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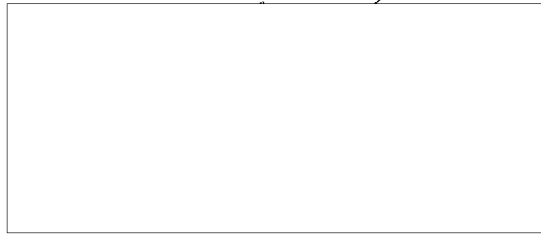
12 January 1956

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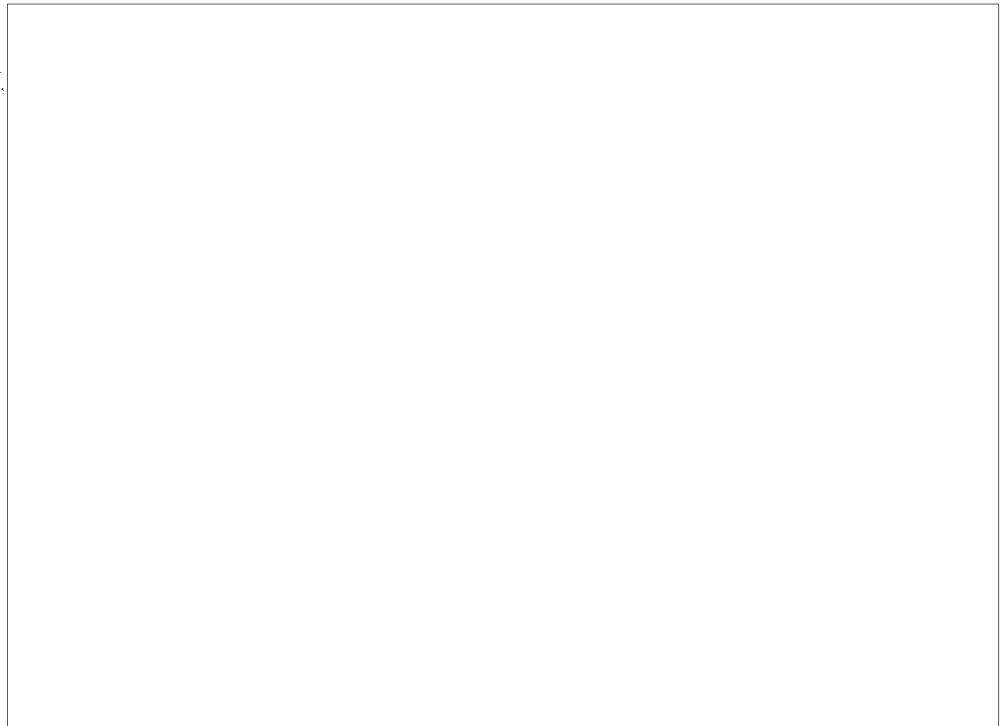
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**CURRENT
INTELLIGENCE
BULLETIN**

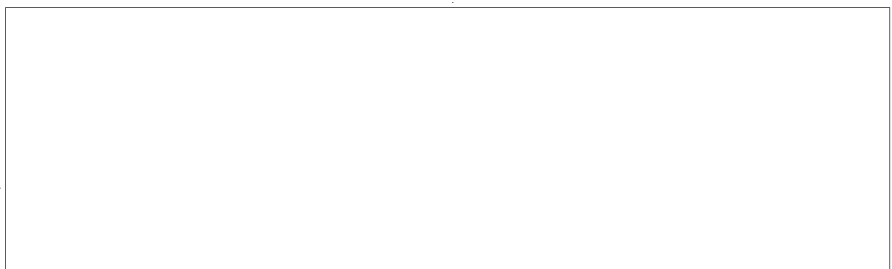


**OFFICE OF CURRENT INTELLIGENCE
CENTRAL INTELLIGENCE AGENCY**



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1. JORDANIAN KING ASKS FOR IRAQI TROOPS

Comment

The American embassy in Amman on 10 January described the situation as steadily deteriorating and stated that "law and order extends only within range of the Legionnaire's rifle."

Hussain probably would call in Iraqi troops only as a last resort. Their use in Jordan would be interpreted by the already aroused Jordanians, as well as by Egypt, Syria, and Saudi Arabia, as confirmation that Britain and Iraq were determined to force Jordan's adherence to the Baghdad pact. Violent conflicts between Iraqi units and Jordanian extremists would be almost certain, and attempts might be made to assassinate Hussain and Iraqi premier Nuri Said.

