

~~TOP SECRET~~

ED 3.3(h)(2)

16 April 1958

Copy No. 140

CENTRAL INTELLIGENCE BULLETIN



DOCUMENT NO. 40
NO CHANGE IN CLASS. BY
11 UNCLASSIFIED
CLASS. CHANGED TO: TS S C
NEXT REVIEW DATE: 7010
AUTH: HR 702
DATE: 3/25/86 REVIEWER: [Redacted]

~~TOP SECRET~~

~~TOP SECRET~~

16 APRIL 1958

I. THE COMMUNIST BLOC

Communist China pressing India for civil air agreement; Nehru has signed recently with USSR, may accede to Peiping's request.

High-ranking bloc diplomatic delegation to attend Argentine President's inauguration on 1 May.

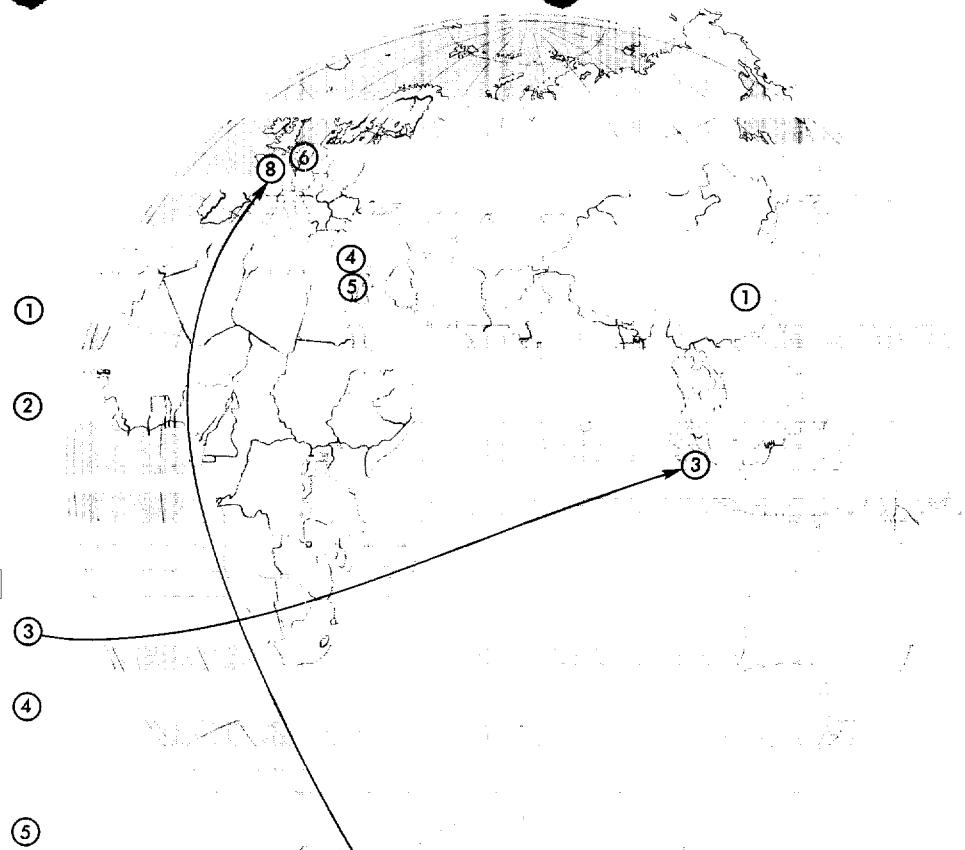
II. ASIA-AFRICA

Indonesia - Central government naval units in place off west coast of Sumatra.

Landings reported delayed for a few days.

Violence and sabotage continue on Cyprus.

Gaza strip demonstrations part of Nasir's campaign to arouse Palestinian Arabs against King Husayn of Jordan.

**III. THE WEST**

⑥ Adenauer believes West German furor over nuclear armament dictates de-emphasis of reunification issue at summit meeting.

⑦ Brazilian Government attacking resurgent Communists, but any legislative action unlikely.

