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21 June 1958

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# CENTRAL INTELLIGENCE BULLETIN



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21 JUNE 1958

## I. THE COMMUNIST BLOC

Nagy execution may have been ordered at bloc meeting in Moscow in May.

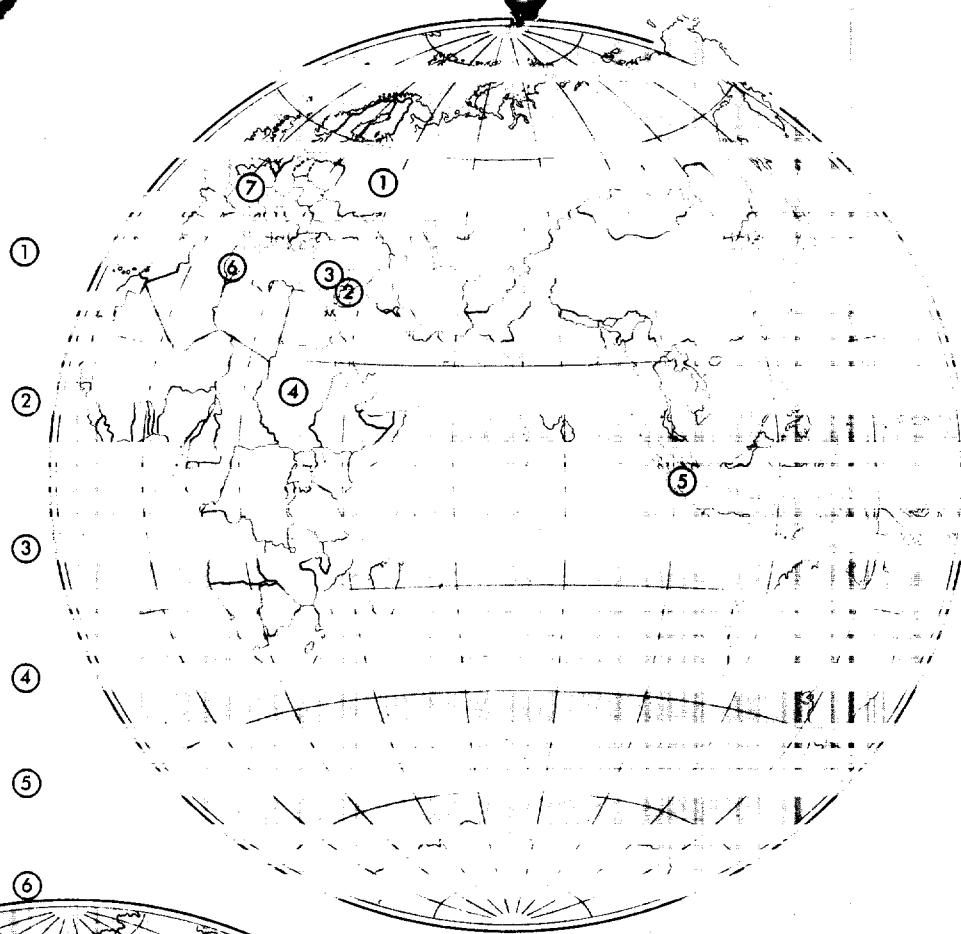
Lebanon - Foreign Minister Malik tells Chamoun that Hammarskjold is preparing a "Munich" for Lebanon and may have made a deal with Nasir.

Cyprus - Governor Foot calls for objective study of British plan. Greece insists it will discuss only immediate future of island, and with UK alone.

Sudan has expelled two UAR attachés and warned ambassador on subversion.

