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21 May 1958

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CENTRAL INTELLIGENCE BULLETIN



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21 MAY 1958

I. THE COMMUNIST BLOC

Communist meetings in Moscow probably dealing with broad issues affecting bloc unity.

II. ASIA-AFRICA

Terrorism in Lebanon may now take more anti-American direction.

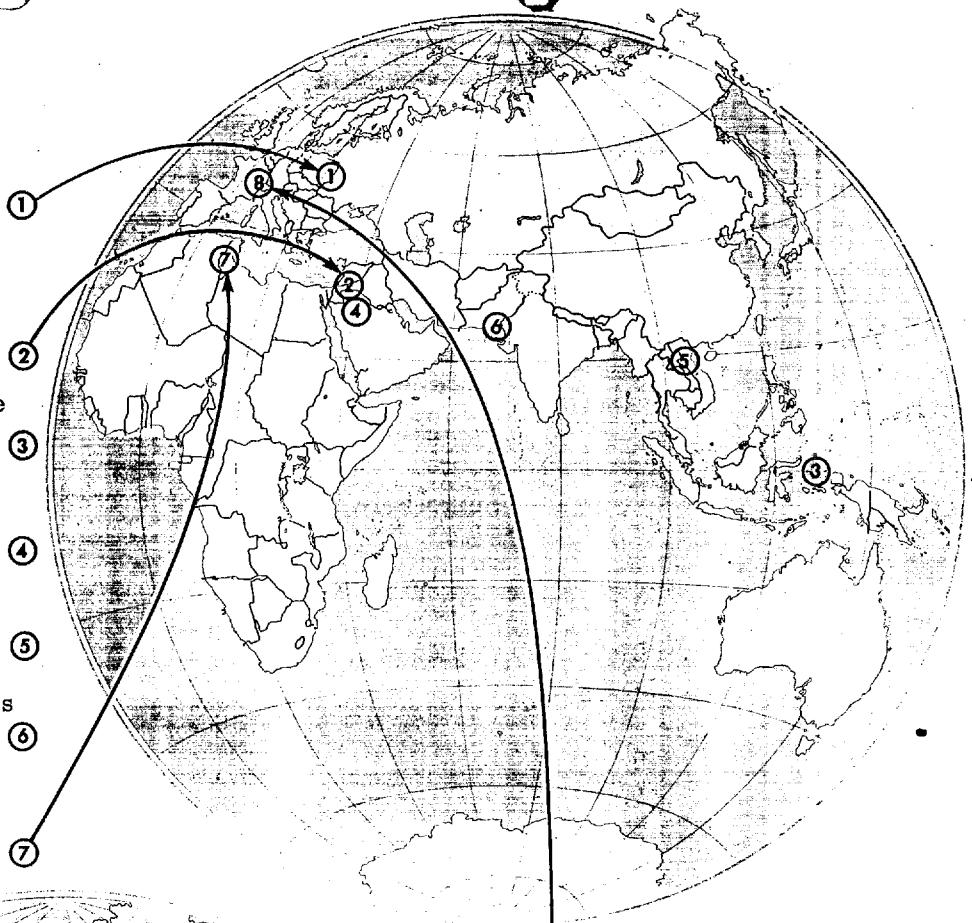
Indonesia - Djakarta claims recapture of Morotai, presaging further attacks aimed at Menado.

Jordanian officials taking precautions against possible attempt on King Husayn's life on 25 May.

Laos - Communists and allies have potential for blocking formation of new government.

Pakistan plans to reject Soviet charges about bases.

Algeria-Tunisia - French Army in Algeria preoccupied with administrative problems; Algerian rebels in Tunisia anxious to avoid action.

**III. THE WEST**

⑧ French military insist on return of De Gaulle; mount war of nerves against Pflimlin government.

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CENTRAL INTELLIGENCE BULLETIN

21 May 1958

DAILY BRIEF

I. THE COMMUNIST BLOC

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*Communist bloc meetings: The meetings in Moscow this week of top level satellite figures probably have been called to consider broad ideological, political, and economic issues bearing on the question of bloc unity. Authoritative pronouncements may be issued on closer bloc economic integration, Yugoslav heresies, countermeasures to West German nuclear rearmament, and bloc endorsement of Moscow's summit conference proposals.

no

(Page 1)

II. ASIA-AFRICA

no

*Lebanon: There are indications that terrorist acts may now become more specifically anti-American. The general security situation remains basically unchanged, but prospects for a political compromise have been dimmed by the 20 May denunciation of the government by a group of moderate politicians who have been trying to mediate between Chamoun and his opposition.

