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GENERAL

1. Czechs suggest resumption of normal trade and diplomatic relations with Colombia:

[Redacted]

Comment: Czechoslovakia has been interested in the Colombian market for some time. Along with Poland and Hungary, it has been making strong efforts to develop trade and expand its diplomatic representation in Latin America.

Colombia has never recognized the Prague government since the Communist coup in Czechoslovakia in 1948, but because of the falling world prices for coffee, by far Colombia's principal export, it is being driven to seek new markets, even behind the iron curtain. [Redacted]

SOUTHEAST ASIA

2. Vietnam may seek closer relations with India:

[Redacted] The Vietnamese government would like to see India step into the role, now filled by the French, of intermediary between Vietnam and the Viet Minh, [Redacted]

[Redacted] By such means Vietnam hopes to rid itself of the colonial stigma and gain the support of India and other Asian countries.

The Vietnamese government also wants to convince Nehru that Ho Chi Minh is primarily a Communist, not a nationalist. It would like a conference, at which Vietnam would be truly represented, to discuss the Geneva accords.

Comment: India's tendency has been to write off South Vietnam as falling within the Chinese sphere of influence. This tendency might be moderated by Vietnam's clear emergence from colonial status, by Premier Diem's austerity and patriotism, and by the disillusionment of the Indian nationals who lived briefly in Hanoi following the Viet Minh takeover.

3. Thailand's attitude toward Communist China held unchanged.

Comment: Prince Wan was impressed by Chou's conciliatory attitude at Bandung, but there is no evidence that he has undertaken any moves to alter Thailand's anti-Communist policies. Premier Phibun recently reaffirmed Thailand's pro-Western orientation in unequivocal terms.

The Thai, however, both at Bandung and subsequently have indicated a willingness to negotiate with the Viet Minh for the repatriation of the Vietnamese community in north-east Thailand. In the event of a successful solution to this problem, Bangkok's attitude on dealing with Communist China might undergo a change. The Thai might then consider recognizing the Peiping regime and opening negotiations on the status of the 3,000,000 Chinese in Thailand.

4. Diem envoy asks conference at foreign minister level in Saigon:

Ngo Dinh Luyen, Diem's brother and envoy in Europe, told the American embassy in Paris that the proposed conference of Vietnamese and Western Big Three representatives in Saigon should be at the "highest level possible." He said that he would like to see Secretary Dulles attend for the United States and mentioned the possibility that the presence of the foreign ministers in San Francisco in June might enable them to proceed to Saigon.

Comment: The French government has already indicated its preference that the conference be limited to one between the Vietnamese and the Western powers' permanent representatives in Saigon. One reason for Paris' opposition to a high-level conference may be apprehension over the effect of such a meeting on the North African situation.

NEAR EAST - AFRICA**5. Comment on latest Israeli-Egyptian border incident:**

Israel's blunt public labeling of its attack on an Egyptian outpost near Gaza on 18 May as a "raid of retaliation" follows Prime Minister Sharett's declaration of the day before that Israel "must continue its policy of military reprisals against Egyptian and Jordanian attackers despite UN censure." This attack followed less than 36 hours after an Egyptian land mine planted inside Israel destroyed an Israeli patrol car.

Israeli frustration over international developments, as well as the government's desire to win the general elections in July, is apparently responsible for the hardening of the Israeli frontier policy, which has general public approval.

This hardening has become evident at a time when the Egyptian regime is particularly tense and suspicious

and might be goaded into rash action if other serious Israeli "retaliatory" raids occur.

6. Possibility of imminent Algerian revolt

Comment:

The serious French view of the situation is reflected in the troop reinforcements en route to Algeria, which, according to the press, will raise the total army strength there from 70,000 to 100,000. More than 15,000 men in quasi-military forces are also stationed in Algeria.