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13 March 1958

Copy No. 137

CENTRAL

INTELLIGENCE

BULLETIN



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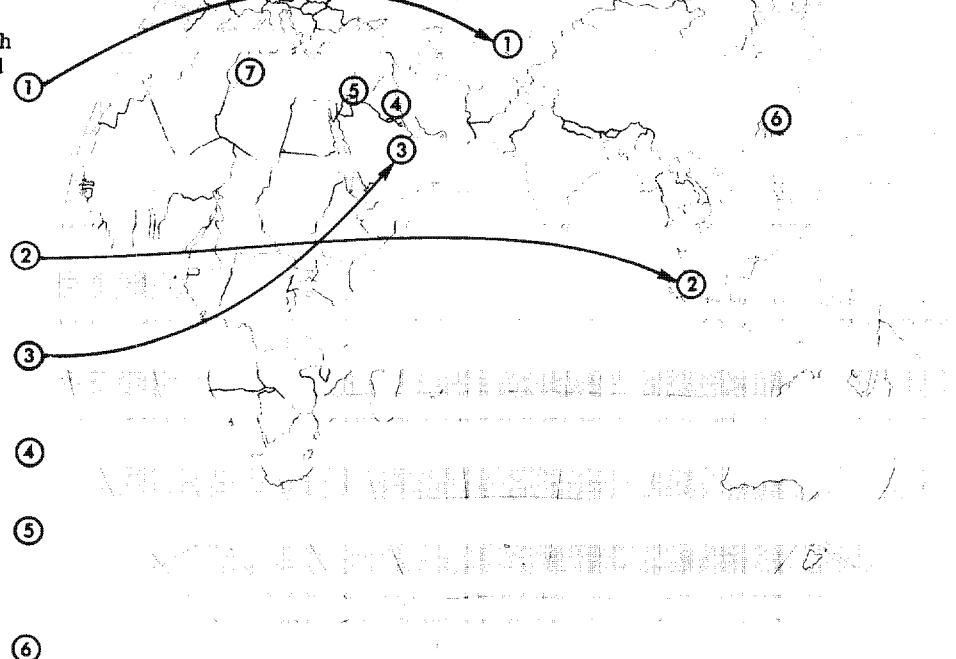
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13 MARCH 1958

I. THE COMMUNIST BLOC

USSR attempt to launch ICBM or Earth Satellite Vehicle fails after complicated countdown.



II. ASIA-AFRICA

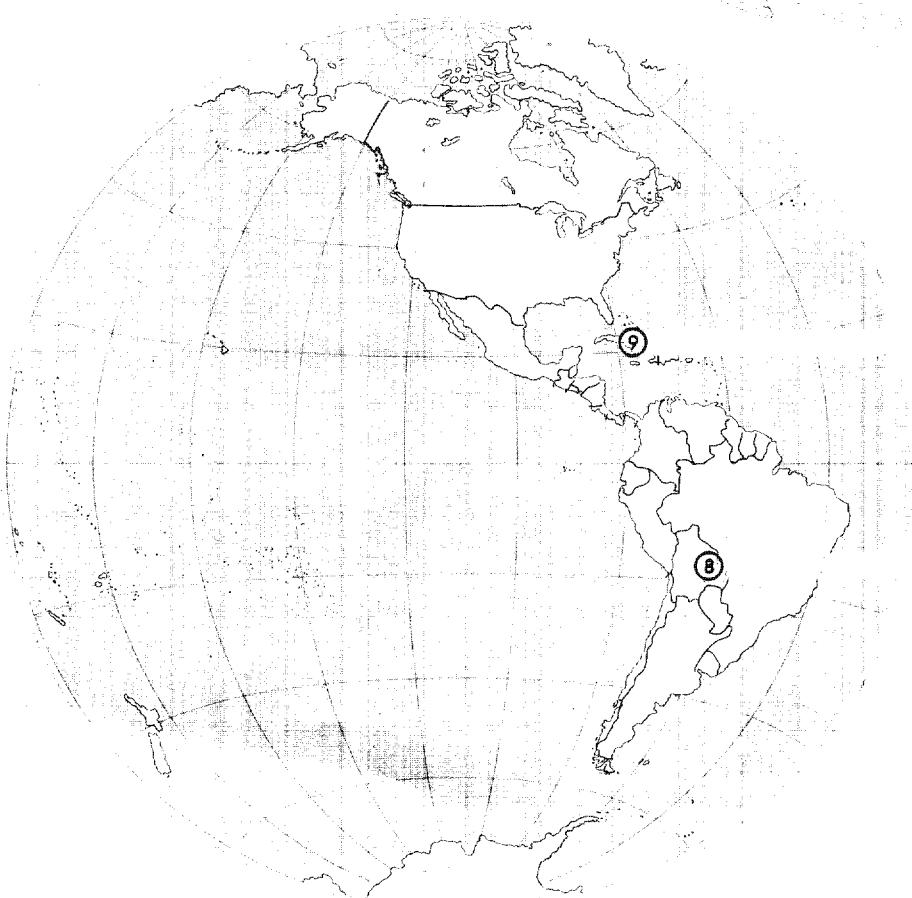
Indonesia - Government troops driving toward Padang from captured Pakanbaru.