LATE ITEM

⑧ Fall of Gaillard government makes any French concessions on North Africa less likely.

~~TOP SECRET~~

~~TOP SECRET~~

CENTRAL INTELLIGENCE BULLETIN

16 April 1958

DAILY BRIEF

SJR AB

I. THE COMMUNIST BLOC

Communist China - India: Peiping has again raised with New Delhi the subject of a civil air agreement. At present, Burma is the only nonbloc Asian nation with which Communist China has an air agreement. New Delhi has just signed an air agreement with the USSR, and may accede to Peiping's request. (Page 1)

USSR - Latin America: The highest ranking delegations from the USSR and the Eastern European satellites to visit Latin America in recent years will attend the inauguration of Argentine President-elect Frondizi on 1 May. The Soviet delegation will include First Deputy Foreign Minister Kuznetsov, who will also visit Mexico briefly. The bloc representation will include Rumania, Poland, Czechoslovakia, Hungary, and Bulgaria, and will add impetus to the bloc's intensified efforts to increase trade and diplomatic relations with Latin America.

720

II. ASIA-AFRICA

Indonesia:

establishing "amphibious Task Force 17" is the first positive evidence to substantiate earlier reports of an impending attack on the west coast of Sumatra. the task force is under the command of Lt. Col. John Lie, captain of the navy's flagship, the destroyer Gadja Mada, and indicates that naval units are, as previously reported, actually on station off Padang. The assault, originally scheduled for 15

720

i

~~TOP SECRET~~

~~TOP SECRET~~

April, is reported to have been postponed for a few days because of logistical and transportation problems. Djakarta forces, meanwhile, are continuing to advance on Padang and Bukittinggi by land from the north and south. [redacted]

(Page 2) (Map)

110
Cyprus: Tension on Cyprus continues with acts of violence and sabotage. The wounding of a British serviceman on 14 April was the first attack on a Briton in more than a year and may foreshadow more serious attacks. There have been riots in detention camps, a 24-hour general strike, and an expanding boycott of British goods accompanied by threats and warnings. The Turkish Cypriot underground has demanded the immediate withdrawal of Governor Foot because of his alleged pro-Greek activities. Active diplomatic efforts to solve the Cyprus problem are in abeyance pending the 11 May Greek elections. [redacted]

110
Gaza strip: Demonstrations which took place on 14 April in the Gaza strip reflect a move on Nasir's part to turn Palestinian Arab opinion against King Husayn of Jordan and possibly to pave the way for the adherence of the Gaza strip to the United Arab Republic. There is no indication, however, that Nasir has yet decided on a date. [redacted]

III. THE WEST

110
West Germany - Summit talks: Chancellor Adenauer evidently is so deeply concerned over the serious division within West Germany on the issue of equipping the Bundeswehr with nuclear weapons that he believes the main topic of a summit conference should be disarmament. Adenauer now holds that other topics, including the German reunification issue, are secondary to the importance of achieving some relaxation of tension, particularly through an agreement on nuclear weapons. [redacted]

16 Apr 58

DAILY BRIEF

Page ii

~~TOP SECRET~~

~~TOP SECRET~~

[redacted] Adenauer had previously insisted that there should be no over-all disarmament agreement without a concurrent unification of Germany. [redacted] (Page 3)

yes
 Brazil: Following the "surfacing" of Brazilian Communist chief Luiz Carlos Prestes on 26 March in the midst of a worsening national financial crisis and preparations for the October congressional and gubernatorial elections, the Kubitschek government has asked for tighter anti-Communist legislation. While Congress is unlikely to pass such laws in an election year, continued government verbal attacks on the party may disorganize the Communist leadership's new campaign of "amiable nationalism." [redacted] (Page 4)

LATE ITEM

yes
 *France - North Africa: The crushing defeat of the Gaillard government on the issue of the American-British good offices proposal for the resumption of French-Tunisian negotiations underscores the continuing reluctance of French rightists to accept any concessions on North Africa and deepens the cleavage between the non-Communist left and the right. The pattern of recent French cabinet crises suggests that this one will also be prolonged and that another basically weak coalition will take office. In Tunisia, the Paris crisis will probably strengthen elements dissatisfied with President Bourguiba's policy of conciliation. In Algeria, however, the danger of civil disturbances by European extremists protesting signs of conciliatory attitude in Paris seems to have been temporarily reduced.

