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10 April 1958

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CENTRAL INTELLIGENCE BULLETIN



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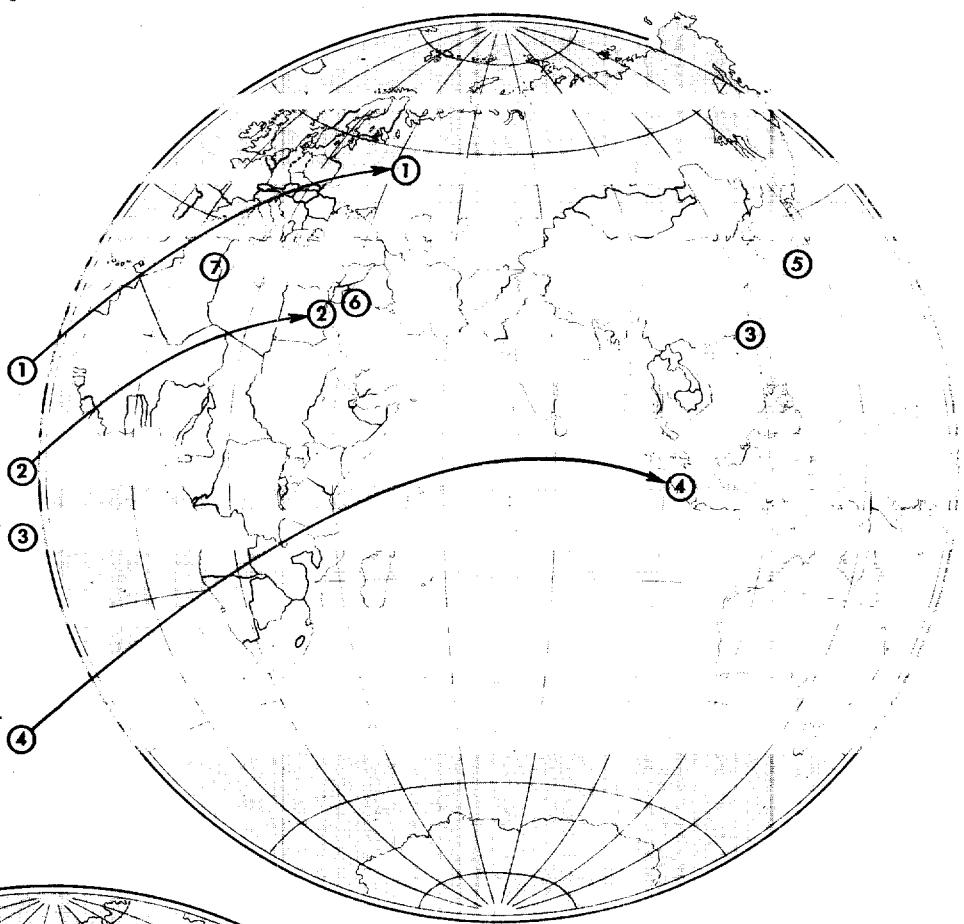
10 APRIL 1958

I. THE COMMUNIST BLOC

USSR appears inclined to accept preparatory diplomatic talks but wants prior agreement on date for summit conference; Khrushchev says summit talks are not worth agreement to discuss Germany, East Europe.

USSR accelerates implementation of economic aid to Egypt on eve of Nasir's visit to Moscow.

Report of IAC Committee for Taiwan Strait.

**II. ASIA-AFRICA**

Indonesia - Dissident leaders in Central Sumatra appear pessimistic; Djakarta retains tactical and psychological initiative.

