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1 April 1958

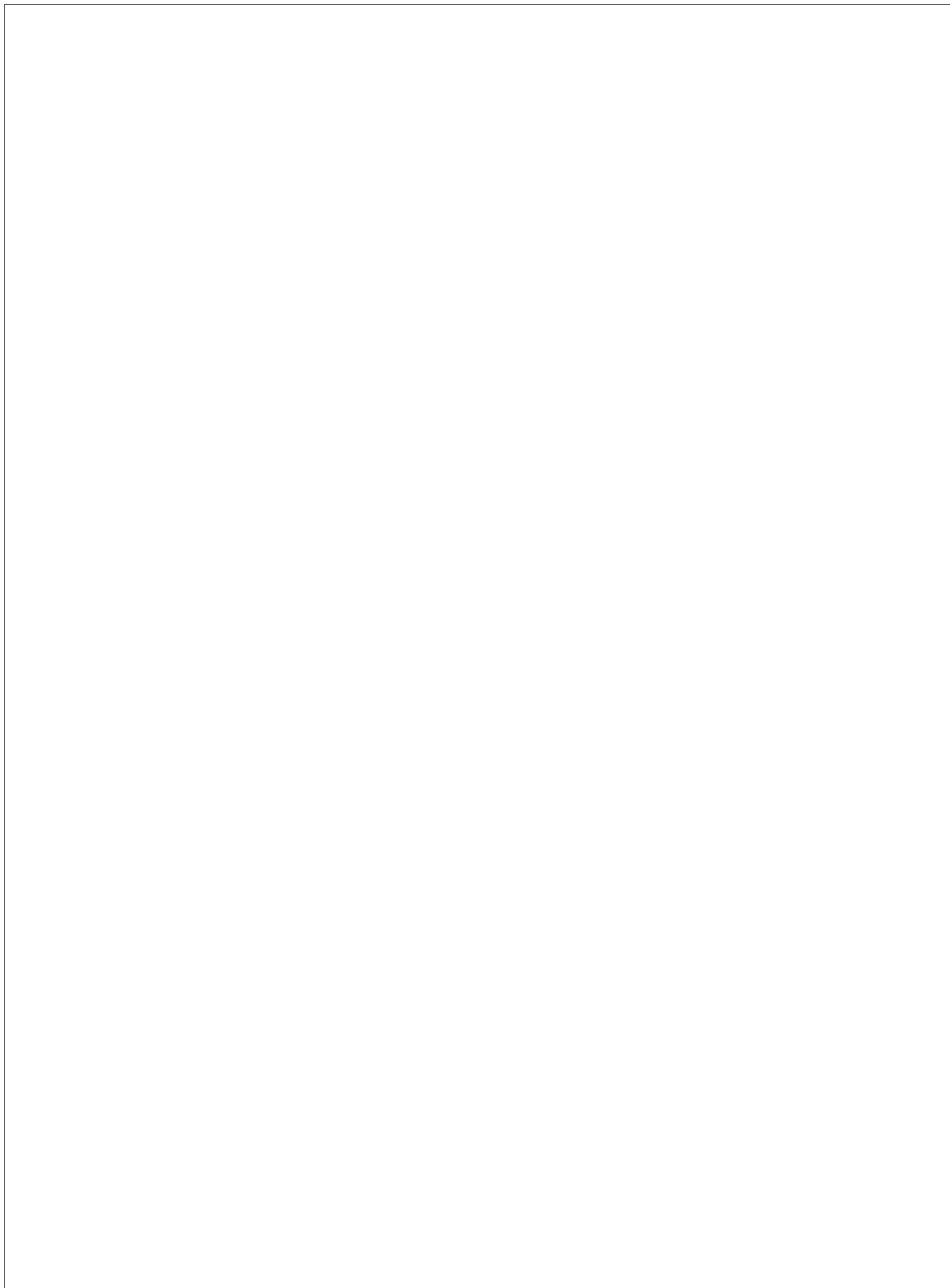
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CENTRAL INTELLIGENCE BULLETIN



