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30 June 1958

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CENTRAL INTELLIGENCE BULLETIN

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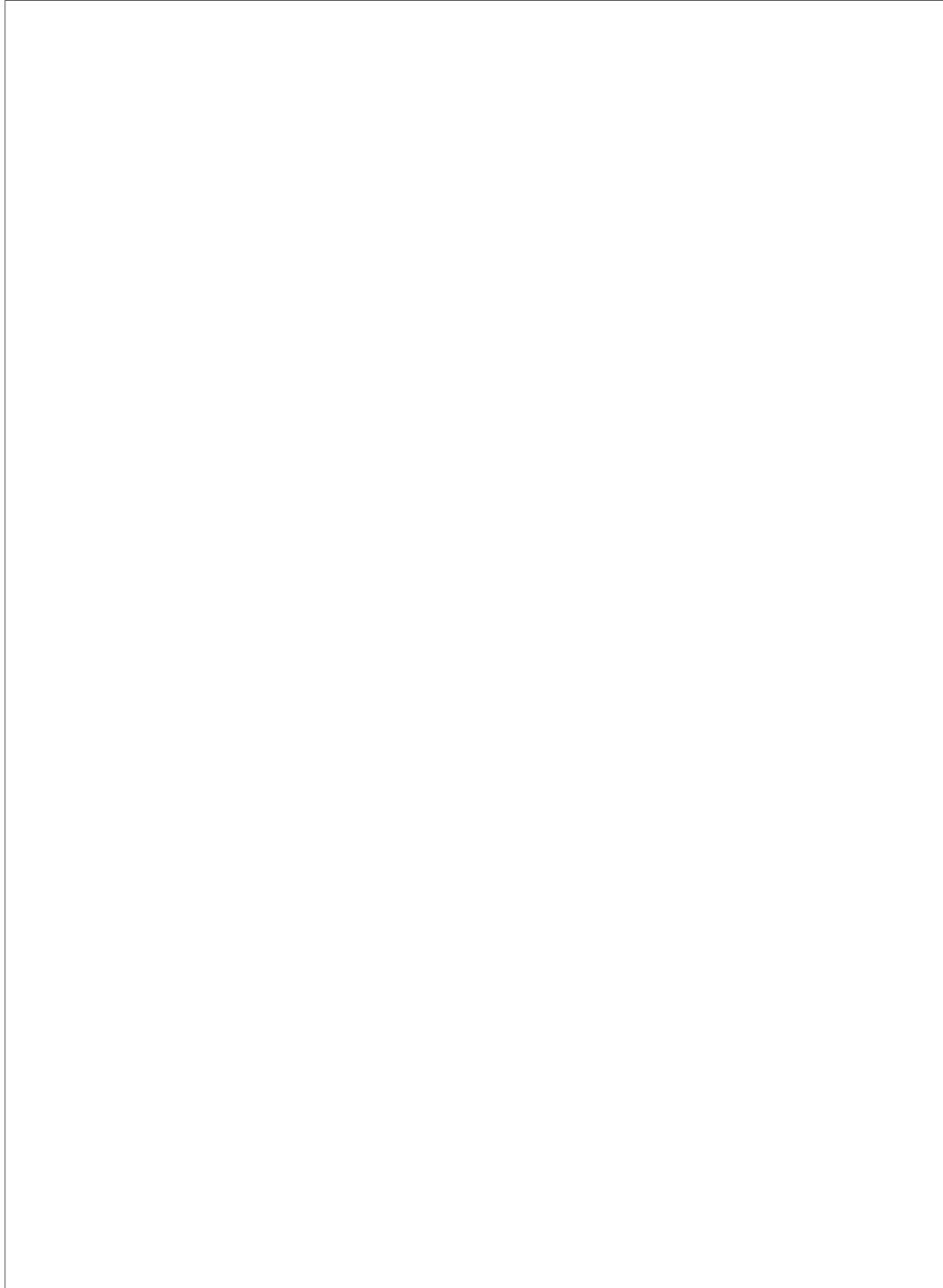
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30 JUNE 1958

