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23 June 1958

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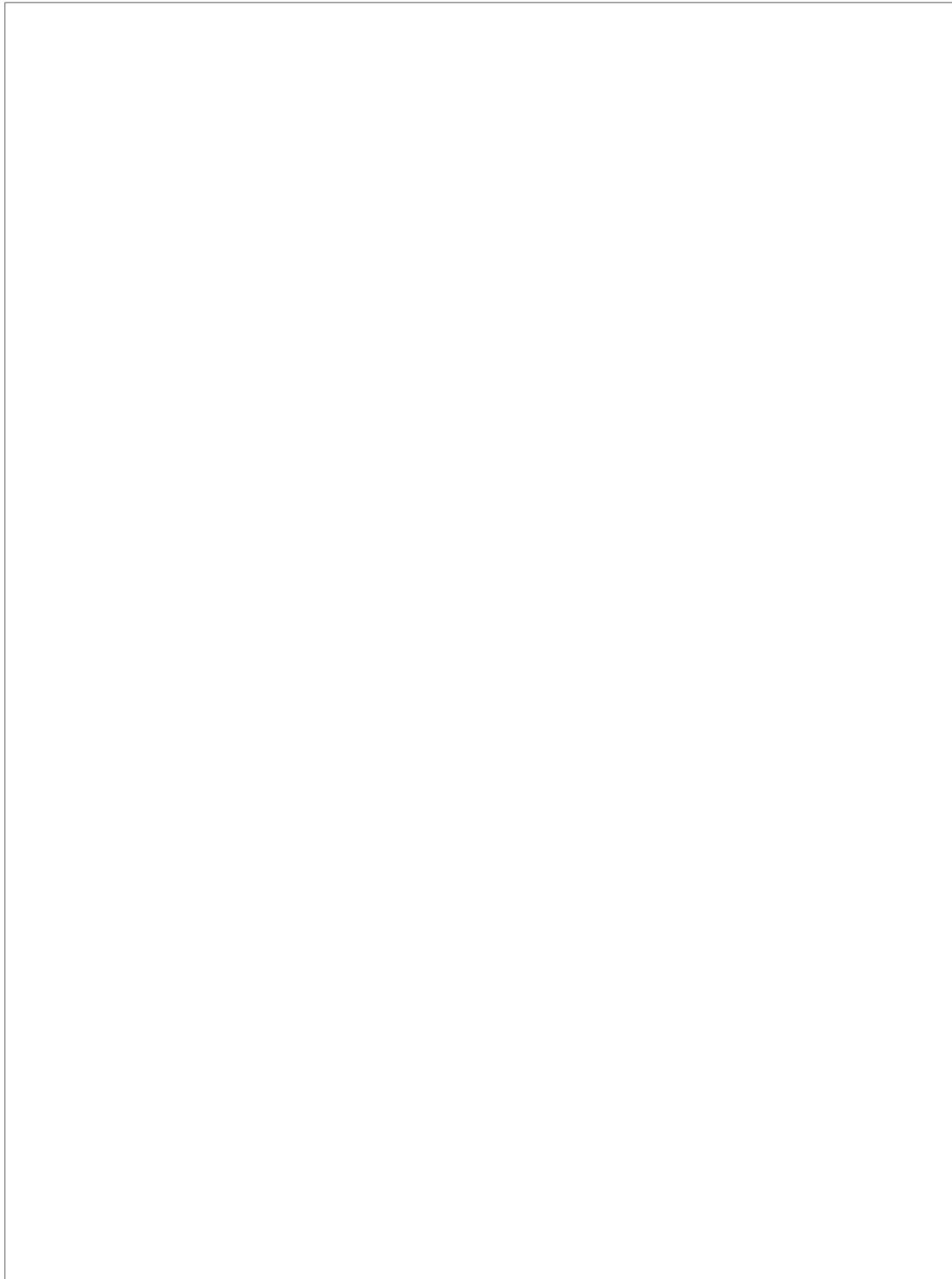
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CENTRAL INTELLIGENCE BULLETIN



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23 JUNE 1958

I. THE COMMUNIST BLOC

Czechs feel plan for bloc economic integration may reduce Czech living standard.