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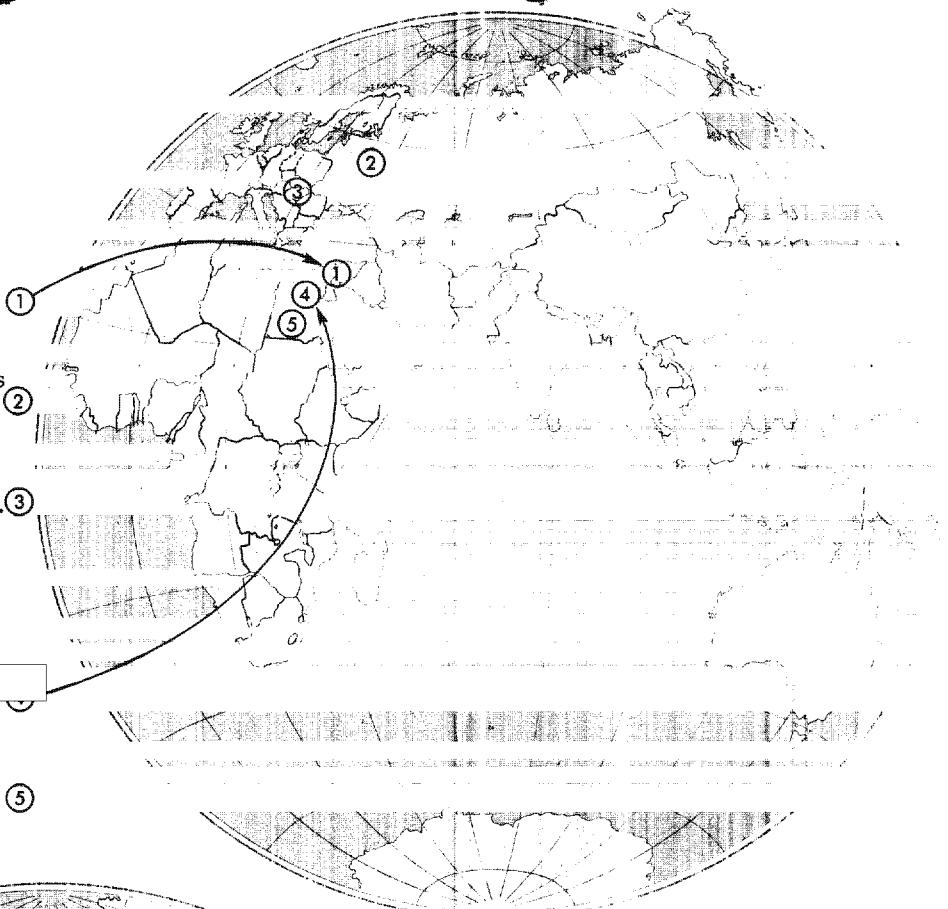
1 APRIL 1958

I. THE COMMUNIST BLOC

Czech arms agent in Damascus on tour to negotiate arms shipments to rebel groups in North Africa, Middle East.

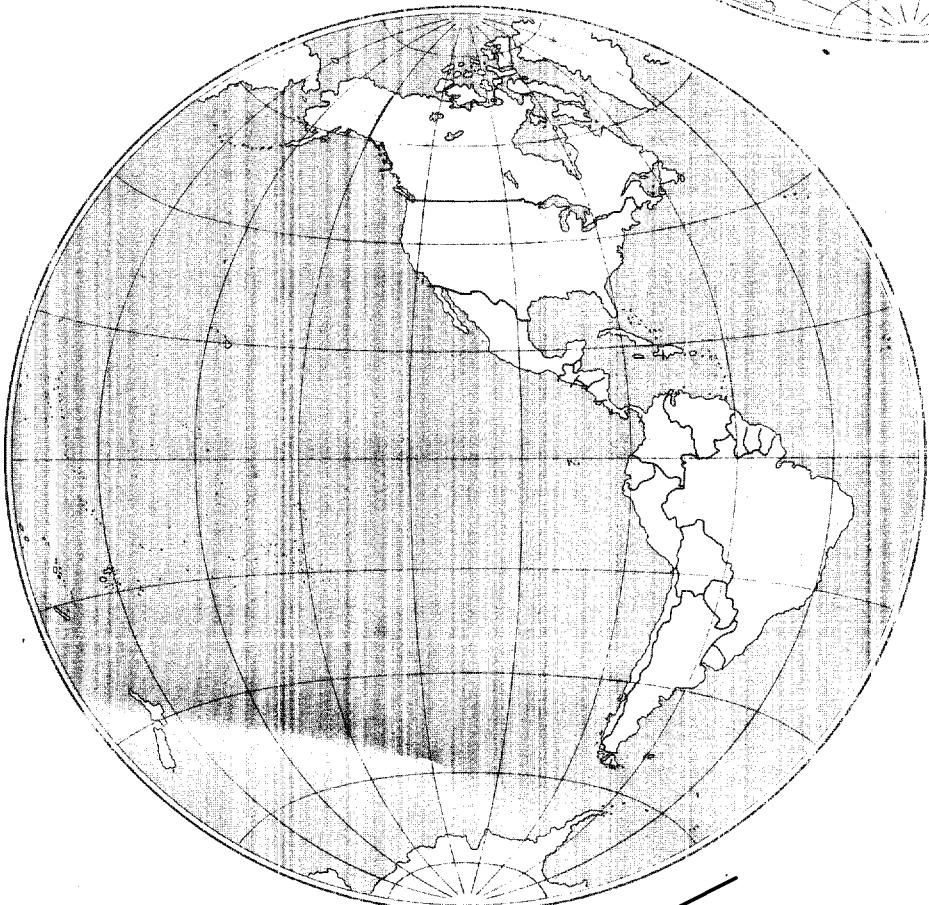
USSR - Gromyko announces unilateral Soviet suspension of "tests of all forms of nuclear weapons."

