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17 May 1958

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CENTRAL

INTELLIGENCE

BULLETIN



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17 May 1958

I. THE COMMUNIST BLOC

USSR and India to sign civil air agreement on 18 May.

II. ASIA-AFRICA

Indonesia - Central government will probably try to retake Djailolo and Morotai and invade North Celebes before end of month.

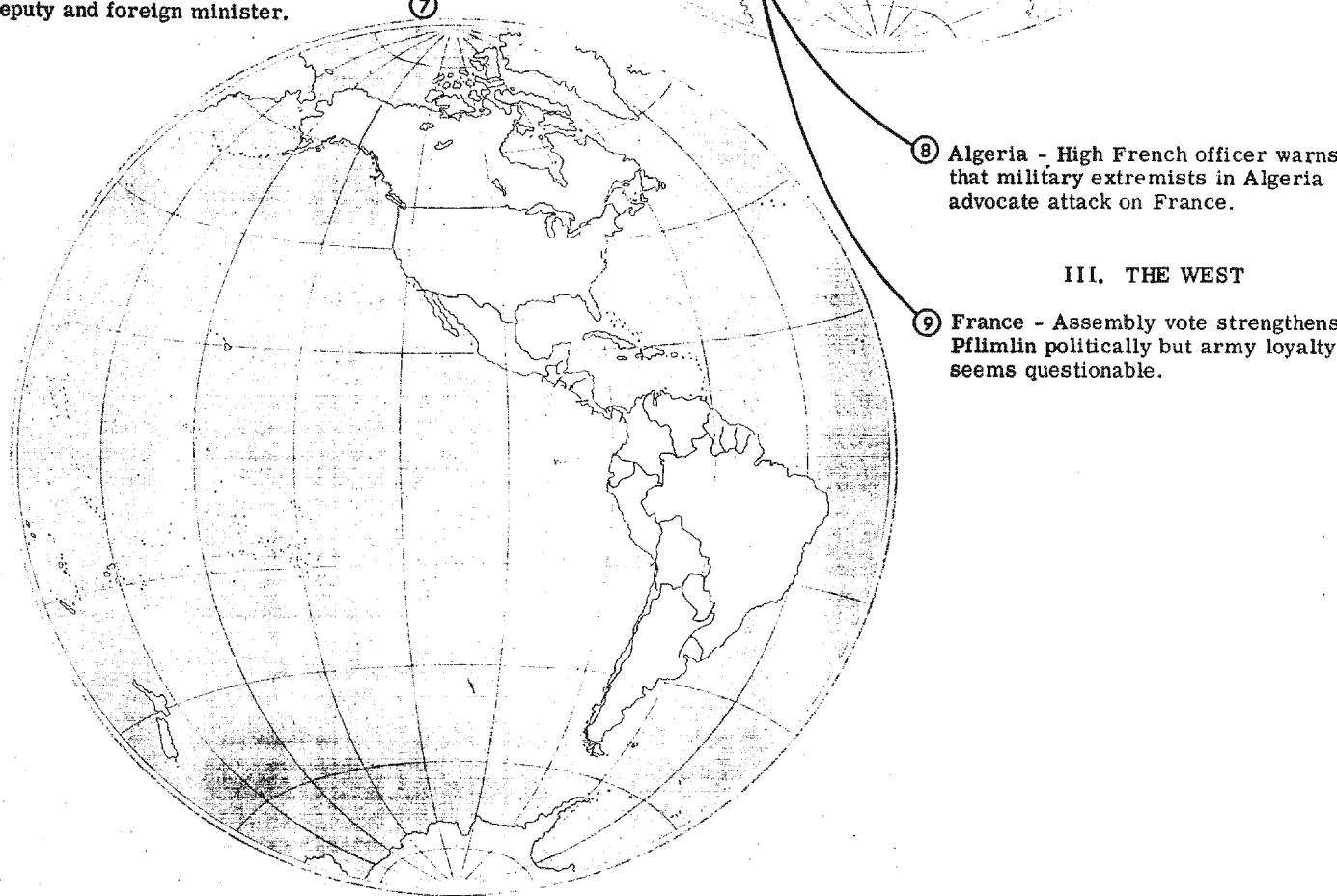
Lebanon - UAR officer in Syria orders more arms from Egypt for use inside Lebanon.

Violent reaction on Cyprus expected to British policy statement on 19 May.

Tension mounting between political factions in Burma; violence possible.