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2. STRIFE BETWEEN CYPRIOT GREEKS AND TURKS THREATENS

Comment on:



The assassination of a Turkish Cypriot police officer of Turkish extraction on 11 January has resulted in demonstrations by the Turkish population in Nicosia. Until now the Turkish community on Cyprus has shown moderation during the negotiations between Cypriot nationalists and the British although its vital interests are involved. Anti-Greek feeling among Turkish Cypriots is being inflamed by VOLKAN, the Turkish underground organization on Cyprus, which threatens to kill five Greeks in retaliation for the officer's murder.

In Istanbul, persistent rumors that the Turkish mufti on Cyprus has been assassinated and that other anti-Turkish atrocities have been committed have resulted in special police precautions to prevent a repetition of the September riots against the Greeks.

3. KING SAUD OUTLINES HIS POLICY TOWARD US

[redacted] King Saud of Saudi Arabia has reiterated, [redacted]

[redacted] his intention to continue to co-operate with the United States providing the United States supports his requests for diplomatic and military assistance. Saud said he would defer presenting to the UN Security Council the Saudi complaint against British action in the Buraimi oasis pending results of Prime Minister Eden's talks in Washington.

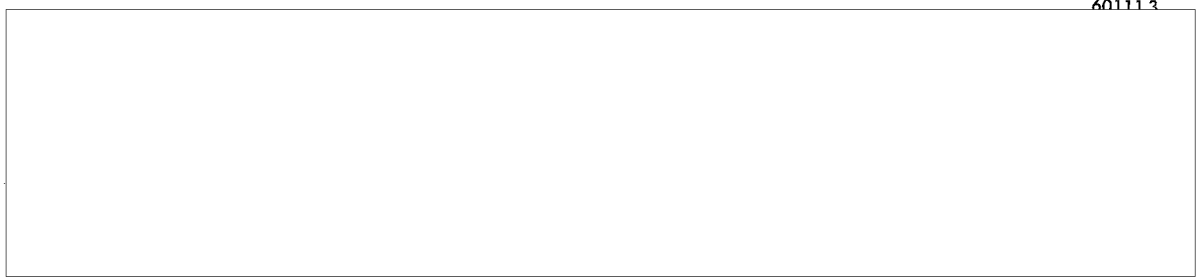
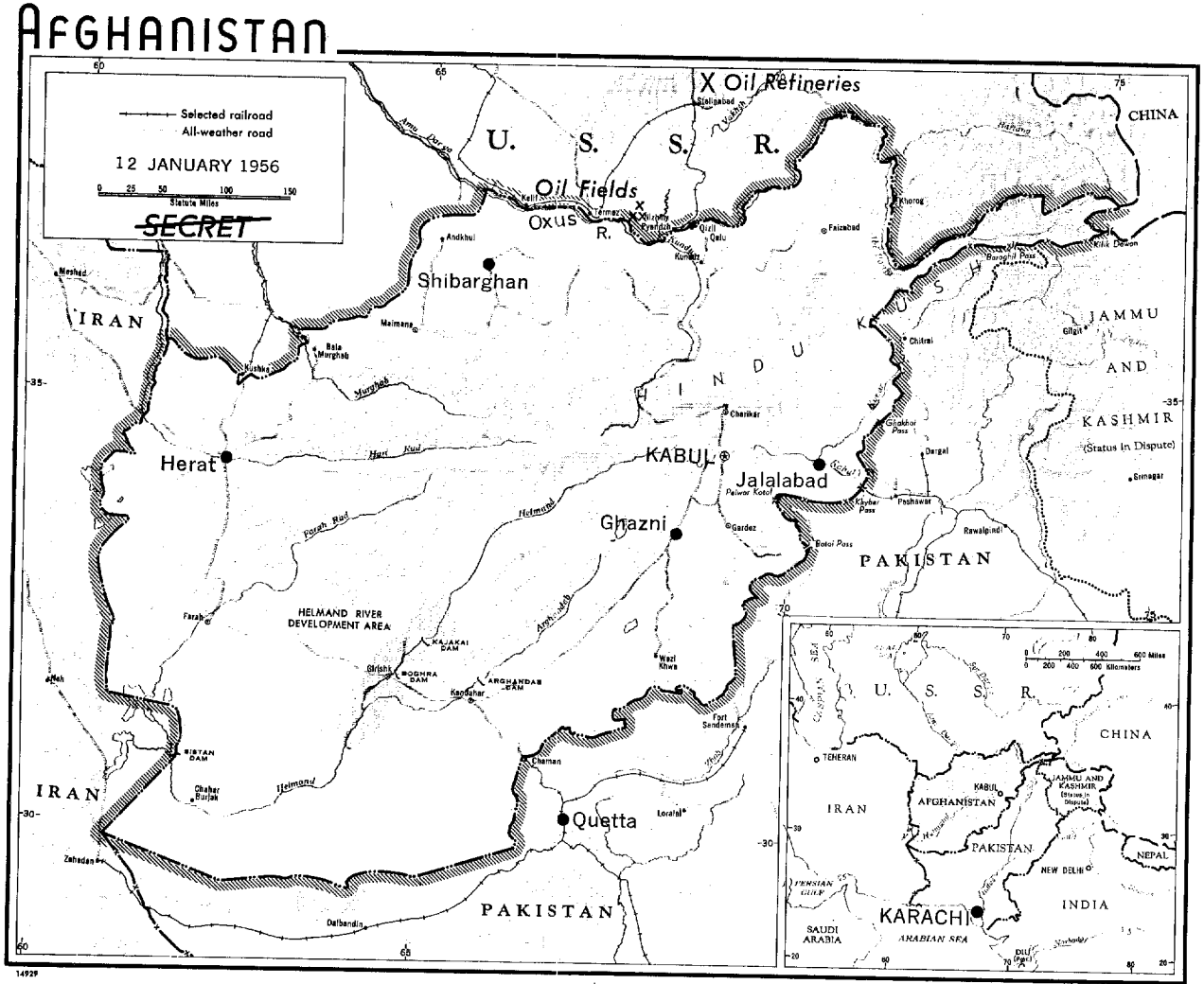
Saud also stated that Soviet representatives in Beirut have renewed offers of assistance to him, but that his attitude toward the USSR would remain negative unless the US "disappoints us." He said no negotiations will be undertaken with the Communist Chinese commercial delegation now in Jidda.