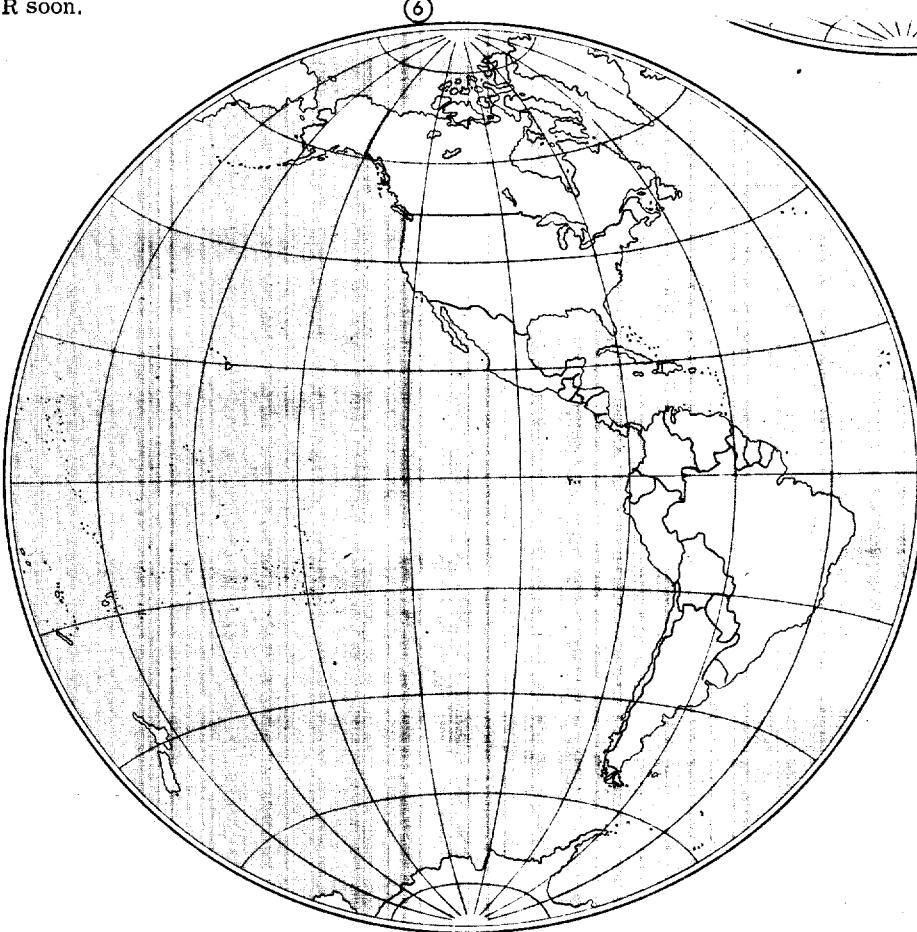
Indonesian dissidents planning sabotage of economic installations on Sumatra.

Bourguiba says Tunisia will establish diplomatic relations with USSR soon.



## III. THE WEST

- ⑦ De Gaulle wants IRBM's from US on same terms as Britain; he also desires larger French role in NATO.

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# CENTRAL INTELLIGENCE BULLETIN

21 June 1958

## DAILY BRIEF

### I. THE COMMUNIST BLOC

*SIRAB*  
no  
**\*Nagy execution:** The bloc meeting in Moscow in May decided on the trial and execution of Imre Nagy, despite Kadar's reluctance, as a political blow against Tito, [redacted]

[redacted] Soviet KGB chief Serov was sent to Budapest to arrange and direct the trial personally.  
[redacted] (Page 1)

### II. ASIA-AFRICA

*no*  
**Lebanon:** Foreign Minister Malik has told President Chamoun that UN Secretary General Hammarskjold "is preparing a Munich for Lebanon" and probably has made "some sort of agreement" with Nasir. [redacted]

The Israeli Foreign Ministry has indicated it believes the UN observation group in Lebanon is trying to arrange a cease-fire rather than check on arms smuggling and infiltrators. Both these statements may be aimed at convincing Chamoun and the West that there is no real alternative to W [redacted] (Page 2)

*yes*  
**Cyprus:** Governor Foot has broadcast a plea for an objective study of the British plan for Cyprus, and intends to hold early elections. Ankara has publicly announced its willingness to join in tripartite discussions. Athens reaffirms that it will consider only bilateral talks with the UK in which the issue of self-determination would be postponed. [redacted] (Page 4) (Map)

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No

\*Sudan-UAR: Prime Minister Khalil's government has expelled the UAR military and press attachés for subversive activities [redacted] The Sudanese cabinet planned also to oust the UAR ambassador, but at Cairo's request agreed to postpone this action and make no announcement of the attachés' ouster. [redacted]

The Saudi ambassador has told a Sudanese parliamentary leader that he is "able and willing" to testify on the UAR activities [redacted]

Page 5)

[redacted] Indonesia: The dissidents are planning a sabotage campaign against economic installations on Sumatra, assets which are of critical importance to the Djakarta government.

