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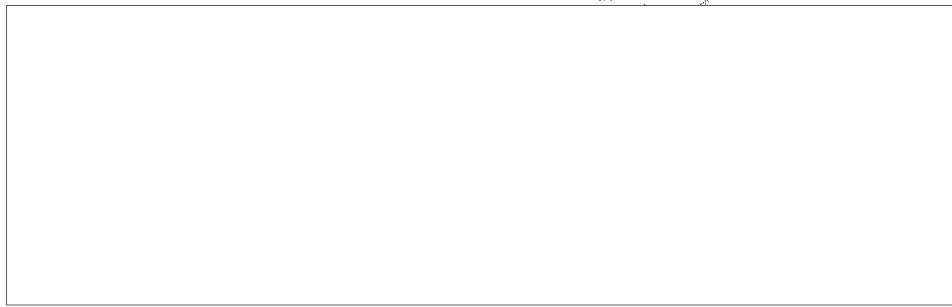
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CENTRAL INTELLIGENCE AGENCY

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**1. DEFECTOR GIVES ACCOUNT OF JULY CENSURE OF
MOLOTOV**

	who defected recently reports that A. I. Mikoyan gave a speech criticizing Molotov at the plenum of the central committee of the Soviet Communist Party last July. [redacted] this speech was read at a closed meeting for party ac- tivists in October 1955, and that a transcript of the en- tire central committee plenum was read at a November meeting of the same group. [redacted]
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Molotov allegedly was criticized for making foreign policy together with Stalin without consulting the central committee, for allowing his wife to invite wives of Western diplomats to a party without consulting the central committee, for being anti-Yugoslav, for opposing Khrushchev's "new lands" policy, and for opposing large works such as hydroelectric stations. Khrushchev criticized him for his disarmament proposals.

When Molotov referred to his 34 years in the politburo, Khrushchev shouted, "We won't pay any attention to your long beard." Khrushchev stated that Yugoslav orientation toward the United States instead of the USSR was a result of Molotov's opposition to Yugoslav friendship. In conclusion Molotov stated that he was willing to submit to the decision of the central committee.

Comment

[redacted] similar readings of central committee charges against both Beria and Malenkov also took place at special local party meetings. Molotov's stated willingness to abide by the central committee's decision may have saved him for the time being. Molotov may yet be removed, however, possibly at the 20th Party Congress in February.

Mikoyan seems to have been acting as spokesman for Khrushchev in presenting the charges against Molotov. Mikoyan may have a personal stake in discrediting Molotov, however; he is a first deputy premier and has been rumored a possible successor as foreign minister. [redacted]

2. HIGH-LEVEL SOVIET BLOC ECONOMIC GROUP MEETS IN BUDAPEST

The Council for Mutual Economic Assistance met in Budapest from 7 to 11 December. According to Communist press reports, representatives of the USSR and all the European Satellites were present. Discussions reportedly centered around such topics as regional economic specialization, co-ordination of production, and reduction of costs. Most long-term trade agreements between council members expire this year.

Comment The Council for Mutual Economic Assistance (CEMA), which was formed in 1949 to co-ordinate Soviet bloc economic development, was widely regarded as the Soviet answer to the Marshall Plan. This latest meeting of the council is of particular importance in view of the reported close co-operation between Soviet bloc countries in their respective Five-Year Plans for 1956-1960. [] (Prepared by ORR)

3. GREEK PRIME MINISTER REPORTED PLANNING EARLY ELECTIONS

Prime Minister Karamanlis intends to dissolve the Greek parliament before its Christmas recess in order to prepare for new elections in early

February

Karamanlis believes the new party he will form prior to the elections will win at least 180 of the 250 seats of the new parliament, and he expects 100-percent support from the Greek Rally.

Comment

Karamanlis may be overly optimistic concerning his party's electoral prospects for a large majority. He apparently has made no recent efforts to enlist the co-operation of independent center politicians or to neutralize antagonistic factions within the Rally. His popularity will depend to a considerable extent on developments on foreign policy issues such as the Cyprus dispute and the question of Turkish compensation to those who suffered losses in the anti-Greek riots in Turkey in September. He has shown ability to keep these problems under control and can be expected to win a majority.

