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10 March 1958

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CENTRAL INTELLIGENCE BULLETIN



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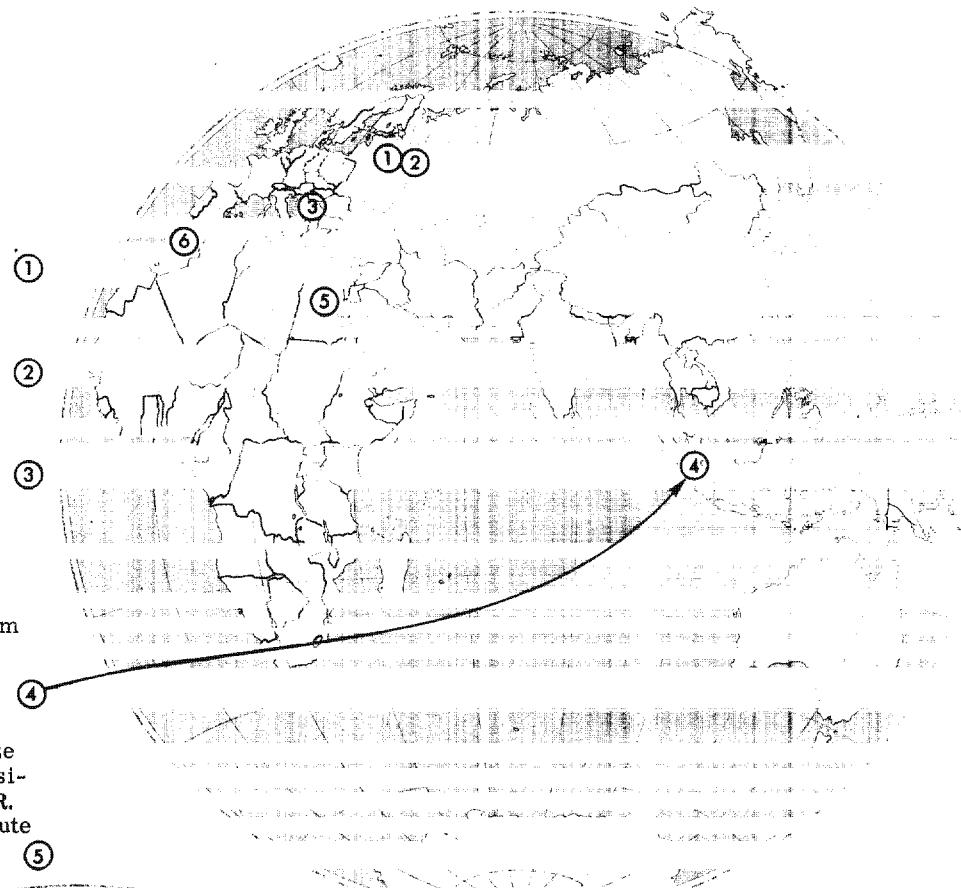
10 MARCH 1958

I. THE COMMUNIST BLOC

Moscow propaganda on SEATO conference extends nuclear-free zone proposal to Southeast Asia.

USSR continues to negotiate for additional arms shipments to Near East.

Belgrade breaks ideological truce with Moscow by attacking Marshal Konev.



II. ASIA-AFRICA

Indonesian Government asks for immediate evacuation of Americans from certain areas in Central Sumatra as military campaign apparently gets under way.

Egypt and Syria continue to emphasize charges that King Saud plotted assassination of Nasir and overthrow of UAR. Saud offers to meet with Nasir to refute charges.



III. THE WEST

- ⑥ French Embassy in Rabat fears Spain may take steps that would lead to conflict with Royal Moroccan Army, and that in any case Morocco may take issue to UN.
- ⑦ Cuba - Batista accepts offer by church-sponsored "Committee of National Harmony" to mediate between government and opposition.