Saud's prestige in Near East seriously damaged by exposé of his ineffectual campaign against UAR.

Egyptians believe plotting in Baghdad against Syria continues.

Lebanese premier reshuffling cabinet.

Chinese Communists may be planning sea and air exercises off East China.



III. THE WEST

- ⑦ Gaillard offers to regroup and reduce French troops in Tunisia simultaneously with Tunisian fulfillment of French demands.
- ⑧ Bolivian President and leftist labor leader contending for control of mining area.
- ⑨ Cuban suspension of constitutional guarantees could provoke threat to regime.

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CENTRAL INTELLIGENCE BULLETIN

13 March 1958

DAILY BRIEF

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I. THE COMMUNIST BLOC

*Soviet ICBM/ESV launching attempt: The Guided Missiles Intelligence Committee,

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concluded that the USSR had attempted to launch an ICBM or Earth Satellite Vehicle from its Tyura Tam ballistic missile test range at about 1935 GMT on 12 March, but that upon completion of the countdown an undetermined malfunction occurred, causing an extensive delay.

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II. ASIA-AFRICA

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*Indonesia (as of 0100 EST 13 March): Indonesian government forces which captured the Central Sumatran oil center of Pakanbaru are moving westward along the highway leading to the dissident strongholds of Bukittinggi and Padang. They are meeting some resistance from small dissident units which have managed to regroup several miles outside Pakanbaru.

(Page 2) (Map)

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King Saud's position: The King's long-waning reputation in the Arab Middle East appears to have suffered a serious setback as a result of the misfiring of his campaign against Nasir. To Saud's reputation for prodigality has been added an impression of naivete and subordination to Western imperialism. Saud, beset with problems of his own security, thus becomes less capable of exercising effective influence in the Arab Middle East and specifically of strengthening the Iraqi-Jordanian Federation.

(Page 3)

Egypt-Iraq:

The reported details of this conspiracy, which are said to include the formation of a "free Syrian" government and the use of tribal elements, resemble the charges which Syrian leftists made against the West in connection with previous alleged plots. The Cairo press has seized on Selwyn Lloyd's stopover in Baghdad as evidence of British involvement. Alleged involvement of the oil company may furnish a pretext for subsequent action against the pipelines crossing Syria... (Page 4)

Lebanon: Prime Minister Sulh's resignation on 12 March is apparently a maneuver designed to enable him to reshuffle his cabinet. Lebanese President Chamoun is particularly anxious that elements be brought into the government which would provide additional support for his second-term aspirations. Foreign Minister Malik, who is unpopular and a focal point for criticism, may be dropped; but the government's orientation is likely to remain unchanged.