I. THE COMMUNIST BLOC

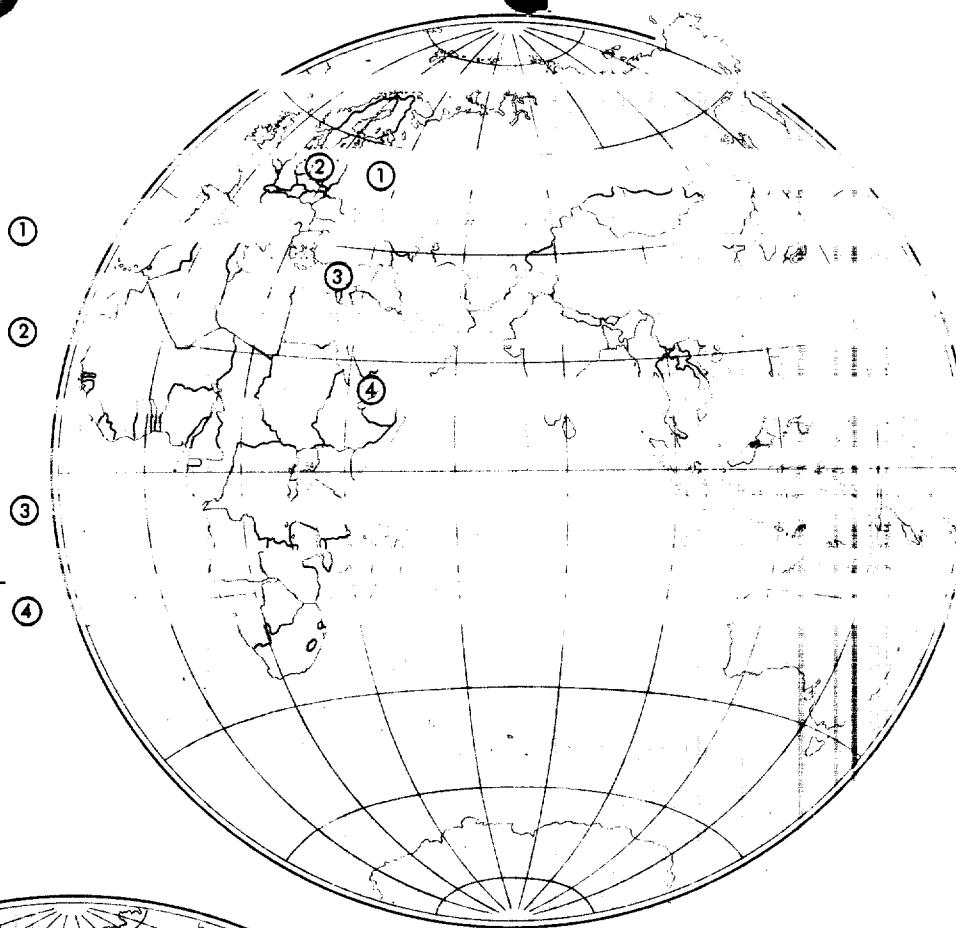
Soviet delegates apparently will attend Geneva technical talks.

Gomulka moves toward Soviet position on Nagy execution but uses milder language than other bloc spokesmen.

II. ASIA-AFRICA

Lebanon - Chamoun believes situation reaching point of decision; says he considers UN activity useless.

Half of British-financed 300-man army of state of Lahej in Aden Protectorate defects to Yemen.

**III. THE WEST**

⑤ Panama - New political tensions and student unrest threaten anti-American incidents.

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CENTRAL INTELLIGENCE BULLETIN

30 June 1958

DAILY BRIEF

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I. THE COMMUNIST BLOC

OK
Soviet note on Geneva talks: The Soviet bloc delegates apparently will be on hand for the opening of the Geneva technical talks on 1 July. Moscow's 28 June aide-memoire omitted the implied boycott threat which was contained in the note of 25 June and which appears to have been intended to draw the United States into a polemical exchange on the issue of a prior agreement in principle to a test cessation. The latest note suggests, however, that the bloc delegates from the outset will refuse to proceed with technical discussions until the United States makes an "unequivocal statement" agreeing that the experts' meeting should be "subordinated" to the "main task" of achieving a test-cessation agreement. [redacted]

(Page 1)

OK
Poland - USSR: Gomulka's speech on 28 June in which he gives the Polish position on the execution of Nagy brings him nearer the bloc position on Yugoslav revisionism but uses much milder language than Soviet and other Satellite declarations. Gomulka probably hopes that by his concession on Nagy, by his attacks on the West, and by renewed assurances that Poland will never leave the bloc, he can ease the pressure on Poland to conform. [redacted] (Page 2)