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CENTRAL INTELLIGENCE BULLETIN

10 March 1958

DAILY BRIEF

I. THE COMMUNIST BLOC

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Moscow propaganda on SEATO meeting: The strong TASS statement attacking the SEATO meeting in Manila furthers Soviet propaganda efforts to discredit US motives in Asia. By contrasting Soviet proposals for nuclear-free zones and a "collective peace pact in Asia" with alleged US-SEATO attempts to set up nuclear and rocket bases in Europe and Asia, Moscow seeks to generate Asian support for a summit meeting. The USSR made similar attacks on the recent NATO and Baghdad Pact meetings. (Page 1)

no

Bloc arms to Middle East: The USSR has continued to negotiate arms deliveries to the Middle East in recent months. It is providing for additional arms shipments to Yemen and and is considering an Egyptian request for additional military transport aircraft. Arms are still being provided Syria under the credit granted in late 1957, although the Syrian agent in Moscow is now subordinate to the Egyptian arms purchasing mission. (Page 2)

or

Soviet-Yugoslav relations: A stinging attack on Soviet Marshal Konev, accusing him--apparently with little justification--of ignoring the Yugoslav contribution to victory in World War II, breaks the uneasy truce which has existed between Belgrade and Moscow since last fall's Communist conference. The deliberate gesture may have been designed to enhance Tito's waning prestige by defending his wartime role and to induce Moscow to give him a more positive endorsement than it has recently made. (Page 3)

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II. ASIA-AFRICA

OR

Indonesia: The Indonesian Government apparently has begun a military campaign in the hope of achieving a quick knockout of the dissident movement in Central Sumatra. Army forces, said to number 300 men, have landed at Bengkalis in east Central Sumatra. The Indonesian G-3 says a total of 4 battalions is available in the Riau Islands area to stage an attack on Pakanbaru, 120 miles up the Siak River from Bengkalis. This may coincide with an air and sea attack which previous reports indicated was planned against the west coast. At the urgent request of the Indonesian Government, Stanvac and Caltex employees and dependents in Central Sumatra have been ordered to evacuate to Singapore or to designated safe havens. Meanwhile, the Hatta-Sukarno talks have been indefinitely suspended and Sukarno has started on a one-week tour of Java and East Indonesia during which he can be expected to attempt to mobilize public support for the antidissident campaign.

[Page 4] (Map)

no

Nasir - Saudi Arabia: Cairo and Damascus continue to elaborate on their charges of King Saud's plot against the UAR and Nasir's life. King Saud has offered to meet Nasir either in Riyadh or Cairo and to confront Syrian Interior Minister Sarraj in order to refute his charges. Egypt has ordered "all subjects of the United Arab Republic" working in Saudi Arabia to leave as soon as possible after 8 March. An Egyptian campaign to split Saud's ranks by portraying Saud as having sold out to the US against the advice of Saudi Crown Prince Faysal is being carried on in the press.

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III. THE WEST

OR

Spanish West Africa: Prospects appear dim for an early political settlement by Spain and Morocco of territorial

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issues in the western Sahara. The French Embassy in Rabat is concerned, particularly in view of the French military presence in Morocco, that the Spanish may take a rash step that would bring them into conflict with the Royal Moroccan Army. Morocco's continued agitation of the Ifni question may foreshadow an early political move designed to bring international pressure on Madrid--possibly in the UN--to negotiate on terms acceptable to Morocco.

(Page 7)

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Cuba: President Batista has agreed to mediation by the church-sponsored "Committee of National Harmony" between his government and the opposition. Army leaders, on whom Batista is ultimately dependent, may be taking an independent interest in the mediation efforts. Rebel leaders, however, are skeptical of mediation talks. Sabotage and terrorism continue, and a student strike in several areas is gaining momentum. (Page 8)

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I. THE COMMUNIST BLOC

Soviet Initiatives in Southeast Asia

Moscow's vague call for a collective peace pact in its attack on SEATO is probably an effort to propagate this idea among Asians rather than a firm move toward specific proposals. TASS describes the denuclearized zone in Asia as "gaining increasing support," and warns that the plans of the Western powers in SEATO are fraught with the danger of Asian "involvement" in a devastating war in Asia. Moscow is concurrently stepping up a drive to expand relations with pro-Western Thailand and Malaya, while the Chinese Communists are calling for a Korean settlement.

