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30 April 1958

Copy No. 140

CENTRAL INTELLIGENCE BULLETIN



DOCUMENT NO. *52*
NO CHANGE IN CLASS.
11 DECLASSIFIED
CLASS CHANGED TO: TS S C
NEXT REVIEW DATE: *2010*
AUTH: HR 702
DATE *3/25/00* REVIEWER:

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Approved for Release: 2019/08/20 C02874599

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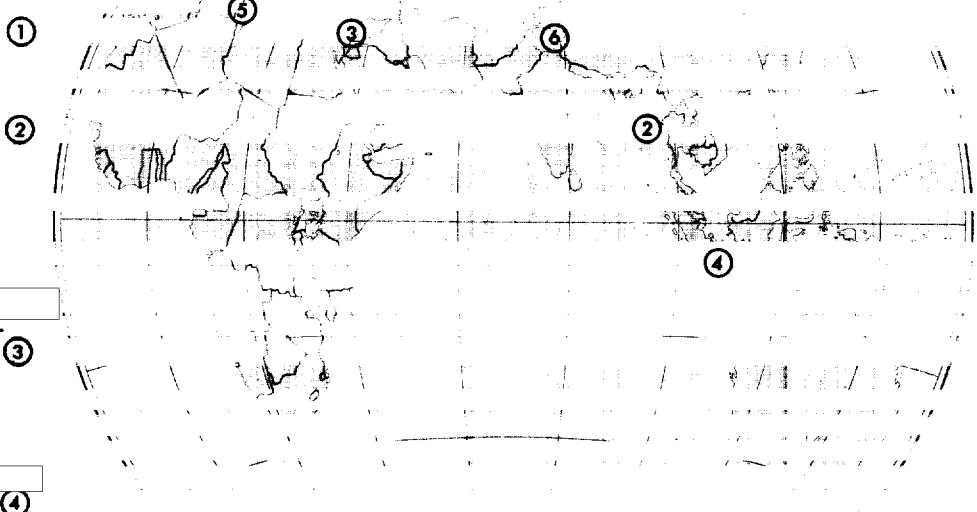
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Approved for Release: 2019/08/20 C02874599

TOP SECRET
30 APRIL 1958**I. THE COMMUNIST BLOC**

Soviet bloc trying to smooth over differences with Yugoslavia, but recurring outbursts are most likely.

Chou En-lai raises issue of Burmese insurrection with Rangoon.

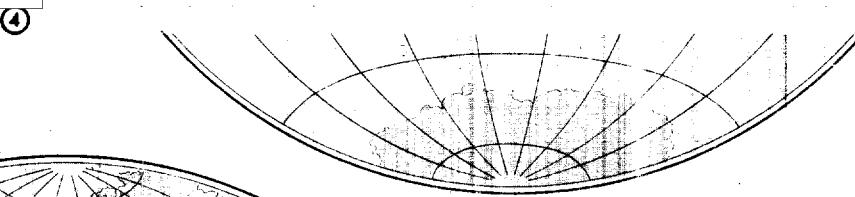
**II. ASIA-AFRICA**

Lebanese ambassador in Washington instructed to work "night and day" for more American aid.

General Shihab still considering running for president.

Indonesia - Some dissident leaders in Sumatra may escape to North Celebes.

Dissident air attacks cause fresh alert in central government navy.



Tunisia - Bourguiba wants continuation of good offices mission; will probably demand French military evacuation of Bizerte.