[redacted] Installations on rubber estates in North Sumatra have already been attacked.

(Page 6) (Map)

No

Tunisia-USSR: President Bourguiba recently declared he was convinced that Tunisia must soon allow the Soviet Union to open an embassy in Tunis. [redacted]

(Page 7)

### III. THE WEST

No

France: De Gaulle intends to ask soon for IRBM's from the United States and will insist on "exactly the same basis" as the United Kingdom. He may also seek some new NATO command arrangements in the Mediterranean area to give France a larger role. The IRBM issue may be used as a bargaining point on the NATO command question and for obtaining technical information on nuclear weapons. [redacted]

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DAILY BRIEF

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## I. THE COMMUNIST BLOC

### Soviet Security Chief Serov Directed Trial of Imre Nagy

A Hungarian official in East Berlin stated on 18 June that prior to the Moscow-Belgrade rift, Tito and "other socialist leaders" had received assurances that Imre Nagy would not be tried, [redacted]

[redacted] After the outbreak of the Soviet-Yugoslav dispute, however, the situation changed, and the trial was scheduled as a political demonstration against Tito. At the bloc meeting in Moscow in May, it was agreed that the trial would start after the return to Budapest of Hungarian party chief Kadar, who had voiced reservations about the decision.

Soviet security chief Serov came to Budapest immediately after the conference to arrange and direct the trial. The Hungarians were not successful in securing a confession from Nagy, although he was offered a milder sentence if he complied; instead, he accused Moscow of breaking its promise to accept his legal government. Sentence was then imposed and he was hanged on the night of 16 June.

As a result of the trial, Kadar's position has become much weaker in the Hungarian party, [redacted] The Hungarian leader's forthcoming visit to Bulgaria may well be his final act as party first secretary. [redacted]

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## II. ASIA-AFRICA

### The Lebanese Situation

Lebanese Foreign Minister Malik has sent a warning to President Chamoun to the effect that UN Secretary General Hammarskjold "is preparing a Munich for Lebanon" and "quite likely" has made some sort of a deal with Nasir. Malik feels that a "Munich" would only postpone the "day of judgment" for Lebanon. Hammarskjold, who was to go to Jordan on 21 June, also plans to visit Cairo. The Israeli Foreign Ministry has indicated to the American Embassy in Tel Aviv that it believes the UN group in Lebanon is trying to obtain a cease-fire between the government and the rebel forces, rather than observe the border situation or determine whether there is external interference in Lebanon. The objective of these declarations may be to convince President Chamoun that there is no solution to the Lebanese political and military impasse other than Western intervention. On the other hand, several political leaders in Beirut are making conciliation efforts aimed at obviating the possibility of foreign intervention. One of these efforts would bring about a compromise whereby Chamoun would finish his term under a cease-fire based on a demarcation line between present positions of government and opposition forces.

After a two-day lull, heavy fighting broke out in the Muslim Basta quarter of Beirut and around the slaughterhouse near the waterfront. Heavy weapons were used by Lebanese security forces in repelling these attacks.

[redacted] Army commander General Shihab has made a "deal" with opposition Druze leader Kamal Jumblatt giving Jumblatt a free hand in the areas now dominated by his Druze irregulars, an arrangement which

