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13 March 1956

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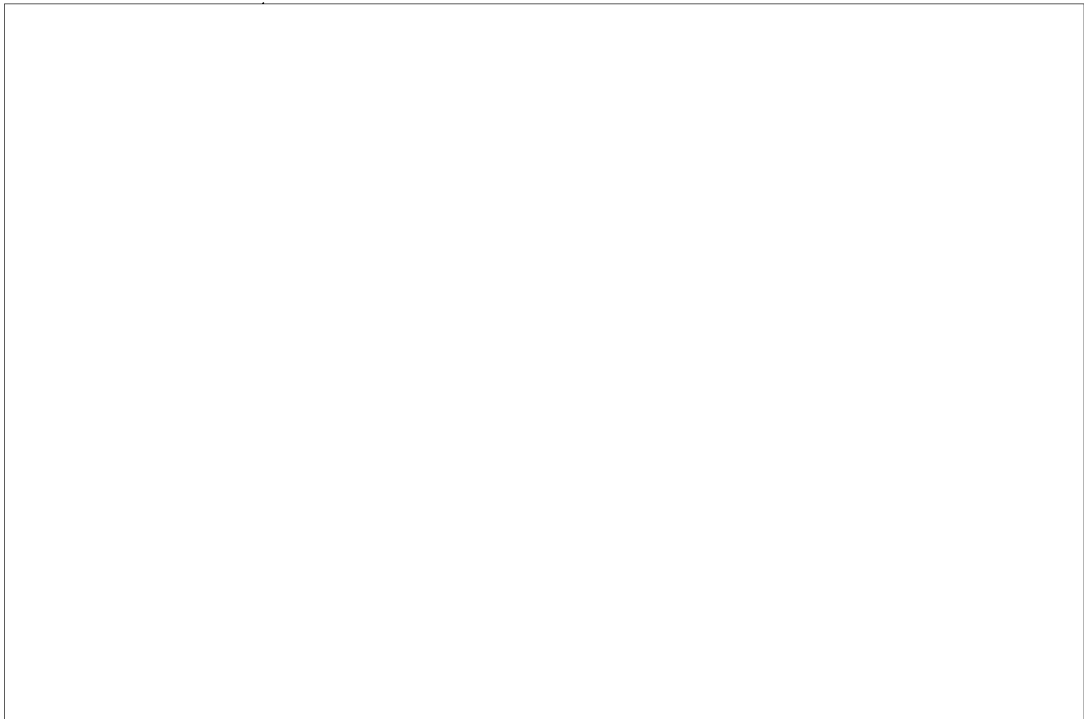
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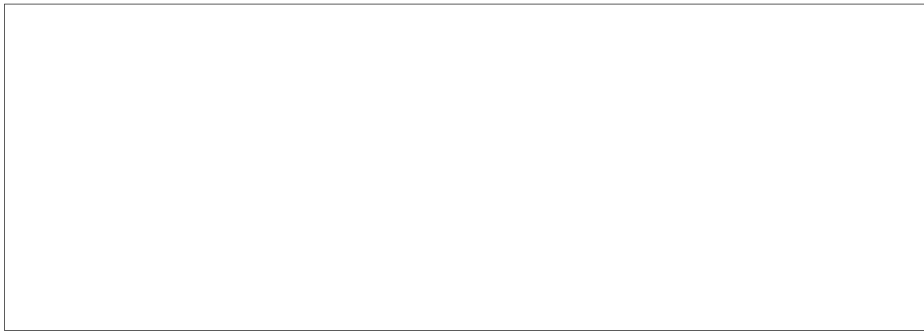
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1. CHINESE NATIONALIST HARASSMENT OF MAINLAND REPORTED



A Chinese Nationalist frigate and minesweeper fired about 100 shells shortly after midnight on 11 March at Communist radar and artillery positions near Tinghai, on the Peiling Peninsula north of Matsu.

The American Pacific Fleet reports that the Nationalists meanwhile are continuing their "harassing" artillery fire in the Quemoy area, with the Communists apparently firing only in retaliation. 

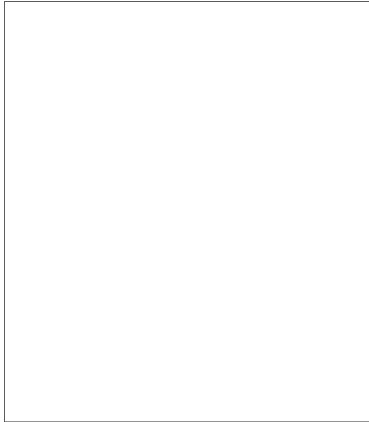
Comment

The Nationalist navy also shelled Communist positions on the Peiling Peninsula in mid-February in one of its rare attacks on mainland targets. The Communists have termed such attacks "provocative." Retaliatory action could include sneak attacks on Nationalist naval patrols in the Matsu area and heavy artillery fire against the Quemoy.

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2. MOLLET WINS CONFIDENCE VOTES WITH COMMUNIST SUPPORT



The National Assembly's overwhelming support of Premier Mollet's request for extraordinary powers will give the French government a temporary respite to begin implementation of its Algerian policy. The government can now be expected to increase its military effort. At the same time it will attempt to win Moslem support by seeking to put into immediate effect its announced program of economic, administrative, and social reform for Algeria.