Saudi Arabia - Royal decree formally delegates King Saud's powers, setting up Prince Faysal as premier.

Jordan and Iraq agree on Nuri Said as prime minister, Samir Rifai as deputy and foreign minister.



III. THE WEST

France - Assembly vote strengthens Pflimlin politically but army loyalty seems questionable.

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DAILY BRIEF

I. THE COMMUNIST BLOC

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yes

India-USSR: New Delhi and Moscow have apparently completed technical studies called for under the air agreement reached last February. Soviet Chief Air Marshal Zhigarev, head of Aeroflot, is to arrive in India on 18 May for the final signing of the agreement. Actual air operations are not expected to begin before August 1958.

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II. ASIA-AFRICA

*no**no*

Indonesia: Central government forces will probably try to invade the North Celebes and retake Morotai Island and Djailolo on Halmahera Island before the end of the month.

(Page 2) (Map)

Lebanon: The deputy commander of the First UAR Army in Syria on the afternoon of 15 May requested immediate shipment from Cairo of 500 submachine guns, 500 antitank rifle grenades, 200 time fuses, and 1,000 hand grenades, presumably for use by antigovernment forces in Lebanon.

The principal scene of future action in Lebanon now appears to be the Biqa Valley where Lebanese dissidents could readily be reinforced from Syria. Moderate opposition leaders in Beirut are continuing their efforts to mediate between the extremists and the government.

(Page 3) (Map)

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Cyprus: Widespread violence may be sparked by Britain's public announcement on 19 May of a "modified policy" for settling the long-standing Cyprus dispute. In view of irreconcilable demands on the part of Turks and Greeks, it is unlikely that London can offer a plan which will be acceptable.

Yes

Burma: Tension is mounting as a result of the struggle for power among the country's top political leaders, and could result in an outbreak of violence between the feuding factions.

(Page 4)

Saudi Arabia: Delegation of King Saud's powers has been formalized by a royal decree of 12 May establishing a cabinet system of government with a premier--Crown Prince Faysal--who is to "guide the general policy of the state." A provision excluding foreigners from membership in the cabinet will lessen the influence of men on whom Saud personally relied for his most confidential operations. The new system is evidently one in which the King is intended to reign but not rule.

(Page 5)

No

Iraq-Jordan union: Jordan and Iraq have agreed that the Iraqi prime minister, Nuri Said, will become prime minister of the Arab Union, while Jordan's cabinet head, Samir Rifai, will be named deputy prime minister of the AU and foreign minister for Jordanian affairs. This division of offices means that few if any real policy changes are likely to be introduced. The AU is determined to maintain two seats in the United Nations.

No

*Algeria: The situation is increasingly critical for Paris. A top aide of General Ely says that General Salan cannot resist for more than a few days paratroop demands for a "Franco-type" attack on metropolitan France, and that the extremist

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settlers appear to have won the loyalty of the noncommissioned and junior officers of the French forces in Algiers. The army continues to tighten its control over Algeria in the hope that it can effect De Gaulle's return to power. [redacted] Page 6)

III. THE WEST

No *France: Pflimlin's political position has been strengthened by the overwhelming parliamentary support given his request for emergency powers. He faces considerable difficulty implementing them, however, as long as the loyalty of the army is in doubt. De Gaulle has made no further overt move.

[redacted] (Page 6)

IV. SIGNIFICANT INTELLIGENCE REPORTS AND ESTIMATES

(Available during the preceding week)

National Intelligence Estimate No. 35-58, The Outlook for Israel. 29 April 1958. [redacted]

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I. THE COMMUNIST BLOC

Soviet-Indian Air Agreement

The prospective arrival in New Delhi on 18 May of Soviet Chief Air Marshal Zhigarev, head of the Soviet civil air line Aeroflot, presumably indicates the completion of technical studies undertaken after preliminary signature of an Indo-Soviet air agreement last February. Zhigarev is to sign the final document.

The technical studies were apparently concerned mainly with flight routes and servicing problems. India expects to fly Super-Constellations via Kabul and Tashkent to Moscow, while the USSR will fly TU-104's from Moscow via Tashkent and over the Himalayan massif to New Delhi.

[redacted] India expects to make an inaugural flight in June. The USSR has already made at least one direct TU-104 flight to New Delhi.

Actual scheduled operations are not expected to begin before August. At that time, a regular schedule of one weekly flight in each direction may be instituted. The USSR will provide hangar space and appropriate aviation fuel for Indian planes. The two countries will share profits equally.

