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21 April 1958

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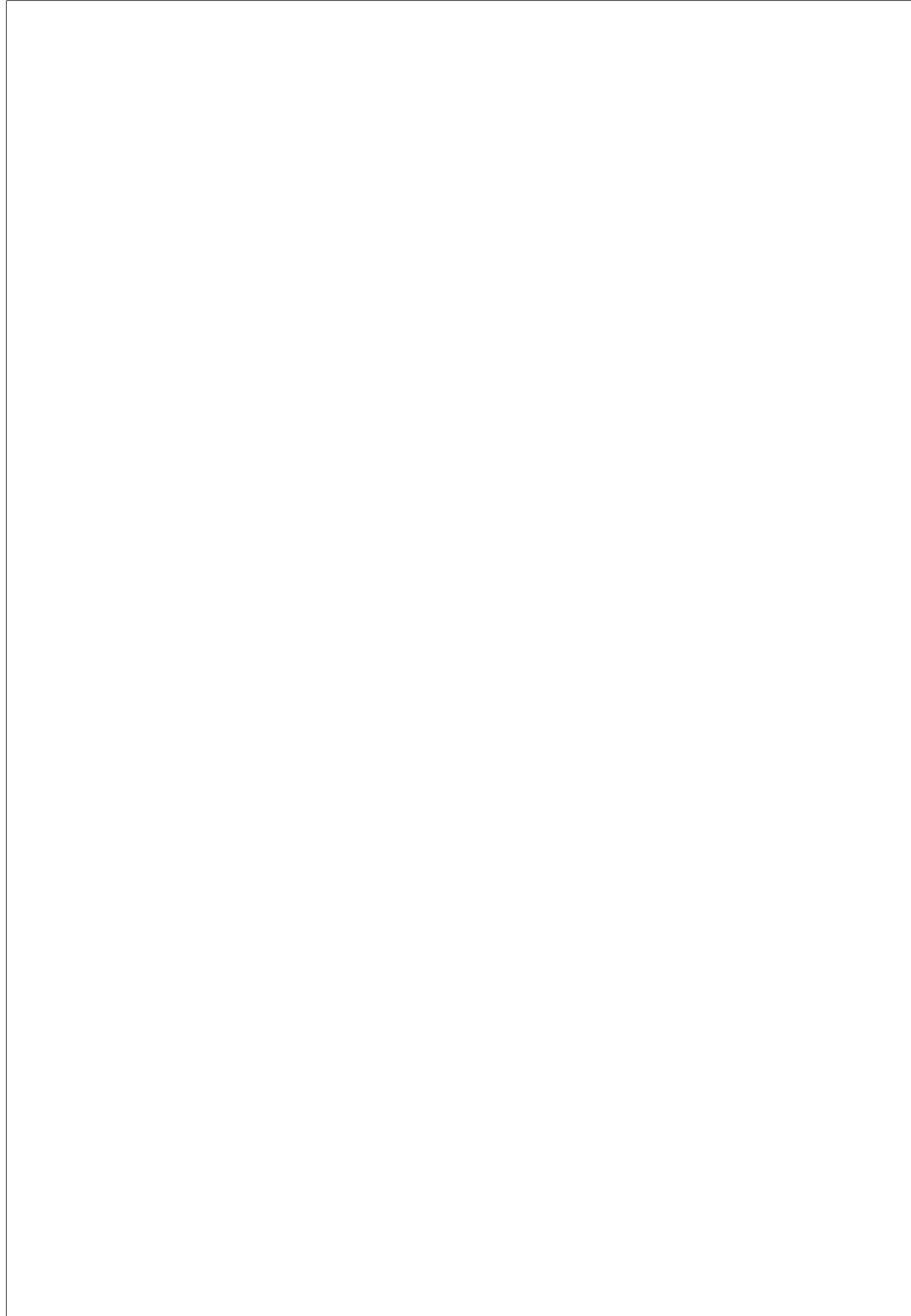
CENTRAL INTELLIGENCE BULLETIN