The Communists, probably believing that the government's policy will end in failure, were willing to reverse their stand on Algerian independence and support the government rather than jeopardize their popular front objective. Soviet ambassador Vinogradov told a high French Foreign Ministry official on 7 March that the USSR supports continued French presence in North Africa. Vinogradov made no reply when the Frenchman asked: "Isn't it because you Russians would prefer to have a weak France in that strategic area rather than let it fall under the influence of the US?"

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3. UPRISING IN CITY OF ALGIERS REPORTED IMMINENT

A general uprising in the city of Algiers, is expected within the next two weeks, [redacted]

[redacted] Tension and terrorist acts by both nationalists and French settlers are developing in the cities of Constantine, Bone and Bougie.

The continued successes of the nationalists appear to be convincing a growing number of Algerian Moslems that it might be possible to oust the French and take control.

The liberal French mayor of Algiers has urgently requested American support to launch a "third force" to protect the "vast liberal majority" against the extremists among both the Europeans and nationalists. He claims that Algerian nationalists have pleaded with him "to do something." [redacted]

Comment

An earlier report predicted the imminence of an uprising in Algiers. On 11 March a mob of young Moslems for the first time attacked Frenchmen in Algiers. While no casualties occurred, more serious incidents are probable.

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4. SIHANOUK'S VIEWS ON CAMBODIAN RELATIONS WITH COMMUNIST BLOC



Cambodian premier Sihanouk told Ambassador McClintock on 8 March that on his recent trip to Peiping he had been wary on the question of

Chinese Communist economic assistance to Cambodia and on Moscow's desire to establish diplomatic relations. Sihanouk said the Chinese had repeatedly expressed willingness to give economic assistance with no strings attached and to purchase rice and rubber against payment in any currency desired.



McClintock comments that the Chinese may be trying to "booby trap" the American aid program for Cambodia by their offers to buy rubber. Peiping undoubtedly calculates that if American aid to Cambodia is cut off because of the Battle Act, Sihanouk would be forced to turn to the USSR or Communist China.

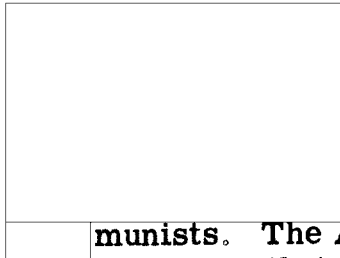
Comment

Sihanouk has said he doubts Cambodia can avoid recognition of the USSR. He will almost certainly be subjected to continued overtures from Peiping regarding the clause of his joint communiqué with Chou which calls for development of contacts "particularly in the economic and cultural fields."

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5. AUSTRALIA'S TRADE COMMISSIONER IN HONG KONG TO VISIT COMMUNIST CHINA



The Australian trade commissioner in Hong Kong, H. C. Menzies, is scheduled to leave for a two-week visit to Communist China on 16 March on the invitation of the Chinese Communists. The American consul general in Hong Kong comments that Menzies probably hopes to conclude wool contracts with the Chinese. The Australian representative in Hong Kong informed the American consul general that no political significance should be attached to the visit.

Comment

In February, an official of the Australian External Affairs Department conceded to the American embassy that there was some drift in official thinking favoring recognition of China, although no change in Australian policy was imminent.

Australia has been Communist China's principal source for long-fiber wool. The commissioner's visit follows Sino-Uruguayan trade talks last December, which indicated Peiping might be exploring the possibility of an alternative source of supply in South America.

(Prepared jointly with ORR)

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THE ARAB-ISRAELI SITUATION
(Information as of 1700, 12 March)

Egyptian and Israeli patrols exchanged fire near the Gaza strip. A clash between Israelis and Jordanians was reported at the village of Barta. (Press)

[redacted] an Egyptian national guard force of six officers and 221 volunteers arrived at Aqaba (probably at Sharm el Sheikh) on 6 March.

[redacted] Egyptian prime minister Nasr "firmly believes" that Israel will not undertake any action from which war could result. Egypt, however, is ready for all eventualities and is ready to go to war at once to help Syria.

Prime Minister Nasr, President Quwatli of Syria, and King Saud of Saudi Arabia, ending their Cairo conference, have issued a communiqué which lists under ten headings the items discussed: (1) plans to strengthen and ensure the Arab states against Zionist aggression and foreign domination, (2) co-ordination of Arab defense against Israel, (3) measures to be taken against states allowing their nationals to enlist in Israeli forces, (4) measures to prevent the supply of arms to Israel, (5) plans to cope with the Baghdad pact countries "who are destroying the unity of the Arab states and endangering their security," (6) plans for the complete support of Jordan, (7) plans to strengthen Arab "integrity" and co-operation among "purely Arab" states, (8) co-ordination of Saudi Arabian-Syrian-Egyptian political, economic, military, and cultural policy, (9) plans to deal with the Buraimi dispute, and (10) a decision that French policy in North Africa seriously threatens the peace of the area.