[redacted]
[redacted]

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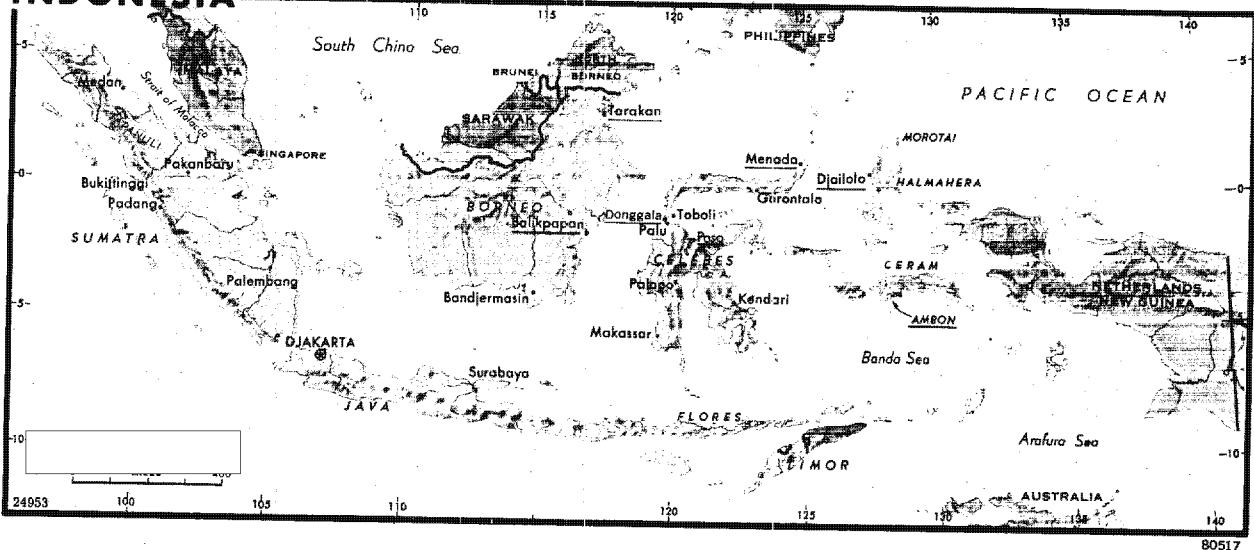


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INDONESIA-



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II. ASIA-AFRICA

Situation in Indonesia

The Indonesian army intelligence chief, Lt. Col. Sukendro--considered to be a spokesman for army chief of staff General Nasution--has outlined to the American army attaché his view of the four major problems of the Indonesian Government and the order in which they must be dealt with. First, outside air and other logistical support to the dissidents must be eliminated or reduced, and then the North Celebes dissidents defeated. As a third step, changes in the cabinet would take place either concurrently with or after the dissidents' defeat, and finally, action would be initiated to control Communist activity. Sukendro said outside assistance would be needed to ensure success in the third and fourth objectives.