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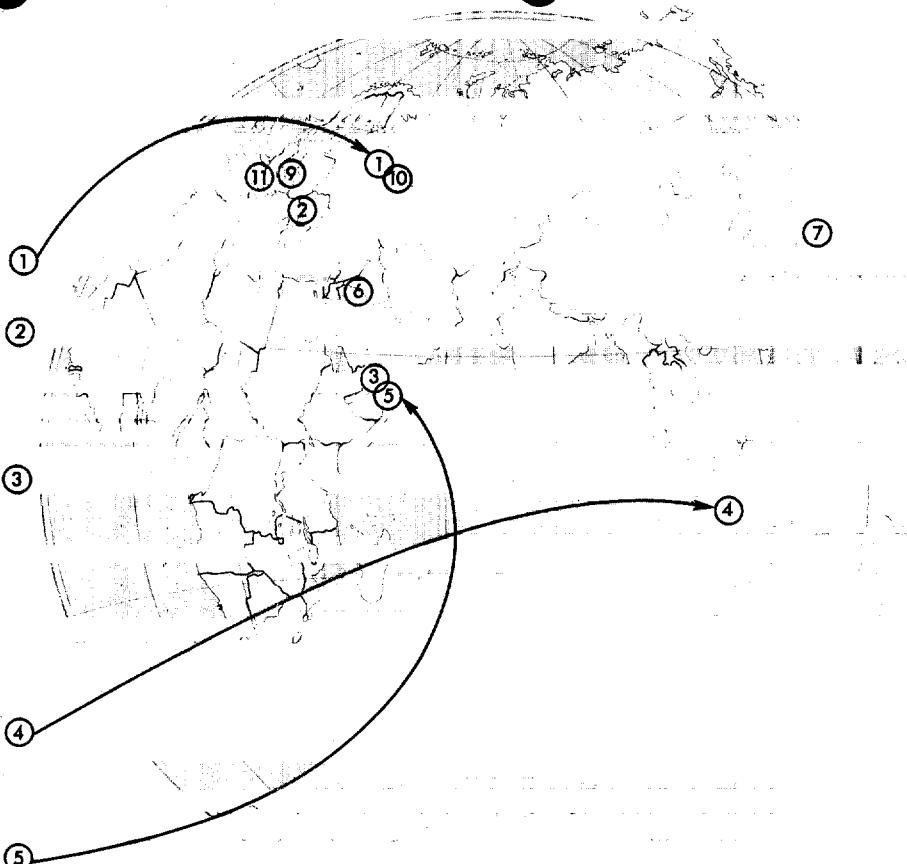
21 APRIL 1958

I. THE COMMUNIST BLOC

Soviet Ambassador to East Germany Pervukhin summoned to Moscow; action may be tied to attacks on Khrushchev opposition.

