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GENERAL

1. Soviet [redacted] support to Syria:

[redacted]

Comment: Moscow probably is attempting to stiffen the Syrian government in order to intensify the Turkish-Syrian dispute. By using this indirect approach, it avoids any firm commitment or direct intervention in which the USSR would appear to be causing increased tension in the area. The Soviet propaganda campaign against Turkish efforts to bring Syria into Western-oriented Middle East defense arrangements has been recently intensified.

[redacted]

2. Moch offers new disarmament proposal for UN subcommittee's consideration:

[redacted]
At a meeting on 31 March of Western delegates to the current UN disarmament subcommittee talks in London, French

delegate Jules Moch advanced a proposal to meet Soviet objections that the four powers were unwilling to set specific time limits for reductions and prohibitions in a disarmament program. This proposal called for starting action to reduce nuclear weapons after 75 percent of the agreed-on reduction in conventional armaments had been completed. He said his plan had not yet been communicated to Paris.

The British delegate endorsed the plan, saying it "seemed to be a novel and useful way to meet Malik's criticism" of the previous Western proposals.

American ambassador Wadsworth criticizes the plan as dealing with details before principles have been determined. Furthermore, the USSR has not divulged its position on the most important aspects of disarmament.

Comment: Moch's proposal could appeal to the French government as a way of bolstering its claim to great-power status and of emphasizing, largely for internal political reasons, that real efforts are being made to negotiate with the Russians. British support for his plan could encourage Moch in his efforts to reach common ground with the USSR.

The British approach to disarmament has been characterized by a desire to offer the USSR the best possible terms, primarily in order to force the USSR to reject them under most embarrassing conditions.

SOVIET UNION

3. Khrushchev says Soviet foreign policy designed to sober "aggressive circles":

[Redacted] Indonesian ambassador Subandrio, who recently had an interview with N. S. Khrushchev, has told Ambassador Bohlen that Khrushchev had stated that the Bulganin government's firmer tone in foreign affairs as compared with

that of "the previous government" should not be interpreted as reflecting any aggressive intentions. It was designed, he said, to sober aggressive circles abroad, especially in the United States.

Khrushchev also declared that the USSR was not afraid of American bases since the Americans must be aware that the USSR could destroy these bases with "a blow."

Comment: The recent criticisms of Malenkov's statement concerning the "destruction of civilization" in a future war, the harsh tone of Molotov's foreign policy speech to the Supreme Soviet on 8 February and the increase in the USSR's defense budget suggest that the present leaders were dissatisfied with Malenkov's foreign policy and are anxious to avoid any appearance of weakness or uncertainty.

4. Soviet fighter units in East Germany begin conversion to MIG-17's:

Five MIG-17 jet fighter aircraft were identified [redacted] at Zerbst airfield, [redacted] south-west of Berlin. The observation of at least 25 aircraft crates suggests that MIG-17's in regimental strength have arrived at Zerbst. [redacted]

Comment: This is the first confirmation of MIG-17 conversion by Soviet fighter units located in Eastern Europe.

Conversion to MIG-17's in the USSR was begun in 1953, and by 1 January 1955 40 percent of the total Soviet fighter force of 10,545 is believed to have consisted of this type.

The MIG-17, the latest Soviet operational fighter, has an estimated maximum sea level speed of 605 knots and a combat ceiling of 55,000 feet. It replaces the MIG-15, the latest model of which has an estimated maximum sea level speed of 552 knots and a combat ceiling of 50,500 feet.

FAR EAST**5. Comment on Japanese delegates to Afro-Asian conference:**

The appointment of State Minister Takasaki, instead of Foreign Minister Shigemitsu, as head of the Japanese delegation to the Afro-Asian conference emphasizes that Japan's primary interest is in promoting its program for economic co-operation with Southeast Asia.

Despite his international business background and his position as Japan's top economic planner, Takasaki is politically inexperienced.

Shigemitsu's top lieutenant, Masayuki Tani, may be counted on to give pro-Western advice on foreign policy matters, but his status as only an alternate to Takasaki will make Japan's voice less effective. Tani's appointment to the number-one spot was withdrawn when the Indonesian mission in Tokyo pronounced him unacceptable because he lacked cabinet rank.

