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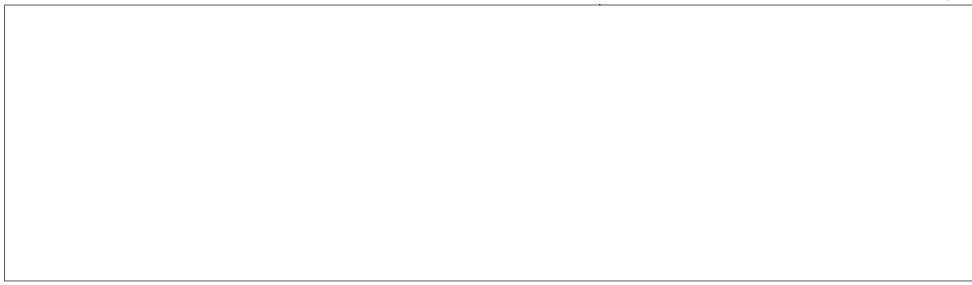
# CURRENT INTELLIGENCE BULLETIN

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## 1. U NU DISILLUSIONED BY SOVIET AND CHINESE COMMUNIST INTERVENTION IN BURMESE ELECTIONS

U Nu's disillusionment over Soviet and Chinese Communist intervention in the Burmese elections appears to have been an important factor leading to his relinquishment of the premiership on 5 June.

Nu personally drafted the unsigned letter published in an influential Rangoon newspaper which accused the Soviet and Chinese embassies of extensive meddling in the recent Burmese elections. The letter noted the numerous invitations for pro-Communists to visit Orbit countries and pointed out how these travelers returned to promote anti-government activities.

Nu and other Burmese leaders have frequently justified their policy of fostering close official relations with the governments of Communist countries on the ground that it would make the local Communists' position untenable. They undoubtedly were shaken when the lower house elections on 27 April led, on the contrary, to a considerable increase in Communist parliamentary strength.

Nu's apparent disillusionment with the results of his policy of friendship and trade with the Communist bloc may have considerable impact on other Asian neutralist leaders. He has already communicated to Nehru his concern over "foreign interference" in the recent elections.

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~~SECRET~~**2. NEW DISORDERS EXPECTED IN JORDAN****Comment**

This report appears to mix a prediction of extremist action with a catalogue of conservative complaints. Demands for free elections might be raised, however, to incite disorders like those which occurred last winter.

A cry for free elections would appeal to extreme nationalist elements, including the Palestine refugees, whose influence almost certainly would be increased as a result. Accompanying disorders, however, might provide the opportunity for the establishment of a military government which King Hussain and conservative politicians would support in order to protect themselves, although such a government would probably eventually oust the king.

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### 3. SOUTH KOREAN OFFICIALS EXPRESS CONCERN OVER ARMY MORALE

Former defense minister Son Won-il and Assistant Vice Minister of Defense Kang Yung-hun have expressed concern over lowered army morale. They said that during the recent elections soldiers resented orders to vote for the government party and suspected tampering with their ballots. Reservists reportedly resent call-ups to active duty which coincide with the planting season. Both Son and Kang observed that defections have increased since the May elections.

#### Comment

Pyongyang radio reports that 20 South Korean officers and men have defected to North Korea since the election. This would represent a defection rate approximately four times that of the last few months.

The morale problem confronting the army reflects prevailing dissatisfaction in South Korea. The Eighth Army observes that other reports confirm military and popular resentment over the handling of the May elections, and cite the uncertainty of government and military officials as to Rhee's postelection plans.

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~~TOP SECRET~~**4. DEPARTURE OF SOVIET SHIPS FROM BALTIC MAY BE IMMINENT****Comment**

These ships may go to the Northern Fleet area and thence to the Pacific Fleet. A similar movement from the Baltic, the USSR's major shipbuilding center, preceded last year's reinforcement of the Pacific Fleet.