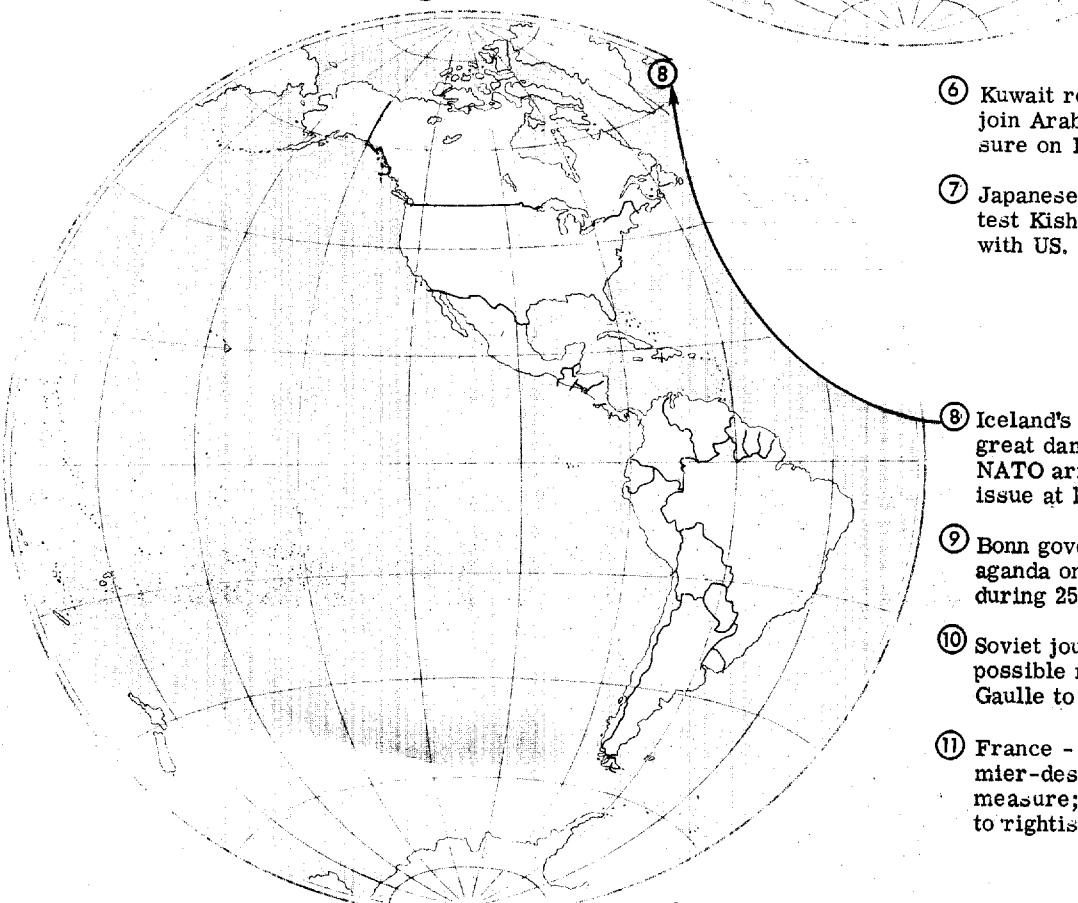
Bloc boycott of Yugoslav party congress confirmed.

Bloc economic aid program to Yemen totals more than \$50,000,000; Imam may be seeking more bloc economic and military help.

**II. ASIA-AFRICA**

Indonesia - Unconfirmed reports of stiffer resistance to Djakarta troops in Sumatra, including rebel claim that Padang retaken. Insurgent leader in Celebes planning attacks on Morotai and Halmahera.

British reinforce Aden in face of threatened strike and signs of unrest elsewhere in Arabian peninsula.

**III. THE WEST**

⑥ Kuwait rejects British suggestion to join Arab Union; Iraqis propose pressure on Lebanon to adhere.

⑦ Japanese elections set for 22 May; will test Kishi's policy of close cooperation with US.

⑧ Iceland's foreign minister foresees great damage to relations with US and NATO arising from territorial limits issue at law of sea conference.

⑨ Bonn government wary of Mikoyan propaganda on summit and nuclear issues during 25-28 April visit to West Germany.

⑩ Soviet journal comments favorably on possible return of French General de Gaulle to power.

⑪ France - Choice of Bidault as premier-designate seen as stop-gap measure; he may have some appeal to rightists on North African policy.

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CENTRAL INTELLIGENCE BULLETIN

21 April 1958

DAILY BRIEF

SLAB

I. THE COMMUNIST BLOC

Pervukhin to Moscow: Soviet Ambassador to East Germany Pervukhin has been suddenly summoned to Moscow probably to be briefed on First Deputy Premier Mikoyan's forthcoming visit to West Germany from 25 to 28 April. Pervukhin is scheduled to return to Berlin on 24 or 25 April. There is a possibility, however, that Pervukhin's recall is connected with recent vituperative press attacks against the "antiparty group." Pervukhin was reduced to alternate Presidium status last June when the "antiparty" big three were purged.