The king asserted, however, that he was under strong pressure from those who think he is wrong in depending on the United States, and cited a request by religious counselors that he declare a holy war to "save Buraimi."

Comment

Saud's views as expressed in this note are consistent with the policy he has followed for some time in his relations with the United States.

4. RUSSIANS REPORTED IN KABUL ARRANGING OIL DRILLING



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Comment

Preliminary exploration dating back to 1937 indicates that there are significant oil deposits in the Shibarghan area. There is an oil-producing field just across the Oxus River in the USSR, and refining facilities are readily accessible. Any oil produced in this area would almost certainly be exported to the USSR.

Construction of the Ghazni dam by the Soviet Union was earlier reported [redacted] to be included in the \$100,000,000 credit. The Ghazni and Jalalabad dam projects, if undertaken, would mark the first appearance of Soviet activities in southern and eastern Afghanistan, an area hitherto reserved for development by Western interests. (Concurred in by ORR)

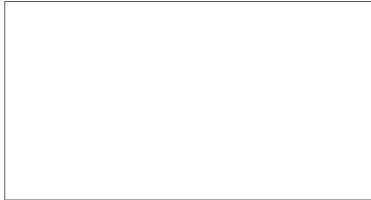
12 Jan 56

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5. UNOFFICIAL FRENCH TRADE MISSION TO VISIT
COMMUNIST CHINA



A trade mission sponsored by the French Employers' Association will leave for Peiping on 18 January "to review trade possibilities with Communist China." According to a French Foreign Ministry official, any Chinese proposals for trade in embargoed items will be scrutinized by the Paris government, which will grant only a "reasonable" number of exceptions to trade controls.

The Foreign Ministry spokesman stressed the unofficial nature of the mission and the effort to exclude members whose presence might indicate a change in the French attitude toward Communist China.

Comment

French business interests have long argued that they should have a larger share of China trade. The French are aware of the recent British proposal to eliminate special controls on trade with China.

The appearance of this mission in Peiping will intensify pressure against the CHINCOM controls by other countries of the free world, particularly Japan, which foresee an end to the multilateral embargo on China trade and are anxious to seize what Chinese trade opportunities there may be. (Concurred in by ORR)

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6. SOUTH VIETNAM MAY PROCLAIM ELECTION LAW ON 15 JANUARY

[REDACTED] [REDACTED]
An election law providing for a national assembly of approximately 125 seats will be announced in South Vietnam on 15 January and elections will take place

in late February or early March, [REDACTED]

[REDACTED] Sixty seats will be allotted to southern Vietnam, 40 to central Vietnam, 12 to various mountain tribes, and 11 to refugees. One assembly seat will be left vacant as a symbol of missing North Vietnamese representation.