Khrushchev will head Soviet delegation to Hungarian "Liberation Day" to show Kremlin endorsement of Kadar regime.

**II. ASIA-AFRICA**

Cairo may plan to exploit Egyptian commando casualties in Israeli-UAR border clash near Lake Hula.

Nasir likely to seek Soviet economic concessions on forthcoming Moscow trip.

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CENTRAL INTELLIGENCE BULLETIN

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DAILY BRIEF

I. THE COMMUNIST BLOC

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Bloc arms for North Africa and Middle East: The Soviet bloc has apparently decided to extend major military aid to rebellious nationalist elements in North Africa and in the Middle East. The chief Czechoslovakian arms sales negotiator now touring the Middle East is discussing with UAR military officials in Damascus a \$25,000,000 contract for arms for the Algerian rebels. He may also visit Yemen, where arrangements had previously been made for talks concerning military aid to anti-British dissident groups in the Arabian peninsula.

(Page 1)

USSR - nuclear test suspension: Soviet Foreign Minister Gromyko's announcement that the USSR will "unilaterally cease conducting tests of all forms of nuclear weapons" is timed to embarrass the United States, which begins its own test series shortly, as well as to exploit controversies in Britain and West Germany over nuclear armaments policies. It is also designed to put pressure on the United States to scale down its inspection requirements if the issue becomes a subject of negotiation.

(Page 2)

USSR - Hungary: Khrushchev's decision, reported by Warsaw radio, to head the Soviet delegation to Hungary's "Liberation Day" ceremonies on 4 April indicates that the Kremlin desires to make unmistakably clear once again to the Hungarian party and people that the Kadar regime has

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Moscow's backing. His visit probably marks the resumption of greater personal activity by Khrushchev in dealing with the problems of the Eastern European countries.

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II. ASIA-AFRICA

Israeli-Syrian border: The situation remains very tense in the Lake Hula area, where Israeli and UAR troops shelled each other again on 31 March.

No [redacted] Egyptian commandos now occupy Syrian frontline positions opposite Lake Hula, and suffered casualties in the 30 March engagement.

(Page 4) (Map.)

Nasir's trip to Moscow: Nasir probably will request some form of Soviet economic concessions during his trip to Moscow scheduled for late April. He is likely to take advantage of the opportunity to try to arrange some kind of deal whereby the USSR would pay for Egyptian cotton in hard currencies. He may also feel that the visit is necessary to balance his recent action against pro-Soviet elements in Syria.

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I. THE COMMUNIST BLOC

Czechoslovakia Extending Major Military Aid to Algerian Rebels

General Macek, chief of the Czech agency handling military equipment sales, is now making a prearranged tour of the Middle East. During his first stop, in Damascus, he is discussing a \$25,000,000 contract for arms for the Algerian rebels with the Syrian officer who is acting commander of UAR military units in Syria.

[redacted] the deal is payable over eight years [redacted]

Last year Czechoslovakia arranged with Algerian representatives a test shipment of \$1,000,000 worth of small arms. The equipment was seized by Spanish authorities in June 1957. Czechoslovakia presumably will work closely with the UAR in the delivery of the large number of arms

The Egyptians have successfully transmitted significant quantities of arms to Algerian rebel groups via overland routes through Libya.