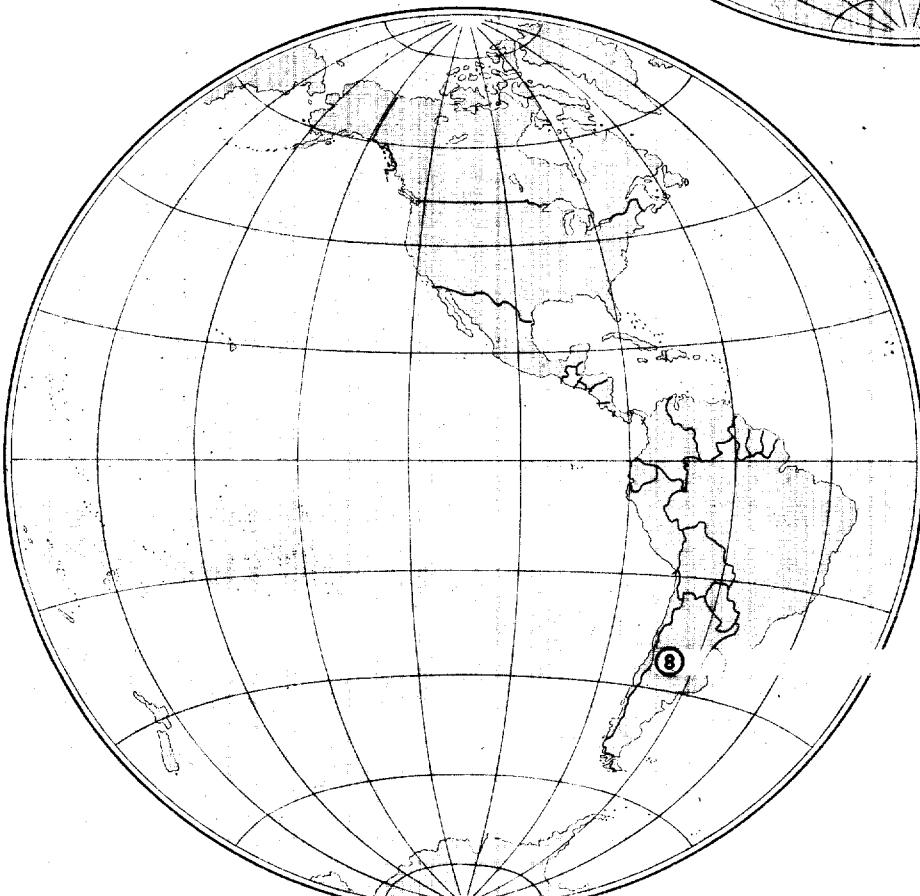
India orders military patrols to investigate reported Chinese Communist incursions into Kashmir.

III. THE WEST

Pleven banking on Socialist support and vague statement on Algeria in investiture effort on 5 or 6 May.

His chances are rated poor.

Argentina - Frondizi will be inaugurated on 1 May; will then seek American private capital. He alleges Soviet Government has offered help.



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DAILY BRIEF

I. THE COMMUNIST BLOC

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USSR - Yugoslavia: Although the USSR apparently desires to check any further worsening of relations with Yugoslavia, the nature of their dispute is such that existing differences are certain to result in sharp, if indirect, exchanges from time to time. A strong editorial in Pravda on 28 April which attacked "revisionism" but did not mention Yugoslavia suggests that the Soviet Union hopes to keep its criticism of the Yugoslav ideological position on a temperate and "comradely" level. Voroshilov's plans to visit Belgrade in early May appear to remain unchanged, and Polish Deputy Foreign Minister Winiewicz still expects Tito in Warsaw as scheduled at the end of May.

ND
Communist China - Burma: Chinese Communist Premier Chou En-lai has on several occasions raised the issue of Rangoon's handling of Communist insurgency in Burma. The Burmese ambassador recently reported that Chou took particular exception to Rangoon's effort to force the insurgents "to capitulate," implying that Peiping favored an agreement negotiated on a basis of equality. It is unlikely that these expressions of Chinese Communist views will influence Rangoon to alter its determination to force the unconditional surrender of the insurgents. Meanwhile, conversations on the Sino-Burmese border question continue unproductive.