The government slate will be composed of representatives from the Movement of Struggle for Freedom, the Citizen's Rally, and the National Revolutionary Movement, with the last providing the majority of the candidates. Although independent candidates will be permitted to campaign, [REDACTED] predicts that this coalition will win most of the seats. [REDACTED]

Comment

The Diem government has been carefully preparing for the election of a legislature and will probably be as successful as it was in the nationwide referendum last October which deposed Bao Dai and installed Diem as chief of state. The chief task of the new assembly will be to approve a constitution now being drafted under Diem's supervision and other basic legislation designed to ensure stability in South Vietnam.

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7. INDONESIAN CABINET CRISIS MAY BE IMMINENT

Comment on: [REDACTED]

[REDACTED] The Indonesian parliament, which has just reconvened, is scheduled to debate the government's New Guinea policy at its first plenary session on 16 January and the defection of two parties in Premier Harahap's coalition cabinet in a showdown vote might lead to the cabinet's downfall. The government has been criticized for failure to assert aggressively Indonesia's claim to sovereignty over West New Guinea in current negotiations with the Netherlands.

Harahap is prepared to go to great lengths to remain in office until the parliament elected last fall is seated in the spring. He may decide not to resume the talks with the Dutch, which are now in recess, and might sacrifice his foreign minister in the hope of retaining sufficient parliamentary support.

Even such moves as these, however, might not save his government. Two parties in the government coalition, one of them the newly powerful Nahdlatul Ulama, have already dissociated themselves from the negotiations with the Netherlands. Harahap's survival may depend to a great extent on Sukarno, who probably wields enough influence to engineer a no-confidence vote if he so desires.

[REDACTED]

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

Nothing of significance to report.

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BIWEEKLY SUMMARY
29 December 1955-11 January 1956

THE TAIWAN STRAIT

**Report of the IAC Current Intelligence Group
for the Taiwan Strait Problem**

1. There has been no significant military activity in the area.

2. Chinese Communist naval activity was highlighted by continued movement of a larger than normal number of small patrol craft (YP) and coastal cargo vessels in the area opposite the Matsus. Unconfirmed sightings of LVT-type amphibious craft in this area continued to be reported. In the Quemoy area there has been a reported increase in the number of junk sightings and motorized junk traffic along with increased amphibious training and logistic support activity. It is believed that the high level of reported activity is due to improved weather conditions.

3. The Chinese Communists have announced that the coastal road, which has been under construction from Foochow north to Wenchow, was "placed in service" on 1 January. The capacity of this important link with the offshore island area cannot now be determined, as it is probably limited by the lack of bridges at four different points along the road. When the bridges are constructed to replace ferries, the road will be capable of supporting heavy traffic.

The Communists have also announced that an additional 500 miles of road networks will be built in Fukien Province during 1956.

4. Peiping's propaganda, while stating that Communist China "will continue to work for an agreement" at Geneva, took on a threatening tone with the assertion that "the Chinese people will not consent to the endless dragging out of the Sino-American talks." In other comment, Peiping referred to the "ceaseless visits by American top brass" to Taiwan. The visits of Secretary Quarles and

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Admiral Radford to Taiwan were said to be for the purpose of discussing the "scope and timing of the eventual participation of US forces in the defense of the offshore islands."

Despite the threatening tone of Peiping's propaganda, it is unlikely that the Chinese Communists will initiate a break in the Geneva talks in the immediate future. A break in the talks would appear to require more negotiating and propaganda preparation than is now in evidence.