General Macek also is scheduled to visit Yemen shortly. The Yemeni ambassador in Prague in December said that he had "convinced some Czech military men" that arms should be made available to "Omani combatants" through Yemen, and Macek's negotiations will probably concern the supply of military aid for anti-British dissident tribal elements in the Arabian peninsula.

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Gromyko Announces Unilateral Soviet Suspension of Nuclear Tests

Soviet Foreign Minister Gromyko's announcement that the USSR will "unilaterally cease conducting tests of all forms of nuclear weapons" specified that the USSR may resume testing if Britain and the United States fail to follow suit. Moscow appears confident that this move will intensify popular pressures for early summit talks on Soviet terms.

Khrushchev probably believes the statement will have far-reaching repercussions in the non-Communist world, particularly in such countries as Britain, West Germany, and Japan where the question of nuclear weapons and tests is a major political issue.

Moscow has previously made it clear, particularly by various announcements of troop reductions, that it prefers to press the West to disarm through unilateral steps of its own rather than to sign disarmament agreements providing for inspection. Gromyko's announcement, climaxing two years of emphasis on test suspension as the priority disarmament goal, is a major move in the continuing Soviet campaign to establish a distinction between conventional and nuclear weapons in an effort to neutralize the West's nuclear retaliatory capabilities. An intensified propaganda campaign can be expected for a universal pledge to renounce the use of nuclear weapons.

Khrushchev's new Council of Ministers contains no surprises. He has added two deputy premiers but has left the Bulganin cabinet otherwise virtually intact. First Deputy Premier Mikoyan is probably number two in the hierarchy.

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~~CONFIDENTIAL~~Khrushchev to Head Soviet Delegation to Hungary

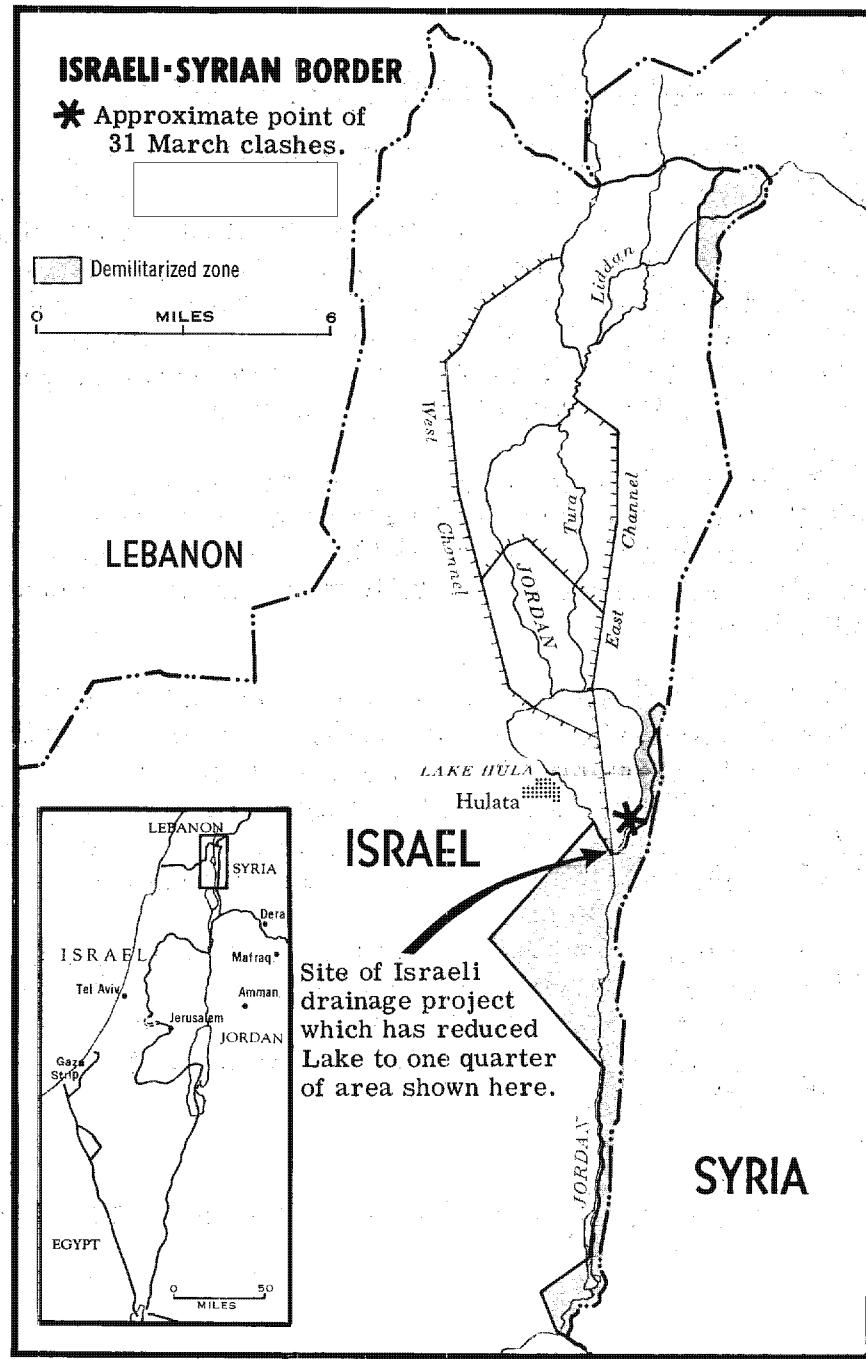
Khrushchev will head the Soviet delegation to Hungary's "Liberation Day" ceremonies on 4 April, according to Warsaw radio. The Soviet leader probably desires to make unmistakably clear to the Hungarians that their present regime retains Moscow's backing. Khrushchev last visited Budapest in January 1957 when, in company with other bloc leaders, he came to build up Kadar and to set the line for future developments following the revolution.

