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13 October 1959

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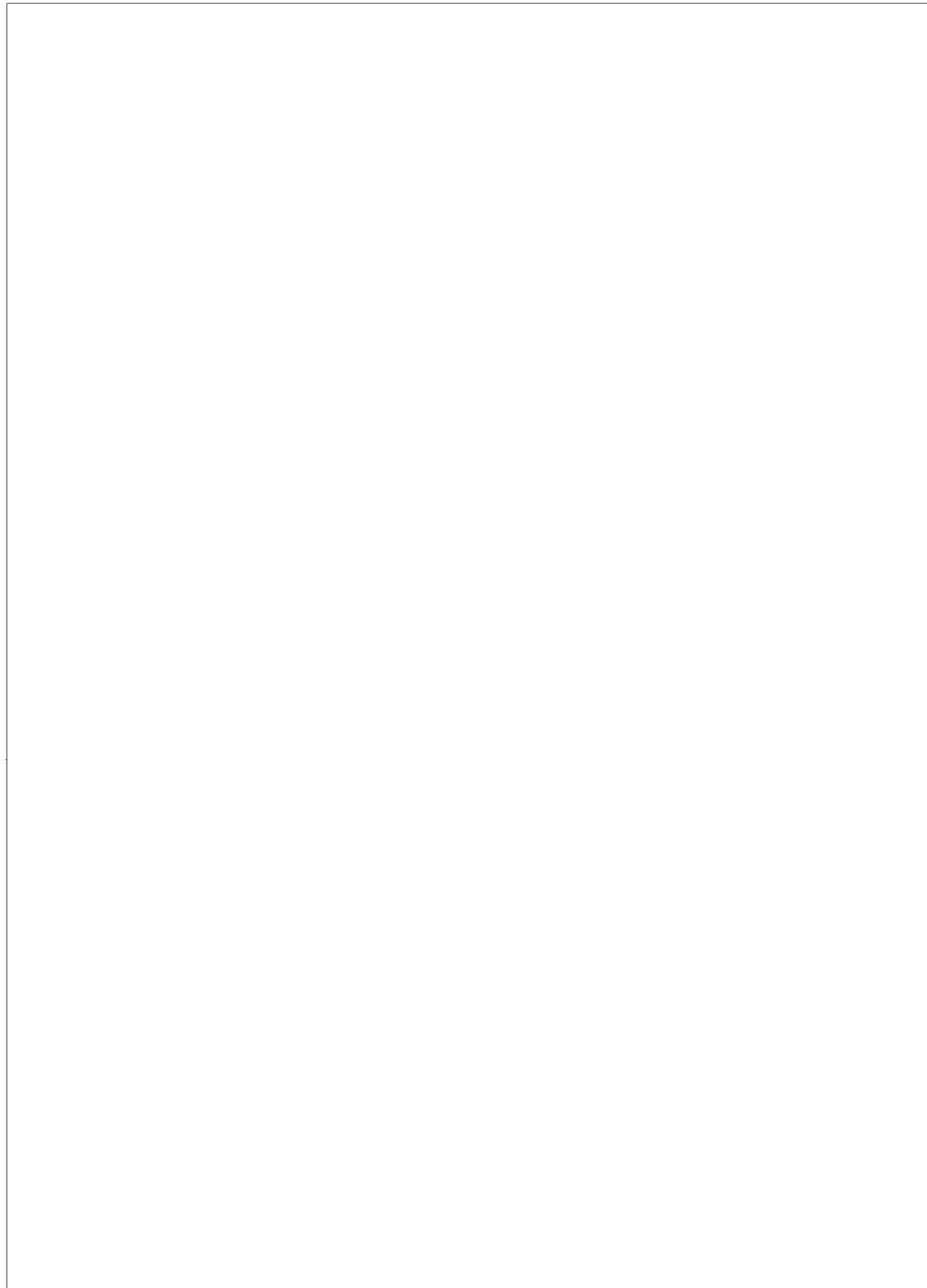
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CENTRAL INTELLIGENCE BULLETIN



