unite the two countries.

The National Unionists' action follows a report from the American liaison officer in Khartoum that Ali Mirghani and Abdul Rahman al Mahdi--leaders of the rival religious sects which dominate Sudanese politics--may be near an agreement on co-operating to achieve independence.

These events, together with the announced breakdown on 7 April of Egyptian-Sudanese talks on distribution of the Nile waters, are likely to have serious repercussions

in Cairo. The Nasr regime is committed to obtain union and will have to make strenuous efforts if it is to retrieve its position in the Sudan before the Sudanese finally decide on their future status late this year or early in 1956.

EASTERN EUROPE

7. Majority of Hungarian Communist leadership reportedly against Nagy ouster:

Hungarian Workers' Party first secretary Matyas Rakosi has been unable to remove Premier Imre Nagy from office because Nagy has the support of a large majority

of the party membership,

Rakosi was unable to gain the support of more than 20 percent of the party central committee in two attempts to draw up a resolution castigating Nagy, and finally issued it without approval.

Comment: This report, if true, indicates that despite Soviet support of Rakosi in this dispute, the conflict in the Hungarian party leadership is still serious and that more drastic measures--possibly including a large-scale purge--may be needed to resolve it.

Earlier reports have stated, however, that the USSR has counseled moderation in the handling of Nagy, and that the Soviet leaders do not want a radical change in Hungarian policies or an open struggle for power in the Hungarian leadership.

The Kremlin's continuing support of Rakosi seems confirmed by the fact that Pravda printed an article on 3 April by Hungarian first deputy premier Hegedus reaffirming Rakosi's resolution and by Voroshilov's reference in his 4 April speech in Budapest to the correctness of this decision.

THE FORMOSA STRAITS

Report of the IAC Current Intelligence Group for the Formosa Straits Problem

This report is based on information received in Washington up to 1100 hours 8 April 1955.

1. Aircraft of the 1st Naval Air Division at Shanghai engaged in a fairly high level of training activity during the third week in March.

A study of bomber type activity by this unit indicates that prior to aggressive action in the past its aircraft have been noted in unusually high levels of target and bombing practice. This was true immediately preceding the action against the Tachens in January.

Although we cannot overlook the possibility that this activity is a prelude to further Communist offensive action, it may well be nothing more than a continuation of training operations.