Soviet Deputy Foreign Minister Firyubin is pushing similar Soviet aims at the current ECAFE conference in Malaya. He compared the "greater progress" of neutralist countries in Asia with that of the participants in military blocs. He invited most ECAFE countries to visit the Soviet Central Asian republics and witness their economic achievements. He specifically proposed creation of a staff of geological experts, supplied and financed by the "advanced" nations, to provide an advisory prospecting service in the area, and called for a declaration of the principles of economic cooperation on the basis of the Bandung conference. [redacted]

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~~TOP SECRET~~USSR Continues to Supply Arms to Middle East

The USSR continues to equip Middle East forces with bloc arms. During Yemeni Crown Prince Badr's visit to Moscow in January, the USSR agreed to provide Yemen with \$3,750,000 for the purchase of bloc weapons. The bloc completed military deliveries in September 1957 under the earlier \$10,000,000 contract with Yemen.

Egypt is requesting the USSR to provide 20 more transport aircraft--15 of which are to be suitable for paratroop operations--to meet its air force requirements in 1958. The USSR presumably will supply the aircraft, since it agreed in early 1957 to meet Egypt's military requirements for re-equipment and development.

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~~CONFIDENTIAL~~Soviet-Yugoslav Relations

Yugoslavia's leading newspaper Borba accused Soviet Marshal Konev on 6 March of ignoring the Yugoslav contribution to victory in World War II. It declared that this "offensive attitude" is "directly at odds with the proclaimed policy of friendly Soviet cooperation with socialist Yugoslavia" and asked why Konev should revive a Stalinist practice which Khrushchev had "forcefully condemned."

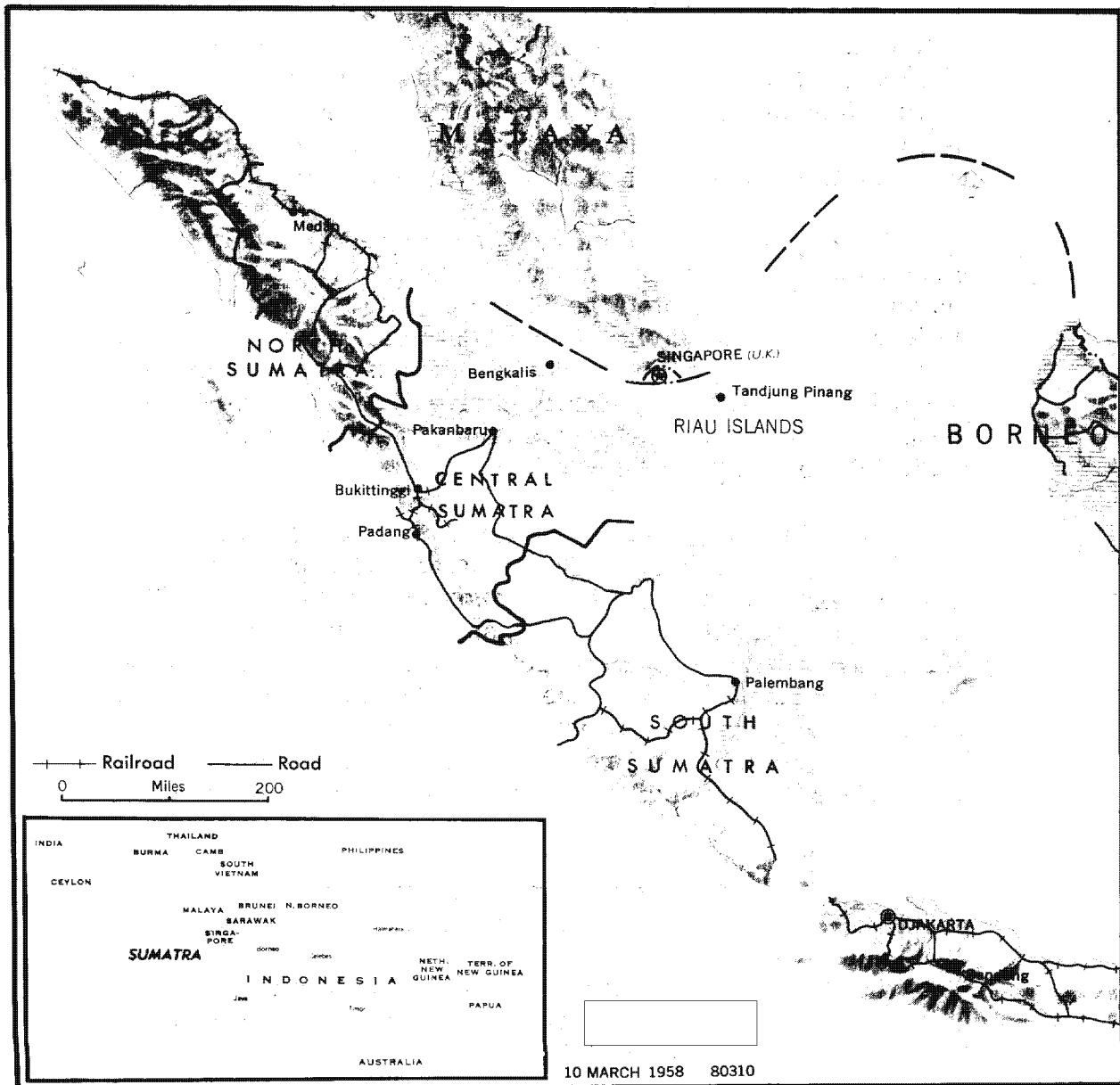
The slight occurred on 23 February in the Czech party organ Rude Pravo commemorating the Red Army's 40th anniversary, which reprinted the Konev article but omitted his reference to Yugoslavia. Since other satellite papers mentioned Yugoslavia in their reprints of Konev's article, the Rude Pravo omission probably derived from Czechoslovak antipathy toward the Yugoslavs and was not necessarily done with high-level Soviet knowledge.

