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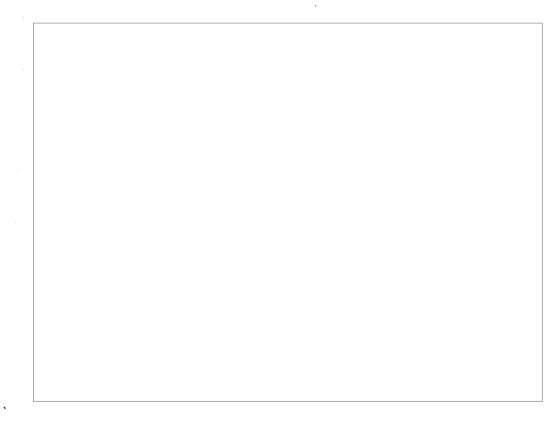
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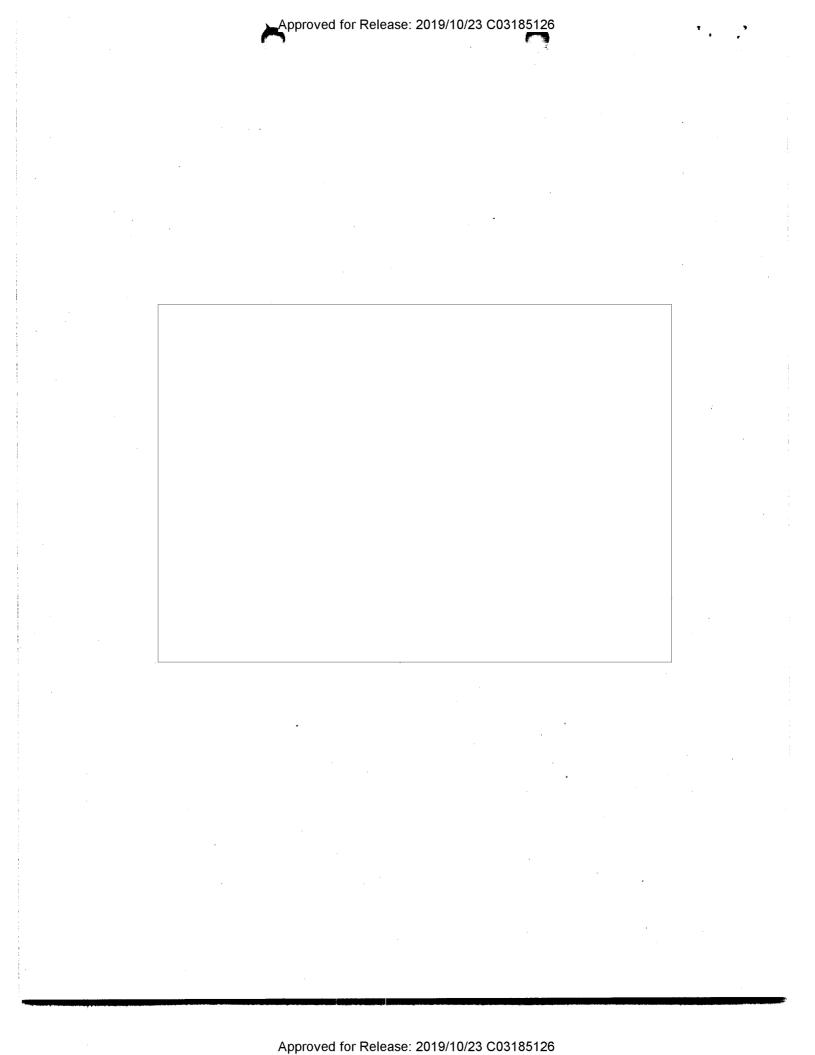
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1. BONN DEFENSE CHIEFS DISTRESSED OVER ALLIED TROOP REDUCTION PLANS

The distress exhibited by West Germany's Defense Minister Blank and General Speidel, chief of the armed forces, over US and British

plans to reduce troop strength in Europe would "be hard to exaggerate," according to Ambassador Conant in Bonn. On 23 July they emphasized to Secretary of the Army Brucker the impossibility of passing the supplementary conscription law specifying the length of service unless the NATO meeting in September clarifies Anglo-American intentions. They also declared that failure to resolve the conscription issue would prevent the return of the present coalition government in the 1957 elections.