[redacted] (Page 5)

16 Apr 58

DAILY BRIEF

Page iii

~~TOP SECRET~~

~~TOP SECRET~~

I. THE COMMUNIST BLOC

India Again Considering Civil Air Agreement With Communist China

Indian Prime Minister Nehru is again considering the advisability of concluding a civil air agreement with Communist China. [redacted] the Chinese have complained to Nehru that India's recent air agreement with the USSR and New Delhi's favoritism toward air services to Europe have "slighted" Peiping.

Officials of the government-controlled Indian international airline seem to feel that air service to China would be uneconomical and that the two new Super Constellations soon to be delivered to India will be required on the Soviet route. Economic objections raised by India in connection with the Indo-Soviet agreement were met by the Russians, who agreed to share their profits with India, and China might be willing to make similar concessions.

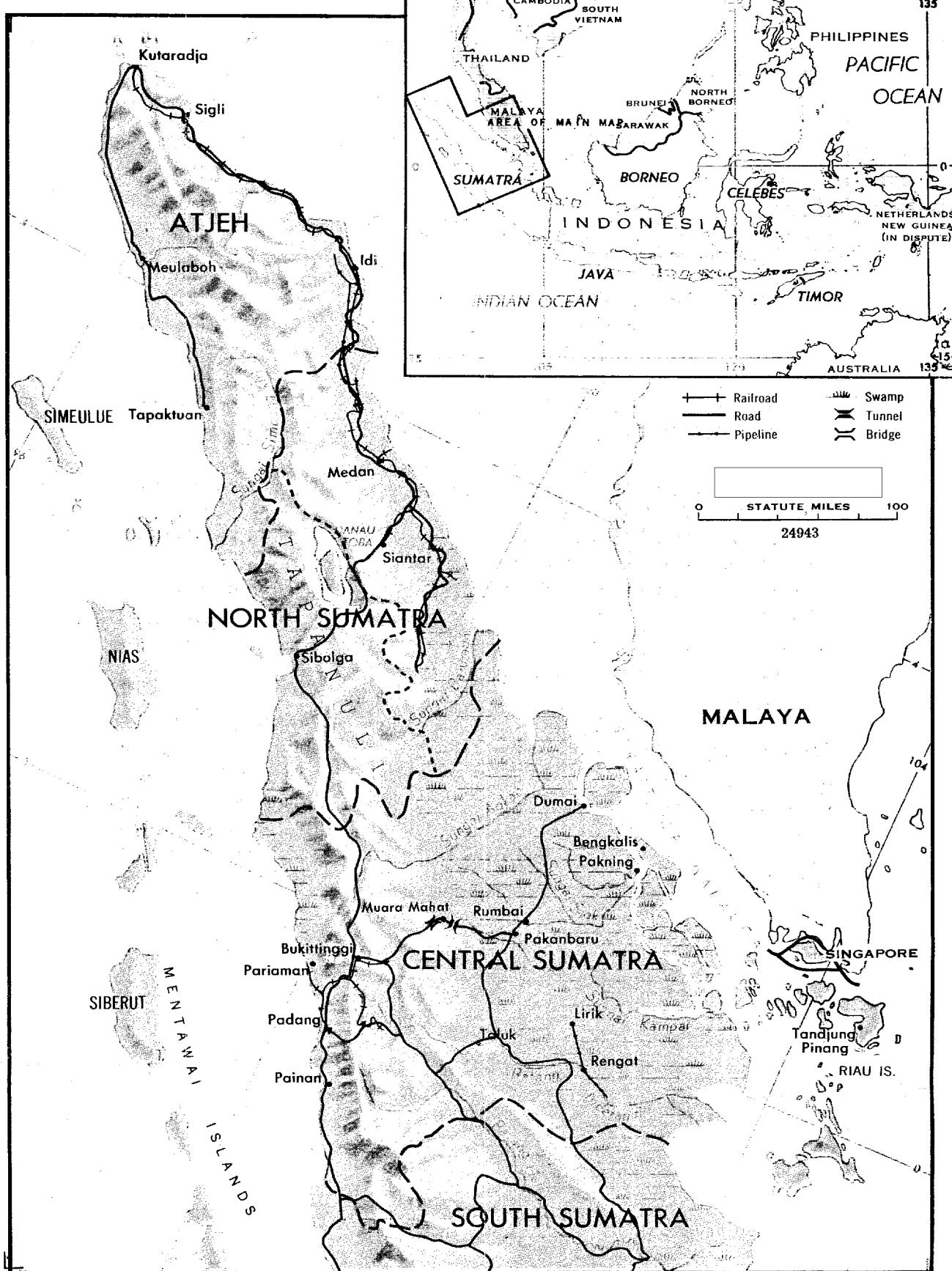
Peiping has in the past few weeks adopted an unusually friendly attitude toward talks on Himalayan border problems, a visit by Nehru to Tibet, and a civil air agreement. It is possible, however, that if Nehru feels he can define the Indo-Tibetan border and expand relations with Tibet, he might favor an air agreement with Peiping. [redacted]