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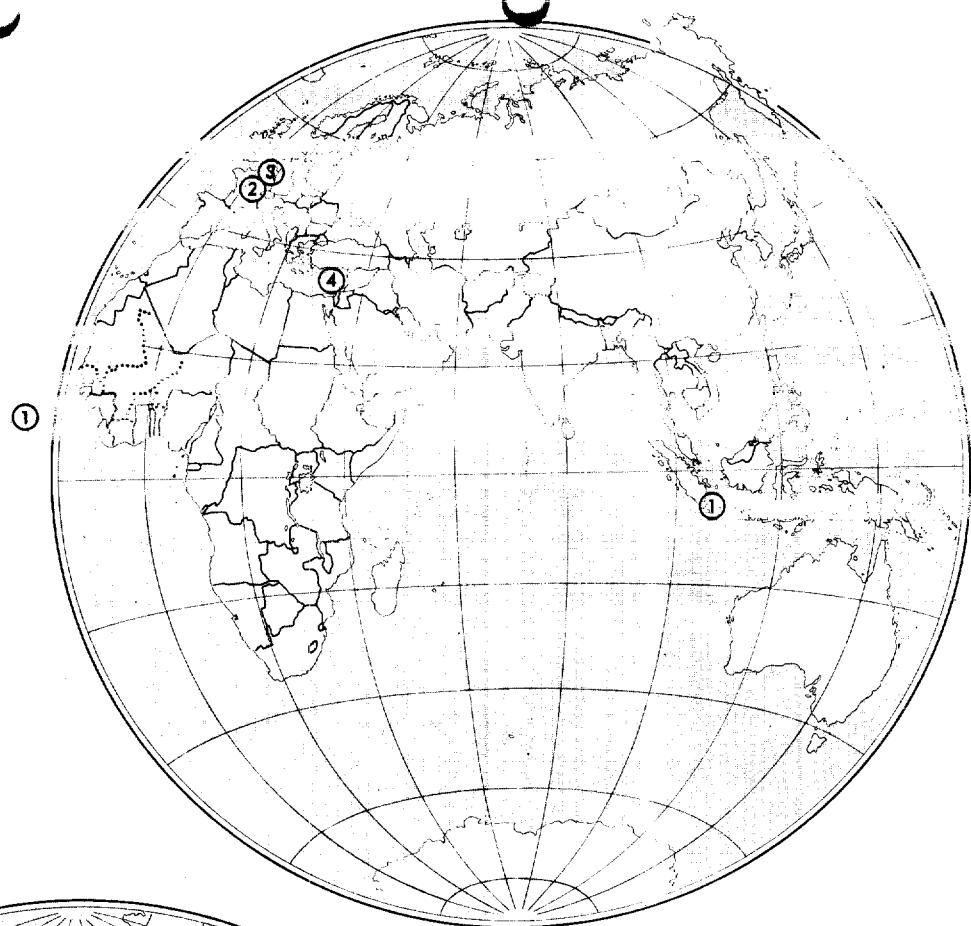
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13 OCTOBER 1959

I. THE COMMUNIST BLOC

II. ASIA-AFRICA

Indonesia--Parliament to air issue
of parliamentary versus executive
powers.



III. THE WEST



- ② Important French military officials agitating against liberal solution for Algeria.
- ③ Financial problems in Belgium and Congo threaten Belgium's ruling coalition.
- ④ Cyprus--Makarios and Grivas issue ambiguous communiqué at end of talks; differences probably persist.

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CENTRAL INTELLIGENCE BULLETIN

13 October 1959

DAILY BRIEF

I. THE COMMUNIST BLOC

SIR AB

II. ASIA-AFRICA

DK

Indonesia: The major political parties are opposed to the government's recent decree limiting the autonomy of regional governments. They apparently hope to use it as a test case during the present parliamentary session to define parliamentary versus executive powers under the new constitution. The government is taking steps to limit criticism of the decree.

(Page 1)

[redacted]

III. THE WEST

DK

France-Algeria: [Important French military officials, including General Zeller, until recently French army chief of staff, and General Raoul Salan, ex-commander of forces in Algeria, are reliably reported to be agitating in army circles against a liberal solution for Algeria. French intelligence authorities say that the government is not alarmed in view of De Gaulle's resounding popular and bureaucratic support. Nevertheless, elements of the army in France and Algeria can be expected to try to frustrate any solution other than integration.]

(Page 2)

[redacted]

DK

Belgium: A serious treasury crisis and growing uncertainty over the viability of the Congo program have aggravated the precarious position of Prime Minister Eyskens' coalition. The government, faced with mounting financial difficulties in the Congo, for the first time in history has found it necessary to subsidize the Congo budget in the face of Belgium's weak financial

position. Moreover, there are increasing indications of native hostility to the territorial elections scheduled for December.

[redacted] (Page 3)

Cyprus: Archbishop Makarios and General Grivas have concluded their three-day talks on the island of Rhodes with a communique consisting largely of vague generalities which soft-pedaled their differences. In promoting the talks, Grivas saw the chance to enhance his political prestige in Greece. Makarios probably has been able to avoid any commitments to Grivas which "probably" would seriously limit his freedom of action. However, issues which separate the two men apparently persist. [redacted] (Page 4)

DK-
delete #2
and insert
"probably"
as 2nd word
in 3rd sentence

of P 3.

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I. THE COMMUNIST BLOC**II. ASIA-AFRICA**Indonesian Political Parties Oppose Sukarno Decree

All major Indonesian political parties, with the Communists in the forefront, oppose a presidential decree of 7 September limiting local autonomy. In addition to opposing the substance of the decree, the parties apparently also hope to use it as a test case during the present parliamentary session to define parliamentary versus executive powers under the changed constitution. [Communist labor leaders are reported considering a nationwide protest strike, even though such action would be illegal and would provoke army retaliation.]

