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CENTRAL

INTELLIGENCE

BULLETIN



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7 JUNE 1960

I. THE COMMUNIST BLOC**II. ASIA-AFRICA**

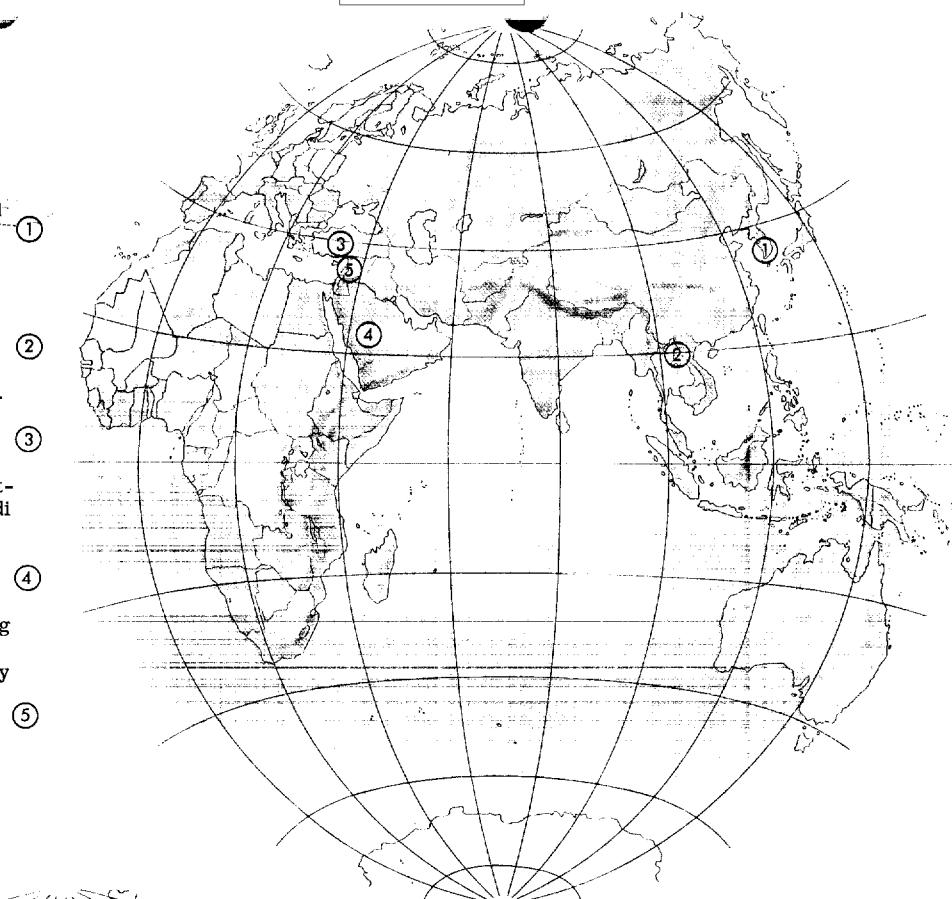
Indications seen in South Korea of rift between acting President Huh Chung and Defense Minister Yi Chong-chan.

New Laotian cabinet wins assembly approval; real power in government is probably the defense minister, General Phoumi.

Ankara continues tense, with air of anxiety and concern evident both within and outside provisional government.

King Saud grants oil refining and marketing concession in western region of Saudi Arabia to two of his sons; Aramco protests conflict with its concession agreement.

UAR actively intervening in Lebanon to influence elections there starting next Sunday; election period may be marked by violence.

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CENTRAL INTELLIGENCE BULLETIN

7 June 1960

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

II. ASIA-AFRICA

N [South Korea: There are indications that a rift may be developing between acting Chief of State Huh Chung and Defense Minister Yi Chong-chan because of Huh's failure to consult the entire cabinet before acting on various matters, including Rhee's departure from the country and the appointment of the new ambassador to the US. Yi reportedly is moving to consolidate his control of the army, and apparently has support from some cabinet members in his dispute with Huh.

(Page 1)

OK Laos: The new Somsanith cabinet, which won assembly approval on 5 June, is heavily weighted in favor of the Party of Democracy and Social Progress, the new party sponsored by the strongly anti-Communist Committee for Defense of National Interests (CDNI). General Phoumi, leader of the CDNI and the minister of defense, is probably the real power in the government. Former Premier Phoui's party of old-line politicians has only minor representation in the cabinet. The new government, while reiterating Laos' pose of neutrality in international affairs, is expected to push repressive measures against local Communists.] (Page 2)

N Turkey: The atmosphere in Ankara continues tense, with an air of anxiety and concern evident both within and outside the present provisional government. Foreign Minister Sarper has told American officials that the nation's internal security forces are being screened for unreliable elements, that the army is fully needed to protect the country, and that the government therefore is considering replacing the Turkish brigade in Korea by merely a token force.] (Page 4)

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Saudi Arabia: King Saud, in a move certain to increase frictions between the Saudi Government and the Arabian-American Oil Company (Aramco), has granted two of his sons a 40-year concession for the construction and operation of an oil refinery in Jidda. The private company which they are forming is to have exclusive rights for the transport, refining, and marketing of oil in the western region of the country. At present about half of Aramco's sales of petroleum products in Saudi Arabia are in this part of the country. Aramco officials have already conveyed an initial protest to the King that establishment of an exclusive marketing area for this new company is in conflict with the terms of Aramco's own concession agreement.