The USSR has strengthened its Pacific Fleet in each of the last four years by redeploying warships by way of the Northern Sea Route. Last year's transfer, the largest to date, included two Sverdlov-class cruisers, 13 destroyers and 12 long-range submarines.

In October 1955, [redacted] predicted that two Soviet Sverdlov-class cruisers and four large new destroyers would be transferred this spring from the Baltic via the Northern Sea Route to the Far East.

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## 5. CABINET CRISIS IN SYRIA

### Comment on:

The resignation of the Ghazzi government in Syria on 2 June is another evidence of the continuing struggle among conservatives, independents and leftists over the form of the "national" cabinet which has been under discussion for the past three months. Personal and interparty rivalries, plus the necessity of securing army approval, have so far prevented agreement, and initial talks after Ghazzi tendered his resignation suggest that there will be considerable fumbling before a new cabinet is formed. While there is a danger that the army will be tempted to intervene directly in this situation, the chances are that a new cabinet will emerge which will, like its predecessors, be a weak coalition amenable to anti-Western leftist and army pressures.

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## 6. KHRUSHCHEV STATES VIEWS ON FOREIGN AND INTERNAL ISSUES TO FRENCH SOCIALISTS

In conversations with the French Socialist delegation between 28 and 30 April, Khrushchev discussed a wide range of political and economic questions. On Germany he

said that there were two Germanies, and that the USSR would not help the capitalist part take over the socialist part. He contended that a treaty between the NATO and Warsaw pact countries could be signed because there is one Germany on each side. Khrushchev also warned the French Socialists that Germany's objective has always been to dominate France and Britain, and the Germans are already beginning to play Britain and France off against the USSR. He said that in West Germany there are forces that want an economic rapprochement with the USSR, but that the Soviet leaders want contact with France. Khrushchev warned that if France rejected the Soviet Union, the USSR would turn to Germany as it did before.

In discussing the Middle East, Khrushchev said an agreement should be reached, in the UN or elsewhere, for an arms embargo to all states in the area and that, while the USSR was ready to negotiate such an agreement, the West was not because it would mean the liquidation of the Baghdad pact. Stating frankly that the Czech arms sold to Egypt were directed against the pact, he said that if the pact were abandoned, the situation would be changed. He reportedly added, "You talk of changing the form of the Baghdad pact and using it for economic and social aid. As if the pact were going to lay eggs!"

In the field of internal affairs, Khrushchev said the Soviet regime would never create an opposition party, but suggested that the time had come for both the French and the Russians to abandon their use of epithets, and to get rid of obsolete ideas. After boasting of the USSR's transformation from a totally illiterate Russia into the world's second greatest power, Khrushchev reportedly declared, "And now you want us to set up a second party! Establishing an opposition party would be like putting a louse under our shirt!"

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## 7. POLISH OFFICIALS CLAIM INCREASING INDEPENDENCE OF USSR

[redacted] Poland was evolving into a more independent state which would remain allied with the Soviet Union. The Polish delegate to the Economic Council for Europe, Juliusz Katz-Suchy, said Poland would be independent "in the sense that England and France are independent of the United States," but would never turn against the USSR. Deputy Foreign Minister Winiewicz also said that Poland was acquiring more independence of action and could be useful to the West as a link with other countries, such as China and the Soviet Union.

Katz-Suchy said Poland needs "about \$600,000,000 to get us over the hump in the next three years," expressly to buy consumer goods, set up light industries and modernize other industries. He further said that Soviet party first secretary Khrushchev had recently told the Poles they would have to find their own economic solutions and that no aid from the USSR would be forthcoming. [redacted]

Comment              The primary motive for these statements is probably to create an impression in the West, in the hope of establishing more favorable trade relations, that Poland is now more independent. Some Polish leaders probably feel increasingly optimistic, however, about obtaining greater independence from the Kremlin. (Concurred in by ORR)

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## 8. TURKS GIVE "QUALIFIED NEGATIVE" TO LATEST COMMUNIST ECONOMIC OFFER

The Turkish Foreign Ministry informed American chargé Kohler on 4 June that it had replied with a "qualified negative" to a Communist Chinese offer to purchase 5,000 tons of Turkish cotton with "free dollars." The offer was transmitted last week through the Hungarian minister in Ankara.

