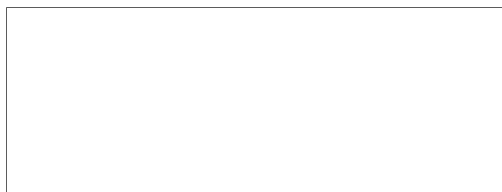


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29 February 1956



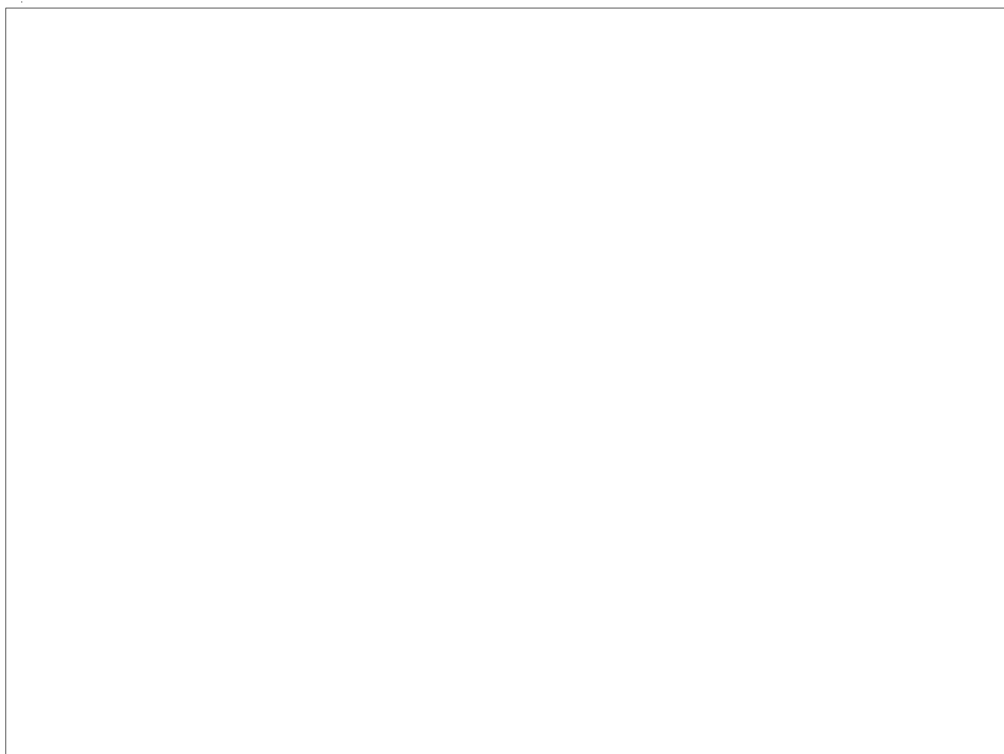
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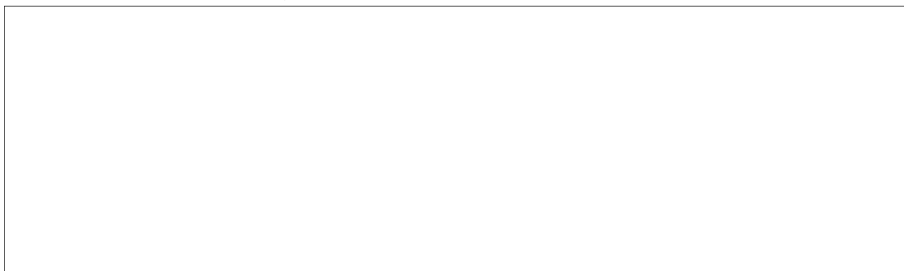
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1. ALGERIAN CRISIS DEEPENS

Former premier Mendes-France told Ambassador Dillon on 27 February that the Algerian situation had deteriorated considerably during the last month and was beginning to show resemblances to the Indochina war. He added that within the next three days the French government would have to make decisions crucial for solution of the Algerian problem and for the future of France.

According to the American consul general in Algiers, Algerian terrorist attacks have become bolder, better conceived, and larger in scale. The terrorists have harassed land communications to such an extent that air travel is the only reasonably safe means of transportation.

The consul general reports that the nationalists plan to surround the city of Algiers and possibly to stage an uprising in the city within two weeks. The local mayor insists that the police are not equipped to handle the situation.

Meanwhile, the European settlers are organizing for their own protection, in the belief that France will abandon them. There is talk of establishing a European-supremacy regime on the pattern of South Africa.

Comment

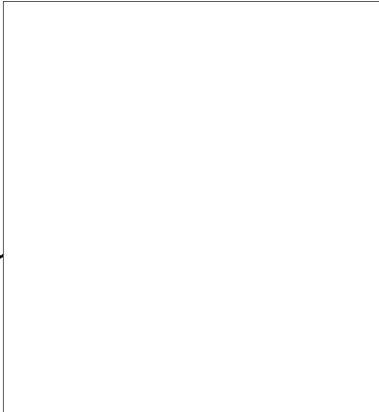
The French army in Algeria, which now totals about 200,000 men, is continuing to lose ground to the 20,000 to 40,000 Algerian rebels. Some relatively large-scale defections of native troops have occurred recently.

French plans to reinforce, regroup and retrain military units for more effective action in Algeria may not be accomplished quickly enough to forestall the concerted rebel attacks expected to take place in March.

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2. TAIWAN INDEPENDENCE MOVEMENT FORMS PROVISIONAL GOVERNMENT IN TOKYO



The Taiwan Independence Party in Japan on 28 February formed a "Provisional Government of the Republic of Taiwan" with a five-man "cabinet," according to press reports.

