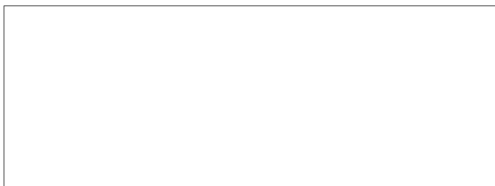


~~TOP SECRET~~

CO/ED 3.3(h)(2)


14 February 1956 3.5(c)



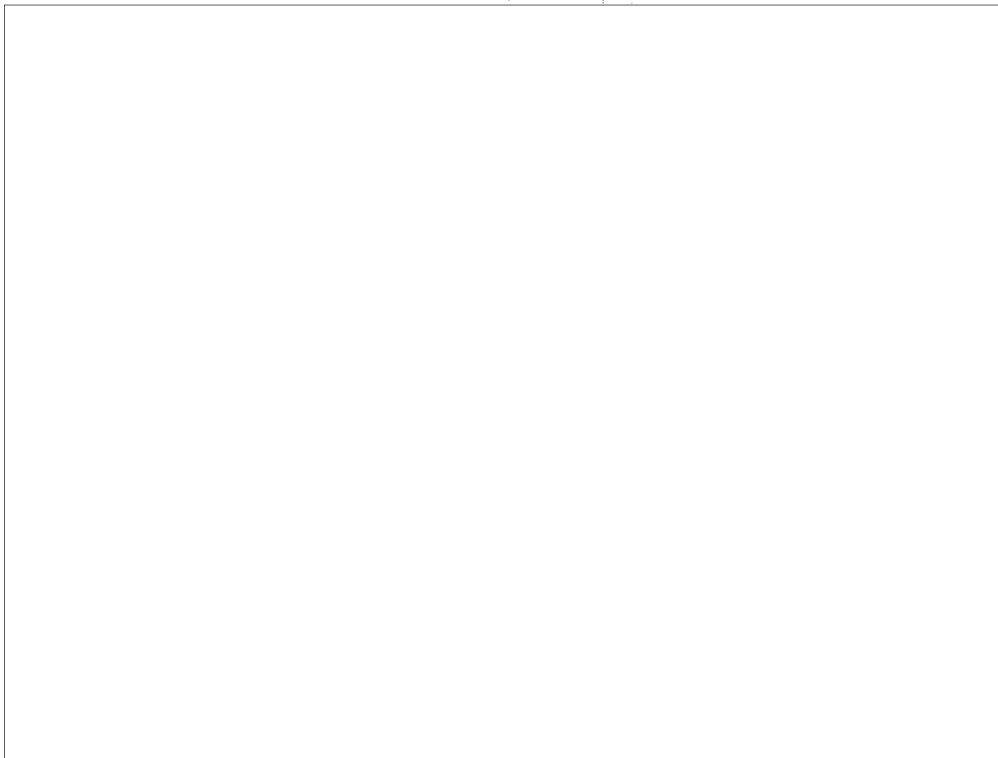
Copy No.

103

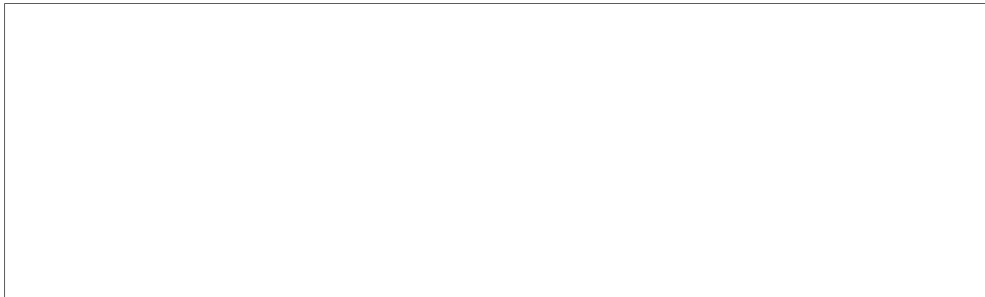
**CURRENT
INTELLIGENCE
BULLETIN**

DOCUMENT NO. 22
NO CHANGE IN CLASS
 DECLASSIFIED
CLASS. CHANGED TO: TS S C
NEXT REVIEW DATE: 2010
AUTH: HR 70-2
DATE: 14 Jan 88 REVIEWER: 

**OFFICE OF CURRENT INTELLIGENCE
CENTRAL INTELLIGENCE AGENCY**



~~TOP SECRET~~



~~TOP SECRET~~

CONTENTS

1. SOVIET FOREIGN MINISTRY STATEMENT ON THE MIDDLE EAST [] (page 3).
2. BOHLEN ASSESSES SOVIET LEADERSHIP ON EVE OF 20TH PARTY CONGRESS [] (page 4).
3. CHOU EN-LAI REPORTEDLY STATES TAIWAN TO BE TAKEN IN 1956 [] (page 5).
4. JAPANESE UNCONVINCED BY ARGUMENTS AGAINST CHINA EMBARGO RELAXATION [] (page 6).
5. INDONESIA GOVERNMENT ABROGATES NETHERLANDS-INDONESIAN UNION [] (page 7).
6. PRESTIGE OF MOLLET GOVERNMENT SEEN SERIOUSLY REDUCED [] (page 8).