II. ASIA-AFRICA

No
Lebanon: President Chamoun appears convinced the situation is rapidly reaching the point of decision. He says that the UN Secretariat and observer group are disposed to

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reject or minimize evidence of UAR intervention and that the Western powers are wavering in their support. [redacted]

British Foreign Secretary Lloyd has urged that Chamoun be persuaded to announce he will not run again and to find a successor who would cooperate with the West. [redacted]

[redacted] (Page 3)

Nd Aden - Yemen: The defection to Yemen on 26 June of half the British-financed 300-man army of the state of Lahej in the Aden Protectorate provides the Yemenis with the most telling victory they have yet scored over the British. The Aden government believes the defecting Lahej regulars may form the trained nucleus of a "liberation army" under the aegis of the Yemen-backed South Arabian League. [redacted]

[redacted] (Page 5) (Map)

III. THE WEST

Nt Panama: Political tensions and student unrest are again building up following the lifting of the state of siege imposed after rioting in May. Further serious outbreaks against the government could erupt at any time and might lead to anti-American incidents. [redacted] (Page 6)

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DAILY BRIEF

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I. THE COMMUNIST BLOC

Soviet Decision to Send Bloc Delegates to Geneva Talks

The USSR apparently decided to send the bloc delegation to the Geneva talks on detecting nuclear tests only after it realized that its 25 June aide-memoire, with the implied threat of a boycott, had failed to produce its intended results. Soviet leaders probably hoped this threat would seriously embarrass the United States by forcing it either to accept or reject the Soviet demand for "a confirmation that the experts' conference is to be subordinated" to the task of achieving a test-cessation agreement. This objective was reflected in the 28 June note's charge that the United States has evaded clarifying its position on the "basic question, namely the purpose that the meeting of experts should serve."

This latest note suggests that the bloc delegation will immediately take the position that the experts cannot proceed with technical discussions until their governments have reached a "full and clear understanding regarding the purpose of this conference." Moscow declared that unless the meeting is devoted to the "main task" of ensuring a cessation of tests, "it will be a waste of time and can only deceive the peoples." The note concludes by calling on the United States to make "an unequivocal statement" on this issue.

While the bloc delegates stall in Geneva, Moscow can be expected to mount heavy diplomatic and propaganda pressure on the United States, insisting that there must first be a political agreement committing all parties to the principle of a test cessation before the Geneva experts can take up the technical aspects of the problem.

This line of action would be consistent with a resurgence of the Kremlin's long-standing unwillingness to be drawn into detailed negotiations on inspection and control of a disarmament agreement. Moscow probably believes that the West stands to gain more from such talks than the USSR and that protracted technical negotiations would dangerously inhibit its freedom of action should it decide to resume nuclear testing.

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Gomulka's Speech on Nagy

In his speech in Gdansk on 28 June, Gomulka for the first time criticized Yugoslavia for its refusal to enter the bloc, and blamed the current bloc dispute with Belgrade, in contrast to that of 1948-54, on Yugoslavia. He used much milder language, however, and took a far less critical line toward Belgrade than has the rest of the bloc. At the same time, Gomulka criticized Nagy's revisionist ideas, said that he gradually capitulated to the counterrevolutionaries during the Hungarian uprising, but did not charge Nagy with a long-prepared "conspiracy," as does the rest of the bloc, and avoided a commitment on the severity of the sentence by stating that this was an internal Hungarian matter.

Gomulka also bitterly attacked the West, especially in connection with recent reports concerning Polish opposition to the bloc line on Nagy, and renewed his assurances that Poland will never leave the bloc. He warned "reactionary forces" in Poland who dream of a "second stage," similar to Western-type Socialism, and who consider the Gomulka experiment only temporary. Gomulka probably hopes that by taking this line he can stave off the current strong pressure on Poland to conform, and Yugoslav-Polish relations will doubtless deteriorate to some extent. The move, however, was not unexpected by the Yugoslav leaders, and Tito accordingly will probably increase his efforts to promote his "third force" concept during Nasir's forthcoming visit to Brioni.