Yugoslav-bloc relations: The expected Sino-Soviet bloc boycott of the Yugoslav party congress has been confirmed by Belgrade. The Soviet attack on the Yugoslav party program was cast in terms of an ideological schism between the Yugoslav party and the entire socialist camp. The Yugoslavs are unlikely to make concessions on their basic ideological position, which would place them once again in ideological isolation from the bloc.

Bloc aid program to Yemen: The Sino-Soviet bloc has now committed a total of over \$50,000,000 under its economic aid program to Yemen. Projects include the construction of a harbor and airfields. Nearly 150 bloc economic and military technicians are now engaged in training and construction activities. In addition to economic aid being received by Yemen, the Imam has accepted arms from the bloc worth an estimated \$30,000,000. As recently as March the Imam was seeking further economic and military assistance from Moscow.

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II. ASIA-AFRICA

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* Indonesia: Late reports (as of 0100) indicate government troops are continuing their advance from Padang toward the dissident capital of Bukittinggi but may be meeting stiffer resistance. The insurgents' radio claims Padang has been recaptured, but this is not confirmed by any other source. The central government's offensive in the North Celebes may be launched within the next week. Meanwhile, dissident commander Lt. Col. Sumual intends to attack the island of Morotai on 24 April and then move against the port of Djailolo on Halmahara Island.

(Page 2) (Map)

No

Aden-Yemen area: The British show of strength in southwestern Arabia--including troops flown from the strategic reserve in East Africa and additional naval elements--is intended in part to cope with a general strike in Aden Colony threatened for 25 April. There has also been an increase in terrorism inside Aden and in Yemen-Aden border incidents.

Signs of

post-Ramadan unrest in Aden may be linked with indications of trouble brewing in eastern Saudi Arabia and Bahrein.

(Page 4) (Map)

No

Arab Union: The Ruler of Kuwait has rejected a British suggestion that Kuwait adhere to the Iraqi-Jordanian Arab Union (AU), apparently out of fear of pressure from Cairo and pro-Nasir feeling inside Kuwait. This negative reaction may already be known to the Iraqi Government, which has suggested that the United States and Britain now urge Lebanon to join the AU:

(Page 5)

OK

Japanese elections: Prime Minister Kishi and leaders of the ruling Liberal-Democratic party have decided to hold elections to the lower house of the Diet on 22 May. The elections will be Kishi's first popular test as prime minister.

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Although the Conservatives are likely to retain their Diet majority, the size of the majority will affect Kishi's control of the government and conservative party as well as his policy of close cooperation with the United States.

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III. THE WEST

OK

Iceland: Foreign Minister Gudmundsson states that incalculable harm may be done to Icelandic-American relations and to Iceland's attitude toward NATO because of the United States' position in the Geneva conference on the law of the sea. The Icelandic delegate to the Geneva meeting states that his country would not be able to keep a single US soldier or to maintain the NATO base.

(Page 7)

yes

Mikoyan visit to West Germany: Bonn expects Soviet First Deputy Premier Mikoyan during his 25-28 April visit to exploit German public opinion on behalf of the Soviet view of a summit conference and to play up the dangers inherent in Bonn's decision to rearm with nuclear weapons. West German government officials fear his activities may stimulate the current Socialist campaign against nuclear armament and are trying to curtail his activities after the signing of the German-Soviet trade and repatriation agreement.

(Page 8)

yes

Soviet comment on de Gaulle: A Soviet journal, the Literary Gazette, has carried the first favorable comment from Moscow on the possibility of General de Gaulle's return to power in France. It states, "Many cannot but be attracted by the fact that de Gaulle stands for a more independent foreign political course, for a sober approach to colonial problems." The French Communists have publicly opposed de Gaulle's return, but the USSR probably hopes that it could exploit de Gaulle's desire to follow a more independent course.

