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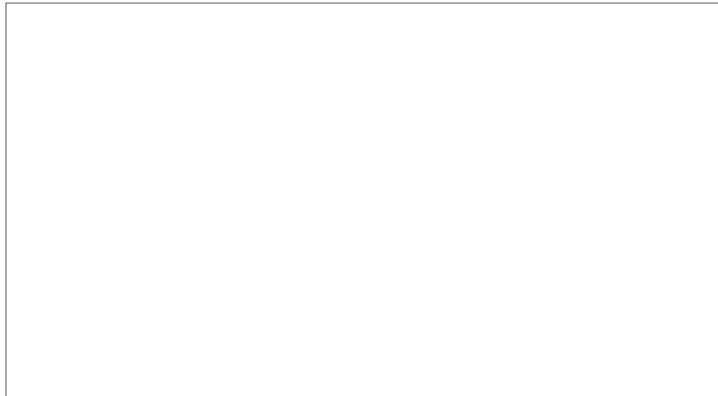
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CONTENTS

OK 1. INDONESIAN PRESIDENT APPARENTLY PREPARING FOR DEPARTURE [] (page 3).

No 2. PINEAU THREATENS NEUTRALISM IF FRENCH TERMS NOT MET AT NATO MEETING [] (page 4).

OK without last sentence - Confidential

3. SINO-SOVIET SCIENTIFIC PACT ANNOUNCED [] (page 5).

If first change "were probably" in 1st sentence to "may have been"

4. BOMBING OF US INSTALLATIONS IN GREECE [] (page 6).

No 5. ISRAELI DIPLOMAT SUGGESTS US JOIN BAGHDAD PACT TO OFFSET SOVIET GAINS IN MIDDLE EAST [] (page 7).

OK 6. IRAQI CABINET SHAKE-UP RUMORED [] (page 8).

OK 7. DISPERSAL OF PATHETS THROUGHOUT LAOS TERMED GRAVE DANGER [] (page 9).

OK 8. TRUCE COMMISSION IN SOUTH VIETNAM BUILDING CASE AGAINST US MILITARY AID PROGRAM [] (page 10).

1. INDONESIAN PRESIDENT APPARENTLY PREPARING FOR DEPARTURE

Comment on:

Latest reports indicate that President Sukarno will shortly leave Indonesia for an indefinite period, although his destination has not been disclosed. During his absence, army and moderate political leaders apparently will try to redress Communist gains of the last few months, which have been greatly accelerated by the anti-Dutch drive. A government spokesman is reported to have indicated that Chief of Staff Nasution "will be in charge" during Sukarno's absence despite provision for parliament speaker Sartono to be acting president.

Nasution announced on 13 December that the army will review all past seizures of Dutch property and will be solely responsible for carrying out future seizures. He threatened punishment to any persons or groups disobeying these orders.

The leftist-inclined West Irian Liberation Committee, which had planned and implemented the anti-Dutch drive, apparently is now intended to be of secondary importance. The army, nevertheless, has assigned two officers to the committee. Nasution has also assumed personal leadership of the aggressive Communist-permeated Youth-Military Cooperation Committee and has relieved the Communist-influenced officer who had served as its chairman.

No reaction from the Communists to these developments is yet evident. General Gatot Subroto, the deputy army chief of staff, is reported to have said in November that the Communists are better organized now than they were in 1948 when they staged an abortive revolt at Madiun in Central Java.

**2. PINEAU THREATENS NEUTRALISM IF FRENCH TERMS
NOT MET AT NATO MEETING**

Comment on:

French Foreign Minister Pineau told an American journalist in an off-the-record talk on 2 December that Paris will insist at the forthcoming NATO meeting that all members agree to support each others' policies fully. He also threatened that unless the United States agrees to a \$300,-000,000 loan, France would go neutralist. He alleged German Chancellor Adenauer would support such an approach.

Paris has been exploiting French indignation over the American-British arms delivery to Tunisia to get renewed Anglo-American consideration of France as a great power. France's pre-NATO-meeting diplomacy is aimed at establishing its right to have a major national nuclear weapons program and, meanwhile, at controlling any nuclear weapons stationed in France.

The French upper house has passed a resolution calling on Premier Gaillard to refuse any IRBM base construction on French soil without National Assembly approval. Considerable public backing for Pineau's position is also indicated by the French press and by a poll taken a few days after the arms delivery to Tunisia.

3. SINO-SOVIET SCIENTIFIC PACT ANNOUNCED

Comment on:

The five-year scientific cooperation agreement between the Academies of Science of the USSR and Communist China signed in Moscow on 12 December culminates negotiations that have been under way between Chinese and Soviet scientists since 1 November.

The full extent of the agreement has not been disclosed, but the 85 Chinese scientists who made the trip to Moscow represent almost all fields of science. The Chinese probably pressed hardest for Soviet assistance in atomic energy, electronics, and propulsion techniques--the fields of research which have top priority in China's 12-year (1956-1967) scientific plan.

The pact calls for joint research and coordination on technological problems, and emphasis is also given to Soviet assistance in training "young experts."

Peiping intended to stop sending undergraduates to the USSR for study and to send only students for training on the postgraduate level or higher.