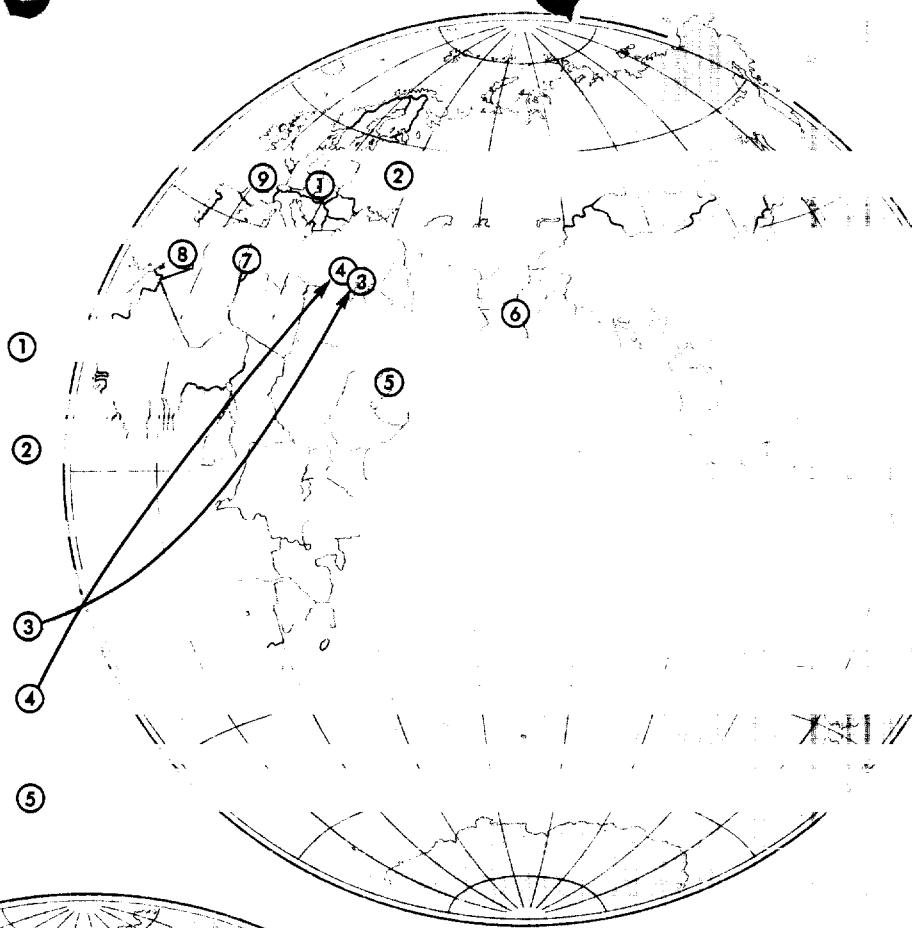
Soviet propaganda hints at support for Lebanese rebels but avoids commitment.

II. ASIA-AFRICA

Lebanon - Reports indicate serious differences within dissident forces.

Greek resentment against Turkey rising over Cyprus issue.

Yemen - Imam's proposed trip to Italy may occasion struggle for succession.



⑥ Pakistan - President Mirza reopens question of Iran-Pakistan-Afghan federation.