Borba thus went out of its way to break the uneasy truce which has existed between Belgrade and Moscow since last fall, perhaps in an effort to provoke Moscow to clarify its attitude toward Tito. The newspaper observed that the Yugoslavs have refrained from reacting to similar slights until the Konev article which is the "most drastic of all in the belittlement and ignoring of Yugoslavia's contribution." Moscow has in fact virtually ignored Yugoslav developments since Tito refused to subscribe to the November Moscow declaration.

Having failed in recent efforts to increase his waning prestige, Tito, on the eve of national elections and a party congress, may be defending his role in World War II in the hope that the patriotic fervor this would engender on his behalf would outweigh the damage it would do to Belgrade-Moscow relations. [redacted]

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II. ASIA-AFRICA

Indonesian Government Moving Toward Military Showdown With Dissidents

The Indonesian Army on 8 March landed some 300 troops on dissident-held Bengkalis Island off the east coast of Central Sumatra. This action is the first use of ground forces against the dissidents and, according to the Indonesian G-3, is the forerunner of a four-battalion attack in the next few days on the oil center of Pakanbaru some 120 miles up the Siak River. The G-3 also stated that this movement would coincide with a heavy air and sea attack against Padang, the dissident stronghold on the west coast. At the request of the government, Stanvac and Caltex employees and their dependents have been ordered to evacuate to Singapore or to designated safe havens.

There are indeed indications that Central Sumatra will be invaded from both east and west in the near future. On 6 March, [redacted]

[redacted] revealed the presence of a large transport and a large fleet of small craft at Tandjung Pinang in the Riau Islands, long reported as the main staging area for operations against the Sumatran east coast. A 6,000-ton vessel carrying small landing craft, army trucks, and troops was sighted heading for Tandjung Pinang on 8 March. The next day, [redacted] shipping was beginning to concentrate around Bengkalis and discovered "50 or more" small vessels concentrated some 200 miles to the north.

Several ships, including two LST's carrying tanks and the destroyer Gadja Mada loaded with troops, are reported to have left Djakarta between 3 and 6 March. Since these vessels have not been spotted on the east coast of Sumatra [redacted] they may have sailed through the Sunda Straits and up the west coast. Americans in Padang

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have been ordered to evacuate the area, "but not by sea." The air force has also dropped leaflets in the area, warning that an invasion would take place in a "very short time." The possibility of an airdrop on either the Padang or Pakanbaru areas is suggested by the departure on 7 March of ten C-47 type aircraft from Djakarta after having all doors removed.

Djakarta is hoping it will achieve a quick knockout. Army headquarters apparently is convinced that many dissident troops are not well trained and that there will be large-scale defections once hostilities commence. Premier Djuanda has told the American ambassador that he believed the entire matter will be resolved in a "week or two."