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Foreign Ministry officials believe that Chancellor Adenauer has been put in an embarrassing position since he recently denied any knowledge that the United States was placing primary emphasis on nuclear weapons. The Bonn government does not consider that the weapons question is one for the military only, since in Europe it is fraught with political implications, especially for German unification.

Comment

The West German press has said that an Anglo-American reduction does not necessarily imply smaller German forces than are now planned, but asserts at the same time that Bonn's military policies should be adjusted to new world conditions. The developing impression that ground forces in Europe are no longer as important as formerly will make it difficult for the government to have an 18-month conscription term approved in the fall.

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2. FRENCH AMBASSADOR TO MOSCOW SEEN DISILLUSIONED OVER SOVIET AIMS

Ambassador Bohlen in Moscow believes that his French colleague, Maurice Dejean, has been "successfully disabused'' of any illusions he

might have held as to the "possibility of normal diplomatic understandings" with the Soviet government. The Soviet vote in the UN Security Council to inscribe the Algerian issue, Pravda editorials urging Algerian independence, and the French Communist Party's open hostility toward the cabinet's Algerian policy have convinced Dejean that Moscow is actively working to undermine the French position in North Africa. Earlier this year Dejean, apparently reflecting Foreign Minister Pineau's policies, had made quite an effort to establish some form of personal relationship with Soviet officials.

Comment

The ambassador's reported new attitude will probably force the foreign minister to be less optimistic over the results which can be obtained through closer personal relationships with the Soviet leaders. Nevertheless, Pineau is unlikely to be deterred from his basic policy of pressing for closer contact with the bloc, particularly with the European Satellites.

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3. LEFTIST SENTIMENT MAY BE INCREASING AMONG SOUTH KOREAN STUDENTS

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<u>Comment on</u>:

The appearance of leftist pamphlets in Kwangju, one of South Korea's principal cities, apparently reflects a postelection rise in leftist sentiment among South Korean students. Although most South Koreans re-

main strongly anti-Communist, a leftist trend among students became apparent during the recent presidential campaign, and students were among the instigators of the riots on 5 May in front of President Rhee's residence in Seoul.

The pamphlets called for the peaceful unification of Korea, attacked "agitators" who cause "conflict among the same nationalities," and urged the army and police to "turn your sharp bayonets. . . at the privileged class of people."

The fact that the leaflets were found near the high school and teachers' college in Kwangju suggests that the pamphlets originated with leftist students. It is possible, however, that they originated in North Korea, and are being used by the Communist regime to exploit South Korea's postelection unrest.

The Kwangju area, a traditional center of opposition sentiment in South Korea, was the scene of blatant police intimidation during the campaign, and may now be particularly receptive to attacks against the regime.

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4. VIET MINH OFFICIAL NEWSPAPER COMMENTS ON MORALE

An editorial in the official Viet Minh <u>Nhan Dan</u> of 22 July suggests a decline in Viet Minh morale resulting from the failure to obtain unification elections

this July, as originally scheduled by the 1954 Geneva conference. Some people, the editorial states, "have become pessimistic and disappointed" and there are a "number of compatriots who lack confidence in the future struggle for national unification." These "compatriots" are accused of overestimating the strength of the "American-Diem gang" and of not understanding that "our. . . cause will certainly triumph."

Mildly censorious, the editorial confirms the existence of sentiment in Hanoi favoring unification by recourse to its overwhelming military superiority over South Vietnam. Reference to such militant sentiment has not been noted since the central committee conference in April. On both occasions, the mildness of the reproof suggests that militancy is not in serious disfavor and lends greater weight to the suspicion that Hanoi's emphasis on a peaceful settlement with South Vietnam has been largely dictated by Moscow and Peiping.

<u>Nhan Dan</u>, pointing out that the struggle in Vietnam is political in nature, warns its readers to "intensify our tasks of propaganda and education among the people."