This endorsement of Kadar's leadership would also be intended to put an end to factional strife and rumors that Kadar might be ousted soon--a speculation that has arisen from his prolonged absence from public view and the announcement that he was "ill."

Khrushchev's visit could also be interpreted by Hungarians as an assurance that the relative degree of relaxation in some economic spheres will continue, although other stern policies will remain unchanged. Kadar's opponents in the party have been demanding a return to much harsher measures in all spheres of Hungarian life.

During his visit to Budapest, Khrushchev may take the opportunity to exchange views with the Yugoslav delegation on current Soviet-Yugoslav ideological differences--a strong possibility following Kadar's recent talks with Tito.

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II. ASIA - AFRICA

Israeli-Syrian Border

Egyptian commandos have been involved in the fighting with Israeli forces near Lake Hula on the Israeli-Syrian border, where new incidents occurred on 31 March.

Israel's government appears firmly convinced that it is on strong legal grounds regarding these incidents. An Israeli official has stated "informal indications" have been received from Chief of Staff Von Horn of the UN Truce Supervisory Organization that the canal excavation in the area is being done on Israeli territory. Uncertainty as to the exact location of the 1949 armistice line is probably one of the factors which has produced the current series of incidents.

The Israeli [redacted] government is exercising "extraordinary restraint" in the present tense situation. The Israelis presumably would like to avoid border incidents which might frighten away the large number of foreign tourists expected during Israel's tenth anniversary celebration which begins about 23 April. Retaliatory action nevertheless is possible if the Israelis believe their position is seriously threatened.

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~~SECRET~~Nasir's Trip to Moscow

Nasir probably will request some form of Soviet economic support during his forthcoming trip to Moscow, but another round of large-scale economic agreements appears unlikely. An Egyptian claim that Nasir accepted the invitation because he had given up hope of significant economic help from the West is probably aimed at eliciting some kind of Western offer. He may also feel that the visit is necessary to balance his recent action against pro-Soviet elements in Syria. Nasir has repeatedly postponed a trip to the USSR during the last two years.

Despite Egypt's critical foreign exchange situation, Nasir is not likely to increase Egypt's already heavy dependence on the Soviet bloc. He will more probably attempt to work out a deal whereby the bloc would pay hard currencies for at least part of its Egyptian cotton imports. Cairo is reported to have rejected earlier offers of additional Soviet loans to ease Egypt's foreign exchange shortages.

Nasir may also seek to reorganize and coordinate existing Soviet economic aid agreements with Egypt and Syria and give the public impression that he won a number of new economic concessions from the bloc in the name of the UAR.

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National Security Agency

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National Indications Center

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