[redacted]

C - 3

[redacted]

~~TOP SECRET~~



~~TOP SECRET~~

II. ASIA-AFRICA

Indonesia

[redacted] a naval task force has been organized for an early sea-borne attack on the west coast of Central Sumatra. [redacted]

[redacted] the force "amphibious Task Force 17," while the other states that it is under the command of Lt. Col. John Lie, captain of the navy's flagship, the destroyer Gadja Mada, and indicates main naval units are actually on station off Padang.

The amphibious attack, originally scheduled for 15 April, was postponed, apparently for a few days, because of logistical and transportation problems. According to a report originating with a source in the army chief of staff's office, the assault from the sea will be coordinated with paratroop drops and will be timed to coincide with the capture of towns on the approaches to Padang and Bukittinggi by elements advancing overland from the east and the south.

[redacted] Djakarta claims that one of the columns advancing overland has taken Muara Mahat, a village on the road to Bukittinggi, which had been strongly defended for several days by the dissidents. Another column to the south is said to be nearing the junction controlling the dissidents' supply route to South Sumatra. The central government has also claimed further advances by elements invading Tapanuli Province to the north of Padang and Bukittinggi.

~~TOP SECRET~~

~~SECRET~~

III. THE WEST

Adenauer Alters Tactics on Summit Conference

Chancellor Adenauer, concerned over the deep division in West Germany on the issue of equipping German forces with nuclear weapons, believes the main topic for a summit meeting should be disarmament, according to a Bonn Foreign Ministry official. Other problems, such as German unification, are secondary to disarmament in Adenauer's view and should not obstruct a summit meeting. He thinks that if tension can be relaxed, particularly by an agreement on nuclear weapons, other problems can perhaps be solved. He is not interested in a limited inspection zone in Europe.

Previously, Adenauer had insisted there should be no over-all disarmament agreement without a concurrent unification of Germany, and he has strongly desired the inclusion of the German problem on a summit meeting agenda.

This shift in Adenauer's tactics stems in part from his feeling that no progress is now possible on reunification, and in part from a realization of the need to conciliate public demands for efforts toward a detente. [redacted]

[redacted]

[redacted]

~~SECRET~~

Anti-Communist Moves in Brazil

The new anti-Communist campaign launched by President Kubitschek in a speech on 12 April apparently results from concern over the dramatic reappearance on 26 March of Communist chief Luiz Carlos Prestes, but it probably is also intended to obtain US sympathy at a time when Brazil's foreign-exchange crisis is reaching critical proportions. The need to ask postponement of international obligations was narrowly averted last month when other Latin American coffee producers withdrew from the market temporarily to permit increased Brazilian sales.

