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### 1. GREEK REACTION TO CYPRUS DEVELOPMENTS

The government in Athens is vacillating in its attempts to control the violent and spontaneous reaction in Greece to Britain's deportation of Archbishop Makarios from Cyprus. This British move brought to a head t. Greek frustrations and resentments over the Cyprus issue stemming from

the Anglo-Greek-Turkish conference in London last September and the anti-Greek riots in Turkey immediately thereafter.

The cabinet, aware of the intensity of popular sentiment, approved a mass meeting in Athens on 12 March. However, it was "extremely worried" over what might develop, and late on 11 March withdrew official permission for the demonstration.

The Greek king and queen, Prime Minister Karamanlis and the top government advisers are all reported as now doubting that Britain sincerely desires a Cyprus settlement.

The Greek foreign minister,

fears the removal of Makarios from the scene will permit Cypriot Communists gradually to gain control of the Nationalist resistance movement. The Communists, who control most of the Cypriot labor force, apparently instigated the island-wide strike which virtually paralyzed Cyprus after Makarios' deportation.

Any further popular demonstrations in Greece are likely to be directed against Turkey and the United States as well as against Britain, particularly since Communist agitators will probably try to give them a generally anti-Western character. The government's anger at London and its need to maintain popular support may lead it to take only half-hearted measures to restrain the populace.

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#### 2. NEW SOVIET FARM DECREE LOOKS TO ELIMINATION OF ALL PRIVATE AGRICULTURE

The Soviet agricultural decree of 9 March appears to be a new attempt by the Soviet government to complete the 25-year effort to eliminate private agricultural production and marketing.

This campaign will be undertaken at some risk of provoking a fall in agricultural output.

Individual holdings of land and livestock at present account for more than half of the peasant's income, but they greatly hamper the collective farms because they encourage the shirking of communal tasks. The decree calls on collective farms to reduce the size of private plots of those who fail to devote the required amount of labor to communal tasks. It recommends a re-examination of personal livestock holdings in a context which clearly implies that they should be reduced. It seeks to make communal labor more attractive by instituting numerous incentive measures, including monthly advances to collective farmers in place of annual lump-sum payments.

Collectivization in the early 1930's was designed to make all property down to kitchenware owned in common. Peasant resistance depressed food production and Stalin retreated to the present system of the collective farm, under which each household may supplement its income received from communal labor with the output of a small personal plot (roughly from half an acre to an acre) and a few animals, which it is permitted to pasture on communal lands. The campaign for complete socialization continued, however, and was particularly intensified in the period from

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1948 to 1952. Again it provoked a decline in production, and Stalin's successors relaxed the pressures in 1953.

The new decree is cast entirely in terms of "recommendations" to collective farms, but the burden of executing it clearly rests on party members, large numbers of whom have been placed in agriculture in recent years. The major tasks will fall on collective farm chairmen and Machine Tractor Station directors. The formula of "recommendations" leaves room for the party leadership to disclaim responsibility for any abuses these officials may commit as the campaign accelerates in the next few months. (Prepared by ORR)

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#### 3. ARGENTINE ARMY OFFICERS MAY MOVE TO OUST PRESIDENT

The Argentine army chief of staff, General Robert Dalton, plans to oust President Aramburu and Vice President Rojas

His plans are supported by former president Lonardi, the followers of General Leon Bengoa, and Peronistas.

Generals Dalton, Uranga, and Bengoa, and a group of other generals on 9 March presented Aramburu and Rojas with a demand that the provisional government be turned over to them. Aramburu reportedly made two concessions--to postpone all National Consultative Council meetings until further notice and to scrap the government's economic plan.

Comment

Speculation regarding imminent changes among top government leaders, including Aramburu and Rojas, increased with Lonardi's return to Argentina on 2 March. Both Lonardi and Bengoa favor a more conciliatory policy toward the Peronistas. Bengoa has also been reported linked with nationalist elements who have opposed the government's economic plan, which calls for seeking large-scale foreign loans.

The present instability in Argentina stems from lack of unity among the anti-Peronista political parties and among the armed forces. Various prominent members of the National Consultative Council have sharply criticized new decree-laws, and there is sharp rivalry among the armed forces, with the army trying to counter the navy's increased political power.

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#### 4. ANTI-AMERICAN SLANT IN FRENCH PRESS

The American embassy in Paris believes the French Ministry of Interior may be largely responsible for press stories of 8 and 9 March of arms thefts

from an American munitions depot in France. The French press implied that the arms were smuggled into Algeria, and also stressed the fact that Algerian workers on American bases in North Africa receive training in munitions handling.

The embassy comments that while such stories have appeared intermittently over the past year, the present tenseness over Algeria has created a climate of opinion which makes the French eager to find a scapegoat.