Taiwan Strait: Unusual Chinese Communist naval communications activity, primarily in the Shanghai area, has been noted since 1 March and has extended southward as far as Foochow and Amoy. This activity suggests the possibility of impending East China naval and naval air exercises. It is

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not regarded as indicative of Communist intent to launch military operations against the Chinese Nationalists in the near future. This and other topics are discussed in the report of the IAC Current Intelligence Group for the Taiwan Strait Problem, covering the period from 13 February to 12 March 1958. [redacted] (Pages 5-6)
 (Map)

III. THE WEST

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France-Tunisia: Premier Gaillard has specified that Tunisia must make moves to re-establish "normal relations" as the minimum position acceptable to his cabinet. He agreed that regrouping and subsequent evacuation of some French troops might occur simultaneously with Tunisian fulfillment of French conditions. Ultranationalists in the French cabinet and parliament can be expected, however, to continue insisting on an even tougher French position. Gaillard's stipulations on restoring relations and Paris' adamant stand on not giving up Bizerte are probably unacceptable to Bourguiba.

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Bolivia: The political struggle between President Siles and leftist labor leader Juan Lechin has been intensified by efforts of Lechin's supporters to seize physical control of the Bolivian mining area. Meanwhile, Siles has ordered the arrest and expulsion from Bolivia of the principal Trotskyite and Communist leaders linked with Lechin. [redacted] (Page 8) (Map)

*Cuba: President Batista's 45-day suspension of constitutional guarantees on 12 March could provoke a serious threat to his regime and will make difficult the holding of free elections by 1 June. [redacted] (Page 9)

13 Mar 58

DAILY BRIEF

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I. THE COMMUNIST BLOC

Soviet Attempt to Launch ICBM or ESV.

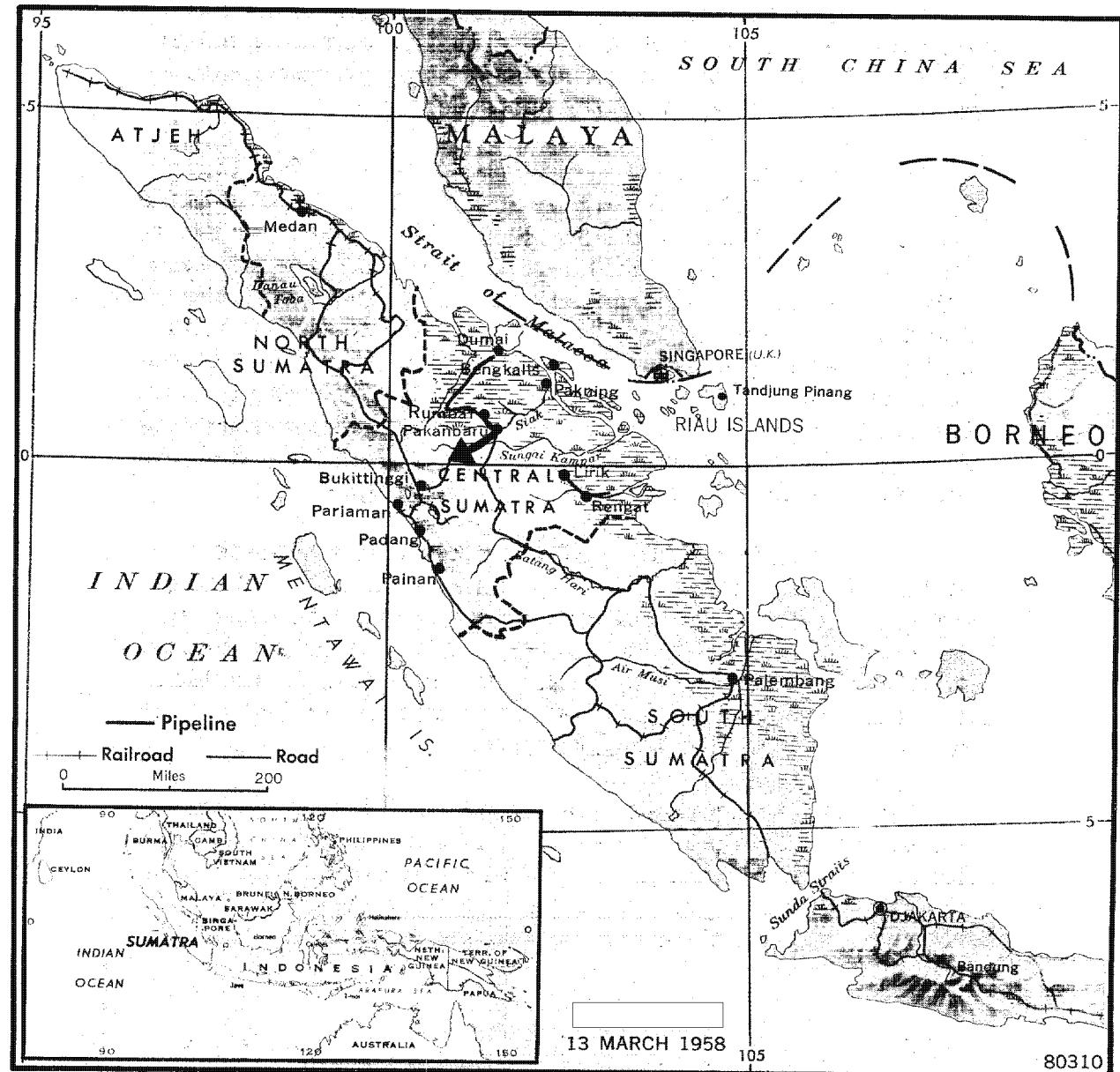
The Guided Missiles Intelligence Committee issued the following statement on 12 March:

[redacted] the USSR attempted to launch an ICBM/ESV on 12 March at about 1935Z, but an unknown malfunction occurred causing an extensive delay.

This is the first detected Soviet failure to launch a test ICBM or earth satellite within a few minutes of zero time, after the valid countdown has begun. The cause of the lengthy delay is not known at this time. It is not possible to predict a time for the next attempt at a launching, as troubles causing delays of several hours' duration could result in still further postponements.

Available evidence does not indicate firmly whether the attempted launching was an ICBM or an ESV. However, lack of activity of certain indicators previously associated with ESV launchings suggests that of the two possibilities, an attempted ICBM launching was the more likely. [redacted]

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II. ASIA-AFRICA

Djakarta Pressing Military Campaign in Central Sumatra

Indonesian government forces which captured the Central Sumatran oil center of Pakanbaru on 12 March have begun to move westward along the highway leading to the dissident strongholds of Bukittinggi and Padang.

[redacted] some 300 Djakarta troops were attacking two dissident companies which were defending a junction nine miles outside the city.

At least a part of the main government force of three to four battalions coming up the Siak River and overland from Dumai has probably arrived in Pakanbaru. These units can be expected to give impetus to the westward drive.

Meanwhile, the shelling of Padang by two navy corvettes, accompanied by orders to all ships in the harbor to leave by 1000 on 13 March, may be the prelude to an amphibious attack in that area. According to a military official in Djakarta, 3 1/2 battalions as well as the navy's 900-man marine corps are available for this operation.

In Djakarta, the prospects of any agreement between President Sukarno and former vice president Hatta appear to have all but vanished. Hatta has indicated that there is no basis for compromise as long as force is being used against the dissidents, and there is some reason to believe that he may soon be taken into "protective custody" by the military.

Sukarno is on an "inspection" trip of Java and East Indonesia calling for support of the military campaign against the dissidents. His trip is to be climaxed on 16 March with an address to a mass meeting in Bandung.