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yes

* France: President Coty's selection of Popular Republican Georges Bidault to make the first attempt to form a cabinet is probably largely an effort to give the appearance of action while the necessary compromises between the non-Communist left and the right, which will be time-consuming, can be worked out. Coty probably felt that the selection of Soustelle would complicate the situation by benefiting the extremists who are demanding the return of de Gaulle. Antoine Pinay, leader of the more moderate Independents, is reported already to have turned down an informal request from the president, presumably because he thought his chances would improve later on.

Bidault's position on North Africa has evolved well to the right of the rest of his party--only he and one other of its 75 deputies voted against Gaillard--and he therefore may have some appeal to the rightists. The Popular Republicans have generally geared their policies so as not to move too far away from the Socialists who have shown signs of abandoning Minister for Algeria Lacoste's strong line on Algeria.

21 Apr 58

DAILY BRIEF

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I. THE COMMUNIST BLOC

Sino-Soviet Bloc Aid to Yemen

Sino-Soviet bloc economic aid commitments to Yemen now total over \$50,000,000. Soviet commitments amounting to \$35,000,000 provide for the construction of a harbor at Ras al-Khatib near Al Hudaydah and three large airfields, in addition to other projects.

Communist China signed a technical aid and loan agreement with Yemen in January worth about \$16,000,000, under which the Chinese will build a road network for Yemen and other projects.

The European satellites also are engaging in economic activities in Yemen, but the total cost of these projects and how they are financed are not known. At present almost 90 bloc economic advisers and technicians are involved in the projects being carried out by the Sino-Soviet bloc in Yemen.

Over and above the economic aid being received by Yemen from the Sino-Soviet bloc, the Imam has accepted substantial amounts of military aid and has admitted at least 60 military technicians from the USSR and Czechoslovakia. The cost of this aid to the Yemeni Government has not yet been determined, but the value of the arms already received may be as much as \$30,000,000.

Despite the magnitude of bloc aid already obtained, the Imam instructed Crown Prince Badr in March to request an additional loan of \$10,000,000 in foreign exchange from Moscow and to seek further arms aid--allegedly amounting to another \$20,000,000.