THE ARAB-ISRAELI SITUATION
(Information as of 1700, 14 December)

No significant military action has been reported. Syrian troops reportedly fired on an Israeli village near Lake Tiberias on 14 December, but without inflicting any casualties.

Syrian premier Ghazzi announced, after a cabinet meeting held to discuss the Israeli attack of 11-12 December, that Syria intends to increase its defense budget by 40 million Syrian pounds (\$13,000,000). He also announced that the Syrian government has decided to procure arms with the recent Saudi Arabian loan of \$10,000,000 and to institute military training in secondary schools. Both Iraq and Lebanon have told Syria that they are ready to help it against Israel. No similar public statement has yet come from Cairo.

that the situation resulting from the 11-12 December attack was grave, but that he did not believe Syria would risk war by retaliating in force. Broadcasts from Damascus playing up the "heroic action" of Syrian troops in "repulsing" the Israelis also suggest that Syria will not take strong counteraction at this time.

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BIWEEKLY SUMMARY
1-14 December 1955

THE TAIWAN STRAIT

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

1. The Chinese Communists have continued construction of the causeway to Tateng Island, north of Quemoy, despite intermittent Nationalist artillery fire against the causeway. The only Chinese Communist shelling appears to have been a total of 531 rounds counterbattery fire against the Quemoys, and 40 rounds against a small islet west of the Quemoys.

2. The largest number of coastal cargo vessels and landing craft seen at Mawei, a small naval base near Foochow, was reported by Chinese Nationalist sources on 10 December. The concentration included seven small naval and six landing craft, one dredge, and numerous wooden boats. Some of these vessels may have moved to the Santu Bay area near Matsu, where Nationalist jet fighter-bombers attacked nine Communist naval craft on 13 December. At least two, and possibly five, of the vessels were damaged. One of three apparently successful antishipping strikes launched recently by the Nationalist air force, the action indicates a more determined effort to disrupt Communist logistic and naval support in the area opposite the Matsus.

The presence of a dredge in the Mawei area suggests that the Communists intend to improve Mawei as a naval base. Such a development would improve Chinese Communist naval support and operational capabilities in the Matsu area.

3. The sighting on 3 December of a Chinese Communist naval formation, 120 miles northeast of Shanghai and apparently en route to Shanghai, presages an improvement in Chinese Communist amphibious capabilities in the East China area. Photographs reveal that the formation consisted of a landing craft repair ship, one gunboat, two LSM's, and twenty LCM's. The LCM's are believed to be new units constructed at Dairen.

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4. A total of 13 submarines are now accepted in the Chinese Communist navy, including nine based at Tsingtao and four at Port Arthur. The Port Arthur-based boats and four of the Tsingtao vessels are long-range types, while the others are of shorter range. Previously, only 11 submarines had been accepted as belonging to the Chinese Communists.

5. The runway at Lungtien airfield, located on the coast southeast of Foochow, now has been cleared of debris and is considered serviceable. Lungtien is the fifth coastal field opposite Taiwan to be made suitable for jet operations. As yet, none of these coastal airfields has been occupied.

6. A Chinese Communist field artillery division of about 6,000 men has been identified as probably being in the area opposite the Quemoys. This does not necessarily indicate a recent Communist reinforcement of this area, as this unit may have been there for several months. A total of one artillery division, three antiaircraft artillery divisions, and one independent antiaircraft artillery regiment probably are now in Fukien Province.

7. No extended comment on the Taiwan Strait situation has appeared in Peiping's propaganda during the past two weeks.

8. Communist China drew new expressions of neutralist support for its claim to Taiwan as a result of the Khrushchev-Bulganin visits to Burma and India.

a. The Soviet-Burmese communique of 6 December declared that "the question of returning to the People's Republic of China, Taiwan and the other islands which constitute an integral part of China's territory should be settled immediately."

b. The week following, the Soviet-Indian joint declaration asserted that "the legitimate rights of the Chinese People's Republic in regard to coastal islands and Taiwan should be satisfied." The declaration also expressed the hope that the current US-Chinese ambassadorial talks at Geneva would lead to "wider understanding through meetings at higher levels."