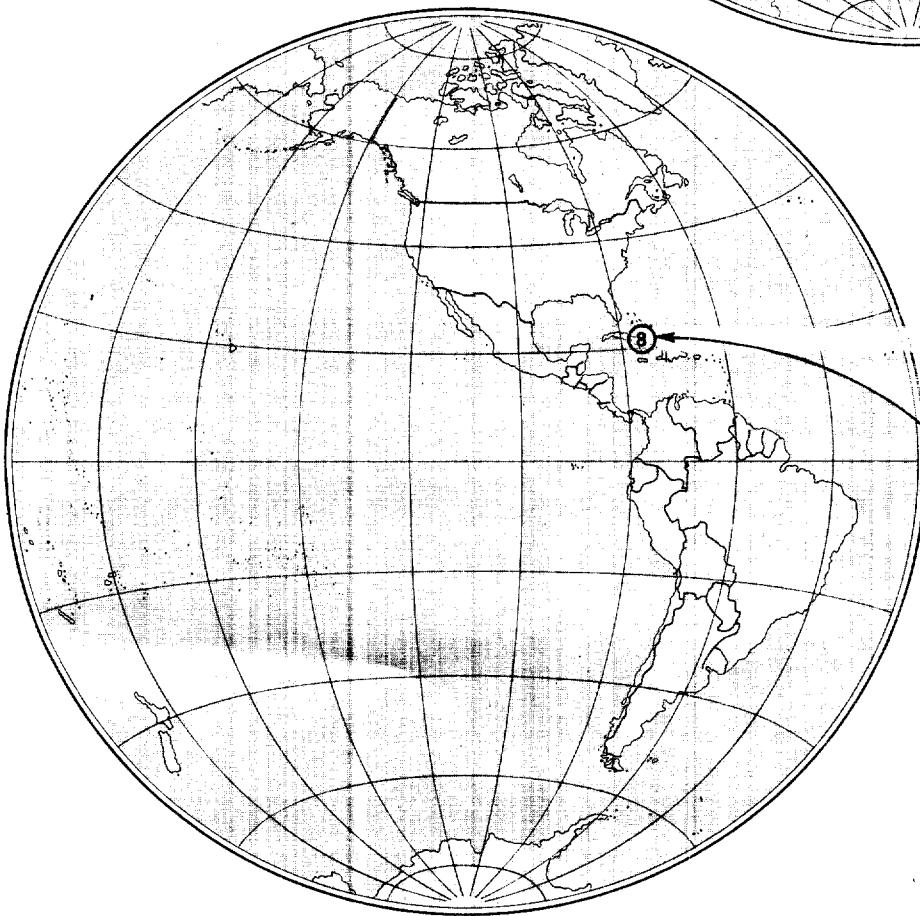
⑤ Japan hopes high-level approach to USSR will solve fisheries impasse before Japanese elections.

⑥ Absence of dramatic implementation deprives Iraqi-Jordanian Federation of any psychological impact.

⑦ Algerian rebels intensify terrorism in cities.

III. THE WEST

⑧ Situation in Cuba.



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CENTRAL INTELLIGENCE BULLETIN

10 April 1958

DAILY BRIEF

SLR 46
I. THE COMMUNIST BLOC

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USSR--Summit tactics: Although the USSR appears to recognize that the propaganda value of further letter exchanges is diminishing, it is still wary of moving into the preparatory talks phase without a firm commitment from the West for a summit meeting. First Deputy Foreign Minister Kuznetsov told Ambassador Thompson that failure to reach agreement in preparatory talks might result in cancellation of a summit meeting and that there would be "no difficulty" about exploratory talks if a date for a summit meeting were first agreed upon. Khrushchev told UN Secretary General Hammarskjold, during ten hours of talks in Moscow, that with respect to discussing German reunification or Eastern Europe he is not willing to "pay any price" for summit talks.

yes
USSR-Egypt: To underscore the importance which Moscow attaches to its relations with the UAR and to Nasir's forthcoming trip to Moscow, the Soviet ministers of agriculture and culture and the chief of the Main Directorate of Labor Reserves are in Cairo to arrange for carrying out existing economic and cultural agreements. (Page 1)

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Taiwan Strait: Report of the IAC Current Intelligence Group for the Taiwan Strait Problem for the period 13 March-9 April 1958. (Page 2) (Map)

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II. ASIA-AFRICA

Indonesia: The central government continues to retain the tactical and psychological initiative in its military campaign. Dissident leaders in Sumatra are themselves pessimistic, and the American army attaché in Djakarta states they are beset by many problems, particularly an apparent lack of fighting spirit among their forces. Menado radio in the Celebes, meanwhile, has announced the appointment of Col. Kawilarang, former military attaché in Washington, as commander in chief of dissident forces and of two air officers to head a revolutionary air force. [redacted] (Page 3)
(Map)