UAR operations in Lebanon in support of the dissidents may have been handicapped temporarily by communications changes resulting from information that a cipher had been compromised. UAR forces are intercepting Lebanese gendarmerie messages.

(Page 2)

no

Indonesia: The central government has announced the recapture of the airfield on Morotai Island in East Indonesia.

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Further attacks on dissident-held Djailolo on Halmahera Island and along the northern coast of Celebes, aimed ultimately at the capture of the dissident stronghold of Menado, are likely soon. [redacted]
(Page 5) (Map)

No

Jordan: Security authorities are taking special precautions to protect King Husayn from assassination attempts by extremists during the Jordan Army Day parade scheduled for 25 May. The Jordanians have information about possible UAR-instigated demonstrations in Amman on that day. [redacted]

yes

Laos: The potential of the Communists and their allies to prevent formation of a new government raises the possibility that they might be able to bring about the dissolution of the National Assembly. If conservative disunity continues, the leftists would probably win any subsequent general elections. [redacted] (Page 6)

yes

Pakistan: Karachi plans to reject charges made in a 17 April Soviet note that military bases intended for offensive operations were being built in Pakistan. The note, scheduled for delivery on 23 May, will also complain of Soviet partiality toward India. Nevertheless, Pakistan has recently received its first economic aid from the bloc and is likely to seek further opportunities for trade and aid relations with Communist countries. [redacted]
(Page 7)

No

*Algeria-Tunisia: The French Army in Algeria now appears to be preoccupied primarily with administrative problems arising from its recent take-over. The American consul general in Algiers believes, however, that any provocative actions by Tunisian President Bourguiba or the Algerian nationalist rebels would greatly increase the likelihood of French raids against rebel bases in Tunisia. According to a Tunisian official, the rebels

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wish to avoid this possibility and have pulled their units in Tunisia "well back" from the border with Algeria. A top Algerian rebel leader says the rebels will act with "great caution" during the next weeks. [redacted]

III. THE WEST

no

*France: Reports of imminent parachute troop movements from Algiers toward France appear to be part of the "war of nerves" being waged against the Pflimlin government by important military leaders in France and Algiers. Although the National Assembly's renewal of the government's special emergency powers in Algeria on 20 May indicates that Pflimlin retains broad parliamentary support, there is as yet no indication that this will impress the military, particularly in Algeria, sufficiently to relax their pressure for the return of De Gaulle. [redacted] (Page 8)

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DAILY BRIEF

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Communists Meeting in Moscow on Bloc Unity Issues

The meeting of the Bloc's Economic Mutual Aid Council (CEMA) on 20 May involved top Soviet and Eastern European leaders in addition to economic representatives from both the European and Asian satellites. This meeting will be followed by a "Conference of the Political and Consultative Committee of the Warsaw Treaty Organization" involving heads of governments, foreign ministers, and defense ministers.

During his visit to Hungary last month, Khrushchev stated that a meeting between East European and Soviet leaders would be held shortly on the subject of implementing Soviet bloc economic integration. Khrushchev pointed out that increased economic cooperation and industrial specialization within the bloc was required to overtake the West. The USSR may now be proposing that CEMA decisions be made legally binding on all members. The USSR presumably also is eager to counter the growing economic unity of Western Europe. Working level CEMA conferences have already engaged in developing coordinated economic plans to run through 1965, the terminal date of the soon-to-be announced Soviet seven-year plan.

The Communist leader may also discuss ways of bolstering bloc unity as a result of the bloc-Yugoslav ideological dispute. This would confront Poland's Gomulka with a different problem. Various Poles have already told the American Embassy in Warsaw that they expect stronger bloc pressures on Poland to alter its conciliatory stand on Yugoslavia's party program and that Tito's scheduled trip to Warsaw will not take place. A recent Soviet Central Committee plenum is reported to have passed a resolution calling all Communist parties to wage an uncompromising fight against Tito. The bloc leaders may also agree to economic sanctions against Yugoslavia.