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THE ARAB-ISRAELI SITUATION (Information as of 1700, 25 July)

Tension on the Israeli-Jordanian border resulted in a serious outbreak of fighting west of Jerusalem on 25 July. Jordan accused Israel of sending a patrol into Jordan which fired on Jordan army forces, wounding eight Jordanians and a Swedish UN truce observer. An Israeli military spokesman, however, charged Jordan with responsibility for the incident, alleging that "very strong fire" was opened from Jordan against a group of Israeli laborers, the second such incident in four days. Israel may in this instance have revived the practice of retaliation in response to armistice violations by its neighbors. (Press)

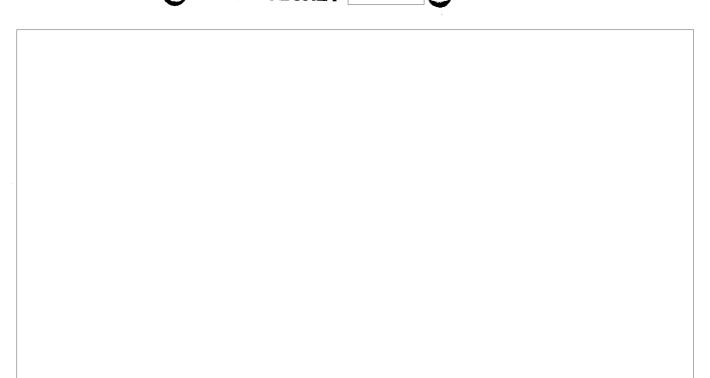
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BIWEEKLY SUMMARY (12-25 July 1956)

THE TAIWAN STRAIT

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

1. The only military activity of significance during the period was a series of air battles on 20 and 21 July between Nationalist F-86's and F-84's and Communist MIG's. At least one MIG was probably shot down, against no Nationalist losses. The 21 July engagement, which occurred 15 miles north of the Matsus, may have stemmed from an incident on 20 July when two Nationalist F-84's engaged two MIG's in the same general area. Although the 21 July air battle was the largest yet noted between the Nationalist and Communist air forces--20 Nationalist and 32 Communist jets were in the general combat area--there is no indication that these encounters resulted from other than normal Chinese Communist reaction to Nationalist antishipping sorties along the coast.

since April,

two Chinese Communist Air Division headquarters, the 11th and 15th, have moved into Fukien Province. If confirmed, aircraft of these two units can be expected in Fukien within a short time. Such a move would be in keeping with the gradual shift of the Chinese Communist air force from north to south that has been taking place since the armistice in Korea and, as such, is not viewed as an indication that hostilities in the Taiwan area are imminent.

3. Chinese Communist propaganda relating to Taiwan during the period was confined largely to expressions of approval for Chou En-lai's 28 June call for the "peaceful liberation" of Taiwan.

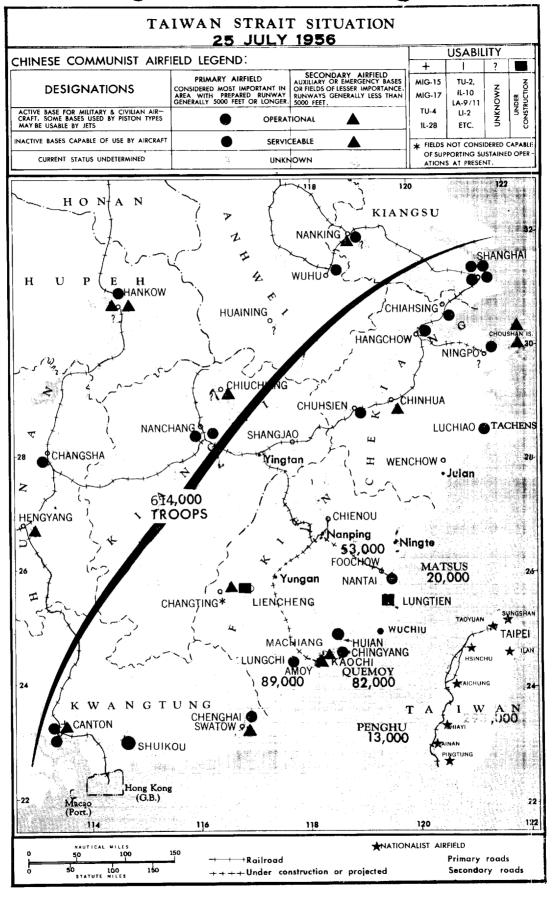
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