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TAIWAN STRAIT SITUATION

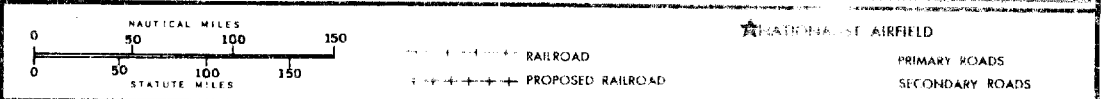
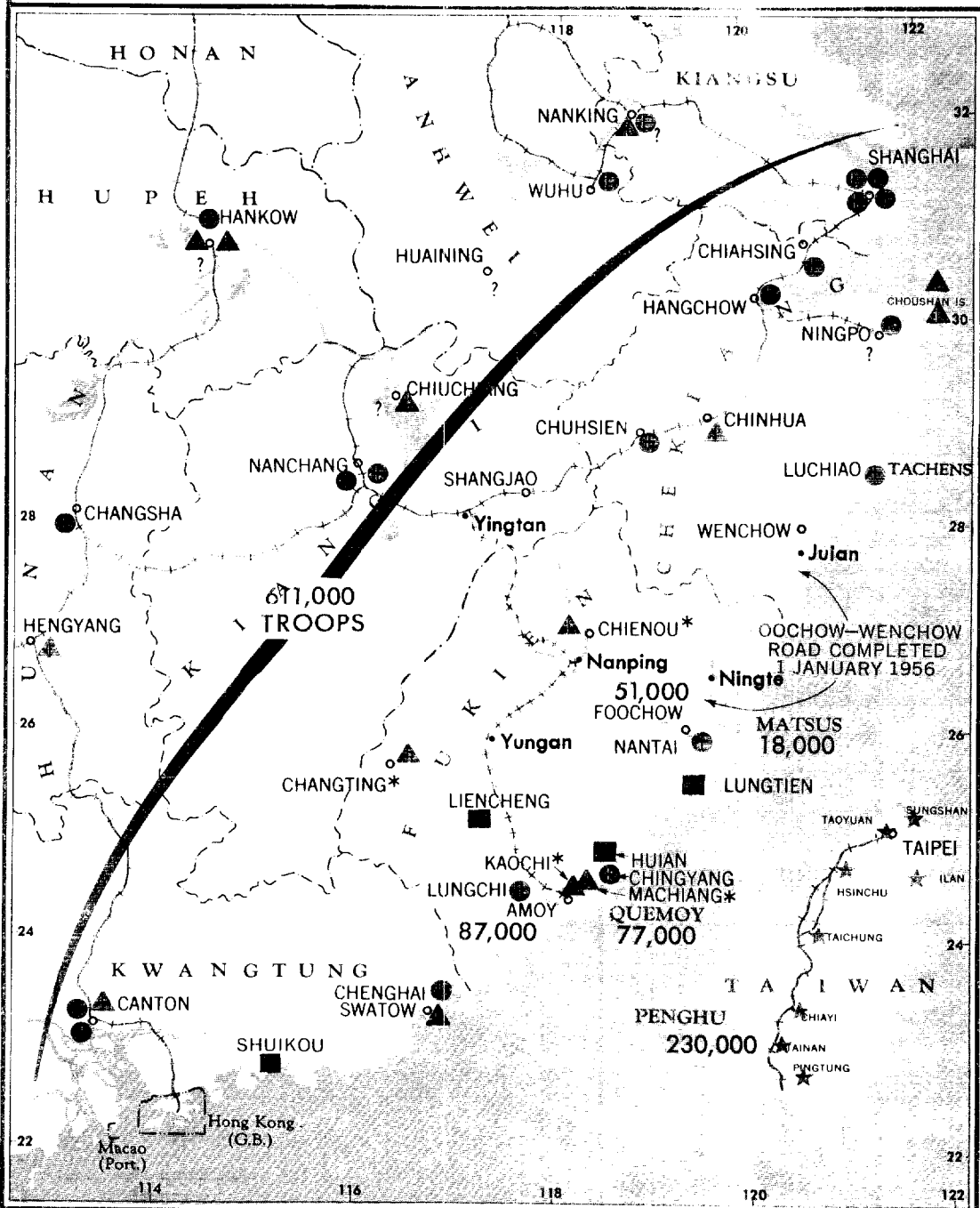
12 JANUARY 1956

CHINESE COMMUNIST AIRFIELD LEGEND:

DESIGNATIONS	PRIMARY AIRFIELD CONSIDERED MOST IMPORTANT IN AREA WITH PREPARED RUNWAY GENERALLY 5000 FEET OR LONGER		SECONDARY AIRFIELD AUXILIARY OR EMERGENCY BASES OR FIELDS OF LESSER IMPORTANCE RUNWAYS GENERALLY LESS THAN 5000 FEET.	
	●	▲	▲	▲
ACTIVE BASE FOR MILITARY & CIVILIAN AIRCRAFT. SOME BASES USED BY PISTON TYPES MAY BE USABLE BY JETS	●	OPERATIONAL	▲	
INACTIVE BASES CAPABLE OF USE BY AIRCRAFT	●	SERVICEABLE	▲	
CURRENT STATUS UNDETERMINED		UNKNOWN		

USABILITY			
+	I	?	■
MIG-15	TU-2		
MIG-17	IL-10		
IL-4	LA-9/11	UNKNOWN	UNDER CONSTRUCTION
IL-28	LI-2		
	ETC.		

* FIELDS NOT CONSIDERED CAPABLE OF SUPPORTING SUSTAINED OPERATIONS AT PRESENT.



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