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II. ASIA-AFRICA

Indonesia

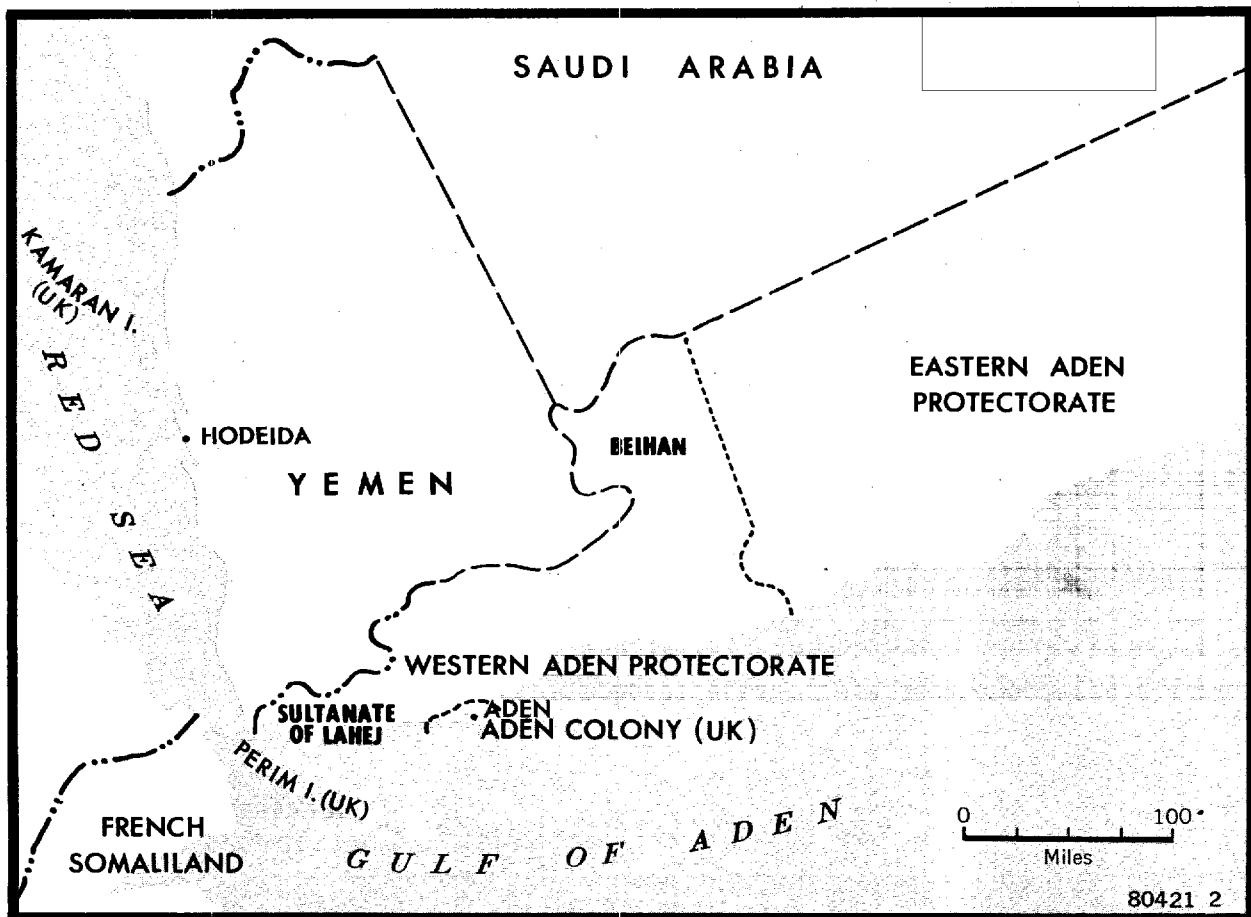
Central government forces continue to advance from two directions on the dissident capital of Bukittinggi. The force which took Padang is moving on Bukittinggi from the south, but a 36-hour government blackout on news of this group suggests it may have been engaged in heavy fighting. Djakarta forces coming through Tapanuli from the north are within 40 miles of the city. Elements advancing from the east have stalled about 75 miles from Bukittinggi, however, and recently came under dissident attack. The insurgents' radio is claiming the recapture of Padang but no other source has reported such a development thus far. It is more likely that small number of dissident troops have reentered the town to attempt harassing tactics.

In his planned attack on the island of Morotai, Lt. Col. Sumual, dissident commander in North Celebes, intends to use one battalion, which will leave Bitung, the port for Menado, on 22 April. The troops will be transported in local ships and will arrive off Morotai on 24 April. Small boats and rafts will be used to move the troops from the coastal vessels to the landing beach. Air cover support is scheduled to be used for the landings.

Sumual's aim in securing Morotai and the port of Djailolo on the west coast of Halmahara is presumably to deny their use as government bases against North Celebes. He may also hope to disrupt the central government's timetable; he fears an amphibious invasion by Djakarta forces from Kendari in South Celebes within a week. Both Morotai and Halmahara are very lightly held by central government forces.

Lt. Col. Rukmito, Indonesian army G-3, was recently designated to lead the central government's operations against North Celebes, and is now in Palu apparently making further plans for the offensive.

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Recent dissident air attacks on Makassar and Balikpapan led the central government's chief of staff for the navy on 15 April to order the dispersal of ships at the Surabaya naval base.