The decree abolishes most of the local autonomy extended by parliamentary law in 1957 and restores to the central government direct responsibility for the provinces through the county level. These changes, if effected in December as planned, would further diminish party influence which has already been reduced at the national level by the return to the 1945 constitution last July.

Parliament reconvened on 1 October, and, despite a cabinet announcement that the decree will not be submitted to parliament for approval, will probably debate the measure. Party leaders fear the development of a constitutional interpretation by which parliament would lose substantial authority over legislation and be subordinated to the executive. Unless parliament can seriously embarrass the cabinet on the decree, however, and thereby induce government concessions, its protests are unlikely to be effective.

The interior minister has stated that the present parliament is not competent to debate a presidential decree, apparently hinting that significant bills will be submitted to the legislature only after the formation of the People's Congress--the legislative body provided for under the 1945 constitution. The Congress, on which the cabinet has promised "early" action, apparently will be composed of some members of the present elected parliament plus functional and regional representatives appointed by Sukarno. Meanwhile, the army has taken some steps, such as canceling a national conference of regional government officials, to limit criticism of the decree outside parliament.

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III. THE WEST

Important French Army Leaders Agitate Against Liberal Solution in Algeria

[General André Zeller, until recently French Army chief of staff, is agitating in army circles against a liberal solution in Algeria,]

[Others working with Zeller are said to include General Raoul Salan, formerly commander in chief in Algeria and now inspector general for national defense, and a prominent division commander in Algeria, General Jacques Faure. [the French Government is not yet seriously alarmed in view of the "resounding" support for De Gaulle.]

[This is the first specific report of adverse military reaction to De Gaulle's 16 September proposals concerning Algeria. Most such reaction has been from elements identified with the army but not on active duty, such as octogenarian General Maxime Weygand. Increasing official sensitivity to possible military opposition is suggested by the government's belated reprimand last week to the army reserve officers' organization for its 28 September resolution favoring integration as the only solution.]

[The wide popular approval of De Gaulle's proposals in France would probably give pause to any overt military opposition. An

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Financial and Congo Problems Shake Belgian Coalition

A serious treasury crisis and growing uncertainty over the viability of its Congo program have aggravated the precarious position of Belgian Prime Minister Eyskens' coalition. If the Socialists succeed in calling an extraordinary session of parliament on Congo policy this week, the resulting debate could bring down the government. In any case, American Embassy observers in Brussels consider it problematical how much longer the Social Christian - Liberal coalition can survive its "internal contradictions."

At a cabinet session on 7 October, the government left unresolved Belgium's long-term financial problems in the Congo, but decided to underwrite the 1959 Congo budget to the extent of \$100,000,000. This is the first time in Belgian history that a subsidy has been required for the Congo. It will aggravate the existing Belgian deficit, which is expected to lead to a major treasury crisis before the end of the year. The Liberals are committed to deserting the coalition rather than voting the taxes needed to meet the crisis.

Another complication facing the coalition is the evidence of increased Congolese hostility toward the program of accelerated political development announced by Brussels last January. Prominent Congolese nationalists have already denounced as undemocratic the elections for the proposed territorial councils scheduled for December.

Congo Minister de Schrijver is expected to issue a "clarification" of the Congo political program later this week. If this fails to satisfy the Congolese as well as domestic critics of the program, he will probably be in serious trouble only a little over a month after taking office. Although the Socialist opposition is still supporting a nonpartisan policy on the Congo, it is anxious to establish a position of confidence with the Congolese in the event the present coalition should fall.

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Cyprus

The recent meetings on Rhodes between Archbishop Makarios and former EOKA leader General Grivas appear to have resulted in a victory for Makarios and added prestige for Grivas. The communiqué issued at the end of the three-day conference called for renewed unity and cooperation in the establishment of an independent Cypriot republic, but failed to mention specific issues which have increasingly separated the two men.

Makarios apparently made no significant concession to Grivas. [] the former underground leader had asked Makarios to acknowledge publicly that Grivas had not participated in the much-publicized planning for a coup against the Archbishop's leadership and had not been fully informed of the text of the London-Zurich Agreements before they were signed. The final communiqué does not mention these issues.]

At the conclusion of the talks, Grivas publicly pledged to work for the implementation of the agreements and expressed his "unreserved support" for Makarios. [Makarios assured the general that he will continue to oppose any British attempts to expand the size of military bases on Cyprus and any Turkish efforts to establish a republic with equality of power between a Greek Cypriot president and Turkish Cypriot vice president--positions which Makarios has consistently advocated.]

The Archbishop thus returns to Cyprus with enhanced prestige in the Greek Cypriot community for having re-established outward unity. Grivas' full acceptance of the London Agreements--even though he had previously "dissociated" himself from them--will do much to destroy the position of the hard-core Greek Cypriot nationalists who have consistently refused to accept anything less than "enosis"--union with Greece.

Grivas' major benefits appear to stem from acceptance by Makarios of his right to be consulted on important issues involving Cyprus, implied by the holding of the meeting itself, and the political prestige which he has secured through publicity connected with the meeting.

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