Japan-USSR: In an effort to break the impasse in Japanese-Soviet fishery negotiations which has lasted since 20 January, Japanese Minister of Agriculture and Forestry Akagi is planning to send his delegation home from Moscow and attempt last-minute bargaining by himself, possibly with First Deputy Premier Mikoyan. Tokyo's bargaining position is weak, but the government's refusal to accept the Soviet proposals has received strong support from the Japanese populace. [redacted] (Page 4)

Iraq-Jordan: Jordanian and Iraqi leaders appear to be letting slip even the small psychological advantages they obtained from the announcement of their Arab union. They are dealing in a strictly constitutional manner with the problem of creating central government organs, while Nasir continues to make relatively dramatic, well-publicized moves in connection with the UAR. [redacted] (Page 5)

Algeria: The Algerian rebels have recently stepped up their urban terrorist attacks, especially in central and eastern Algeria. The selection of local Moslem officials who have been cooperating with the French as the principal targets suggests the rebels are making a determined effort to prevent implementation of the basic statute for Algeria, which offers some measure of autonomy but falls far short of the rebels' demands.
[redacted]

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DAILY BRIEF

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III. THE WEST

(2) *Cuba: The Cuban rebels' initial attempt to launch an "all-out war" against Batista and to call a general strike in Havana on 9 April ended in failure. After a plane flew over Havana dropping handbills exhorting the populace to "strike today," bombings, shooting and sabotage threw the city into confusion for more than an hour; however, workers who had left their jobs when violence broke out returned after their noon break, and the armed forces moved quickly to keep the situation under control. It is too early to judge the ultimate effects of this first abortive attempt. It is possible that Castro may suffer a loss of prestige for his failure to carry through his long heralded "final effort" against Batista. There is also, however, the possibility that the 9 April action was premature and that the major effort is yet to come.