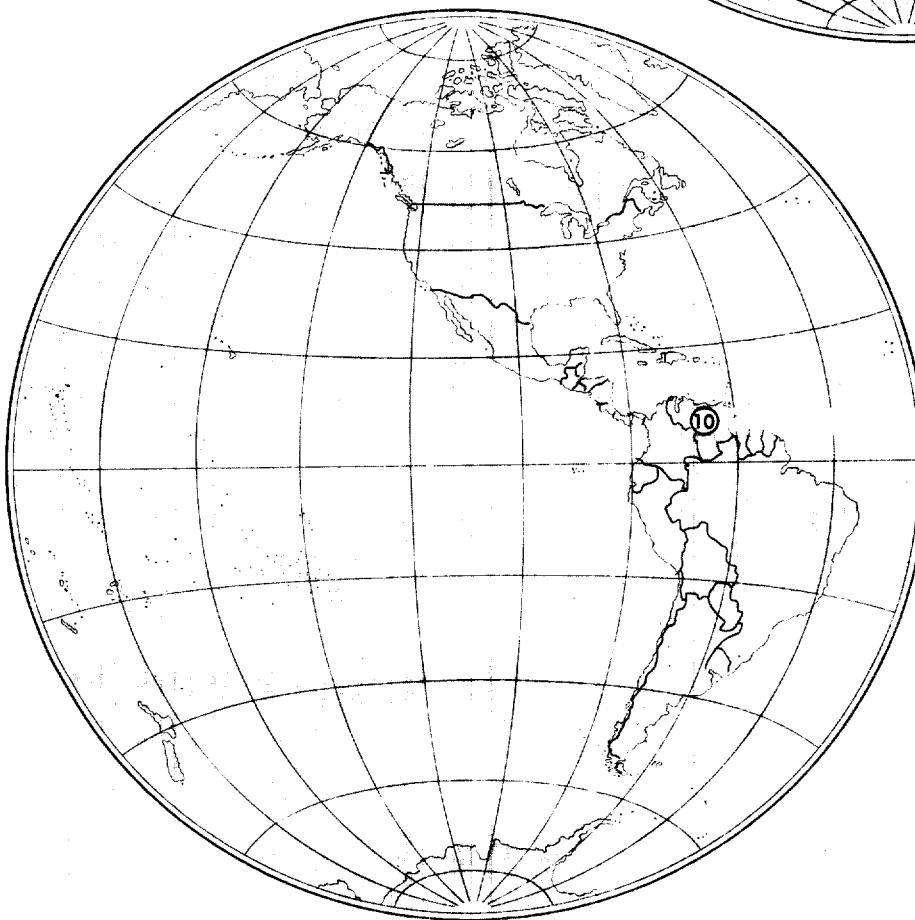
⑦ North African leaders reaffirm commitment to Algerian independence.

⑧ Morocco ready to negotiate partial withdrawal of French forces.

III. THE WEST

⑨ French Communists organizing for major demonstrations against De Gaulle in July.

⑩ Venezuela - Armed forces' opposition to junta leader rising; coup could ensue.

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CENTRAL INTELLIGENCE BULLETIN

23 June 1958

DAILY BRIEF

I. THE COMMUNIST BLOC

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Czechoslovakia: Prague officials are said to be dissatisfied with the recent CEMA conference decisions, which apparently require the Czechs to reduce consumer goods production and thereby lower their relatively high standard of living. Party First Secretary Novotny may seek a reappraisal of Czechoslovakia's role in the plan to integrate the bloc economy when he visits Moscow on 2 July.

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* USSR-Lebanon: Soviet propaganda has carefully avoided committing the USSR to any specific course of action. The USSR, however, is seeking to convey the impression that it is opposed to Western action in Lebanon by propaganda charges of Western preparations for military intervention. In addition, a Soviet member of the UN Secretariat was used privately to warn a US official that the USSR would immediately send "volunteers" to oppose any American intervention.

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II. ASIA-AFRICA

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Lebanon: [redacted] possible serious differences among rebel leaders operating in northern Lebanon.

There are also reports of clashes between Lebanese and Syrian Druze tribesmen who have been opposing the government in southern Lebanon. Fighting has been reported

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in Tripoli and Sidon, but there has been no significant military change over the week end. There is speculation that rebel activity will increase when Hammarskjold leaves the area. President Chamoun expects new army action against Kamal Jumblatt shortly, and [redacted] felt he could "hold the line" without Western intervention. Turkey has informed Iraq and Jordan it will furnish "safe passage" and transportation facilities to any troops they may wish to send to Lebanon.

(Page 3)

* Greece-Turkey: Tension between Ankara and Athens over the Cyprus issue has reached a point where many junior Greek army officers, backed by large elements of the Greek population, appear ready for war with Turkey, but senior officers and political leaders in Athens are expected to restrain them in the absence of any aggressive move by Turkey. Greek Premier Karamanlis favors resignation of the government as a protest against the Western stand on Cyprus, while Foreign Minister Averoff proposes a series of anti-Western moves involving eventual Greek withdrawal from NATO.

(Page 5)

No.
Yemen: The Imam is planning a 20-day trip to Italy in the near future for reasons of health. In his absence, the rivals for the succession, Crown Prince Badr and the Imam's brother, Prince Hassan, are to govern jointly. A struggle could break out if Hassan makes some move to supplant Badr, whose pro-Soviet views have incurred the Imam's displeasure.