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~~TOP SECRET~~Decline in King Saud's Position

King Saud's position as a senior spokesman in the Islamic world appears to have been seriously damaged by Nasir's exposé of Saud's efforts to overthrow him, allegedly in connivance with the West. The use of ridicule in the unprecedented public attack on the guardian of Islam's holy places highlights the humiliation to which Saud has been exposed at home and elsewhere in the Arab world. Saud has been described as the head of a decadent social system, and a conspirator with Western political and oil interests against the popular Arab aspiration for independence and unity. Saud is vulnerable to such charges at home because his pro-Western orientation has not produced the desired solutions of the Gulf of Aqaba and Buraimi disputes.

Saud increased internal security precautions after explosives found in his palace last spring were traced to the Egyptian military attaché. Leadership of the royal bodyguard and the tribal auxiliaries, as well as the Defense Ministry, is now entrusted to loyal sons. Dissident members of the royal family, including the crown prince and the interior minister, have been increasingly excluded from participation in policy making.

Although incipient opposition groups in Saudi Arabia appear to lack cohesion and leadership at the moment, Saud in the light of Nasir's attack now is likely to be even more concerned over his security problems. He may therefore be able to give even less attention and support to the Iraqi-Jordanian federation than he indicated he intended to do in his recent interview with the Jordanian and Iraqi foreign ministers. Lesser potentates in the area, such as the Ruler of Kuwait, are also even less likely than before to risk an attack from Nasir by associating themselves with Iraq and Jordan.

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~~SECRET~~Iraqi Plotting Against Syria

Another anti-Nasir plot financed by the Iraqi Petroleum Company has been reported

The oil company is alleged to have placed the incredible sum of \$140,000,000 at Iraqi Prime Minister Nuri Said's disposal for action against Syria. The plotters contemplate the formation of a "free Syrian" government composed of Syrian political refugees now in Turkey and Iraq. Other alleged details include the possible use of tribes on the Syrian border in a coup, and the assassination of President Nasir.

ex-Syrian dictator Shishakli and other political refugees were plotting in Baghdad toward these ends. Nuri Said is reported to have intimated to the Pakistanis that "grave happenings" can be expected in Syria before the end of March.