(Page 6)

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Lebanon: The UAR is energetically intervening in Lebanon to influence the national elections scheduled to begin there on 12 June. [redacted] two former Lebanese prime ministers, as well as Druze leader Kamil Jumblatt, are receiving UAR support, and UAR overtures reportedly are being made to at least one Christian leader. Unless this outside intervention is tempered by compromises arranged between President Shihab and the UAR, important Christian elements in Lebanon may become greatly alarmed and precipitate violence more serious than the sporadic outbreaks which normally accompany Lebanese balloting.

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DAILY BRIEF

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Possible South Korean Cabinet Split

There are indications that a rift may be developing between South Korean acting Chief of State Huh Chung and Defense Minister Yi Chong-chan because of Huh's tendency to act without consulting the cabinet. Yi proffered his resignation on 1 June in protest against Huh's unilateral action in allowing former President Rhee to flee the country. Yi reportedly also was angered by Huh's failure to consult the cabinet prior to appointing retired General Chong Il-kwon ambassador to the United States. Yi informed the American naval attaché that in the former instance the entire cabinet sided with him and all resented Huh's unilateral action.

Huh, presumably recognizing that Yi's resignation could weaken army support for the government, reportedly asked the defense minister to reconsider. Yi enjoys a reputation for integrity and honesty and seems to have a considerable following, particularly among the younger officers. He reportedly is trying to consolidate his control over the top military commanders, and there have been allegations that he is maneuvering to oust Huh and take over the government himself with army backing. These allegations probably are a reflection of increasing army factionalism, which if not contained could weaken the military's stabilizing influence on domestic politics. (SECRET NOFORN)

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New Laotian Cabinet Confirmed by National Assembly

Premier Tiao Somsanith's government, which was invested by the Laotian National Assembly on 5 June by an overwhelming margin, is heavily weighted in favor of the Party of Democracy and Social Progress (PDSP)--the party recently created by the Committee for Defense of National Interests (CDNI). Former Premier Phoui's Rally of the Lao People (RLP) has received only one post, the relatively minor justice portfolio, which will be held by Phoui's brother, Ngon Sananikone. The rest of the 13-man cabinet, except for two or three lesser appointees who could be classed as "independents," is made up of PDSP members. Despite some weak spots, the new cabinet appears to be one of the abler ones in Laos' post-independence history; its viability will largely be determined by the ability of Somsanith and Phoumi to work together.

Brigadier General Phoumi, the most powerful of the CDNI leaders, heads the Defense Ministry, the same position he held in the recently resigned caretaker government. Another CDNI leader, Khampan Panya, is the foreign minister, as he was in the caretaker government and in the Phoui government prior to the CDNI-RLP split last December. Somsanith will act as his own interior minister, a post for which he is well suited in view of his past experience as national police chief and because of his more intimate knowledge of village-level problems than most of his colleagues. There are also signs he may personally undertake the reorganization of the government's administrative structure.

Perhaps the most noteworthy of the independents is Touby Lyfoung, leader of the Meo tribal minority group. His appointment as secretary of state for information may encourage the minority groups, which comprise nearly half of Laos' population, to believe that the new government will take a greater interest in their problems than did previous governments.

The Somsanith government can be expected to push repressive measures against local Communists and perhaps to make more vigorous efforts than previous regimes to extend the central government's control in the remoter areas of the country. Internationally,

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it will probably not change Laos' pose of neutrality. This will be especially true in the early months of its tenure, when it will be anxious to assuage the fears of Laos' friends that it might provoke the Pathet Lao insurgents and their mentors in Hanoi and Peiping.

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~~SECRET~~Turkish Situation Tense

The new regime in Turkey is beginning to show indecision and anxiety as it tackles some of the more complex aspects of assuming civil authority. The National Unity Committee is finding it necessary to modify some of its earlier concepts of government operation. Col. Alatli, as official spokesman for the National Unity Committee, described it as being the replacement for the Grand National Assembly, with authority to change cabinet ministers and pass laws.