* * * *

THE ARAB-ISRAELI SITUATION
[] (page 9)

14 Feb 56

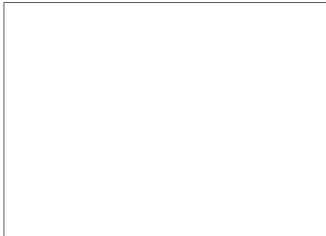
Current Intelligence Bulletin

Page 2

~~TOP SECRET~~

~~SECRET~~


1. SOVIET FOREIGN MINISTRY STATEMENT ON THE MIDDLE EAST



The Soviet Foreign Ministry statement on 13 February condemning the introduction of foreign troops into the Middle East "without the agreement of the states concerned and without the sanction of the UN Security Council" is an explicit Soviet demand for a voice in the settlement of Middle Eastern issues.

The statement specifically refers to the Eisenhower-Eden declaration and states that "the moving of troops into the countries of the Near East would create a seat of dangerous tension" and that "any action leading to increased tension in that area is bound to be a subject of lawful concern to the Soviet government."



Since the Soviet communiqué of last April on the Middle East, Moscow has publicly indicated its intention to obtain, either directly or indirectly, an influential role in Middle Eastern affairs. Bulganin's statement to the Supreme Soviet in August announcing Soviet willingness to join with the West in guaranteeing the neutrality of any state has been followed up by direct proposals for a four-power guarantee to Iran, and offers of bilateral neutrality agreements with other states. Moscow has also hinted that the Arab-Israeli situation might best be solved in the Security Council.

Egyptian premier Nasr has stressed his view that "without the Russians" no decisions can be made concerning the Middle East. 

~~SECRET~~

~~CONFIDENTIAL~~

2. BOHLEN ASSESSES SOVIET LEADERSHIP ON EVE OF 20TH PARTY CONGRESS

 In Ambassador Bohlen's view, the Soviet leadership today retains the collective nature which it assumed immediately after Stalin's death. The most influential  group has now narrowed to Khrushchev, Bulganin, Kaganovich, and Mikoyan, with Khrushchev "first among equals." Ambassador Bohlen defines "collective leadership" in this connection not as equality of all members, but rather as an organizational structure designed to keep the sole power of decision-making out of the hands of any one man.

The party congress opening on 14 February offers a convenient opportunity for the top leadership to exclude from its ranks, with a minimum of political disturbance, those individuals (Malenkov, Molotov, Ponomarenko) whose standing and authority has diminished in the last year. This might be accomplished either by outright expulsion from the party presidium or by dilution of their authority through the establishment of an inner bureau within an expanded presidium.

Ambassador Bohlen concludes that Khrushchev, as first secretary and principal spokesman of the party, will undoubtedly be the most prominent figure at the congress. He feels, moreover, that the present senior group in the presidium will emerge from the congress in a stronger position, with Khrushchev perhaps even more clearly "first among equals."

~~CONFIDENTIAL~~

~~SECRET~~

3. CHOU EN-LAI REPORTEDLY STATES TAIWAN TO BE TAKEN IN 1956

[redacted] Taiwan will be taken by the Chinese Communists in 1956, and Hong Kong and Macao "at a later date," according to a private statement on 4 January allegedly made by Premier Chou En-lai to a foreign diplomat in Peiping. [redacted]

[redacted]

Comment

During the past year Chou En-lai has spoken of taking Taiwan in several interviews with foreign visitors and diplomats, but this is the first time he is reported as setting a target date.

Recent Chinese Communist statements have stressed only the "eventual return" of Taiwan to Communist China "by peaceful means, if possible." Communist propaganda has been devoted more to causing disaffection and subversion among Nationalists than to direct threats to use force.

Despite occasional propaganda threats against Macao and Hong Kong, Peiping has refrained from any real pressure on them.

~~SECRET~~

~~TOP SECRET~~

4. JAPANESE UNCONVINCED BY ARGUMENTS AGAINST CHINA EMBARGO RELAXATION

[REDACTED] The Japanese government, [REDACTED]

[REDACTED] stated that it can no longer convince the Japanese people of the necessity of maintaining the present level of trade controls against Peiping. According to the statement, Japanese industrial circles believe Communist China's economic build-up is progressing steadily despite the embargo and that unless controls are relaxed, Japan will lose the China market forever.