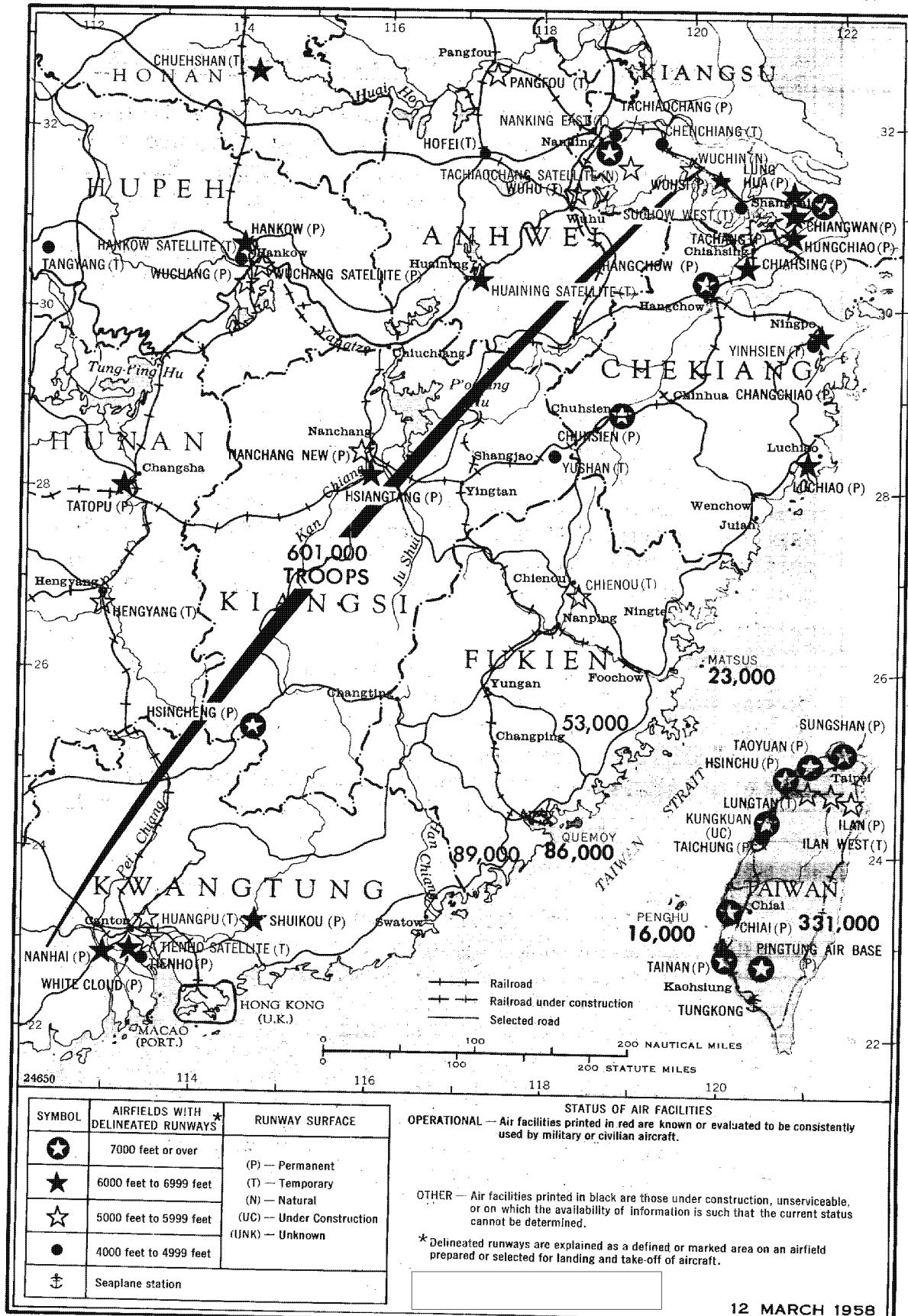
possibly a reflection of ideas being discussed in Iraqi government circles, which usually react to adverse events in Syria in such terms.

The Damascus and Cairo press meanwhile are interpreting Selwyn Lloyd's Baghdad stopover as evidence of British involvement in a new series of plots against "Arab nationalism represented by the UAR." The government-controlled Egyptian news agency accuses the US Government and American oil companies of plotting with Israel to invade the UAR.

The charges involving Western-owned oil companies, coming after Nasir's reference to oil interests' associating with Saud's alleged plot, suggest that the UAR leader may be considering some action against the pipelines crossing Syria. The UAR now controls the principal sea and land routes used for Middle East oil transit.

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TAIWAN STRAIT SITUATION



STATUS OF AIR FACILITIES

AIR FACILITIES
- Air facilities printed in red are known or evaluated to be consistently used by military or civilian aircraft.

OTHER — Air facilities printed in black are those under construction, unserviceable, or on which the availability of information is such that the current status cannot be determined.

* Delineated runways are explained as a defined or marked area on an airfield prepared or selected for landing and take-off of aircraft.

12 MARCH 1958

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Report No. 114 of the IAC Current Intelligence Group for
The Taiwan Strait Problem Covering the Period From 13
February to 12 March 1958

1. There were no significant combat operations in the area during the period. [redacted]
2. Unusual Chinese Communist naval communications activity in the East China area has been noted since 1 March. Fleet Headquarters in Peiping and Shanghai are involved, together with naval air activities in the Shanghai-Ningpo area and various East China naval stations extending southward as far as Foochow and Amoy.

The significance of this unusually high communications activity is not yet apparent; it may indicate impending East China naval and naval air exercises. It is not regarded as indicative of Communist intent to launch military operations against the Chinese Nationalists in the near future.