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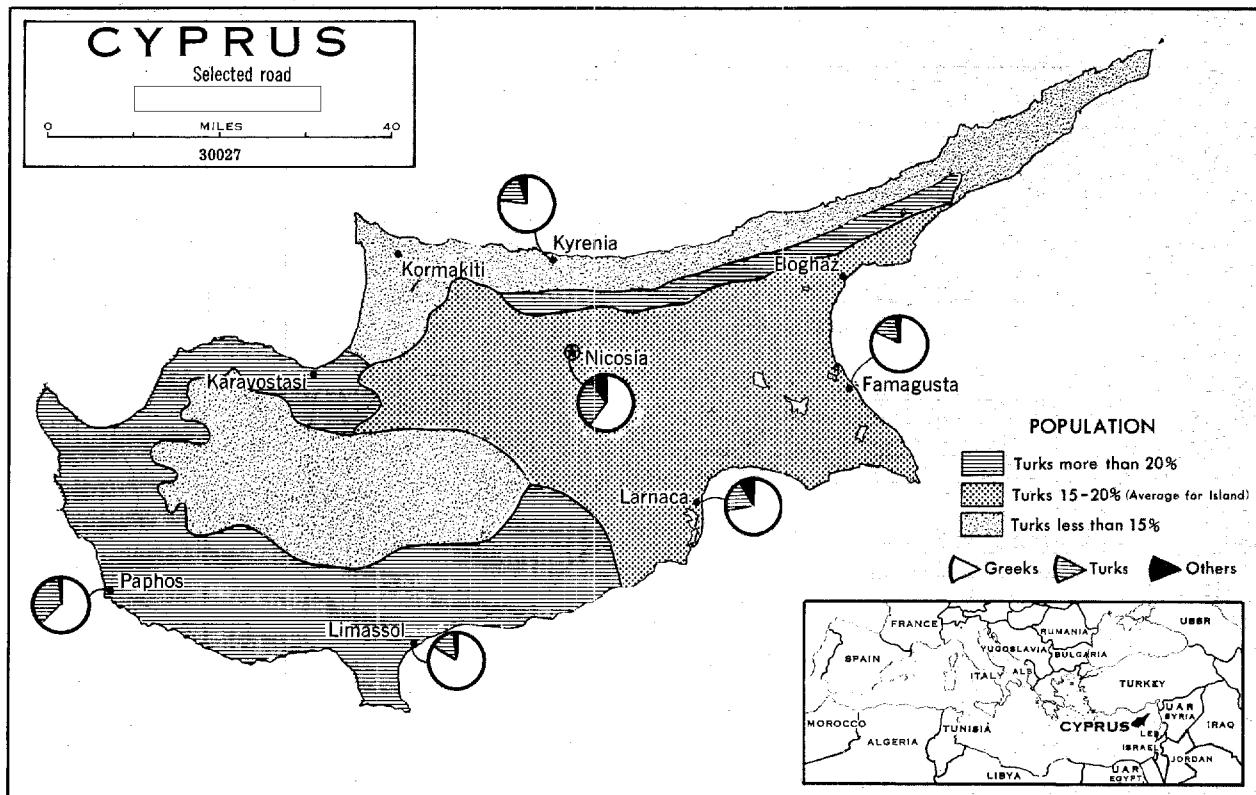
not only ensures his supply line to Syria but enables his forces to infiltrate the Beirut area itself.

The group of high army officers which had planned a coup effort on the night of 17 June now reportedly intends to carry it out in the immediate future, possibly on the night of 20-21 June. The group plans to remove both President Chamoun and General Shihab. The leaders, who profess to be pro-Western, believe that a coup is the only solution to the present political impasse which has brought Lebanon to the "abyss of foreign intervention."

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~~SECRET~~Cyprus

Archbishop Makarios has added his rejection of the British plan for Cyprus as it now stands to the earlier negative reactions of Athens and Ankara, but Governor Foot, broadcasting a plea for objective study of the London proposals, has announced that he will meanwhile proceed with implementation and hold early elections. Athens, Ankara, and the archbishop have all expressed readiness for further negotiations, but on terms so different that they offer little likelihood of reaching an agreed solution.

Makarios' rejection of the plan on 20 June was accompanied by relatively conciliatory statements indicating his willingness to engage in further negotiations with the British and to accept a transitional period of self-government for Cyprus. His statement was in line with reports from Nicosia indicating that Greek Cypriot leaders, while ardently hoping for no renewal of violence, are firmly opposed to provisions of the British plan calling for representatives of Turkey and Greece to assist the governor in the administration of Cyprus.

Greek Cypriots are also opposed, as is the Greek Government, to Turkish proposals for a tripartite conference of Britain, Greece, and Turkey to resolve the Cyprus issue. The relatively mild rejection of the plan gives hope that EOKA will not immediately launch its long-threatened campaign of violence.

A revival of communal disorders on Cyprus was prevented on 20 June when the British immediately imposed a curfew on the south coast port of Limassol following the shooting of a Turkish Cypriot and the stoning of several Greek Cypriots. Meanwhile, attacks on Greek Cypriots by masked men have renewed fears that a previous campaign by EOKA against left-wing members of the Greek community may be renewed.