Shigemitsu argued that there is no market in the United States for the type of goods Japan wishes to sell to Communist China, that it has exhausted its efforts to expand trade with Southeast Asia, and that it is to Japan's advantage to buy cheaper raw materials from Peiping without any outlay of foreign exchange. By creating a larger market for Japanese goods in Communist China, Japan believes it can accumulate the capital necessary to cut production costs and to modernize its industry so as to compete successfully against Communist goods in Southeast Asia.

Comment

Government leaders recognize that the future for Sino-Japanese trade is limited, but many Japanese businessmen dream of a vast China market and others maintain that any expansion of trade benefits the Japanese economy. [REDACTED]

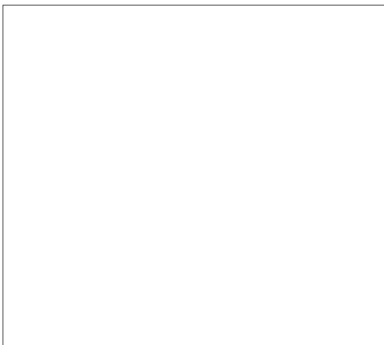
[REDACTED] that Japan might not support the United States on the China embargo question at the next Consultative Group meeting in Paris, unless prior US-Japanese agreement to some relaxation of controls is reached. (Concurred in by ORR)

~~TOP SECRET~~

~~CONFIDENTIAL~~

5. INDONESIAN GOVERNMENT ABROGATES NETHERLANDS-INDONESIAN UNION

Comment on:



The Indonesian government's abrogation of the Netherlands-Indonesian Union on 13 February has little or no international significance and was undertaken only in an effort to increase the domestic prestige of the Masjumi party, which heads the cabinet. The union was never effective and was abrogated 18 months ago by a bilateral agreement which, however, was not submitted to the Indonesian parliament and is not recognized by the present Indonesian government.

Masjumi leaders are basically pro-Western, but they fear that unless they take action to bring the Masjumi record in line with the nationalistic, anti-Dutch programs of other major non-Communist parties--the National Party (PNI) and the Nahdlatul Ulama (NU)--the Masjumi will be excluded from the next cabinet, due to be formed in late March or April.

The Masjumi's action will have little or no effect on the PNI, which negotiated the unrecognized 1954 agreement, but may improve its relations with the NU. Since the NU is the hub of current political maneuvers, Masjumi chances for cabinet participation may be increased.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

6. PRESTIGE OF MOLLET GOVERNMENT SEEN SERIOUSLY REDUCED

[REDACTED] The prestige of Premier Mollet's government has been seriously reduced as a result of his "ill-advised" trip to Algeria, [REDACTED]

[REDACTED] the premier would probably abandon any major reform program for that area.

An influential official of Patronat, the French employers' organization, told an American correspondent that Patronat now strongly backs Poujade. He predicted that "Mollet will be out of office in from 48 hours to two weeks, and within two weeks there will be shooting in the streets of Paris," a statement the American embassy considers sensational but indicative of the thinking of French employers.

Comment

The National Assembly has shown itself willing to give Mollet time to begin implementation of his Algerian policy. Unless he stops retreating from his original policy, however, he is likely to be faced with an early and acrimonious debate on Algeria.

The invalidation of the election of Poujadist deputies is widening the rift between right and left and brings nearer the threat of violence.

~~CONFIDENTIAL~~

~~TOP SECRET~~

THE ARAB-ISRAELI SITUATION
(Information as of 1700, 13 February)

Egypt intends to give "a number" of British Valentine tanks to Saudi Arabia and attempt to sell others to other Arab countries, particularly to Syria and the Sudan. [REDACTED]

[REDACTED] three shipments of military equipment from Czechoslovakia had arrived via KLM in the last ten days. The chargé said that the shipments totaled about 20 tons and that he had been told they included submachine guns. [REDACTED]

[REDACTED] made arrangements for delivery of a consignment of Czech machine pistols to Syria by KLM airline on 6 February. [REDACTED] suggest that a similar shipment was made on 3 February. [REDACTED]

Brigadier Galletly, Arab Legion brigade commander, believes that the next few months are extremely critical and that if the Israelis do attack he believes May 1956 is the most likely date. The American attaché in Amman comments that all senior Legion officers from Glubb Pasha down share Galletly's concern regarding the new few months. [REDACTED]

[REDACTED] (See also item 1, page 3, which deals with the Soviet proclamation of interest in Near East developments.)

~~TOP SECRET~~