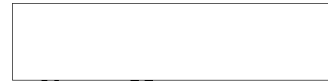


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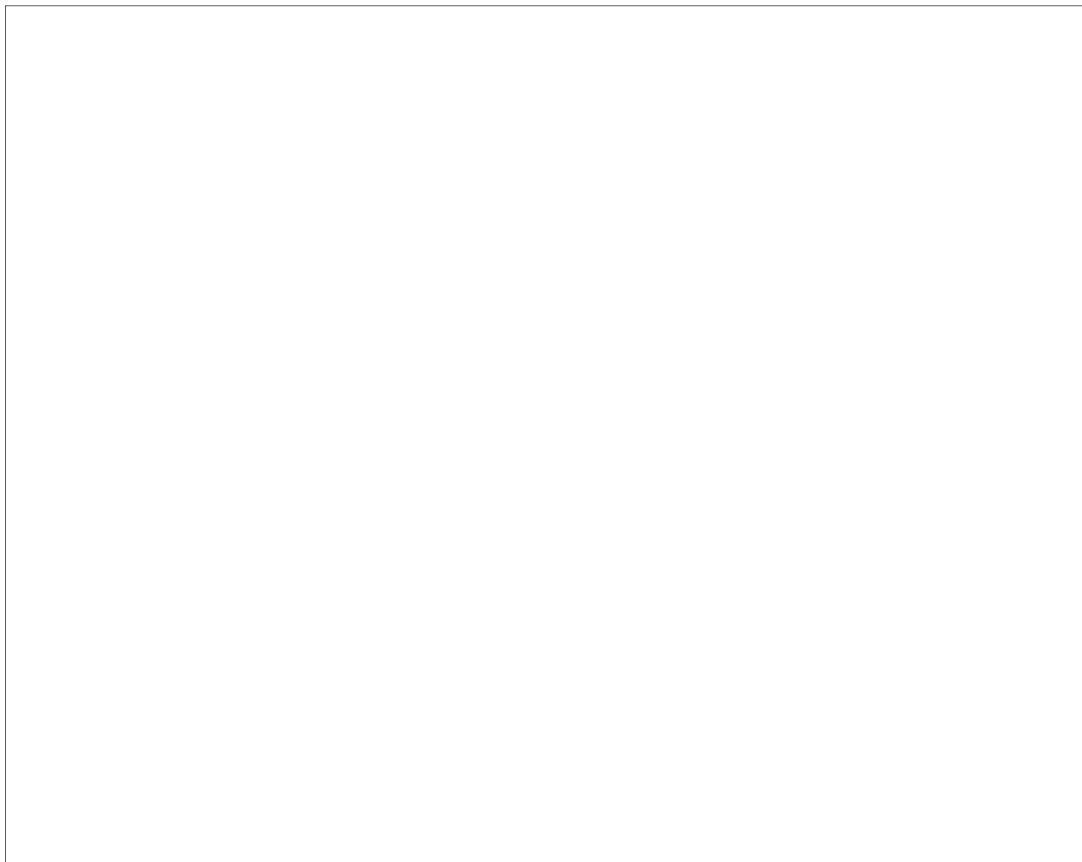


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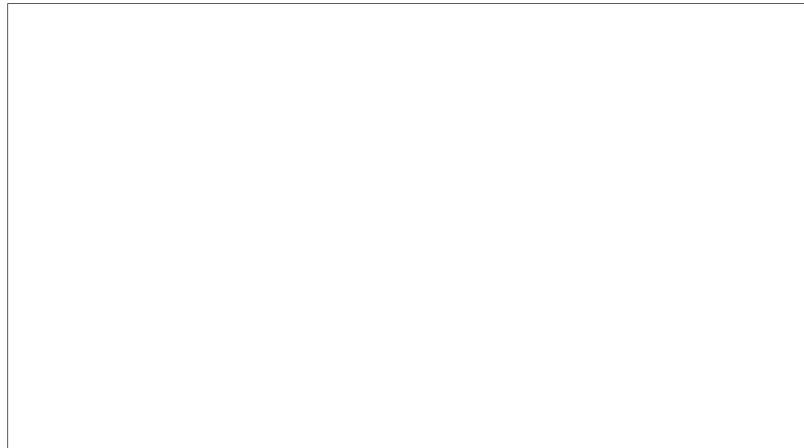
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1. BONN CABINET SHAKEN BY ATOMIC DISPUTE

West German atomic affairs minister Balke has threatened to resign because of a dispute with Chancellor Adenauer and Defense Minister Strauss over equip-

ment of the West German army with atomic weapons.

Adenauer has demanded that Balke retract his statements in support of the position of a group of leading German nuclear scientists who on 12 April stated that West Germany could best protect itself and serve world peace by refusing to participate in an atomic weapons program.

Comment

Chancellor Adenauer's political opposition has charged that he has kept the public in the dark about secret negotiations on atomic weapons. This is the hottest issue that has arisen in the election campaign. Some members of Adenauer's Christian Democratic Union believe he took too hasty a stand on this issue.

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2. THE SITUATION IN JORDAN

Comment on;

While King Hussain continues to emphasize efforts to ensure loyalty within the army, he is also reported planning to assume an increasingly active political role. The king is accordingly considering the creation of a new cabinet post of minister of the court, and also plans to appoint conservative leader Samir Rifai as president of the Senate. Hussain is believed to envisage a far more important role for the 20-man appointive Senate.