Prestes' reappearance--following the suspension of a court order for his preventive arrest--coincided with growing public concern over the dollar and sterling shortage, new demands for commercial and diplomatic ties with the USSR, and a hectic reshuffling of coalitions in preparation for the October congressional and gubernatorial elections. A few weeks earlier the Communist party had announced it would throw its full support to nationalist and "anti-imperialist" candidates.

While Congress is unlikely in an election year to act on the government's request for new anti-Communist legislation, Kubitschek's speech and others scheduled for delivery by the war minister and church officials may disrupt the Communist leadership's new and so far successful attempt to pose as "amiable nationalists" willing to support the government and its policies. [redacted]

~~SECRET~~

~~SECRET~~

LATE ITEM

The French Government's Fall

French Premier Gaillard's 321-255 defeat in the National Assembly on 15 April has precipitated what may prove the Fourth Republic's most serious political crisis. The vote came on the issue of accepting US-UK good offices proposals on Tunisia, and much of the debate had a sharply anti-American and anti-British tone. The right's firm opposition to any concessions on North Africa has further deepened the cleavage between it and the non-Communist left.

Although early speculation as to a successor centers on the center Democratic Resistance Union leader, René Pleven, and on Socialist ex-premier Guy Mollet, the Independent party, which bears major responsibility for Gaillard's downfall, will be called on first. However, the logical Independent candidate, ex-premier Antoine Pinay, will face the deep-seated hostility of the Socialists because of his conservative economic and social views. The most likely result is another fundamentally weak coalition government. If this make-shift solution does not materialize reasonably soon, France's present political institutions will be under growing strain and calls for General De Gaulle's return will increase.

In Tunisia, Gaillard's defeat will probably strengthen the position of elements which have argued the futility of President Bourguiba's staunch pro-Western orientation and essentially conciliatory policy toward France. He may therefore be under mounting pressure to appeal again to the UN Security Council without waiting for the formation of a new French Government. In Algeria, earlier prospects for serious civil disturbances by European extremists appear to have been reduced by Gaillard's fall, although rightist elements may still go through with plans to manifest their displeasure over the proposals put forth by the US-UK good offices team. [redacted]

[redacted]

~~SECRET~~

CENTRAL INTELLIGENCE BULLETIN

16 April 1958

DAILY BRIEF

I. THE COMMUNIST BLOC

Communist China - India: Peiping has again raised with New Delhi the subject of a civil air agreement. At present, Burma is the only nonbloc Asian nation with which Communist China has an air agreement. New Delhi has just signed an air agreement with the USSR, and may accede to Peiping's request. (Page 1)

USSR - Latin America: The highest ranking delegations from the USSR and the Eastern European satellites to visit Latin America in recent years will attend the inauguration of Argentine President-elect Frondizi on 1 May. The Soviet delegation will include First Deputy Foreign Minister Kuznetsov, who will also visit Mexico briefly. The bloc representation will include Rumania, Poland, Czechoslovakia, Hungary, and Bulgaria, and will add impetus to the bloc's intensified efforts to increase trade and diplomatic relations with Latin America.

Gaza strip: Demonstrations which took place on 14 April in the Gaza strip reflect a move on Nasir's part to turn Palestinian Arab opinion against King Husayn of Jordan and possibly to pave the way for the adherence of the Gaza strip to the United Arab Republic. There is no indication, however, that Nasir has yet decided on a date.

i

~~TOP SECRET~~

*France - North Africa: The crushing defeat of the Gaillard government on the issue of the American-British good offices proposal for the resumption of French-Tunisian negotiations underscores the continuing reluctance of French rightists to accept any concessions on North Africa and deepens the cleavage between the non-Communist left and the right. The pattern of recent French cabinet crises suggests that this one will also be prolonged and that another basically weak coalition will take office. In Tunisia, the Paris crisis will probably strengthen elements dissatisfied with President Bourguiba's policy of conciliation. In Algeria, however, the danger of civil disturbances by European extremists protesting signs of conciliatory attitude in Paris seems to have been temporarily reduced.

(Page 5)