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CEN	TRAL INTEL	LIGENCE A	GENCY	

SUMMARY

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3.5(c)

FAR EAST

1.	Peiping emphasizing construction in Hainan area:				
	Photographs of Hainan and the neighboring Leichou Peninsula taken by the US Navy during the summer disclose four major construction projects. In addition to the previously reported major jet airfield at Suichi, two ports on opposite sides of the Hainan Strait and a new highway running north- south through the middle of the island are being built.	3.3(h)(2)			
	Comment: These are the first important new projects undertaken in this area since it fell to the Communists in early 1950. The migration of labor, reportedly numbering over 100,000, from northern to southern Kwangtung reported by many sources early this year was evidently for the purpose of working on these four projects.				
	Intercepted messages of mid-October show that Soviet personnel were visiting Hainan that month.				
	SOUTHEAST ASIA				
2.					

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NEAR EAST - AFRICA

Comment on the resumption of Iranian-British diplomatic relations:

The resumption of diplomatic relations between Iran and Britain, while it opens the way for direct discussion of the oil dispute, does not assure an early settlement. London, which has pressed for re-establishment of relations, believes that the oil negotiations can now be carried on more easily, although it has not revealed a willingness to make major concessions. Prime Minister Zahedi has insisted that he cannot make early or extensive compromises which might be interpreted by his opponents as yielding further to British pressure.

Despite threats of local politicians and the Tudeh, and probable anti-British and anti-American agitation, there is no indication that Zahedi's action will immediately affect the stability of his regime. If a settlement acceptable to the Iranian public is not reached, or if significant progress toward agreement is not demonstrated within several months, Zahedi's position may be threatened by increasing ultranationalist and Tudeh emphasis on the theme that he has "betrayed" Iranian interests.

On 4 December Ambassador Henderson in	
Tehran commented that there is grave danger that the resumption	
of relations at this time might result in uprisings and assassinations	3.

LATIN AMERICA

4.	Comment	on arrest	of Cuban	ex-president	Prio:

The arrest on 4 December of former pres	si –
dent Prio in Miami on charges of conspiring to violate the United	
States Neutrality Act will probably prevent an immediate uprising	
in Cuba by the Prio forces.	
	3.3(h

h)(2)

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American embassy officials are concerned over the increasing number of rumors of an uprising scheduled for this month. According to the American air attaché in Havana, several thousand armed civilians in Cuba and two aircraft in Guatemala are available to Prio. He added, however, that the Cuban military was confident of its ability to handle any rebellion.

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