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~~TOP SECRET~~Iraq Says Sudan Expelled two UAR Diplomats

The Sudanese Government has decided to expel the UAR military and press attachés in Khartoum, [redacted]

[redacted] Baghdad advised its UN delegate in New York of the contemplated action, adding that the Sudan had acceded to a UAR request that the ouster not be made public. [redacted] similar action had been ordered against the UAR ambassador, but was postponed at Cairo's request, giving him a "last opportunity to prove that he is not interfering in Sudanese affairs."

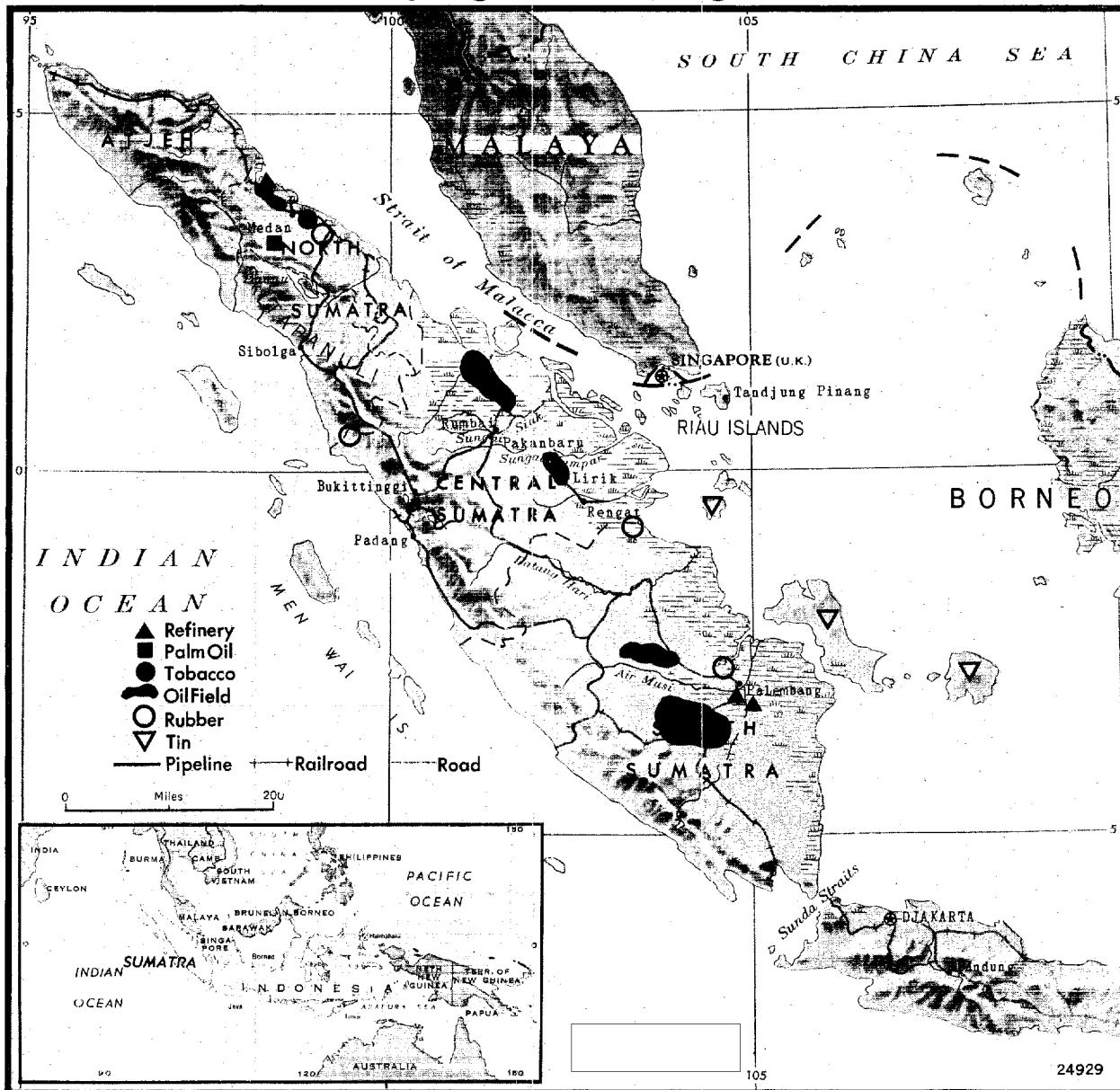
The expulsion of the attachés has not been confirmed [redacted]. Their activities in aiding internal opposition to pro-Western Prime Minister Khalil have been known for some time, however, and the Sudanese Government presumably has conclusive evidence. The Saudi ambassador in Khartoum last month claimed he had "incontestable" proof of UAR bribery of members of the Sudanese House of Representatives, and more recently told a parliamentary leader he was "able and willing" to testify on Egyptian activities.