Indonesia and Communist China have exchanged notes whereby Indonesia will receive \$11,400,000 worth of rice and textiles on a credit which will run for ten years at 2.5-percent interest. The use of an exchange of notes to cover this transaction rather than a formal agreement is believed to be a device to defer the necessity for parliamentary ratification.

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~~TOP SECRET~~Arabian Peninsula Tension

A general deterioration in the security situation in Aden Colony and Protectorate and on the undefined Aden-Yemen frontier has induced the British to move additional troops to Aden from the recently reinforced strategic reserve in Kenya, and to augment naval elements in Aden waters. The reinforcements, which probably number a few hundred, join about 1,400 British forces and 2,400 British-led native troops engaged in assisting tribal forces in maintaining order in a subversion-ridden area larger than the United Kingdom.

The show of strength is intended in part to cope with a general strike in Aden Colony threatened for 25 April. Two companies of British troops have been sent into the Sultanate of Lahej, which extends from Aden Colony to the Yemen frontier, to arrest certain anti-British nationalist leaders plotting with the Sultan to break with Britain and affiliate with the Yemen-UAR federation. Another major subversion problem exists in a neighboring sultanate where the ruler's son defected with tribal funds and troops, and is attempting with Yemeni support to rally other tribes against the British.

[redacted] the ruler of the remote Beihan territory, apparently hesitant to embrace a British proposal for federation of all Protectorate states, is negotiating with Saudi authorities for protection against Yemeni pressure.

[redacted] Yemeni authorities instigated several serious terrorist incidents against British personnel and the large oil refinery in Aden Colony during March. [redacted] the sabotage materials were obtained from Egypt. London expects further UAR-inspired trouble in the near future in the Protectorate and along the disputed Yemeni frontier.

Indications of post-Ramadan labor unrest in Aden coincide with signs of similar disturbances which are expected among oil workers in eastern Saudi Arabia and Bahrein.

[redacted]

[redacted]

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The Arab Union and Kuwait

The Ruler of Kuwait has rejected a British suggestion that his oil-rich sheikhdom join the Arab Union recently formed by Iraq and Jordan. He fears that such a move would provoke trouble among the majority of Kuwaitis, who are strongly pro-Nasir, and would provide an opportunity for the United Arab Republic to undermine him. Kuwait's population, which includes a significant number of Palestinian Arabs, is especially hostile to the Nuri Said "absolutist" regime in Iraq, while the Kuwaiti ruling clan has traditionally feared Iraqi territorial designs on Kuwait.

Kuwait's great wealth has been regarded by the Arab Union leaders as a means by which they could compensate for the weakness of the Jordanian economy.

Since Kuwait's rejection of the Arab Union bid, Iraqi Foreign Minister Jamali has asked the United States and Great Britain to urge Lebanese leaders to adhere to the union on the grounds that Lebanon's membership would strengthen the union and stabilize the Lebanese internal situation. To add such an inflammatory issue to the existing controversy in Lebanon over President Chamoun's ambition to legalize another term for himself probably would touch off more widespread strife there. [redacted]

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~~CONFIDENTIAL~~Kishi Decides on May Elections

Japanese Prime Minister Kishi and leaders of the ruling Liberal-Democratic party have decided to dissolve the lower house of the Diet about 25 April and hold national elections on 22 May. The elections will be the first popular test for Kishi and of his policy of close co-operation with the United States.

Most political observers believe the Socialists, who hold approximately one third of the 467 seats in the powerful lower house, will make some gains. If the Socialists gain as many as 15 or 20 seats, this would erode Kishi's control of the government and of his conservative party, result in renewed factionalism among the conservatives, and force the prime minister into a stronger stand against the US on some issues, notably Okinawa, and into closer relations with the Communist bloc.

In large part, Kishi's control of the conservatives may be determined prior to elections when he attempts to limit the number of conservative candidates in Japan's system of multi-seat districts. His failure to achieve this objective probably would split the conservative vote and allow the Socialists to win additional seats.