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I. THE COMMUNIST BLOC

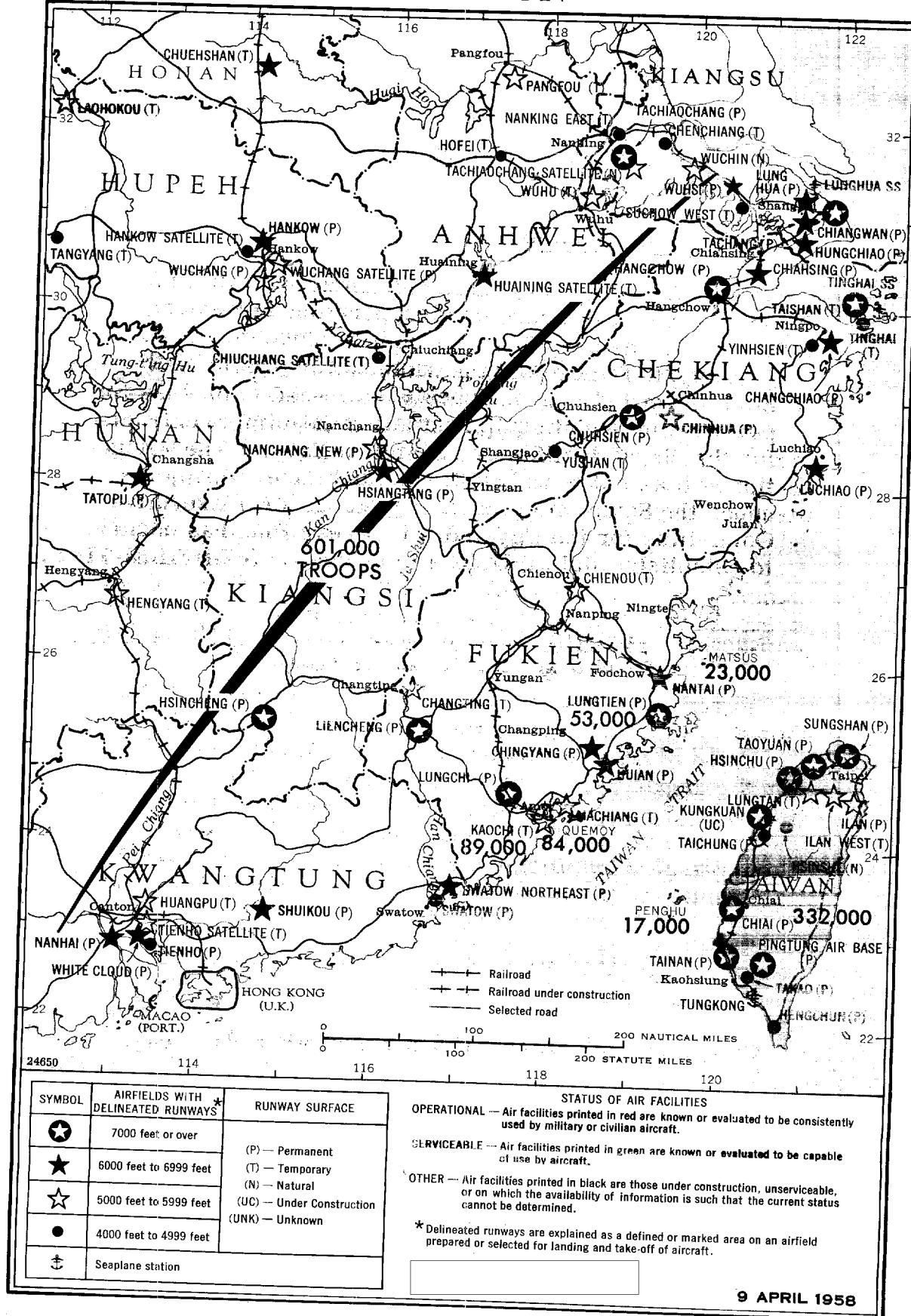
Soviet-Egyptian Relations

The USSR is stepping up implementation of its \$175,-000,000 technical and economic cooperation agreement with Egypt on the eve of Nasir's visit to Moscow. Soviet Minister of Agriculture Matskevich, accompanied by the minister of agriculture for Uzbekistan, has arrived in Cairo to discuss the agricultural programs called for under the agreement. Soviet Minister of Culture Mikhailov, who is also in Cairo, announced on 8 April that the Soviet Union will open information offices in Egypt and that Egypt will set up similar offices in the USSR. The head of the Soviet Chief Directorate of Labor Reserves, G. I. Zelenko, is signing contracts this week in Cairo for the establishment of 15 vocational and technical training centers and for the delivery to them of Soviet equipment.

Egypt, for its part, is sending a delegation from the Ministry of Industry to Moscow this week to discuss importation of Soviet equipment and to negotiate contracts for the dispatch of Soviet experts to Egypt. The delegation will also discuss petroleum and mineral projects under the Soviet aid program. The General Executive Committee for the Egyptian Five-Year Plan has decided to establish a liaison bureau in Moscow.

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TAIWAN STRAIT SITUATION

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**Report No. 115 of the IAC Current Intelligence Group for
The Taiwan Strait Problem Covering the Period From 13
March to 9 April 1958**

1. There were no significant combat operations in the area during the period. [redacted]

[redacted]