Sudanese officials have previously expressed growing concern over Egyptian-sponsored subversion as well as fear that a Nasir victory in Lebanon might be followed by a new UAR effort against the Sudan. Domestic approval of Khalil's strong stand against Egypt in the border dispute last February may have encouraged him to act equally firmly in the present situation. [redacted]

[redacted]

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# **PRINCIPAL ECONOMIC ASSETS OF SUMATRA**



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### Sumatran Dissidents Waging Campaign of Economic Destruction

A concerted campaign of economic destruction by dissident guerrillas in North Sumatra is increasing in intensity. Within the past three weeks, facilities on an undisclosed number of rubber estates, including one American-owned estate, have been razed, a palm oil refining factory has been destroyed, and at least 30 sawmills in the area have been closed as the result of dissident activity.

[redacted] this campaign was agreed upon at the start of the rebellion as an eventual last resort to force the central government to meet dissident terms. The theory behind this deliberate destruction of Sumatra's economic assets is that Java cannot survive without the returns from Sumatran production. [redacted] increased efforts to halt rubber and tobacco production in the east coast Sumatra plantation area-- which is chiefly south of Medan--and attempts against Stanvac and Caltex oil installations in Central and perhaps South Sumatra.

[redacted] the dissidents lacked men trained in the demolition of oil installations.

[redacted] an intensification of attacks on economic objectives.

[redacted] the "greater portion of production equipment" in East Sumatra must be paralyzed within two months, and particularly stressed the destruction of estate factories and transportation equipment. [redacted] materials and money be seized from estates.

[redacted] the continuation of dissident attacks on estates at the present rate will stop all foreign capital investment in the area and reduce significantly Djakarta's already seriously decreased foreign exchange earnings.

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~~CONFIDENTIAL~~Tunisia May Soon Exchange Ambassadors With the USSR

Tunisian President Habib Bourguiba told an American newspaper correspondent on 15 June he was now convinced a Soviet embassy should be allowed to open in Tunis, adding that his government would have to take the step soon.

Bourguiba's remarks appear to confirm information furnished the American ambassador in Tunis by a member of the Tunisian cabinet on 11 June. The Tunisian official said that Bourguiba had approved the government's decision to establish "active diplomatic relations" with the Soviet Union "in the near future." The Tunisian foreign secretary, however, when asked whether an exchange of ambassadors with the USSR was contemplated, looked slightly startled and said: "There is nothing new on this subject. You know our general attitude. Eventually perhaps."

[Redacted]      S/S      S/S      [Redacted]

[Redacted]

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## III. THE WEST

De Gaulle to Press for IRBM Weapons on Same Basis as United Kingdom

De Gaulle is "prepared to discuss" the IRBM issue with General Norstad and will take the position that France should obtain IRBM weapons "on exactly the same basis" as the United Kingdom,

Hints

have been received that De Gaulle may also ask for some new NATO command arrangements in the Mediterranean area, either giving the French a more important role in the overall command or enhancing the subcommand at Algiers, which is responsible for sea communications between North Africa and French coastal defense.

The Anglo-American IRBM agreement of February--the only IRBM agreement concluded so far--permits British control and manning of missile sites with operational use of the missiles subject to a joint decision. Britain provides the missile sites and personnel; the US, the missiles themselves and training.

SACEUR advises on behalf of NATO regarding deployment of missile bases.

The French have seemed to view the question of IRBM deployment as of more interest to the US than to France or to NATO as a whole. They apparently feel that they can use the IRBM issue for bargaining purposes in seeking concessions from the US in other fields, particularly as regards a larger French role in NATO and American assistance to the French nuclear weapons program.

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