(Page 1) (Map)

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II. ASIA-AFRICA

Lebanon: General Shihab has still not decided whether to run for president. The army chief feels the move would be bad for the Lebanese Army, but he is even more fearful than previously of internal disorders if President Chamoun seeks a second term.

the internal political situation in Lebanon is critical and that "American understanding" of the need for aid would help "immensely."

(Page 2)

Indonesia: With the fall of Bukittinggi, at least some of the dissident leaders in Central Sumatra are expected to join the dissident regime in North Celebes.

Dissident air attacks have forced the Indonesian navy chief of staff to issue fresh instructions to naval vessels to be increasingly alert and to fire at suspicious aircraft.

(Page 3) (Map)

Tunisia: President Bourguiba has indicated that he would demand a total French military evacuation of Tunisia, including the base at Bizerte, during any direct French-Tunisian talks such as those envisaged by French premier-designate Plevén. Bourguiba, who on 24 April was conciliatory toward France despite the concerted opposition of his cabinet, fears being "left alone with France" and desires the continuation of Anglo-American good offices.

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India - Communist China: New Delhi has ordered two military reconnaissance patrols to investigate reported Chinese Communist encroachments into Kashmir. This action

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is probably being taken in preparation for projected Sino-Indian border talks and for Nehru's trip to Tibet next fall. The patrols have been ordered to capture if possible any Chinese Communist patrols encountered. India is especially interested in a new Chinese Communist - built road from Sinkiang to Tibet, which, India insists, cuts across the northeastern corner of Kashmir.

(Page 4) (Map)

III. THE WEST

No
France: Rene Pleven is expected to seek National Assembly approval on 5 or 6 May. The Democratic Resistance Union leader is banking on a vaguely stated declaration on Algeria, including another appeal for a cease-fire, to gain Socialist support, as well as a warning against "interference" to mollify the right. His success in forming a cabinet will probably depend largely on the attitude of the Socialists, whose support, if not participation, is essential. American officials in Paris believe that pressures on the parties to find a solution of the crisis have not grown sufficiently to give Pleven much chance of success.

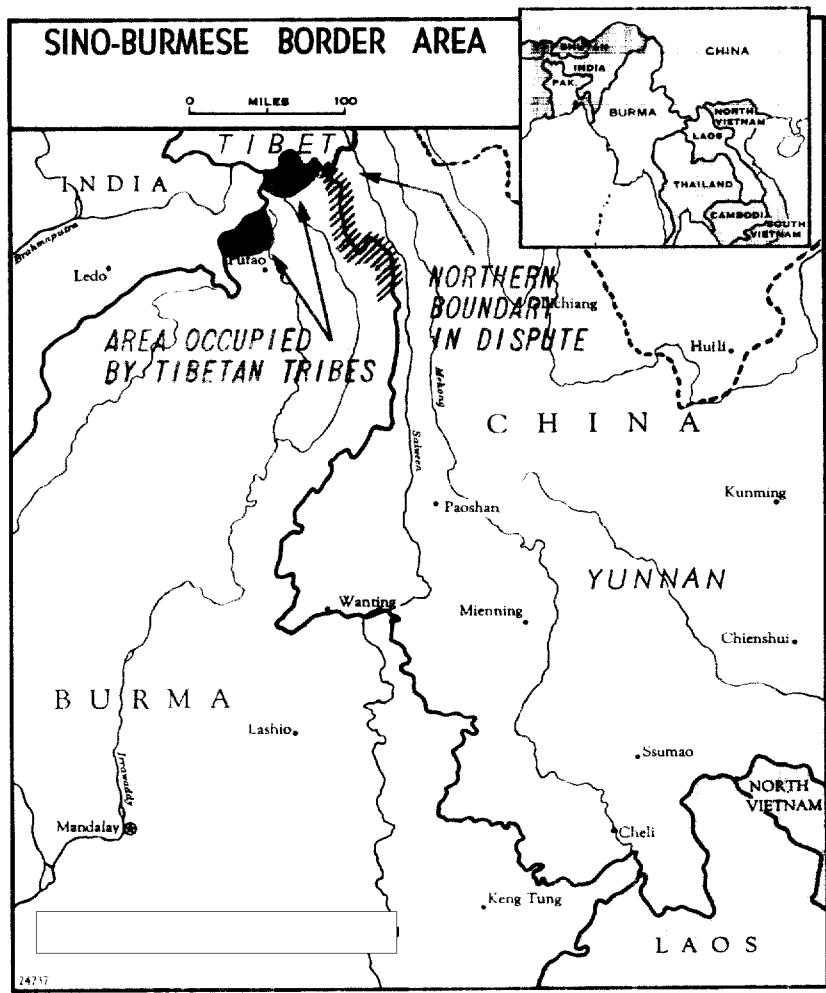
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Argentina: After Arturo Frondizi's inauguration on 1 May, the new government plans to seek the cooperation of American private capital to tackle Argentina's severe economic difficulties.