Despite Gomulka's public concession, the Poles, by their treatment of the Nagy issue after the announcement of the execution, had already made their feelings clear. After publication of the Hungarian communique on 18 June, the Polish press did not comment on the Nagy affair until 25 June, when Trybuna Ludu published a summary of the Moscow Pravda article on Western reaction. Meanwhile, on 18 June the Polish foreign minister privately expressed the view that if Gomulka had known of the executions he would not have visited Budapest in May, and Radio Warsaw broadcast Chopin's funeral march on the same day, apparently in honor of Nagy and his associates.

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II. ASIA-AFRICA

Lebanese Situation

Lebanese Government leaders appear to have become extremely depressed in the wake of UN Secretary General Hammarskjold's mission. President Chamoun indicated on 28 June he is convinced matters are rapidly coming to a head and several times spoke of an "impending massacre." However, Chamoun also reiterated that he would be "steadfast" and would not ask for Western intervention unless all his resources had been expended. He revealed complete distrust of Hammarskjold, saying he was either "the most conceited man in the world or the most deceitful" and that it is useless to provide evidence of UAR intervention to the UN observers. Chamoun also indicated he felt that the United States was wavering on the question of assisting him;

The developing sense of frustration with the UN on the part of members of the Lebanese Government could lead to open recriminations between them and UN officials. Foreign Minister Malik informed Beirut

[redacted] that "battle was joined" between Hammarskjold and the Lebanese over press statements which each had made. Malik stated that this "battle" could be won only if the UN observers are flooded with a stream of factual proofs of heavy infiltration and smuggling from the UAR. Prime Minister Suh told UN official Galo Plaza on 27 June that the continued fighting in Lebanon and the continuation of propaganda from Cairo radio proved that the situation was unchanged.

Cairo is continuing to try to develop propaganda and diplomatic pressure against any forceful UN action in Lebanon.

[redacted] UAR diplomats, in their informal contacts particularly with representatives of Canada, Norway, Denmark, Iceland, and West Germany, "to point out that NATO bases are being used to carry arms to Chamoun, without the unanimous approval of the NATO nations...." In New Delhi, the UAR Embassy, following instructions from Cairo, is making what amounts to an all-out public

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attack on the United States by means of press releases and individual mailings of articles reprinted from Cairo newspapers.

New alarms are also contained in intelligence reaching the UAR authorities from abroad. [redacted]

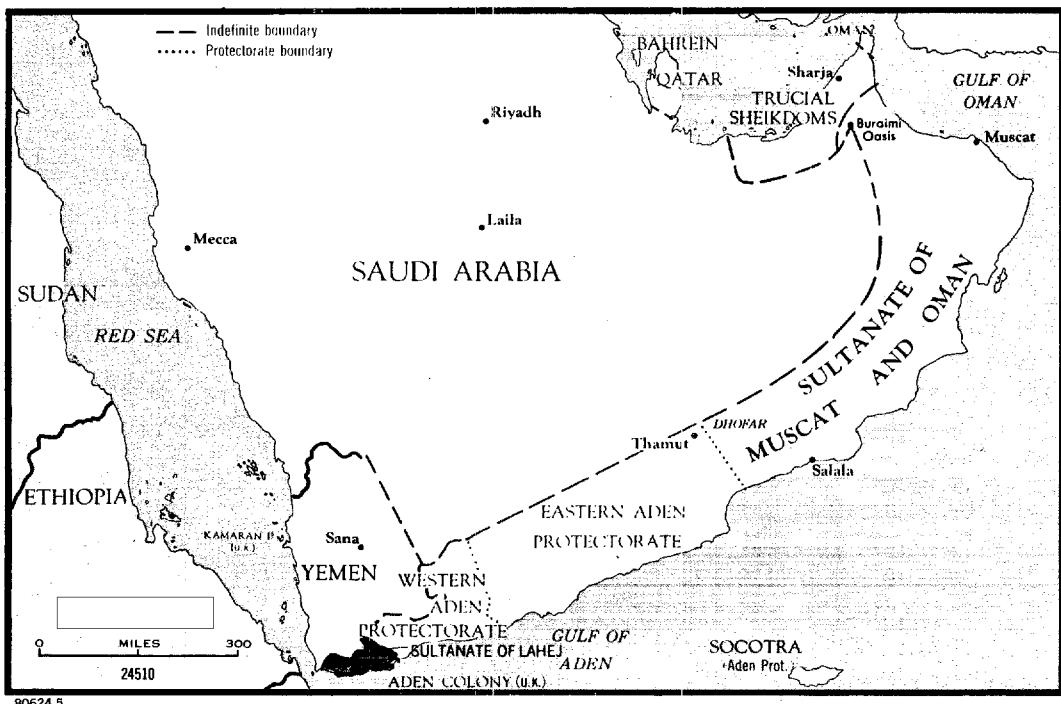
[redacted] An effective watch, especially in the areas south of Damascus, was ordered put into effect. [redacted]