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DAILY BRIEF

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Pakistan-Iran: Pakistani President Mirza has urged Iranian-Pakistani-Afghan federation upon the Iranian and Afghan ambassadors in Karachi, [redacted]

[redacted] Mirza's initiative suggests that he now views more seriously than at first the proposals made by the Shah of Iran for some form of union. The Shah is expected to raise this subject during talks in Washington early in July. [redacted] (Page 7)

yes

North Africa: Tunisian, Moroccan, and rebel Algerian leaders meeting in Tunis last week reaffirmed their common commitment to the goal of Algerian independence and took further steps toward the eventual creation of a North African federation. Establishment of an Algerian government-in-exile was again deferred. However, the decision to proceed with the formation of a "provisional consultative assembly" for North Africa promises to enhance the status of the FLN rebel leaders and to associate Morocco and Tunisia more intimately with the FLN. [redacted] (Page 8)

yes

Morocco-France: Morocco has notified Paris it is ready to discuss the French offer to withdraw most of its ground forces if Morocco will grant France training bases. Because of strong public pressure for complete evacuation, negotiations may be difficult. [redacted] (Page 9)

III. THE WEST

yes

France: French Communist activity now apparently centers on organizing "committees of republican defense" and on preparing all-out demonstrations against De Gaulle on 14 July. These efforts are hampered by continuing lack of enthusiasm among the party rank and file and by the strong French reaction to the executions in Hungary. [redacted]

[redacted] (Page 10) □

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Venezuela: Opposition within the armed forces against junta President Admiral Larrazabal is rising, partly as a result of his weakness in the face of the civilian demonstrations of 17 June. The army, air force, and national guard may need only a little more provocation to stage a coup against him.

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DAILY BRIEF

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I. THE COMMUNIST BLOC

Czechoslovakia Reported Displeased With CEMA Assignment

The US Embassy in Prague reports that the Czech party is displeased with the orders it received at the recent CEMA conference in Moscow to reduce consumer goods production. The embassy received one report that party First Secretary Novotny "walked out" of the meeting in disgust.

According to the embassy, recent developments tend to substantiate this reported dissatisfaction. Novotny returned to Prague immediately following the CEMA conference without remaining for the Warsaw Pact meeting which the other satellite party first secretaries attended. Premier Siroky displayed "hypersensitivity" when the US ambassador in a private conversation on 16 June mentioned Czechoslovakia's acceptance of Soviet dictation not to participate in the Marshall Plan. US tourist requests to visit an automobile factory, reportedly affected by the CEMA dictum, have recently been refused, a departure from earlier practice. Finally, the embassy reports that some press comments on the CEMA conference hinted at local dissatisfaction with the role allotted Czechoslovakia and rumors of a last minute recall of the party paper on 17 June appeared to be confirmed by its late delivery to the embassy that day.

According to the story circulating in Prague, CEMA ordered a Czech cutback in consumer goods production of from 80 percent of that needed for domestic consumption to 50 percent. This would affect particularly the private automobile and fruit canning industries. Novotny is reported to have replied that this would cause a serious curtailment of living standards and create political difficulties by increasing the social dissatisfaction already prevalent as a result of the economic reorganization now under way.

Novotny may be prepared to present his case more firmly when he visits Moscow on 2 July, although the USSR probably feels Czechoslovakia is better prepared both politically and economically than any other satellite to participate in economic co-operation for the good of the bloc.

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USSR Displays Caution in Lebanese Crisis

The Soviet Union has so far shown considerable caution in its efforts to exploit the Lebanese rebellion. It has refrained from a heavy propaganda and diplomatic offensive comparable to that mounted during the Turkish-Syrian dispute in the fall of 1957 and the Suez crisis in 1956. Moscow's caution and restraint probably have been dictated by its unwillingness blatantly to identify itself with the rebel attack on the legitimate regime of President Chamoun and thus expose the USSR to charges of interference in Lebanon's internal affairs.