A high-ranking Soviet delegation, led by First Deputy Foreign Minister Kuznetsov, will attend the inauguration.

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I. THE COMMUNIST BLOC

Chou En-lai Seeks Softer Terms for Burmese Communist Insurgents

[redacted] Chou En-lai urged Burma to modify its insistence that the Communist insurgents "capitulate." Chou said he was speaking unofficially "as a friend." His remarks, however, indicate Peiping's determination to influence the negotiations between Rangoon and the Communist insurgents despite its formal position that the Burmese Communist insurgents are an internal Burmese affair and that Communist China has no connections with or control over them. [redacted]

[redacted] Chou touched upon the issue of KMT troops remaining in Burma as a further irritant to Sino-Burmese relations, but he quickly declared that this too was an internal Burmese matter.

Fairly reliable reports, nevertheless, indicate the Burmese Communists have been crossing the border into Yunnan Province and returning after a period of training. There has also been a steadily increasing infiltration into Burma of Chinese, many of them agents carrying forged documents.

The Burmese Government insists on unconditional surrender of arms before it enters into formal discussions with the insurgents. At the same time, however, it is waiving prosecution of insurgents who surrender and is promising legal status to the Communist party when certain conditions are met. Together with the long delay in reaching a border settlement, Chinese incursions and approaches on the insurgents' behalf are adding to Rangoon's suspicions of Peiping's professions of good will and may stimulate the Burmese to intensify their drive for a military victory.

[redacted]

[redacted]