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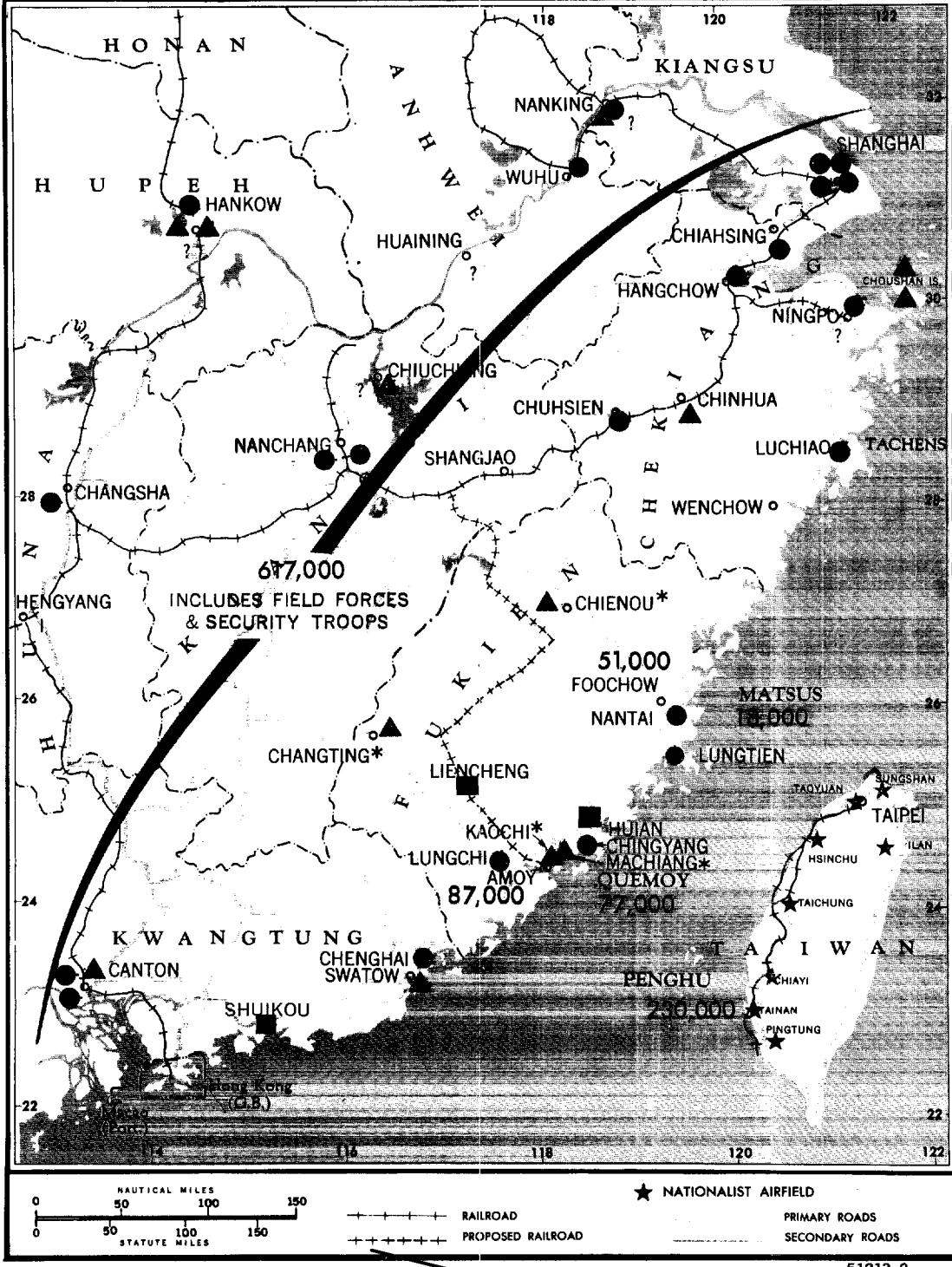
Presumably this language is intended to express support, not only for a US-China meeting on the foreign minister level, but also for a multinational conference on Far Eastern problems. Both a Dulles-Chou meeting and a general conference have been previously proposed by the Chinese Communists.