[redacted]

3. [redacted]

[redacted] an extensive redeployment of army units may be planned, with some perhaps moving to the Southeast China area. Such a redeployment would be caused, at least partially, by Peiping's announced decision to withdraw its troops from North Korea. [redacted]

4. The Chinese Communist jet light bombers which were deployed to the South China area last October have now probably been withdrawn to North China. On 23 February, possibly 20 IL-28's were noted flying from Suichi to Hankow. Later, on 25 February, an additional 16 IL-28's followed the same route and, after a short stop at Hankow, six departed for Tangshan, home base of the 10th Air Division. These movements probably represent the return of a regiment of the 10th Air Division which moved into South China last autumn to engage in joint exercises with jet fighters at Canton and Suichi. There are still about 90 Chinese Communist jet light bombers within range of Taiwan. These are located in the Hangchow-Nanking area just south of the Yangtze River. [redacted]

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5. Two British merchant ships, en route from Hong Kong to Foochow, were briefly detained in the Matsu area on orders of Chinese Nationalist naval headquarters on 7 March. The Nationalists' motive is unknown, but it may have been to dramatize their reiteration of their "port closure" policy on 3 February. This is the first Chinese Nationalist interference with British shipping in the Taiwan Strait since the summer of 1957. These interceptions may presage further harassment of non-Communist shipping, but it is believed unlikely that the Chinese Nationalists will again fire on such shipping.

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III. THE WEST

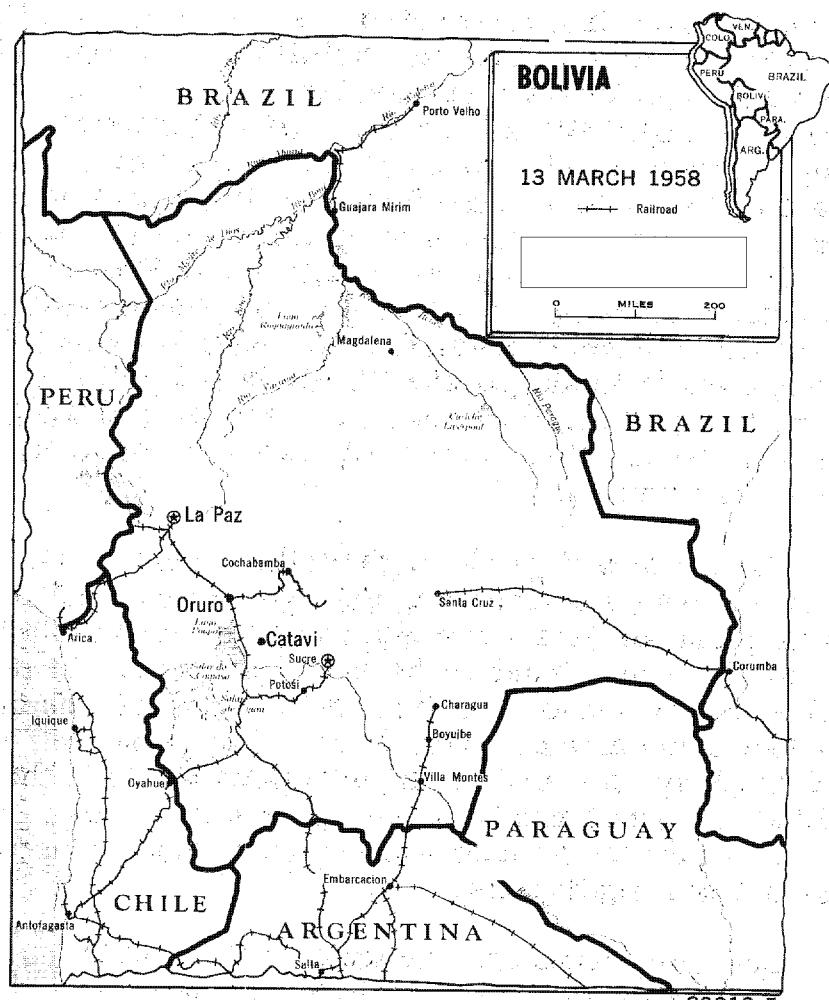
Gaillard's Terms for Tunisia Probably Unacceptable