Comment These press stories reflect the marked increase in anti-Americanism among the French, one manifestation of which was the French riot in Tunis on 9 March. French officials in France and North Africa have recently stepped up their charges that the United States is interfering in French overseas areas.

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# 5. END OF MALAYAN TERRORIST CAMPAIGN HELD POSSIBLE THIS YEAR

Organized terrorism in Malaya can be ended this year if Chief Minister Rahman uses his present high prestige to win the co-operation of the Chinese population, according to Lt. Gen.

Bourne, the British director of operations. He says there has been a definite and favorable change of attitude among the Chinese since Rahman's return from London last month with the outline for Malaya's independence. Recent successes by Bourne's security forces have been the direct result of intelligence provided by Chinese noncombatants.

Comment

There are some indications that the Communists, in order to prepare a role for themselves in an independent Malaya, may decide to call off the war. In the past three or four years the Malayan Communists have been putting greater stress on subversion than on terrorism.

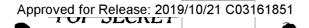
Even if the eight-year-old jungle war is ended, the Communists' coercive capabilities, as well as the emotional appeal of Communist China, will leave them in position to exert considerable control over Malaya's large Chinese population.

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#### THE ARAB-ISRAELI SITUATION (Information as of 1700, 11 March)

Border clashes and incidents continue to be reported from the Egyptian and Jordanian sectors of the Israeli frontier. (Press)

UN truce supervisor General Burns, who has been in Cairo for consultation, "has made it known that if the present tension became worse, he would have to put the blame on Egyptian provocations."

In Damascus

surface calm but a very tense situation. Israel is reportedly placing 75 mm guns in the demilitarized zone near the Jordan River, so placed that they can be used against Syrian positions. Syrian troop movements and construction work, including trenches and barbed wire barricades near the Israeli frontier.

call-ups in Israel appear to have been sharply curtailed. However, the Israeli defense forces are continuing to dispatch new or reconditioned vehicles to military units and are maintaining a substantial number of civilian vehicles on extended active duty. heavy air activity by the Israeli air force, and he believes Israeli defense forces are in strength to meet any contingency.

Egypt is gradually preparing a war footing and that another air raid test for Cairo and Alexandria is scheduled to take place soon. \_\_\_\_\_\_ the Arabs now possibly consider they have strength to annihilate Israel and would welcome a chance to do so. \_\_\_\_\_\_

the meeting of chiefs of state of Saudi Arabia, Syria and Egypt in Cairo discussed whether in case of war the Arab states would

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call for Soviet troops if the Western powers attempted to land troops to separate the Arab and Israeli forces.

King Hussain turned down an invitation to fly to Cairo to join the conference with Egypt, Syria and Saudi Arabia. Hussain reportedly told Syrian prime minister Ghazzi, who had brought the invitation, that he had no intention of "joining either side." Hussain also reportedly rejected Egyptian, Saudi and Syrian financial aid as a substitute for the British subsidy now supporting Jordan's Arab Legion.

Foreign Minister Sharett told Ambassador Lawson several days ago that Israel "could not live with" a resumption of Egyptian-inspired commando activities within Israel. Sharett left the impression with Lawson that he considers the renewal of guerrilla activities most likely. Lawson concludes on the basis of recent conversations with Prime Minister Ben-Gurion that the prime minister has once and for all ruled out preventive war. The ambassador feels, however, that Ben-Gurion may react with great force against any aggressive move by his neighbors and that he is prepared to face the consequences even if they involve general area hostilities.

Israeli minister of development Bentov on 9 March told the American counselor in Tel Aviv that he was not certain whether the Soviet Union would supply Israel with arms but said that it was worth a try. If the USSR refused, at least the cards would be on the table. The counselor felt that Bentov had urged an approach to the Soviet Union upon the Israeli cabinet. Bentov expressed the belief that Ben-Gurion might go along with this recommendation. He added, however, that neither the Soviet ambassador in Tel Aviv nor Foreign Minister Molotov could be drawn out on the question of the Soviet attitude.

The American ambassador in Moscow, noting particular Soviet press interest in recent Western moves in the Near East, considers that some form of Soviet diplomatic initiative in the present situation should be anticipated--particularly if it takes a turn for worse. The ambassador suggests that such

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an initiative might take place in the UN or in convocation of a general Near East conference.

Israeli diversion of the

Jordan River would be contrary to the Security Council's resolution and that Israel would undoubtedly be punished by the Security Council if it went ahead with its project.

inability to find evidence that Glubb's dismissal was instigated by Egypt or Saudi Arabia. It is becoming convinced that the action was the result primarily of internal factors in Jordan. Foreign Office decisions as to relations with Jordan are still under consideration. King Hussain of Jordan may also be attempting to formulate a policy decision as indicated by his request for a meeting with King Faisal of Iraq, presumably to take place some time next week.

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