Inside Lebanon, there are still no signs of a political compromise, and no candidates to succeed Chamoun have yet stepped forward for the presidential election which could take place on or after 24 July. British Foreign Secretary Lloyd, pointing out the approach of the election date, has urged that Chamoun be persuaded to announce that he does not plan to run again and to search for a successor around whom pro-Western elements could rally in working for an end to the fighting. Lloyd feels that Chamoun could not expect a successor to be as pro-Western as he has been but that he could pick someone who could keep Lebanon out of Nasir's control and continue to cooperate with the West.

The main scene of military action over the weekend was in north Lebanon around Tripoli. The rebels apparently are trying to break the army's hold around Tripoli and heavy firing has ensued. In Beirut, there are still widespread rumors that a rebel push is imminent, and an "alert status" is said to have been declared in the Moslem quarter on 28 June. [redacted]

[redacted] asked that Chamoun be informed of a rebel plan to blow up the presidential palace; the plan had been delayed because the rebels did not have enough explosives for the job, but were awaiting their arrival. [redacted]

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Pro-Yemenis Subvert Half of British-financed Lahej Army

About 140 officers and men of the British-financed 300-man army of the sultanate of Lahej in the Western Aden Protectorate defected to Yemen on 26 June. They were led by the commander of the Lahej army and were accompanied by 120 of the sultanate's tribal guards and customs personnel. The defectors took with them their arms, three trucks and five jeeps, and an estimated \$28,000 in customs receipts. The money is equivalent to two-thirds of the annual British subsidy to the Lahej army.

This defection is the most striking Yemeni success to date in the campaign of subversion and border harrassment which Yemen has been carrying on against the British in Aden and the protectorate rulers. Individual defections from protectorate forces were reported to have reached the rate of 20 per day early this year. The Aden Government believes the Lahej defectors may be used to form the trained nucleus of a "liberation army." Such an "army" presumably would be sponsored formally by the South Arabian League, a Yemen-backed anti-British organization.

About 2,500 British troops are being maintained in Aden to cope with the situation. British officials in London are engaged in talks with some Aden Protectorate rulers regarding a federation which might strengthen political resistance to Yemen. Although the sultan of Lahej has been in London ostensibly for these talks, he appears to be sympathetic to the anti-British cause, and may have played some role in the action of his army.

Possible new trouble in the Yemen-Aden area was forecast

[redacted] in which Nasir promised that "operations" in the Imam's sphere would begin after the situation in Lebanon had "improved." [redacted]

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III. THE WEST

Political Tension Mounting in Panama

Political tension and student unrest are again building up in Panama following the lifting of the state of siege imposed after the riots last month. Many influential Panamanians, including some cabinet members, now feel that President Ernesto de la Guardia will not last out his term. Further serious outbreaks against the government could erupt at any time and might involve anti-US incidents. Powerful opposition politicians are exploiting nationalistic grievances against US policies in the canal zone. They accuse the President of overfriendliness to the United States and may, as they have in the recent past, press exaggerated demands for US concessions in an attempt to discredit the President. Dr. Milton Eisenhower's proposed visit in mid-July might be used to embarrass the government.

The National Guard, Panama's only armed force, supports the President. It had difficulty in suppressing the May riots, however, and is now on the defensive for alleged brutality it used then.

Communists are active among the politically motivated and nationalistic student groups, which provoked the May riots and have become more aggressive and arrogant since the President acceded to their demands. The influential opposition press and radio are deliberately encouraging the students, who seem to be seeking an excuse to provoke new disturbances.

Although present unrest is due chiefly to the chronic struggle for power among members of Panama's small and wealthy ruling clique, there is danger that attempts to manipulate student unrest and economic and nationalistic grievances might get out of hand in Panama's overcrowded and poverty-stricken cities. *c/c*

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