

~~TOP SECRET~~3.3(h)(2)
3.5(c)

23 April 1955

Copy No. 94
QFD

CURRENT INTELLIGENCE BULLETIN

DOCUMENT NO. 15
NO CHANGE IN CLASS.
 DECLASSIFIED
CLASS. CHANGED TO: TS S C
NEXT REVIEW DATE: 2010
AUTH: HR 70-2
DATE: 8/1/80 REVIEWER:

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

~~TOP SECRET~~

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GENERAL**1. Tito suggests more explicit neutralism in Yugoslav policy:**

[redacted] Yugoslavia is determined to contribute to an eventual rapprochement of all European states, and plans neither to return to the Cominform as the USSR desires, nor to join NATO. He said that he welcomes the prospect of Austria's neutralization and feels that Soviet withdrawal of troops from Austria and the neighboring Satellites would compensate for any losses.

He felt that Germany would inevitably be reunified, and that it could not then be expected to associate itself exclusively with either East or West. He questioned whether the West should continue to regard Germany exclusively in military terms. He suggested that consideration be given to a "cordon sanitaire" consisting of Sweden, a reunited Germany, Austria, and Yugoslavia. He saw no reason why countries such as the Netherlands could not be included.

Tito said that he had no objection to "purely technical" defense talks with the West, but that talks on strategic or tactical problems, even secret, could not fail to have an unfortunate effect at the present time. He said he knew this stand would be mistakenly attributed to a reorientation of Yugoslav foreign policy. "If I am told, no talks no aid, I will give up aid," he stated.

Comment: Tito's statements strongly imply that Yugoslav thinking is becoming more outspokenly neutralist. There have been several reports that the USSR is working for Yugoslavia's inclusion in a belt of neutral nations.

Because of their often repeated belief that world tensions have abated in recent months, the Yugoslavs feel no current pressure to accede to Western desires that they co-ordinate their military planning with NATO, either directly or through the Balkan pact.

By "purely technical" defense talks, Tito probably has in mind a renewal of American-British-French talks with Yugoslavia, largely concerned with military aid, which were last held in 1953.

2. Balkan pact military talks leave co-ordination with NATO still undecided:

[redacted] the general staff conference of the Balkan alliance held in Belgrade from 5 to 17 April opened with the Turks proposing a discussion of strategic plans which would involve NATO support for Greece and Turkey. The Yugoslavs refused to discuss the question, insisting that political decisions were a prerequisite.

The conferees finally agreed to consider strategic military plans contingent on later political decisions. Turkey then requested Yugoslav commitments in the event of a Soviet attack from the East. The Yugoslavs responded that their capabilities would be small because of the remoteness of eastern Turkey.

Technical-level conversations concerning intelligence, logistics, and communications were labeled by both Greeks and Turks as "generally satisfactory."

Comment: The reports on this meeting support other indications that a serious cleavage exists in the Balkan alliance as to the direction it should take in terms of overall Western defense planning. Unless a workable compromise can be achieved, the ultimate effectiveness of the tripartite military alliance may be seriously weakened.

SOUTHEAST ASIA

3. Soviet shipments to Viet Minh may start on Haiphong takeover:

[redacted] All shipments were to begin after the Viet Minh takes over Haiphong in mid-May.

Comment: With the exception of the Sino-Viet Minh agreement on the restoration of communications in North Vietnam, this is the first known large-scale Orbit economic support made available to the Viet Minh since Geneva. It is possible that such shipments have been deferred until the modern port of Haiphong becomes available. (Concurred in by ORR)

4. Bao Dai proposes plan for new government in South Vietnam:

Bao Dai has proposed a master plan for a solution to the crisis in Vietnam. As outlined to the American embassy in Paris on 20 April by his chief adviser, the first step, as soon as France and the United States approve, would be to bring Phan Huy Quat to France, where he would be charged with forming a new government. Bao Dai promised that this move would be handled so as to preserve Diem's authority and "face."