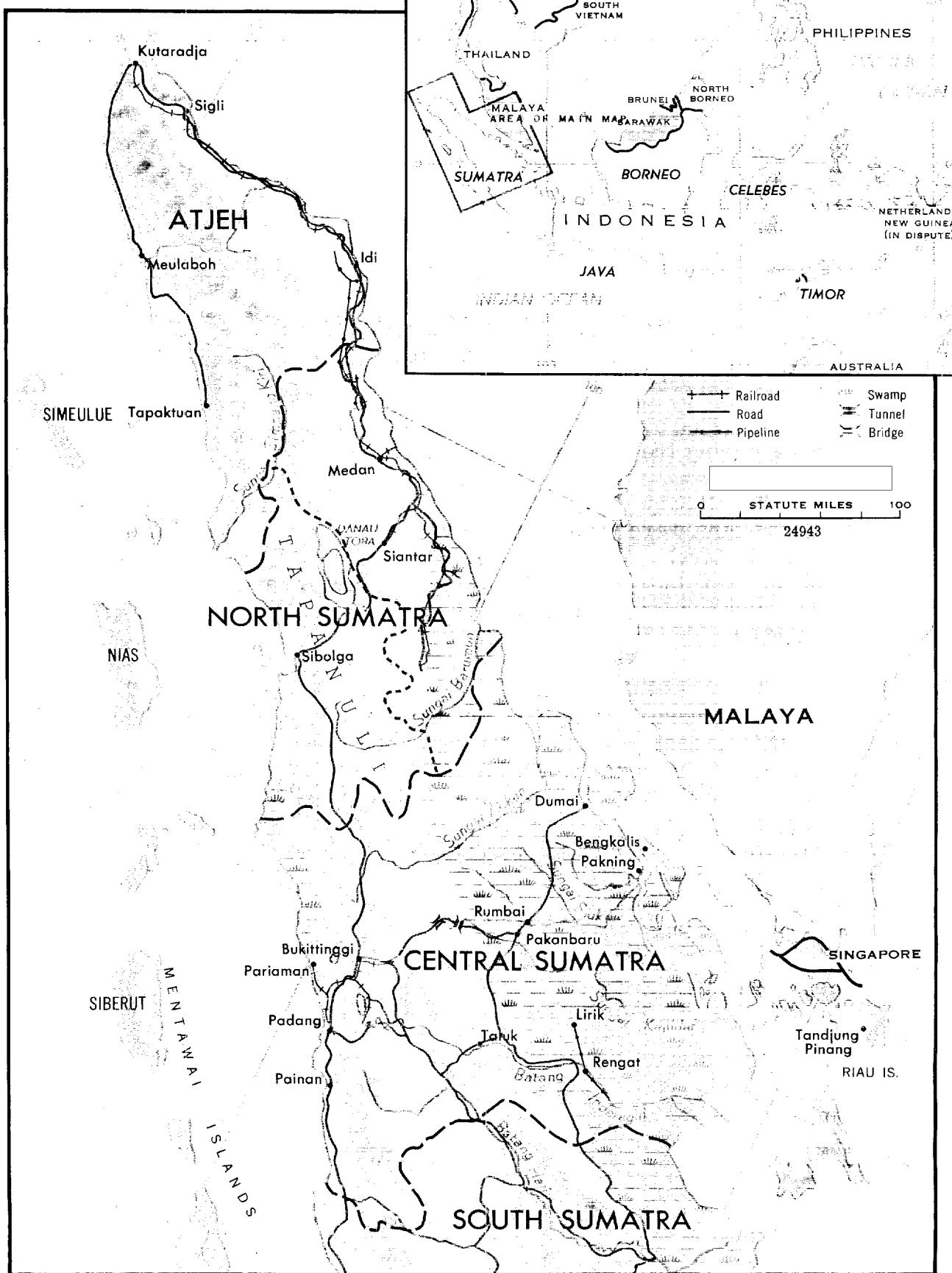
3. [redacted]

[redacted] beginning in April fertilizer destined for Fukien Province would be shipped directly from Japan to Amoy. If this trade begins as indicated, the Chinese Nationalists probably will try to prevent Japanese ships from entering Amoy or Foochow. [redacted]

[redacted]

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[redacted]



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II. ASIA-AFRICA

Situation in Indonesia

The Indonesian Government retains the tactical and psychological initiative in Sumatra. Dissident leaders appear pessimistic and attribute their consistent retreats to poor communications, an apparent lack of fighting spirit among their forces, and "miscalculation of loyalties." They also blame the ineffectiveness of economic warfare, the failure of South Sumatra and Atjeh in North Sumatra to join the Padang movement, and the good organization of the Djakarta offensive.

A broadcast from Menado, capital of the North Celebes dissident area, has announced the appointment of Col. Kawilarang, former military attaché in the United States, as commander in chief of dissident forces. It also announced the appointment of two former Indonesian air force officers as leaders of a revolutionary air force. Dissident representatives are known to have been trying to arrange the purchase of aircraft.

The central government has consistently followed a cautious policy in Sumatra toward areas which are sympathetic to the dissidents but are not actively in revolt. In South Sumatra, which has claimed to be neutral, the commander appears to be swinging increasingly toward Djakarta and away from Padang.