Moscow's caution probably also reflects the uncertainty of the Soviet leaders as to the likelihood of Western military intervention in behalf of the Lebanese Government. Soviet propaganda has attempted to discourage Western intervention by a steady stream of charges that the United States, Britain, and France are making preparations, under cover of the UN Observer Group, for military action. A Soviet member of the UN Secretariat told an American official on 20 June that the USSR fears that the United States, under British pressure, would land marines in Lebanon. He warned that if this occurs, the USSR would immediately send "volunteers" to oppose such action.

The choice of a Soviet member of the UN Secretariat, who later could more easily be disavowed than an official of the Soviet UN delegation, reflects the Soviet leaders' unwillingness to commit themselves to any specific course of action at this time. The Soviet press has published, but without comment, appeals by Syrian and Lebanese rebel sources for volunteers from "Arab and other friendly peoples" to repel any Western intervention.

If the Soviet leaders should come to believe that the possibility of Western military action has diminished or disappeared, they may adopt a more active role, including implied threats of Soviet counteraction, and then claim subsequent credit for again preventing "imperialist aggression" against an Arab state.

[Redacted]

[Redacted]

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II. ASIA-AFRICA

Lebanese Crisis

Differences among rebel leaders in northern Lebanon have been reported [redacted]. Two important opposition groups in the vicinity of the rebel-held town of Halba appear to be at odds on coordination of their activities, and Rashid Karami, prominent leader of antigovernment forces in Tripoli, is experiencing the same difficulty.

There is also a report of an internecine struggle among the Druze forces of Kamal Jumblatt in southern Lebanon. Clashes between Lebanese and Syrian members of the sect are said to have resulted in several deaths during the past few days.

Fighting between rebel and government forces has been reported in Tripoli and Sidon, although there appears to have been no significant changes in the general military situation over the week end. There is speculation in Beirut on a possible resurgence of rebel activity following UN Secretary General Hammarskjold's departure from the area, scheduled for the middle of the week. Jumblatt is reportedly planning to have rebel forces near Beirut cut roads leading from the capital to Damascus and Sidon and consolidate positions within artillery distance of Beirut's airport.

President Chamoun has been assured by General Shihab that the army will mount a new offensive against Jumblatt, probably on 23 June, [redacted]. Army units which have been evacuated from the northern area will be used to support the offensive. As of 21 June, Chamoun apparently still felt that he could "hold the line" without Western intervention, but he is increasingly disturbed over dissensions within the army and the growing number of desertions. He has, nevertheless, apparently again rejected compromise proposals for a settlement.

Turkey has informed Jordan and Iraq it will afford "safe passage" through Turkish territory and provide sea and air

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transport in the event that the two countries decide to send
troops into Lebanon.

[redacted] a growing sentiment that Lebanon
should ask Iraq and Jordan to furnish "immediate military as-
sistance."

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~~SECRET~~Greek-Turkish Relations

Greek-Turkish relations have deteriorated to a point where a large cross section of the Greek population, including many junior army officers, appears to favor war with Turkey over what are regarded as repeated abuses by the Turks, culminating, in the Greek view, in Turkish instigation of the recent Turkish Cypriot rioting. Reports from Athens state there has been an increase in Turkish troop strength on the Greek-Turkish border. Greek senior military officers and political leaders are firmly opposed to initiating hostilities against Turkey and are believed capable of restraining hotheads in the army. Consequently, it is probable that only Turkish military violation of the frontier would result in hostilities.

Greek Premier Karamanlis and Foreign Minister Averoff, anticipating new moves in the Cyprus controversy unfavorable to Greece, are contemplating drastic action to demonstrate their bitterness at failure of the West to support the Greek position on Cyprus. Karamanlis continues to favor resignation of his pro-Western government, while Averoff prefers a series of anti-Western moves which could culminate in Greek withdrawal from NATO. In line with Averoff's position, Greek-Yugoslav ties are being strengthened while a Greek Foreign Ministry official has announced that Athens no longer considers Greek obligations to Turkey under the Balkan Pact as being in force. This statement, however, merely recognizes a situation which has existed in reality since the anti-Greek riots in Turkey in September 1955. It is probable that anti-Western elements in Greece now will renew demands for a break with NATO and the establishment of a Belgrade-Athens-Cairo alliance.

Formal Greek rejection of the new British proposals for Cyprus on 21 June was in line with Archbishop Makarios' rejection of the preceding day, both emphasizing that further negotiations should be held between Britain and representatives of the Cypriot population.