Japan has already decided not to put forth its disarmament proposal which was intended to embarrass the Chinese Communists and will propose three items for discussion: economic co-operation, cultural exchange, and peaceful settlement of all disputes. [] **NOFORN**)

SOUTHEAST ASIA**6. French-Vietnamese tension increases over Binh Xuyen issue:**

The American embassy in Saigon reports that General Ely is taking the line that the Vietnamese army was responsible for the recent clash with the Binh Xuyen. Diem in turn has threatened to resign if the French continue to frustrate his plans for further action against the gangster group.

[redacted] French troops, numbering more than 20,000, have divided Saigon into Vietnamese and French sectors in such a fashion as to prevent the Vietnamese from taking action against the Binh Xuyen.

Ely told General Collins he would arrest Diem if such action were necessary to prevent civil war.

Some of Diem's closest advisers have told him to stake everything on one further blow at the Binh Xuyen, since to allow the present stalemate to continue would be fatal.

Meanwhile, Diem has replied evasively to a hint from Bao Dai that he resign. He is now taking steps to reconstitute his cabinet which, as a result of recent resignations, now consists of little more than Diem himself.

Comment: [redacted]

[redacted] there is growing suspicion within the Vietnamese army that subordinate French army echelons are deliberately withholding supplies, and the possibility of incidents between the French and Vietnamese armies is increasing.

7. French and British urge Laotian ultimatum to Pathets:

[redacted] French and British officials in Vientiane plan to urge Premier Katay to make a last effort to obtain a reasonable settlement and, if the Pathets fail to agree

within a short time, to break off negotiations. Katay will be advised to appeal then to the International Control Commission for a decision on the restoration of royal authority in the two northern provinces. If the commission fails to act effectively, Katay is to appeal to the Geneva signatories.

American minister Yost says his colleagues agree on the desirability of terminating the negotiations within two weeks, so that a formal appeal could be made to the commission prior to the Bandung conference. He hopes, however,

the appeal might be made even if, as he anticipates, the negotiations are not definitely ended at that time.

Comment: The tactics of the Pathets have been to string out the negotiations while they continue to consolidate their position. As a result of a threat to break off the discussions, the Pathets would probably make some concession designed to convince the International Control Commission of the desirability of continuing the talks.

SOUTH ASIA

8. Comment on anti-Pakistan riots in Afghanistan:

The anti-Pakistan demonstrations which occurred in Kabul, Ghazni, and Mukur on 30 March will probably result in the indefinite postponement of a rapprochement between Afghanistan and Pakistan.

The demonstrations were probably organized by Prime Minister Daud, since the one in Kabul began on the grounds of the Interior Ministry, of which he is the head. Daud may have acted without the consent of other members of the royal family, partly as a protest against pressure being applied on him to curtail economic ties with the Soviet Union.

Whether or not Daud acted independently, the violence which accompanied the Kabul demonstrations may work to his disadvantage and intensify efforts by members of the royal family to curb him. They probably desire to avoid an open break with Pakistan, and presumably recognize that the demonstrations have eliminated any possibility of obtaining concessions from Karachi on Pushtoonistan.

NEAR EAST - AFRICA

9. Further trouble expected in Algeria:

Jacques Chevallier, mayor of Algiers and former defense minister in the Mendes-France cabinet, expects that the situation in Algeria will deteriorate, according to the American consul general in Algiers. Chevallier looks for trouble from the Moslem Algerians when the state of emergency legislation goes into effect, since the Moslems expect that injustices and brutality will result.

Comment: The state of emergency authorized by the French National Assembly, which went into effect on 1 April, removes legal safeguards against arbitrary arrest, seizure, and censorship.

This legislation will quiet the French settlers' demands for the time being. On the other hand, it will intensify Algerian suspicion of French good faith and may serve to unite the disparate nationalist groups into a widespread underground organization. The French security forces, numbering nearly 100,000, are capable of maintaining order.

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 1 April 1955.

No significant development has been reported.