The atmosphere in Ankara is described by American military representatives as "quite tense," with troops armed with automatic weapons still posted at major buildings and patrolling the streets. There is apparently considerable dissatisfaction both within and outside the government. Some top military officers are becoming restive under the relatively junior group composing the National Unity Committee. The provisional government is also apparently under increasing pressure from vengeful elements of the populace, including young military and some Turkish intelligentsia. The pressure of public opinion may force judicial action against members of the former government before elections. It is also becoming more likely that the provisional government will find it difficult to relinquish the reins of government as early as it had planned. The military may be unwilling to return power to civilian authority.

The foreign minister informed Ambassador Warren on 3 June that the entire Turkish Army is needed to take the place of the National Police and Gendarmerie, which are being reorganized and screened, and to protect the country. He said the provisional government proposed for this reason that the Turkish brigade in Korea be returned this summer at the end of its tour and replaced with a token force of about 30 soldiers. Warren views this proposal as a symptom of the regime's insecurity and uneasiness.

The ambassador believes the general air of uneasiness indicates that the revolution has not developed as expected and that

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a spirit of revenge is growing which could completely vitiate early promises of fair elections and trials for those accused.

[redacted] there may be considerable bloodshed before the country settles down. The embassy remains of the opinion, however, that the Turkish populace is willing to give the new regime a chance. It views as encouraging the way in which government leaders are tackling many problems, and notes that civil servants seem more relaxed and willing to work under the new ministers. [redacted]

[redacted]

[redacted]

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~~CONFIDENTIAL~~Saudi King Gives Sons Oil Refinery Concession

King Saud has granted two of his sons a 40-year concession to build and operate an oil refinery in Jidda. The private company which they are forming is to have exclusive rights to transport, refine, market, import, and export oil in the western part of Saudi Arabia.

The concession is in the name of teen-age Prince Saad Ibn Saud, 11th oldest of the King's 25 sons, who holds the title of commander of the private guard but otherwise has been prominent only for his wild escapades. Prince Saad is actually serving here as front man for Saud's favorite son, Prince Muhammad Ibn Saud, chief of the King's advisory council. Prince Muhammad reportedly has already made arrangements with private firms in the United States for construction of the refinery and for most of the capital required. It will probably take a maximum of two years to build.

Officials of the American-owned Arabian-American Oil Company (Aramco), already engaged in several long-standing disputes with the Saudi Government, feel that the establishment of an exclusive marketing area for this new company is in conflict with Aramco's own concession agreement. At present about half of Aramco's sales of petroleum products in Saudi Arabia are in this western part of the country. Moreover, the Aramco refinery at Ras Tanura has considerable excess capacity.

The initial protest made verbally to the King by an Aramco representative on 1 June met with no success. Saud reportedly showed no disposition to amend the new concession grant and hinted broadly that perhaps Aramco might overlook any alleged conflict with its concession terms, since the royal family was involved in the new project. He suggested that Aramco could, however, write an official letter through normal channels setting forth its position.

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~~TOP SECRET~~UAR Intervention in Lebanese Elections Increases

Increasing intervention by the UAR in the Lebanese parliamentary elections beginning 12 June is indicated by the activities of UAR Ambassador Ghalib in Beirut, Syrian Interior Minister Sarraj, and Marshal Amir, UAR vice president in Damascus,

After considerable maneuvering between rival Lebanese political factions, the UAR was able to form "for the higher Arab interest" a slate of candidates in Beirut, including former Prime Ministers Abadallah al-Yafi and Saib Salam, and Nadhim Majdalani, a pro-UAR member of parliament. Druze leader Kamal Jumblatt, who is supported by President Shihab, has even asked UAR assistance in transporting voters from Damascus and the Druze area of Syria, and former Syrian Chief of Staff Shawkat Shuqayr is aiding Jumblatt's cause. Jumblatt also has advised Ghalib to "make a show of working in the interest of Pierre Jumayyil," the Christian Phalange leader, but actually "to work against him." This intensive UAR interest is without doubt being paralleled in other parts of Lebanon.

the Iraqis are "engaging in continuous election activity" among Lebanese Shia Moslems in opposition to efforts of Syrian intelligence, and are having some success.

Former President Chamoun is running for parliament and is very likely to be elected, despite opposition from Jumayyil's followers. Should Jumayyil learn of the duplicity of the UAR's support for him, it is possible that he and Chamoun would combine forces in opposing UAR-favored candidates.

The first important pre-election clash occurred on 2 June when security forces apparently precipitated an incident in order

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to warn the anti-UAR Socialist National party against taking an active part in the elections.

Unless this outside intervention is tempered by compromises arranged between Shihab and the UAR, important Christian elements in Lebanon may become greatly alarmed and precipitate violence more serious than the sporadic outbreaks which normally accompany Lebanese balloting. However, Shihab's reported negotiations with UAR agents could in themselves alarm many Christians.

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The Under Secretary of State

The Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Administration

The Counselor

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