The government would consist of two policy-making bodies whose disputes Bao Dai would arbitrate--a cabinet of approximately 12 nonpolitical technicians and a high council of some 18 members representing political groups, the sects, the army, the peasantry, artisans, and the trade unions. The high council would serve until a national assembly could be elected by universal suffrage at some indefinite date. Bao Dai believed that the establishment of a provisional government pending elections would be "madness," and that any thought of national elections in the immediate future would be totally unrealistic.

Bao Dai, who sees his own role as that of an "arbitrator and catalyst," would guarantee the good behavior of the sects and the Binh Xuyen. He regards the plan as the best possible means of "replacing Diem without antagonizing the United States." Bao Dai recognized that no plan could be put into effect without prior French and American approval but asserted it was absolutely essential that the United States take "no visible role" in connection with his plan.

If the United States continued to back Diem, Bao Dai would no longer be responsible for events in Vietnam, but he wished to state formally that he would yield to American views if the United States opposed his plan and continued to support Diem. He explained that Vietnam's national interest did not permit it to oppose the United States.

NEAR EAST - AFRICA

5. Comment on murder of high Syrian army officer:

The assassination on 22 April of Colonel Adnan Malki, the Syrian army chief of operations and training, removes from the scene an army officer who was associated with the leftist, anti-Western clique that dominates Prime Minister Asali's coalition cabinet. This clique has been pushing for a Syrian-Egyptian-Saudi Arabian defense pact.

Malki was shot by an army sergeant who reputedly was a member of the Syrian Social National Party, a small, nationalist group that believes in Iraqi-Syrian union centered on Damascus, not Baghdad.

The murder occurs at a time when the struggle for power within Syria has been threatening to erupt into military action. Malki's superior and friend, Chief of Staff Shawkat Shuqayr, appears currently to be courting open rebellion from Syrian army officers who oppose his policy of ridding the ranks of pro-Iraqi officers. Malki's death will probably induce the chief of staff to move swiftly in his attempts to tighten his control.

6.

Comment:

Because no other Jordanian politician could wield the dictatorial control of Abul Huda, his resignation would probably presage a resurgence of the Communist and anti-Western extremist activity which flourished before he assumed office a year ago.

7. Turkish prime minister presses for American economic aid:

Ambassador Warren reports that when he endeavored on 20 April to caution Turkish prime minister Menderes on prospects for increased American economic aid, the prime minister reacted with bitterness and "an intensity of conviction and determination."

Menderes said that in the economic field the United States alone is unwilling to extend credit to Turkey, and he added that his country could get along without American economic aid. He said that he had heard only criticism and cries of inflation from Americans since he came into office. Washington does not appreciate, he warned, the importance of Turkey against the Soviet Union and the need for continued political stability "in this critical spot."

Comment: The prime minister's pique reflects the degree of tension which, in the judgment of top American officials in Turkey, has reached a stage that might affect all American activities there. In mid-March, Ankara reiterated last year's unsuccessful request for a \$300,000,000 American loan for economic purposes and requested a definite reply or the cessation of economic talks then under way.

Economic conditions in Turkey have seriously deteriorated during recent months, largely because of Ankara's unwillingness or inability to cope with large foreign commercial debts and general economic imbalance.

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 22 April 1955.

1. No significant activity has been reported.

CHINA - FORMOSA SITUATION

Nautical miles 0 50 100 150
 Statute miles 0 50 100 150

Selected road
 Railroad
 Proposed railroad

COMMUNIST AIRFIELD LEGEND

PRIMARY
SECONDARY

- ▲ OPERATIONAL
- ▲ SERVICEABLE
- ▲ UNKNOWN
- ▲ OTHER

USEABILITY

- + MIG-15, MIG-17, TU-4, IL-28
- | TU-2, IL-10, LA-9/11, LI-2, etc.
- unknown
- * Fields not considered capable of supporting sustained operations at present.

NATIONALIST AIRFIELD

DESIGNATIONS

- PRIMARY: considered most important in area, with prepared runway generally 5000 feet or longer.
- SECONDARY: auxiliary or emergency bases, or fields of lesser importance--runways generally less than 5000 feet.
- OPERATIONAL: consistently used by military & civilian aircraft.
- SERVICEABLE: capable of use by aircraft.
- UNKNOWN: current status undetermined.
- OTHER: under construction, abandoned, or unserviceable.