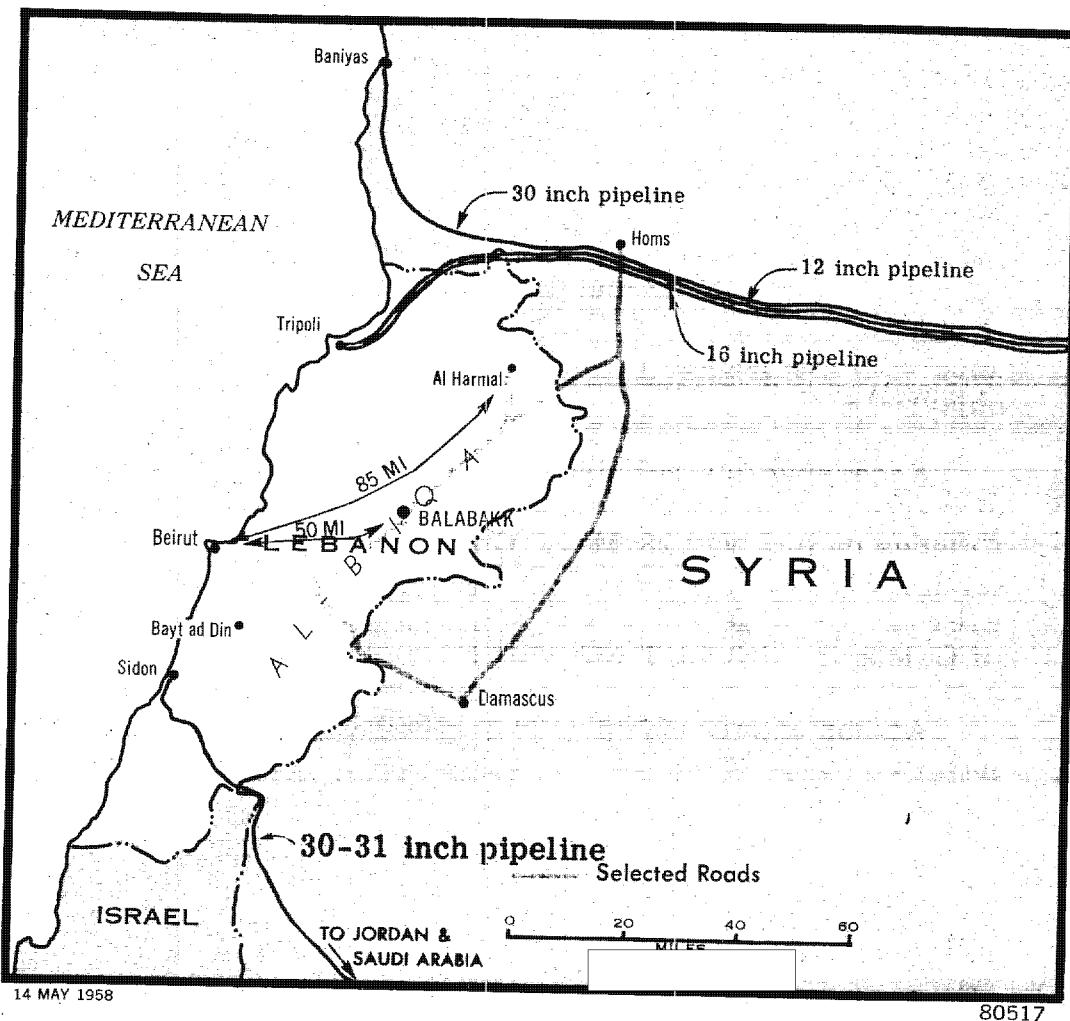
[redacted], the central government will launch amphibious attacks against North Celebes on or about 28 May. Operations are to be launched from Balikpapan, Borneo, through Donggala against the Poso area and from Tarakan, Borneo, against the northern coast of Celebes. [redacted]

Ambon apparently is a third staging area. [redacted]

Dissident forces at Djailolo reported to Menado, the revolutionary capital, that they had been attacked on 15 May by two government F-51's and one B-25. [redacted]

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Lebanese Situation

While the security situation in Beirut has improved, except for sporadic bombings and sniping, conditions in other parts of the country remain uncertain. Fresh violence has broken out in the south, and the northern and eastern borders are "wide open." The continuous harassment, bombings, and sabotage throughout Lebanon indicate that well-organized elements, probably Syrian trained, are being centrally directed from outside the country.

The Egyptians are worried that pro-UAR partisans in the Biqa area "who are advancing on Balabakk" are being exposed to flanking attacks by pro-Chamoun irregulars.

Cairo to ship immediately 500 submachine guns, 500 antitank grenades, 200 time fuses, and 1,000 hand grenades, probably for use by antigovernment forces in Lebanon.

The moderate "Third Force Group" in Lebanon is continuing its efforts to bring about a compromise between Chamoun and Moslem extremist opposition leaders such as Abdullah Yafi and Saib Salam. The morale of Yafi-Salam supporters in the Moslem quarters of Beirut is reported to be low after the strong repressive measures taken by the army. On 15 May a delegation asked Minister of Finance Pierre Edde if he could "do something to stop the fighting." While the delegation did not speak for Yafi and Salam, Edde believes the members have sufficient prestige and are representative of Moslem feeling to a point where Salam and Yafi would have to accept a compromise solution or admit that outside interests are "running the show."

In a speech to the Lebanese people, Prime Minister Sulh on 16 May charged the UAR with attempting to overthrow the Lebanese Government. He then itemized the type of terrorist actions which had been carried out in the country and compared them with the list of instructions seized from the Belgian consul general arrested while transporting arms from Damascus. Sulh ended with an appeal to the opposition to "stand face to face with your consciences" and see if such actions are what they desire.