French Premier Gaillard appears willing to modify several important details of the minimum conditions his cabinet says Tunisia must satisfy before "normal relations" with France can be re-established. In talks with US and UK good offices representatives, he agreed that the regrouping at Bizerte of four or five thousand French troops now stationed "around Tunis" could occur "simultaneously" with the return of French civilians to their Tunisian domiciles, return of French consuls to their posts, and restoration of liberty of circulation for French troops. He also stated categorically that the regrouped troops would be evacuated from Tunisia, but adamantly rejected "any formula which would provoke the departure of the French from Bizerte." Gaillard also indicated his willingness to separate the questions of neutral control of the airfields and of the frontier.

Gaillard's willingness to relax the cabinet's "minimum" demands may be motivated partly by a recommendation reportedly made by the French commander in Tunisia in favor of evacuation of ground forces and abandonment of the airfields, and by evidence that many French civilians in Tunisia see Bourguiba as their best hope of protecting their status and property. Nevertheless, ultranationalists in the French cabinet and parliament can be expected to continue insisting on an even stiffer French position which may hamstring the good offices negotiations.

Gaillard's demands, particularly the insistence on remaining at Bizerte, are unlikely to be readily accepted by Bourguiba, who continues to demand a substantial evacuation by 20 March, the anniversary of Tunisia's independence.

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~~SECRET~~Civil War Threatens in Bolivia

Strikes begun on 11 March in the Bolivian mines by Communist and Trotskyite followers of leftist labor leader Juan Lechin will seriously test the ability of President Siles Zuazo to retain control of the government. With the pro- and anti-government forces about equally divided in the mining areas, Siles has thrown a protective cordon of militia and police around the key city of Oruro and sent a force of 100 miners into the city to defend it against attack. Another such cordon is reported to be trying to isolate the town of Catavi, where the Lechin forces are concentrated.

In La Paz, Siles has reportedly ordered the arrest and expulsion of certain Trotskyite and orthodox Communist leaders who were linked with Juan Lechin. The President's ability to implement these orders, however, will depend on his success in ousting the pro-Lechin chief of secret police, whose dismissal was reported on 10 March although he was subsequently granted permission "to stay on for a few days."

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~~SECRET~~Cuban Government Suspends Constitutional Guarantees

Cuban President Batista's 45-day suspension of constitutional guarantees on 12 March--the seventh such suspension since January 1957--may result in the most serious threat to the government since the abortive naval uprising at Cienfuegos last September. Coming at a time when the nation is preparing for general elections on 1 June, the suspension may result in the withdrawal of opposition parties from the campaign and will certainly mock Batista's assurances that he will hold free elections.

Prime Minister Emilio Nunez Portuondo resigned immediately after guarantees were suspended; the other ministers, who resigned briefly, were reappointed under the premiership of former Foreign Minister Gonzalo Guell.

There was no apparent reason for Batista's decision to suspend constitutional guarantees, and his action may be considered a tactical error. Rebel leader Fidel Castro's rejection of church mediation on 11 March had placed Batista in a more advantageous position since he had at least nominally supported the Church's proposal for a peaceful solution of Cuba's political problems.

If adverse reaction to the suspension becomes widespread, it is conceivable that the armed forces, in which dissatisfaction with Batista has become more pronounced lately, might move to take control of the situation. It is also possible that Fidel Castro might take advantage of the situation to call for a general strike, which he had planned before the end of March, and to intensify his campaign to oust Batista by force.

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CENTRAL INTELLIGENCE BULLETIN

13 March 1958

DAILY BRIEF

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