The dissidents, who expect an attack, remain defiant and have been strengthening their defenses. They concede that the government forces probably can effect a landing, but state their strong defenses at Padang and guerrilla operations will take a "heavy toll."

The Hatta-Sukarno talks have been indefinitely suspended and Sukarno has left on a tour of Java and East Indonesia. His primary objective is probably to build public support for the military campaign against the dissidents. His trip will be climaxed on 16 March when he is scheduled to address a mass meeting in Bandung. [redacted]

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Repercussions of Alleged Saudi Plot Against Nasir

Cairo and Damascus continue to elaborate on their charges that King Saud plotted to overthrow the UAR and assassinate Nasir. Saud is also being charged with financing a [redacted] monarchist plot" against the Egyptian regime, and a witness at the current trial of the Egyptians implicated said "There is no bigger fool than Saud." The Egyptians have launched a press campaign designed to split Saudi ranks by claiming that Saud sold out to the United States in the Dhahran airfield agreement against the advice of his pro-Egyptian brother, Crown Prince Faysal. Saud has offered to meet Nasir, either in Riyadh or Cairo, in order to refute the charges against him. In Damascus, about a hundred Saudis have demonstrated against Saud.

Egypt has ordered "all subjects of the UAR working in Saudi Arabia" to leave as soon as possible after 8 March. It is unclear whether this affects the many thousands of Egyptians and Syrians employed in the government and in private enterprises. Their withdrawal would probably gravely affect the functioning of the Saudi economy and government. Saud, in retaliation, has ordered the recall of Saudi military and naval students now training in Egypt. He has requested that the US military mission submit plans for taking over their training. The chief of the Saudi UN delegation, Shuqayri, representing Saud at the Geneva Maritime Conference, has informed Nasir of his disgust with Saud and his intention to resign.

In Iraq and Jordan there is widespread belief in the plot charges, but the governments are backing Saud fully. Many informed Arabs believe that the plot charges will result in division of the Arab world into monarchist and republican camps, with the latter growing consistently stronger. Previous reports that Iraqi troops had moved westward toward Jordan late in February appear to be substantiated by a Syrian message which states that two battalions entered Jordan at that time. [redacted]

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III. THE WEST

Saharan Territorial Dispute Worsening Spanish-Moroccan Relations

It is becoming increasingly unlikely that the Spanish and Moroccan governments will be able to negotiate an early settlement of their territorial dispute in the western Sahara. According to Ambassador Lodge in Madrid, Morocco's declared territorial aspirations have made negotiations almost impossible. He reports that tempers in Madrid are wearing thin and that in both the Ifni area and the former northern zone of Morocco, incidents could at any time release pent-up feelings to create an explosive situation.

The French Embassy in Rabat fears that Madrid's "unreasonable and emotional attitude" toward difficulties over Morocco's southern border might cause the Spanish to lose their heads and take steps that would bring on clashes with the Royal Moroccan Army. The embassy feels that in such an event, France would be bound by its commitment to aid Morocco if attacked.

The Moroccan Foreign Ministry warned Ambassador Cannon in Rabat on 4 March that a continuance of Spanish military action in Ifni and a spread of such action into Morocco would lead to a war with Spain. The ambassador believes Rabat may be preparing a political move--possibly in the United Nations--in an effort to bring outside pressure on Spain to negotiate on terms acceptable to Morocco.

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Cuban President Accepts Church's Mediation Proposal

Cuban President Batista has accepted a proposal of members of the Roman Catholic hierarchy that they establish a committee to mediate between the government and the opposition. A four-man "Committee of National Harmony," composed of a representative of the church, two former vice presidents, and a leading banker, will strive to end revolutionary activity, obtain an amnesty law, and postpone the general elections, now set for 1 June, to allow for a "cooling off" period. Fidel Castro's rebel group will be asked to support the committee but will not be offered representation.

A group of Cuban army generals has decided to support the church's mediation efforts, according to a fairly reliable source of the American Embassy. If such a military group should gain the support of junior officers, it could exert decisive pressure on Batista during the mediation talks. Batista has long drawn his strength from control over the military.

The youthful revolutionary leaders, however, have told newspaper reporters that they regard mediation efforts with skepticism. A student strike is gaining momentum, and rebel sabotage and terrorism are continuing.

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