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II. ASIA-AFRICA

Situation in Lebanon

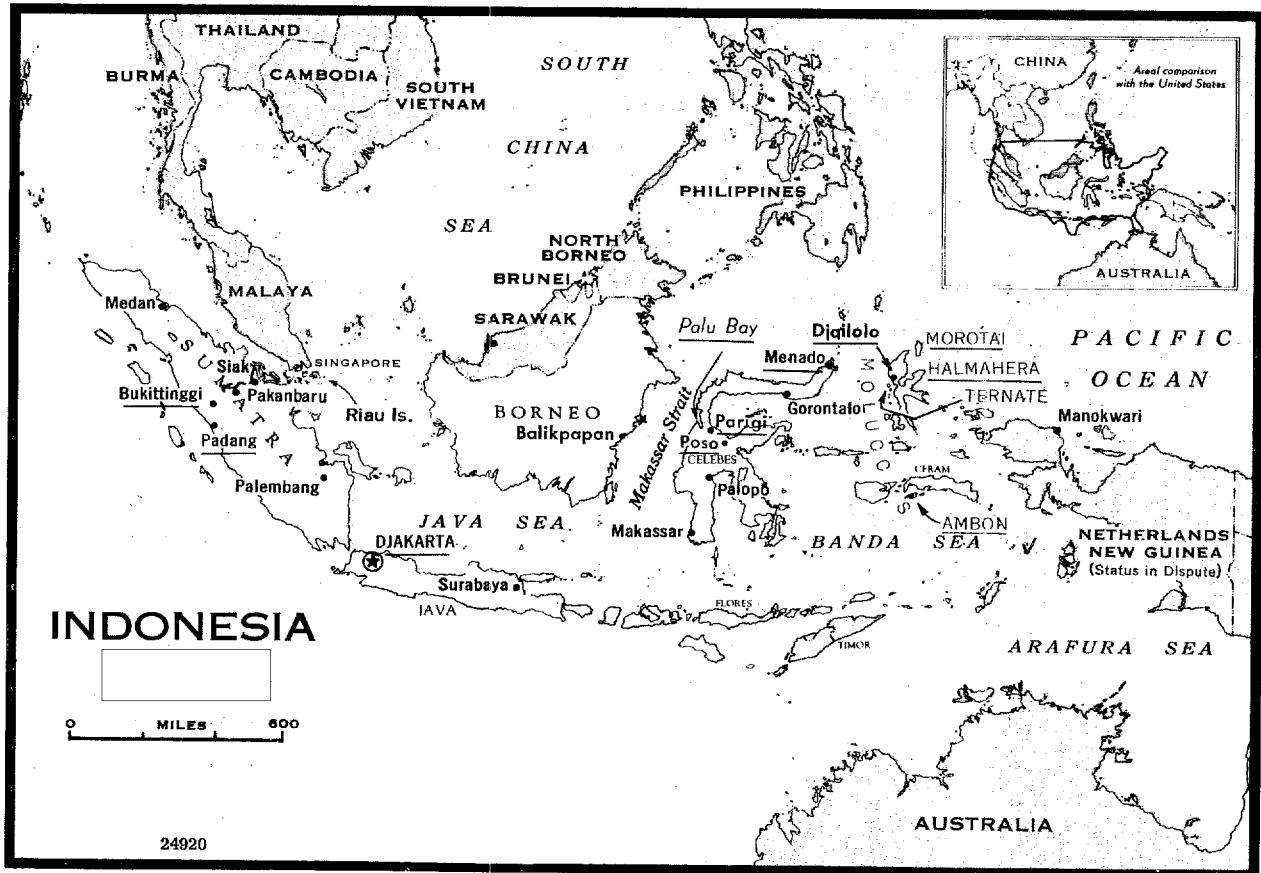
Lebanese Army Commander General Shihab still is undecided whether to remain at the head of the army or to accept President Chamoun's offer to back him if he wants to run for the presidency. The general fears that acceptance of the President's offer might result in demoralization of the army, as well as set a precedent for assumption of the presidency by army men. On the other hand, Shihab fears that should Chamoun seek re-election, disorders will be more widespread than he felt possible a month ago. A group of Lebanese deputies is said to be ready to submit to Parliament soon a constitutional amendment which would permit Chamoun to run.

Egyptian-Syrian efforts to undermine the pro-Western government are growing and the opposition is making a major issue of Lebanon's adherence to the "Eisenhower doctrine" and Chamoun's presidential aspirations.

Foreign Minister Malik

emphasized the critical internal situation and the necessity for "American understanding" of Lebanon's need for help. He said the granting of aid would "help immensely in improving the situation." Lebanon's economy is relatively sound. The commercial character of the country, however, tends to channel investment into short-term high-profit enterprises rather than into basic economic development projects.

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Indonesia

Central government forces occupied Bukittinggi on 28 April without opposition. Deprived of their last major center in Central Sumatra, the dissidents in this area now have only the capability of conducting guerrilla warfare. Their poor performance in defending the Padang-Bukittinggi area casts doubt on their willingness to pursue vigorously a war of attrition against Djakarta.