One of Hussain's next major tests will be to obtain approval for the Khalidi cabinet from the legislature. He reportedly believes that he now has sufficient supporters in the legislature to ensure a vote of confidence. Should the leftist-dominated lower house withhold support, the king is in a position to suspend parliamentary government and rule under martial law.

the king has no intention of retaining former premier Nabulsi in the cabinet for long. Nabulsi's inclusion in the cabinet was stated to be a temporary concession to the opposition political parties.

In neighboring Syria on 16 April, members of the left-wing Baath party reportedly agreed that Syria should grant asylum to Jordanian Baathis who had taken part in the plotting against King Hussain.

Although Nasr's public reaction to events in Jordan has been cautious thus far, he is reported to have instructed

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the Egyptian press on 16 April to allude to collaboration between Hussain and Western embassies prior to the move against the Nabulsi cabinet. [redacted]

[redacted] Nasr is also planning to retaliate for alleged American and Saudi support of Hussain by fomenting trouble among Palestinian oil workers in Saudi Arabia. [redacted]

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3. KING SAUD ATTEMPTS TO BLOCK OIL TO ISRAEL VIA AQABA

Comment on:

King Saud is taking the lead in opposing oil shipments to Israel, following the 6 April arrival of an American tanker at Eilat carrying Iranian oil.

The Shah will be able to prevent the National Iranian Oil Company from sending oil to Israel but cannot legally block consortium shipments. The American companies in the consortium are subject to Arab pressures, however, because of their oil interests in the Arab states and would probably refuse to sell Israel oil rather than risk reprisal.

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4. TITO UNRECEPTIVE TO NEW SOVIET LINE

[REDACTED]

In a speech on 18 April, Yugoslav president Tito rejected recent Soviet conciliatory remarks and indicated clearly that some major shift in Soviet policy toward Eastern Europe would be required before

a return to harmonious relations with Belgrade would be possible.

Tito stated that Khrushchev's remarks on 15 April stressing the need to improve relations had "aroused a spark of hope" but that they were followed up by Suslov's attack on Yugoslavia for "national Communism" and "revisionism." "Whom are you to believe now? Today one speaks in this way, then tomorrow another turns by 180 degrees," Tito declared. He claimed he was seriously worried by Albania's Soviet-inspired attempt to stir up its minority in Yugoslavia and the possibility of Hungary's doing the same. In a remark sure to inspire a counterattack, Tito asserted that, while Soviet leaders had made some revision of "Stalinist tendencies in their policy, these tendencies still have root in their policy toward other countries in general."

Tito professed a willingness to argue problems reasonably, but added that he expected the other side to refrain from malevolent criticism of Yugoslavia, its internal system, and its relations with the West, which would not be changed.

[REDACTED]

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5. KADAR REPORTEDLY MAY BE REPLACED AS
HUNGARIAN PREMIER

[REDACTED] Kadar
will probably be removed from leader-
ship in the near future because Moscow
is dissatisfied with his inability to stabilize the situation.
Kadar, [REDACTED] resents continued Soviet control over the
Hungarian economy. [REDACTED]

Comment

Although there may be grounds for mutual dissatisfaction between Kadar and the USSR, Kadar apparently received Moscow's full blessing during his trip to the Soviet Union last month and still appears to be the USSR's first choice for the top Hungarian Communist position. A reshuffling of the major positions in Hungary is possible, but no purge of the leadership appears likely.

On 18 April the American legation in Budapest reported rumors [REDACTED]
[REDACTED] the first such rumors since before Kadar's trip to Moscow--that Istvan Dobi, currently president of the Presidential Council, might replace Kadar as premier, with Kadar retaining his post as party first secretary. This would restore the separation of the party and government leadership, normal throughout the Satellites.

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6. THAI PREMIER REPORTEDLY IN PRECARIOUS POSITION

[REDACTED] Premier Phibun has "lost tremendously in the last few weeks" and is in a "very precarious position," [REDACTED]

[REDACTED] the influence of the king may be used to bring about a new government of "experts" backed by Defense Minister Sarit and the army.

[REDACTED] Sarit is thinking of asking Phibun to go abroad for an indefinite period.

Comment

Although Sarit emerged as the "hero" of the election crisis in early March, he has since seemed to have acquiesced in Phibun's continued leadership. Sarit may be dissatisfied, however, by the fact that the power of his rival, Police Director General Phao, has not been significantly reduced. Under the circumstances, therefore, he may be trying to force Phibun to cut down Phao's influence by threatening to take over the government. By all accounts, Sarit has the military backing to make good any such threat. [REDACTED]

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7. NEW CHINESE COMMUNIST SHIPYARD CONSTRUCTING LANDING CRAFT

Reference:

[REDACTED]

Chinese Nationalist aerial photographs taken on 13 April show a small shipyard near Chenhai about 80 miles south of Shanghai. Fourteen vessels were observed under construction and 125 units, probably small landing craft, were moored nearby along the bank of the Yung River. The installation is well protected by high surrounding terrain and anti-aircraft emplacements. The shipyard employs a side-launching technique used in the USSR which is highly adaptable to the mass production of small craft.

The craft were described as being 60 feet by 12 feet, approximately the size of the LCM (Landing Craft Medium) type built at Dairen and currently in use in limited numbers in the Chinese Communist navy. These vessels--the largest number of landing craft ever observed south of Shanghai--may be preparing for an amphibious exercise or deployment to other naval bases. This type of craft can carry approximately 110 troops and is suitable for limited coastal amphibious operations such as would be required for an attack on the offshore islands. [REDACTED]