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Political Rivalry May Intensify Among Yemeni Princes

Imam Ahmad's absence from Yemen during his forthcoming visit to Italy may bring an intensification of the rivalry between his brother, Prince Hassan, and his son, Crown Prince Badr. The date of the Imam's departure has not been announced, but he reportedly wishes to leave as soon as possible on a 20-day trip to take a "hot-springs cure." The two rivals for succession to the throne are reported slated to govern jointly during this period.

Badr is now in Cairo discussing the implementation of the United Arab States agreement with the UAR and the Aden-Yemen border situation, and he will presumably return to Yemen prior to the Imam's departure. Until this spring, the Imam appeared determined that Badr would be his successor. Recently, however, he has had doubts about his son's pro-Soviet views, and this may be related to Hassan's recall to Yemen last month.

Hassan, who had been serving with the Yemeni UN delegation in New York, was given a welcome of "unconcealed enthusiasm" upon his return. He had been considered out of favor with the Imam, and his duty abroad appeared to be a semiexile. His recall and appointment to joint governorship with Badr suggest a significant change in his brother's attitude.

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Pakistani Interest in Federation with Iran

Pakistani President Mirza apparently is taking a more serious interest in the proposal for some form of union between Pakistan, Iran, and Afghanistan than he had previously when the subject was raised by the Shah of Iran and other top officials in Tehran and Karachi.

Mirza explained in detail the "necessity" for such a federation in a conversation with the Iranian and Afghan ambassadors in Karachi.

At the time of the Shah's visit to Karachi in mid-May, Pakistani leaders were not inclined to consider an "Aryan" union or federation seriously, although they intended to continue to discuss the possibility with the Shah and the Afghan King in order to keep on good terms with both rulers. Mirza told the Shah on 12 May that no action could be considered until after Pakistan's national elections, scheduled for November.

Interest in a non-Arab federation has been stimulated in recent months by concern in Tehran and Karachi over the future of the Baghdad Pact in the light of Egyptian President Nasir's expanding influence. In addition, the Shah is attracted by the prospect of sharing Pakistan's more advanced military forces, while Karachi probably sees in Iran's oil revenues a source of much-needed financial assistance.

Afghan leaders have expressed coolness toward suggestions for federation, chiefly because of their antipathy toward Iran, and probably would be unwilling to join a tripartite union. The alternative possibilities of either an Iranian-Pakistani or an Afghan-Pakistani alignment would also face serious practical problems. Definite action on these proposals remains unlikely in the near future, although adverse effects on the Baghdad Pact could stimulate efforts toward federation.

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North African Leaders Conclude Talks in Tunis

Tunisian, Moroccan, and rebel Algerian leaders, who met in Tunis last week to reappraise their position in the light of recent developments in Algeria and France, have reaffirmed their determination to work for Algerian independence and an eventual North African federation. A joint communiqué issued on 20 June after four days of tripartite meetings--described locally as "sessions of the Permanent Secretariat of the United Arab Maghreb" envisaged by the conference of North African political parties held last April at Tangier--categorically rejected proposals, recently revived by French rightists, to "integrate" Algeria with France. The communiqué stated that recognition of Algeria's "right to sovereignty and independence" is the sole basis for a solution to the French-Algerian conflict.

Morocco and Tunisia, anxious to avoid new complications in their momentarily improved relations with France, again avoided the issue of an Algerian government-in-exile. However, the blurring of the line between Moroccan-Tunisian discussions publicized as being at "governmental level" and the simultaneous tripartite talks appears to have been deliberately designed to satisfy the desire of the Algerian National Liberation Front (FLN) for at least "near-government status."

The conferees' decision to proceed with the formation of a "provisional consultative assembly" for North Africa promises to enhance the FLN's stature. The growing formal ties of Tunisia and Morocco with the FLN will tend increasingly to inhibit any actions by Tunisia and Morocco which the FLN might consider inimical to its interests.

Although still highly skeptical of French Premier de Gaulle's willingness and ability to move toward an acceptable solution of the Algerian problem, top Tunisian and Moroccan leaders apparently feel every effort should be made behind the scenes to test De Gaulle's intentions. They can thus probably be expected to continue efforts to persuade the FLN to refrain from actions which might further impede eventual negotiations with France and to respond to any French overtures in that direction by indicating a willingness to settle for something less than immediate independence. Simultaneously, the two governments appear to be stepping up their attempt to induce Paris to make such overtures.