The Hatoyama government, in answer to repeated Chinese Nationalist protests, claims it has no legal right to suppress activities of the Taiwan Independence Party. A Foreign Ministry official admitted to the Diet that the government was "interested" in the movement but that it was "embarrassing to Japan." Foreign Ministry officials told the American embassy they had called in the leader of the movement and asked him merely "to take it easy."

Japanese government leaders are believed to favor creation of a local independent government on Taiwan and under UN trusteeship. They reportedly feel that Chinese Nationalist morale is deteriorating and that this is the only way to keep the island out of Communist hands.

Peiping denounced the Taiwan independence movement on 27 February as an intrigue of American aggressors to occupy Taiwan permanently. Communist propaganda emphasized that Taiwan is an "inseparable" part of Chinese territory to be "liberated" by "peaceful" means if possible, but by "means of war, if necessary." 

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~~SECRET~~**4. KARAMANLIS PREDICTS HE MAY FALL IN SIX MONTHS**

[redacted] Greek premier-designate Karamanlis believes his new government may not last more than six months because of his small working majority in parlia-

ment, [redacted]

Karamanlis realizes the Greek people expect many serious social problems to be solved immediately and he intends to attempt a dynamic reform program. He feels that failure to attempt such a program might end his political career.

In implementing his program, Karamanlis plans to attack certain interests, particularly those controlled by Bodossakis, Greece's principal industrial magnate. Karamanlis recognizes that Bodossakis and his allies may bring about the defection of some of Karamanlis' supporters in retaliation and thus cause the fall of his government. [redacted]

Comment

Karamanlis' majority of only 13 seats in a parliament of 300 makes for political instability and pressure for new elections. He apparently is primarily interested in making a record which will substantially increase his popular support in subsequent elections.

Karamanlis' program will put him in open opposition to Bodossakis, who has influence in all political parties and promotes weak governments which he can control by manipulating blocs of deputies holding the balance of power.

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5. BURMA TO CO-SPONSOR SOVIET RESOLUTION ON UN TRUST TERRITORIES

[redacted] Burma's UN delegation has been instructed to co-sponsor a resolution the USSR plans to introduce in the UN Trusteeship Council calling on administering powers to set a definite date

for the independence of territories under their control. [redacted]

[redacted] the proposed resolution appeared to be in keeping with Burma's policy concerning trust territories.

Comment

The Burmese delegation [redacted]

[redacted] had been asked to co-sponsor this and another Soviet resolution calling for a ban on nuclear tests in trust territories. It recommended against co-sponsorship in each case, saying that India would not only refuse to co-sponsor them but would abstain if they came to a vote. [redacted]

[redacted]

Burma and India have both co-sponsored similar trusteeship measures in the past. There is no confirmation of the attitude attributed to India by the Burmese delegation.

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6. PEIPING OFFERS CONSTRUCTION MATERIALS TO INDIA



The US embassy in New Delhi believes that current Chinese Communist trade promotion activity is certain to assume considerable political significance, even though the trade drive may not result in a great increase in trade. The list of products being offered by the Chinese appears designed to demonstrate to Asians generally that rapid industrialization has been possible in China under the Communist regime.

A new protocol to the 1954 Sino-Indian trade agreement is being negotiated in New Delhi. Chinese exports under this protocol are expected to include 50,000 tons of steel and other construction materials which India urgently requires for its Second Five-Year Plan (1956-1961).

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THE ARAB-ISRAELI SITUATION
(Information as of 1700, 28 February)

The American army attaché in Damascus reports further Syrian troop movements to the Israeli border. He adds that the bulk of Syrian artillery is now in position to support the front-line brigades. This, plus the previous Syrian troop movements reported on 25 February, indicates that the bulk of the Syrian army has been moved close to the Israeli border. The Syrian army strength on 1 December 1955, before recent additional call-ups, totaled 39,200 officers and men formed into six infantry brigades, one armored brigade, five artillery battalions, and one commando bat-
[redacted]
[redacted] talion.

Colonel Kriebel, German military adviser to the Syrian army, told the attaché that the Syrian units are too far forward and they can now be easily reached and mauled by Israeli forces. Kriebel said a forward defensive line of only token strength, which he advocates, would necessitate a real penetration of Syrian territory to reach the main force, and he believes the Israeli forces would not attempt
[redacted]
[redacted] this.

Half of the Egyptian army is now in the area adjacent to Israel. New Egyptian movements into the Sinai area since the first of this year have added another 8,500 troops, bringing the present total to 42,500 officers and men--seven times the strength in January 1955. These latest increments are more significant in type than in numbers. They include, in addition to an infantry brigade and an artillery regiment, major armored units--two regiments of Sherman tanks (about 100) and a regiment of Centurions (36), together with armored car and armored infantry units. Also reported is the movement into the Sinai of the equivalent of two regiments (about 85) of the newly acquired Soviet T-34 tanks. These regiments, however, are not yet accepted as
[redacted]
[redacted] fully operational units.
[redacted]
[redacted]

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[REDACTED]

Lebanese army units have also moved closer to the Israeli border. The Lebanese chief of staff told the American army attaché in Beirut that the 2nd Infantry Battalion from Tripoli, the 3rd Infantry Brigade and two artillery battalions from Beirut, and the 5th Infantry Brigade from Ablah were moving south to reinforce the Lebanese-Israeli frontier. The attaché comments that the probable locations of the reinforcements will be at Sidon, Nabatiye, and Hasbaya. The chief of staff said that public opinion will force the Lebanese to support Syria, but the attaché comments that it is doubtful that Lebanon would give active support. The Lebanese previously had one infantry battalion in the vicinity of the Israeli frontier. [REDACTED]

[REDACTED]

Egypt has asked India to warn the United States that if the Jordan River waters are actually diverted by Israel prior to Arab approval of the Johnston plan, "a very serious situation will arise." [REDACTED]

[REDACTED]

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