Although Kishi has failed to develop into a popular figure, he has a record of considerable achievement in office, and he may believe that his government's handling of the controversial private trade agreement with Communist China, the fishery talks with the USSR, and the negotiations with South Korea, have created a favorable election climate for the conservatives at this time. Final solutions of these problems have not been reached, however, and adverse developments prior to 22 May could strongly influence the voters.

~~CONFIDENTIAL~~

III. THE WEST

Iceland Threatens Drastic Action on Territorial Limits Issue

Anti-American and neutralist sentiment may heighten in Iceland as a result of the US position taken at the Geneva conference on the law of the sea. The United States has proposed that territorial waters be extended to six miles, with fishing rights in a six-mile strip beyond largely reserved to the littoral state. Iceland, whose economy is entirely dependent on fish, desires a 12-mile limit with the possibility of further extension in special circumstances.

The foreign minister has vigorously protested to the United States Embassy that the public is so inflamed that incalculable harm may be done to Icelandic-American relations and to Iceland's attitude towards NATO. He also stated that in the event the outcome of the conference is unsatisfactory Iceland would extend its territorial waters to the 12-mile limit and would attempt to enforce it.

The US Embassy confirms the gravity of public reaction, citing press emphasis on the US "stab in the back" theme. Under the stress of emotion the chauvinistic Icelanders are capable of interfering with the smooth functioning of the US-manned NATO airbase at Keflavik and blocking further cooperation in defense matters. They might even reopen negotiations, discontinued in December 1956, on the withdrawal of US forces. The Icelandic delegate at Geneva has on several occasions told the American delegate that unless Iceland's problem got sympathetic consideration, the United States "would not be able to keep a single soldier or maintain the NATO base on Iceland."

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Mikoyan Visit to West Germany

The Foreign Ministry in Bonn appears apprehensive lest Soviet First Deputy Premier Mikoyan use his 25-28 April visit to influence West German public opinion on controversial East-West issues. Mikoyan, who in the past has proved an effective spokesman on foreign as well as economic policy, probably will make a vigorous bid to increase German popular support for the USSR's pre-summit campaign and for continued bilateral negotiations on outstanding Soviet-German differences. He will play up the dangers of Bonn's rearming with nuclear weapons and endorse the Socialist thesis that basic German-Soviet differences can be resolved by reasonable discussion.

Mikoyan's trip will coincide with the West German Social Democratic campaign against "atomic death" and may help the Socialist appeal against Bonn's decision to equip the German army with nuclear weapons.

The West German Foreign Ministry is trying to circumvent Mikoyan's activities by arranging a crowded schedule of visits to industrial plants, museums, theaters, and universities. The government has rejected a Soviet request for an extensive, free-wheeling tour which would include Communist strongholds in north German port and industrial areas, in favor of a trip through central and southern Germany to Stuttgart, via Frankfurt and Heidelberg, where feeling on the nuclear issue is probably less intense. [redacted]

[redacted]

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Soviet Journal Comments Favorably on de Gaulle

A long article in the Soviet journal Literary Gazette, describing the current governmental crisis in France, declares: "Many cannot but be attracted by the fact that de Gaulle stands for a more independent foreign political course, for a sober approach to colonial problems."

The French Communists publicly oppose de Gaulle's return to power, avowedly on the grounds that he would demand broad powers at the expense of the Assembly. Privately the party may hope that de Gaulle's assumption would strengthen the prospects for Communist-Socialist cooperation as well as furthering Soviet foreign policy objectives.

[redacted] Soviet diplomats in Paris have been saying privately that France needs a stronger regime which would act more independently of NATO. Although it must act cautiously to avoid accusations of interfering in French affairs, the USSR may use both public and private channels in coming months to try to persuade the French that a more independent foreign policy, perhaps under de Gaulle, would be more advantageous to France than sole reliance on its existing alliances. [redacted]

[redacted]

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DAILY BRIEF

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