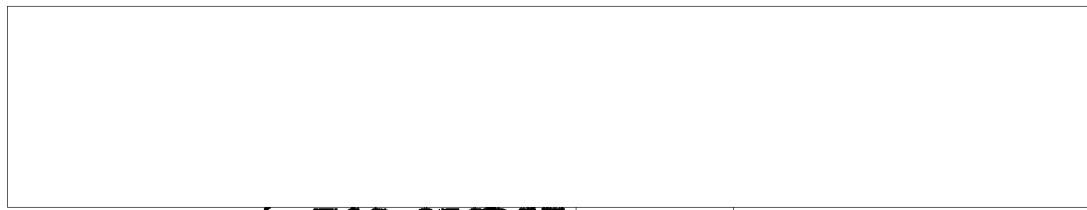
Dissident aircraft based at Menado on 28 April again attacked Djailolo on Halmahera Island, the Palu Bay area in Celebes, and Ambon Island. The aircraft which attacked Djailolo then flew north to Morotai Island.

[redacted] the dissident troops under Lt. Col. Sumual which landed on the morning of 28 April appeared to be in complete control of the island, including the airfield. The air attacks on Ambon and Palu, in each case carried out by a single B-26, apparently were not as successful as the initial strikes on these targets.

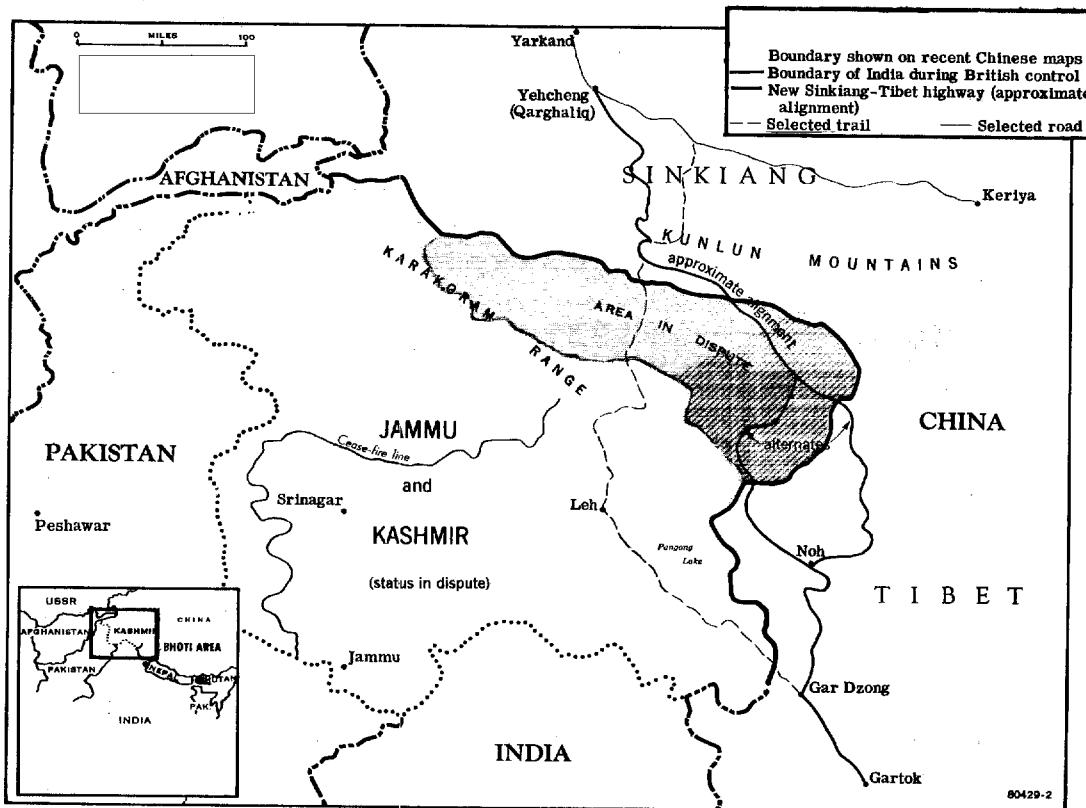
In Central Celebes the central government combat team under the command of Lt. Col. Rukmito has occupied Parigi, on the east coast. Elements of this force apparently intend to push on toward Poso, where a sizable pocket of dissident troops is believed to be located.