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Morocco Agrees to Negotiations for Evacuation
Of French Troops

The Moroccan Government has formally responded to French proposals regarding a partial evacuation of French troops by renewing its oral request of last March that France make a solemn declaration that it is evacuating its troops from Morocco. When this declaration of intention is published, Morocco will negotiate a temporary arrangement for the retention by France of some air, naval, and possibly army training bases in Morocco.

The French Embassy believes it has reached tentative agreement with Morocco on certain aspects of the problem of French forces in Morocco, and will soon attempt to pin the Moroccans down to a formal agreement. The French propose a special regime of two months duration during which Moroccan restrictions on French troops would be relaxed and negotiations could be completed.

The American ambassador comments that the fact that Morocco has formally agreed to negotiate concerning the retention of French bases is a step forward and should facilitate negotiations. Nevertheless, two aspects of these proposed negotiations may prove difficult: the timing for the evacuation of troops along the Algerian border and the extent to which Morocco will cooperate with France on training facilities.

The precedent of the 17 June Tunisian-French agreement on the partial evacuation of French troops from Tunisia should prove helpful, in the view of the American ambassador. The Moroccan King, however, [] expressed [] his displeasure that an agreement had been reached with Tunisia first. He commented that Morocco had been more reasonable than Tunisia in seeking evacuation of French troops, with "only the result of being less successful."

A new clash between French and Moroccan military units in the undefined region of the Moroccan-Algerian border may excite popular demands for the evacuation of all foreign troops from Morocco, thereby complicating the projected Moroccan-French negotiations. []

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III. THE WEST

French Communist Party Tactics

The French Communist party is now pointing toward "all-out" anti-De Gaulle demonstrations for 14 July on a scale greater than those it mounted on 28 May against De Gaulle's investiture,

[redacted] The party still suffers from lack of enthusiasm among its rank and file, however, and will probably be further hampered by the strong French reaction to the executions in Hungary. The US Embassy reports that the Communist call for counterdemonstrations to the De Gaulle anniversary celebrations of 18 June went largely unheeded.

The party is reportedly prepared to resort to illegal methods of opposition to De Gaulle, but is avoiding provocative action for fear of being outlawed and because of its desire not to get too far ahead of the elements in the non-Communist left it hopes to attract into an eventual popular front. The party believes its main task is to arouse anti-De Gaulle sentiment, in alliance with the non-Communist left, and is concentrating on the formation of "committees of republican defense" to counter the committees of public safety. The embassy reports that the Communists apparently are also concentrating on generating opposition to the coming constitutional reforms and, more immediately, on supporting labor's demands for higher wages.

There has been no significant response from the non-Communist left on the popular front idea as yet, and it is reported highly skeptical of cooperation with the Communists. The embassy comments that cooperation would become more of a possibility if a clearly reactionary successor to the present De Gaulle government were in prospect. The two main non-Communist labor unions have condemned the Hungarian "acts of savagery" and warned that "nothing has changed in the doctrine or dealings of Stalinist Communism."

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Growing Military Opposition to Venezuelan Junta May
Result in Coup

Opposition within the armed forces against junta President Admiral Larrazabal is rising, partly as a result of his weakness and partly as a result of growing leftist influence. The possibility of a coup before the November elections has now increased. [redacted] the army, air force, and national guard need only a little more provocation to act, and there are indications that at least part of the navy agrees with them.

The civilian demonstration on 17 June, protesting the dismissal of a leftist-linked engineer by the career military governor of the federal district and resulting in Larrazabal's re-hiring of the engineer, is taken as further indication of Larrazabal's weakened control and of his responsiveness to civilian over military pressures. On the following day, quite possibly as a result of military insistence growing out of this incident, Larrazabal publicly renounced his ambition to run for the presidency in the November elections

The military are also apprehensive over the rising leftist influence. A recent indication that the minister of interior is pro-Communist has been strengthened by the appointment of a chief assistant with a pro-Communist history. Furthermore, the Communist party which was legalized on 23 May, was given a seat on the 23-man Supreme Electoral Council named on 18 June. [redacted]

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