The Indonesian army chief of staff stated recently that he had avoided using the Tapanuli area of North Sumatra as a base for attacking Padang, even though strategically it is the most logical area. The Tapanuli commander has protested the presence of progovernment troops in his area, although he has freely permitted entry of Padang troops.

the civilian economy in Tapanuli is declining, the "leaders are threatened," and many people are fleeing to eastern Sumatran areas where Djakarta forces are in control.

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Japan Attempting High-level Solution of Deadlocked Fishery
Talks With USSR

Japanese Minister of Agriculture and Forestry Akagi is planning to send his delegation home and attempt personally last-minute bargaining on a higher level in order to reach agreement in the deadlocked negotiations with the USSR over Japanese fishing rights in northwest Pacific waters for the 1958 season.

The annual talks, which this year began on 20 January, have failed to reach agreement on any major issue. The Japanese have rejected Soviet proposals which would severely limit salmon catches in the over-all restricted area and prohibit Japanese fishing in the Sea of Okhotsk, except for curtailed crabbing operations, as well as in broad expanses of Soviet-claimed offshore waters.

The USSR has rejected Japan's request for guarantees of safety for its fishermen operating in the vicinity of the Kuril Islands, and has made agreement on this issue contingent on resumption of peace treaty discussions. The Japanese have since avoided this issue in order not to jeopardize other fisheries questions.

Tokyo's bargaining position is weak but its opposition to Soviet pressure is receiving surprising Japanese popular support. This support, however, may tend to diminish as the salmon fishing season, which opens in May, approaches. Prime Minister Kishi regards this problem as one of three major foreign policy issues requiring settlement prior to elections expected in May. The other issues are the deadlock with South Korea and the dispute with Nationalist China as a result of the private trade agreement with Peiping.

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~~CONFIDENTIAL~~Iraq-Jordan Union Problems

Internal politics in Jordan and Iraq may prevent formation for the nascent Arab union of a strong central cabinet, which Jordanian Foreign Minister Rifai considers essential for the ultimate success of the new state. Other recent comments by Rifai also suggest that the union may not be a going concern for "several months" beyond the mid-May target set when the union was provisionally established in mid-February. While Jordan and Iraq at that time moved swiftly to offset the fanfare given Nasir's UAR, their strictly constitutional pace since then has contrasted increasingly with Nasir's bold and dramatic moves to speed integration with Syria.

The union will evolve in a series of steps which include new parliamentary elections in Iraq on 5 May, approval of the new constitution on 10 May, formation of the union's parliament with appointees from the Jordanian and Iraqi legislatures, selection of the cabinet, and installation of King Faysal as head of state. On the basis of this schedule, the new state could not be constituted even on a formal legal basis before the first week in June. The union government even then would not be in a position to assume responsibilities now discharged by the individual states, particularly in defense and finance.

Jordan's chronic economic and security problems have again been highlighted by the Saudi decision for economy reasons to discontinue the \$14,000,000 annual subsidy and to reduce its 3,500-4,000 troops in Jordan. Although Iraq has agreed to pay 80 percent of the union's defense costs, Jordan will need Western aid to meet its share of the burden. A serious winter drought during Jordan's usual rainy season has already reduced the grain crop by one third and damaged grazing lands even more severely. Should April rains not materialize, the loss may run much higher. Although Iraq has surplus wheat, Rifai believes that it might be unwilling to deliver it as a gift, especially before the union becomes effective.

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The Director

National Indications Center

The Director

United States Information Agency

The Director

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~~TOP SECRET~~*10 Apr. 58***III. THE WEST**

***Cuba:** The Cuban rebels' initial attempt to launch an "all-out war" against Batista and to call a general strike in Havana on 9 April ended in failure. After a plane flew over Havana dropping handbills exhorting the populace to "strike today," bombings, shooting and sabotage threw the city into confusion for more than an hour; however, workers who had left their jobs when violence broke out returned after their noon break, and the armed forces moved quickly to keep the situation under control. It is too early to judge the ultimate effects of this first abortive attempt. It is possible that Castro may suffer a loss of prestige for his failure to carry through his long heralded "final effort" against Batista. There is also, however, the possibility that the 9 April action was premature and that the major effort is yet to come.

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