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Possible Violence in Burmese Political Crisis

Mounting tension in Burma resulting from the power struggle among top Burmese political leaders could result in armed disorders leading to widespread violence. Heavily armed irregular home guards are said to have arrived in Rangoon to serve as bodyguards for Deputy Premiers Ba Swe and Kyaw Nyein against Premier U Nu's faction, and several political assassinations in outlying districts already have been reported.

Both factions and the armed forces are publicly pledged to a peaceful settlement. Armed force, however, has historically been the decisive factor in Burmese politics, and Burmese political leaders have no tradition for the peaceful acceptance of political defeat. The mass political assassination of seven top nationalist leaders, engineered by a discredited prewar Burmese premier in 1947, ushered in Burmese independence.

The Burmese Army currently is playing a major role in maintaining order, both through its neutral stand and security measures it has imposed in Rangoon. Its continued neutrality, however, is not certain; if the Ba Swe - Kyaw Nyein faction appears to be losing, the army might try to redress such a situation or might split, with some elements supporting U Nu.

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~~SECRET~~King Saud to Share Powers With Council of Ministers

The Saudi royal decree on 12 May setting forth the functions and powers of the Council of Ministers and of Prime Minister Crown Prince Faysal constitutes a basic reform in the country's process of government in that the King must share authority with the Council of Ministers. The decree complements provisions of an unpublished supplement to Saud's decree of 22 March which detailed the authority relinquished to Faysal. The interval of nearly two months between the two decrees reflects the caution with which Faysal has moved in his effort to modernize the Saudi Government--a field in which the Saudis have little direct experience.

The new decree provides that the prime minister shall "guide the general policy of the state." A cabinet system of government has been established in which the prime minister can request the King to dismiss any minister, and the prime minister's resignation compels the resignation of the cabinet as a whole. All laws must be approved by the Council of Ministers, and the King apparently does not retain authority to overrule a cabinet decision. A provision that only Saudi nationals can be members of the cabinet will affect two Syrians and two Palestinians of ministerial rank, including Deputy Foreign Minister Yussuf Yasin and Royal Adviser Jamal Husayni.

The American consul general in Dhahran, meanwhile, reports that King Saud is ill and that two Aramco specialists in hypertension were sent to attend him on 15 May. [redacted]

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French - Algerian Situation

General Petit, a top aide of Chief of Staff General Ely, during a special mission to Algeria told American officials on 16 May that General Salan, the commanding officer in Algeria, can only resist for a few more days the mounting demands of the paratroop commanders who want a "Franco-type" attack against metropolitan France. These commanders are categorically opposed to Pflimlin or any similar government. Petit is also convinced that the noncommissioned and junior officers of the French forces in Algeria have been won over by the extremist settlers and would be undependable in any showdown between the army and rightist-oriented committees of public safety.

The army continues to play the key role in Algeria. Both military and rightist civilian leaders--who have now formed an all-Algeria committee of public safety--are increasing their pressure on Paris in behalf of De Gaulle. There is a danger that they may create incidents involving Morocco and Tunisia, or, as an ultimate pressure tactic, announce a formal break with the present French regime.

In Paris, Premier Pflimlin's political position has been strengthened by the overwhelming support given his request for emergency powers by both the National Assembly and the Council of the Republic. He nevertheless faces considerable difficulty implementing his special powers as long as the loyalty of the army is in doubt. Pflimlin appears to be moving closer to a condemnation of Massu and Salan, but such a step would risk a major upheaval involving commands in France itself. Reports of the arrest of two air force generals and unconfirmed rumors that General Ely has offered his resignation point up the confusion.

The appointment of tough anti-Communist Jules Moch to the Ministry of Interior presages an early effort to crack down on any attempted demonstrations. [redacted] control of any major demonstrations outside of Paris would be difficult since the

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concentration of security forces in Paris has now left the provinces virtually unprotected. [redacted] the Communist demonstrations which are planned for 17 May will be supported by the Socialists and Radical Socialists. The Communist "save the Republic" campaign has made it difficult for the other leftist parties--particularly as represented in the Socialist and Catholic labor unions--to differentiate between their own approach and that of the Communist-led General Workers Confederation.

De Gaulle's statement of 15 May has aroused favorable comment in the right-wing Paris press and one left-center paper. The general himself has issued no further statement, but one of his supporters has stated De Gaulle will not use force to come to power. [redacted]

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