In his drive to tighten Soviet control over the satellites, Khrushchev probably will re-emphasize the dangers posed by the West German decision to arm with nuclear weapons. The Moscow meeting may also elaborate on Soviet and Warsaw Pact countermeasures hinted at in Gromyko's 31 March speech to the Supreme Soviet. [redacted]

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II. ASIA-AFRICA

Lebanese Situation

[redacted] Lebanese terrorists may be turning their attention to Americans. On the night of 19 May a bomb was exploded in a Beirut apartment building largely inhabited by Americans. Moslems are said to be increasingly bitter about American support for the government, which they interpret as being aimed at them. General Shihab has asked the British for additional aircraft, and they and the French have stated they are supplying Chamoun's government with small quantities of automatic weapons. [redacted]

Government security forces have the Moslem quarter of Tripoli surrounded and resistance is being carried on by "Popular Resistance" units of the opposition controlled by former Prime Minister Rashid Karamah, and by a second group which includes Baathists and reported Communist elements. "Popular Resistance" volunteers are said to be making no secret of the fact that they are receiving pay from an "unknown" source for their services. The Syrian town of Tall Kalakh is said to be a source of arms for the insurgents. One opposition leader in the al-Harmal region is reported to be heading for Tripoli with 1,000 to 1,500 men to aid the insurgents. In the south, Druze opposition elements, assisted by infiltrators from Syria, actively engaged security forces again. Large numbers of potential Syrian troublemakers, estimated as high as 4,000, have been expelled over the border into Syria by the Lebanese Government. [redacted]

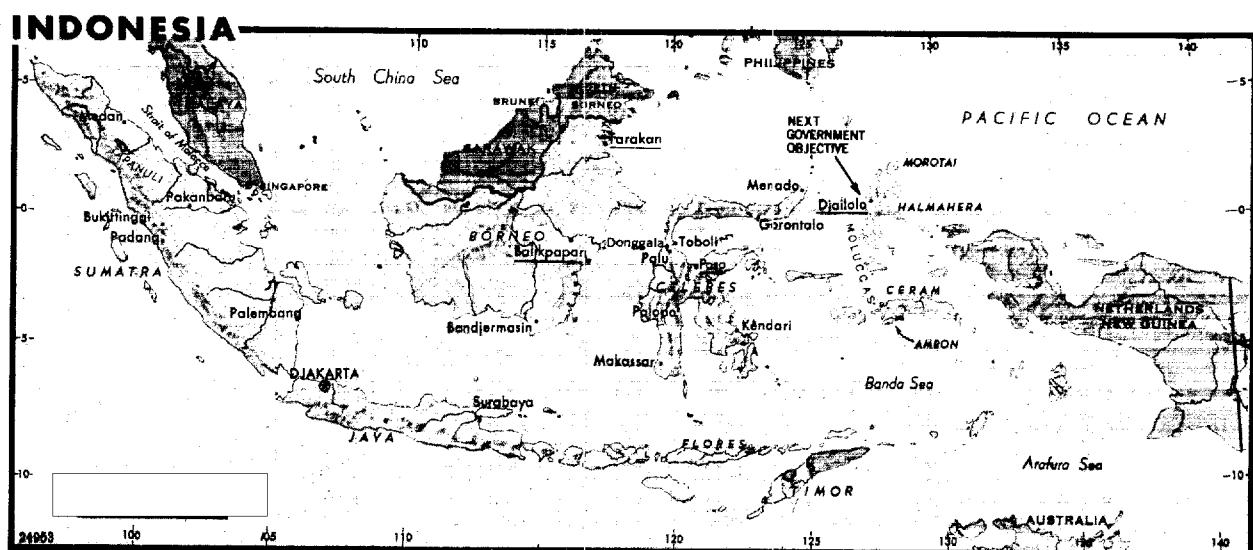
UAR assistance to the insurgents may be handicapped by communications changes as a result of information that a cipher had been compromised. It is apparent that the UAR is monitoring Lebanese gendarmerie plain-text messages, and presumably is using this information to guide insurgent operations. Kamal Rifat, deputy director of presidential affairs and head of UAR covert operations, flew to Damascus on 19 May in a move that may be related to the Egyptian role in the Lebanese situation. [redacted])

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The prospects for a political compromise have been dimmed considerably. Opposition leaders, including Rashid Karamah, insist "Chamoun must go." The "Third Force," a group of moderate politicians who have been trying to mediate between the government and the opposition, denounced the Chamoun regime on 20 May for "ignoring any political solution which might restore peace in Lebanon." On the other hand, Prime Minister Sami Sulh, in a desk-thumping interview with the press, ruled out any compromise with the pro-Egyptian opposition and directly accused the UAR of supporting opposition elements by actively interfering in the internal crisis and furnishing weapons.

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Situation in Indonesia

Djakarta's offensive against dissident-held areas in East Indonesia continues. It claims to have recaptured the airfield on Morotai Island on 20 May, [redacted] the next objective will be the port of Djailolo on Halmahera Island. Additional operations along the north coast of North Celebes, as well as against the Poso area, apparently are still scheduled for late May from staging areas at Tarakan and Balikpapan, Borneo.