The leader of the Moslem insurgents in Atjeh, the northernmost part of Sumatra, will shortly declare his support for the revolutionary government.

[redacted] The severe reverses suffered by the Central Sumatran regime, however, may cause him to reconsider or at least to limit any commitment.



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India to Send Reconnaissance Patrols Into Disputed
Sino-Indian Border Area

India reportedly plans to send two military reconnaissance teams in early June into a disputed area between Kashmir and Communist China to investigate reported Chinese troop incursions.

India is particularly interested in obtaining information about a Sinkiang-Tibet road opened by the Chinese last October which passes through the area. The Chinese Communists consider this road an important communications link between Sinkiang and western Tibet.

India has been attempting to secure Chinese agreement to open negotiations on disputed border areas for several years, and Peiping recently agreed--apparently with some reluctance--to send a delegation to New Delhi to begin negotiations on the undemarcated Bhoti region where China, India, and Nepal meet. Nehru is planning a trip to Tibet about September, where he may meet Chou En-lai and discuss this area.

In resisting pressure for a quick settlement, the Chinese would probably propose that both sides keep their troops out of the area. Peiping probably will also invoke Tibetan interest in this region, which has been traditionally under Tibetan influence and is now sparsely inhabited by tribes of Tibetan racial stock.

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III. THE WEST

French Situation

Democratic Resistance Union leader Rene Pleven is expected to ask the French National Assembly for approval of his government on 5 or 6 May. He is seeking broad support on the basis of a vaguely worded statement on Algeria which includes a new call for a cease-fire to mollify the Socialists and a warning against "interference" to satisfy the right.

Pleven's general policy statements have been favorably received by a wide range of political leaders, but there is growing skepticism of his ability to attract key Independent or Socialist participation. Socialist sources do not feel Pleven's declaration has enough "guts in it," and his chances will probably depend on party leader Mollet's willingness to urge its acceptance despite increasing Socialist reluctance to take part in any government at this time. Mollet, himself, would probably welcome a period of noninvolvement which would facilitate his efforts to ease aside Minister for Algeria Lacoste.

Pleven may try to form a government even if the Socialists and Independents refuse to accept cabinet posts, but the largest of the remaining non-Communist parties--the Popular Republicans--has thus far keyed its position to that of the Socialists. The other groups may also hesitate to take a role in such an extreme minority coalition.

The American Embassy in Paris believes that the lack of a real crisis atmosphere is a major factor limiting Pleven's chances. Speculation on the return of General de Gaulle is conspicuously absent, and pressure on the parties to find a solution probably will not begin to grow until next week--too late to help this attempt by Pleven.

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New Argentine Regime Faces Severe Economic Difficulties

President-elect Arturo Frondizi, whose inauguration on 1 May will be attended by high-ranking Soviet bloc and Western delegations, sees cooperation with American private capital as the key to resolving Argentina's severe economic problems. Although his party has been a strong proponent of economic nationalism, he considers foreign investment and credit essential to countering financial difficulties and inadequate productive capacity, twin problems reflected in a cumulative trade deficit of \$1.224 billion from 1951 through 1957.

At the same time, however, Frondizi warned that foreign investors must show more appreciation of Argentina's problems. He recently stated [redacted] the Soviet Government had made specific offers to help Argentina, but acknowledged that this had not produced tangible results.

Frondizi's decision on any Soviet bloc trade and credit offers will probably be made exclusively on economic grounds after possible alternatives have been considered. The fact that the mission sent to the Soviet bloc early in 1958 by Provisional President Aramburu negotiated purchases worth only some \$27,000,000 may have little influence on Frondizi's attitude, since Aramburu had little interest in promoting such trade and since the bloc had little to gain from an outgoing administration. [redacted]

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