**Comment** Ankara regards all such Soviet bloc tactics as designed to disrupt Turkish ties with the West. While this trade offer, involving about \$5,000,000, is attractive to Ankara, basic Turkish suspicions of Communist intentions preclude any immediate change in attitude toward economic approaches with political overtones. Nevertheless, if the offer is made public in Turkey, it will add to the difficulties of the Menderes regime.

Communist China's current cotton requirements have been more than met by purchases from Egypt and Pakistan. Since the fall of 1955 the Chinese have been trying to build prestige and establish contacts in the Near and Middle East. (Concurred in by ORR)

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## 9. LAOTIAN CROWN PRINCE ARGUES FOR WESTERN MILITARY GUARANTEE

In a meeting with the American chargé in Vientiane on 4 June, Laotian crown prince Savang stressed the need for specific assurances of Western military assistance to Laos in case of emergency. He indicated he was thinking in terms of a mutual defense agreement with Thailand, backed by the United States.

Savang said that in the absence of some such arrangement, the high-level Laotian delegation which will probably be visiting Peiping later this year would be "defenseless" against Chinese Communist efforts to promote Laos' neutrality. He further warned that the government's guerrilla warfare against the Pathet Lao would also suffer unless there were assurances of adequate "backstopping."

### Comment

Prince Savang, who has considerable influence in the formulation of Laotian policies, has frequently expressed the view that firm Western military guarantees of Laos' independence are the only sure means of preventing the country from drifting into neutralism. Premier Souvanna Phouma has already indicated he is inclined to favor a negotiated settlement of the Pathet Lao problem and to follow a policy of "peaceful coexistence" outside of SEATO.

The Thai, on their part, have shown great reluctance to engage in any serious military talks with the Laotians.

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~~SECRET~~**10. ARGENTINE CABINET RESIGNS**

Buenos Aires  
6 June 56

Press

The resignation of the Argentine cabinet on 6 June probably is linked to conflict within the army, which is the strongest of the military forces on which the regime depends.

Various junior officers have been demanding the forced retirement of a larger number of generals, in line with the "de-Peronization" program and probably with an eye to promotion possibilities. This view is strongly endorsed by the navy, which would like to reduce the power of the old generals. Many of the generals, however, believe that a more conciliatory policy toward the mass of discontented Peronistas is now required to achieve political stability.

While American officials in Buenos Aires believe the regime has a better-than-even chance of surviving the present crisis, further retirements would increase the already large number of discontented military personnel. Moreover, strong accent on the "de-Peronization" program has fostered an atmosphere of plotting and unrest which is being exploited by the Communists and other opposition.

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## THE ARAB-ISRAELI SITUATION (Information as of 1700, 6 June)

An Israeli army spokesman charged that 70 infiltrators from Syria set fire to fields of a settlement in upper Gallilee. The spokesman also charged that Jordanian soldiers penetrated Israeli territory. (Press)

The UN Truce Supervisory Organization announced on 5 June that six new observation posts had been completed on each side of the Gaza strip border. (Press)

A semiofficial Egyptian newspaper announced on 6 June that the Soviet Union had sold Egypt two Soviet destroyers and that they were now en route to Alexandria. These are probably the two Skoryy-class destroyers recently reported as having left the Baltic and believed heading for Egypt.

Syrian prime minister Ghazzi told Ambassador Moose on 4 June that the recent Syrian-Jordanian military agreement does not provide for a joint command and is not "as tight" as the Syrian-Egyptian agreement because Jordan has treaties with both Iraq and Britain which make a tight agreement impossible. Ghazzi added that Syria was still unable to persuade Lebanon to agree to a joint defense pact.

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