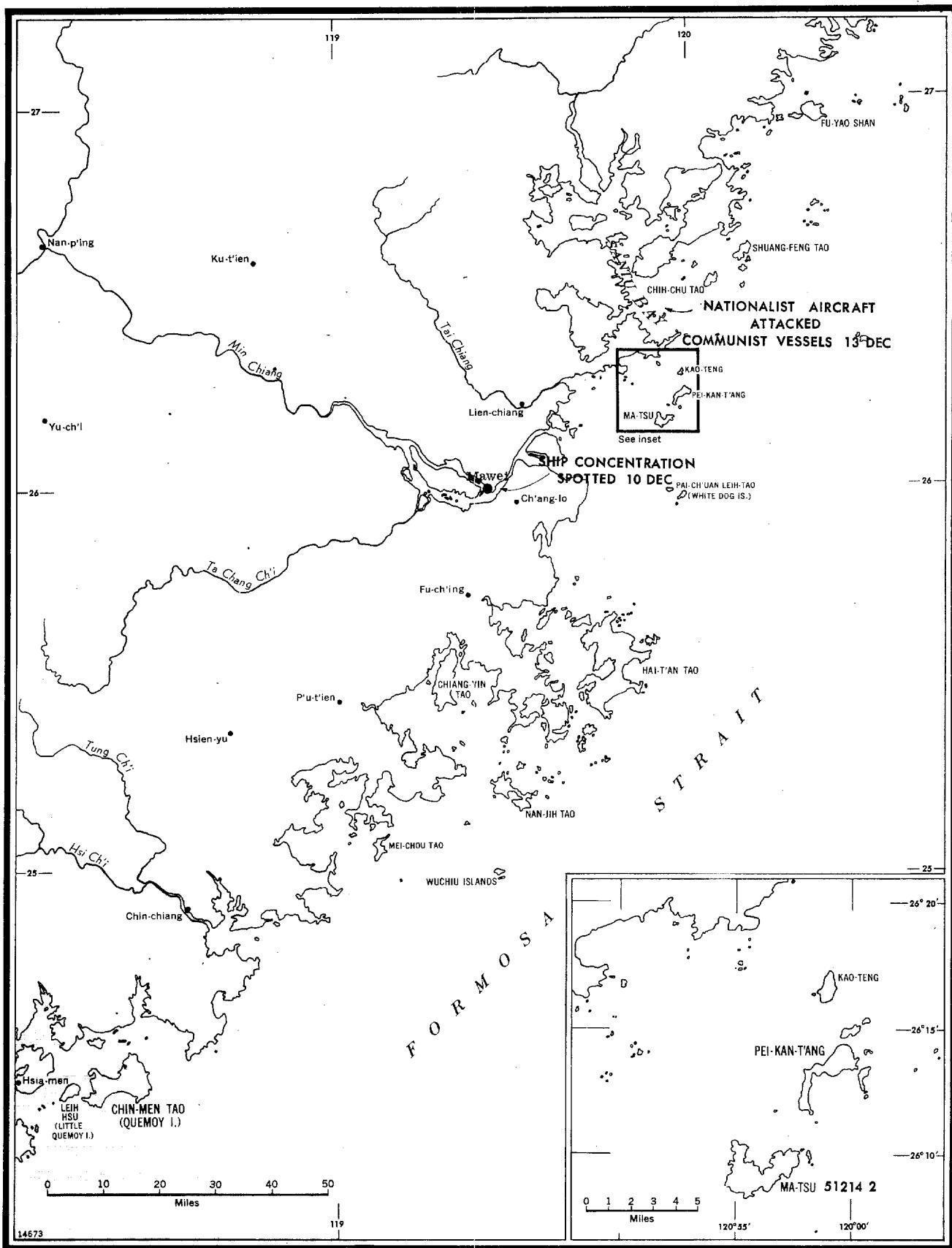
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TAIWAN STRAIT SITUATION
15 DECEMBER 1955

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 MIG-17 TU-4 IL-28	TU-2, IL-10 LA-9/11 ETC.
INACTIVE BASES CAPABLE OF USE BY AIRCRAFT	●	SERVICEABLE	▲		UNKNOWN	UNKNOWN
CURRENT STATUS UNDETERMINED		UNKNOWN				UNDER CONSTRUCTION

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

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