4. BOMBING OF US INSTALLATIONS IN GREECE

Comment on:

The explosions in Athens on 13 December which virtually destroyed the USIS library in Athens and damaged two generators at the US air base were probably the work of Greek or Cypriot nationalists, although Greek officials have suggested they were set off by Communists. Three years ago, in December 1954, strong popular sentiment on Cyprus in Greece resulted in mob attacks on USIS property in both Athens and Salonika. In the latter city, considerable damage was caused to the USIS library and offices.

The Greek government is fully aware of the explosive aspects of the Cyprus issue and the threat it poses to good relations with the US. The professional skill revealed in the demolition operation suggests competent planning and organization. The government has accordingly taken extensive security precautions which should prevent any large-scale demonstrations. Isolated attacks against American installations and persons will remain a possibility.

5. ISRAELI DIPLOMAT SUGGESTS US JOIN BAGHDAD PACT TO OFFSET SOVIET GAINS IN MIDDLE EAST

Comment on:

[Redacted]

During a review of the situation in the Middle East on 10 December, Israeli Chargé Alon in Ankara suggested that the United States should join the Baghdad pact to offset increased Soviet involvement in the area. Alon prefaced his comment by repeating his government's contention that creation of the Baghdad pact had prompted Soviet interest in the Middle East, upsetting the balance of power. He said, however, that he now felt no overt US security guarantees need be given Israel if the Baghdad pact were strengthened by US adherence.

Increased Soviet interest in the Middle East as the champion of the Arabs against Israel threatens to offset Israel's previous military advantage over the Arabs and has induced the Israelis to seek greater United States commitments in the area. In addition to seeking US protection via the Baghdad pact, Israel has sought security guarantees from the United States, either directly or in the form of a NATO guarantee of Middle Eastern boundaries. Alon's suggestion may also reflect Israeli concern over recent efforts by Baghdad pact members to obtain adherence by Saudi Arabia, Jordan, and Lebanon, and the consequent danger that the pact will become increasingly a vehicle of anti-Israeli Arab policy in the absence of United States membership.

[Redacted]

6. IRAQI CABINET SHAKE-UP RUMORED

Comment on:

Iraqi Prime Minister Ali Jawdat will be replaced shortly,

Leading candidates to replace him are Arshad al-Umari and Tawfiq al-Suwaydi, both former prime ministers and members of the ruling oligarchy.

The reports suggest that Nuri will not assume the premiership, although he may become a member of the cabinet.

Changes in Iraqi cabinets are normally made with the approval or at the wish of pro-Western Crown Prince Abd al-Ilah. Since al-Umari, an able vigorous leader who is friendly toward King Saud, is also persona grata with the crown prince and Nuri, he might be given the post rather than al-Suwaydi, whom Abd al-Ilah reportedly dislikes. Either individual would maintain Iraq's pro-Western policy and might possibly take a tougher attitude toward Syria.

7. DISPERSAL OF PATHETS THROUGHOUT LAOS TERMED GRAVE DANGER

Comment on:

The British ambassador to Laos, who witnessed the 8 December ceremonies marking the formal return of Sam Neua Province to royal government authority, was struck by the discipline and alertness of the Pathet Lao troops and officials, and believes that their dispersal throughout Laos presents a grave danger to the government. The populace showed that it had been organized along Communist lines, Communist signs and slogans were still in evidence, and both school children and troops greeted the delegation with clenched-fist salutes. The ambassador was favorably impressed, however, by the decisive manner in which Prime Minister Souvanna Phouma conducted the ceremonies and by his private reaffirmation of plans to destroy the instruments through which the Pathets exercise control over the population.

Economic conditions in the province were dismal. Few goods were on display in the shops, and there were rumors of a rice crop failure and possible famine. A severe food shortage would offer the royal government an opportunity to demonstrate its concern for the welfare of the population but would also probably be a severe test of its limited capabilities.

Pathet Chief Souphanouvong's last-minute efforts to postpone the ceremony at Sam Neua and the failure of Pathet Defense Minister Kayson to participate suggest confusion and possible conflict among the Pathet leaders over tactics. Unconfirmed reports have identified Kayson as leader of a "radical" wing of the Pathet Lao who may refuse to accept the settlement terms negotiated by the "moderate" Souphanouvong. The British ambassador thought it possible that Kayson might head a "hard-core" group which, in the event the integration goes against the Pathets, would begin guerrilla warfare.

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8. TRUCE COMMISSION IN SOUTH VIETNAM BUILDING CASE AGAINST US MILITARY AID PROGRAM

Comment on:

The American military aid program in South Vietnam is being subjected to increasing criticism by the International Control Commission (ICC) in Vietnam, apparently in connection with an accelerated Communist campaign to persuade the ICC to label this assistance as a violation of the 1954 Geneva armistice. During the past two months, the Diem government has received numerous strongly worded complaints from the ICC and requests for detailed information on the status and functions of various American military missions in South Vietnam. Saigon's responses have been termed "inadequate and unsatisfactory." During the same period there have been attacks on American personnel

The commission's investigations are being spurred by the Polish delegation to the three-man supervisory body, acting on repeated Viet Minh charges of an American-led military build-up in South Vietnam. T. N. Kaul of India, who holds the pivotal position of commission chairman, is believed closely allied with the Poles on this issue, while the Canadian delegation is in opposition.