A British submarine on loan to Australia, the HMS Aurochs, reported on 17 May that it had been attacked 28 miles southeast of Menado, North Celebes, by a twin-engine aircraft. There were no casualties or damage. No further identification of the aircraft has been received.

In Djakarta, President Sukarno was reported first incredulous and then impressed by a conversation with American author Louis Fischer when the latter told him that Soviet Russia is the biggest capitalist state in the world today. Sukarno had no retort to Fischer's argument that the Soviet system is one of state capitalism and that the USSR is in a stage of worker exploitation comparable to that which prevailed under American private capitalism around the turn of the century. After Fischer explained that it was difficult to understand Indonesian neutrality because Sukarno presented only a one-sided picture of colonialism and imperialism, Sukarno said, "I promise you I will attack colonialism in all its manifestations." The American ambassador in Djakarta believes that Fischer, as a recognized authority on Communism, has been able to talk to Sukarno in a way difficult for Sukarno to accept from anyone else. [redacted]

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Communist Political Strategy in Laos

The potential ability of the recently elected Communist deputies and their allies in Laos' 59-man legislature to prevent formation of a new government raises the possibility that they might be able to bring about the dissolution of the National Assembly. In any subsequent early general elections, the well-organized Communist Neo Lao Hak Zat party (NLHZ) would probably win a clear majority in view of the present disunity among the conservative political forces.

As a result of their poor showing in the 4 May supplementary elections, the two conservative parties--the Nationalists and the Independents--no longer together command a safe voting margin in the assembly. In order to form a government excluding the Communists, the conservatives must unify their forces, which now seems unlikely, and gain the support of opportunistic deputies whose allegiance is uncertain.

The present strategy of the Laotian Communists apparently is to ensure the retention of the present Souvanna Phouma government, with its two NLHZ members, as the best means of consolidating and expanding their influence prior to the next general elections in 1959. They may, however, switch their tactics and deliberately attempt to precipitate a cabinet crisis as the first step in an effort to force a general election. Their course may be determined by unpredictable developments in the assembly and their assessment of the army's attitude.

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Pakistan to Reject Soviet Charges of Offensive Preparations

Pakistan plans to send the USSR a note on 23 May firmly rejecting charges made in a Soviet note of 17 April that Pakistan, with foreign help, is building military bases, missile bases, and airfields for aggressive purposes against the USSR and other countries. The note will deny the existence of missile bases or foreign military bases in Pakistan. Denying that its new jet airfields, admittedly built with foreign help, are suitable for strategic aircraft, Pakistan will charge the USSR with maintaining strategic bases close to Pakistan.

Pakistan's note will indirectly cite India's growing offensive air capacity as a reason for its own defensive preparations. It will charge that Soviet vetoes in the UN Security Council have helped frustrate the solution of Pakistani-Indian disputes, ignoring the merits of the issues and the interests of the people of Pakistan.

This Pakistani stand, however, will not keep Karachi from exploring the possibilities of further trade with and aid from the Sino-Soviet bloc. In mid-March, Pakistan signed its first development contract with a bloc country, buying cement factory equipment from Czechoslovakia. More recently, Karachi accepted its first technical assistance from the bloc when six Soviet doctors arrived to help fight the current smallpox and cholera epidemics in East Pakistan. Declining cotton exports have hurt Pakistan's balance-of-payments position, and Karachi is now trying to arrange a large-scale barter deal with the bloc. [redacted]

[redacted]

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French Crisis (as of 2400 hours)

Important military elements in France as well as the defiant French military leaders in Algeria appear to be mounting a "war of nerves" against the Pflimlin government in an effort to force it to resign and make way for General de Gaulle. Some ranking French Army officers told high-level American officers in Paris on 20 May that the Pflimlin government will not succeed in reestablishing control of the French forces in Algeria, and that the government's resolution not to resign makes likely paratroop and possibly other operations against it as well as the establishment of secret committees of public safety in France. At least some of these reports are being disseminated with an eye to convincing American officials that De Gaulle is the only solution.

Although the National Assembly's 475-100 vote to renew the government's special emergency powers in Algeria indicates that Pflimlin retains broad parliamentary support, there is as yet no indication that it will impress military extremists sufficiently to relax their pressure for a return of De Gaulle. Pflimlin's efforts to avoid a showdown with the army by refraining from condemning the leaders in Algiers and by promising ample material and manpower support for an intensified campaign in Algeria may buy him more time. However, the widespread military distrust for him and the rightist sympathies of many military leaders limit Pflimlin's chances of coping with the current crisis.

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