

~~TOP SECRET~~

3.5(c)

2D 3.3(h)(2)

7 March 1958

Copy No. 137

CENTRAL INTELLIGENCE BULLETIN



DOCUMENT NO. 6
NO CHANGE IN CLASS.
DECLASSIFIED
CLASS CHANGED TO: TS S C 2010
NEXT REVIEW DATE:
AUTH: HR 702
DATE: 3/25/80 REVIEWER:

~~TOP SECRET~~

~~TOP SECRET~~

7 MARCH 1958

I. THE COMMUNIST BLOC

Soviet officials hint USSR will compromise on membership of foreign ministers' conference.

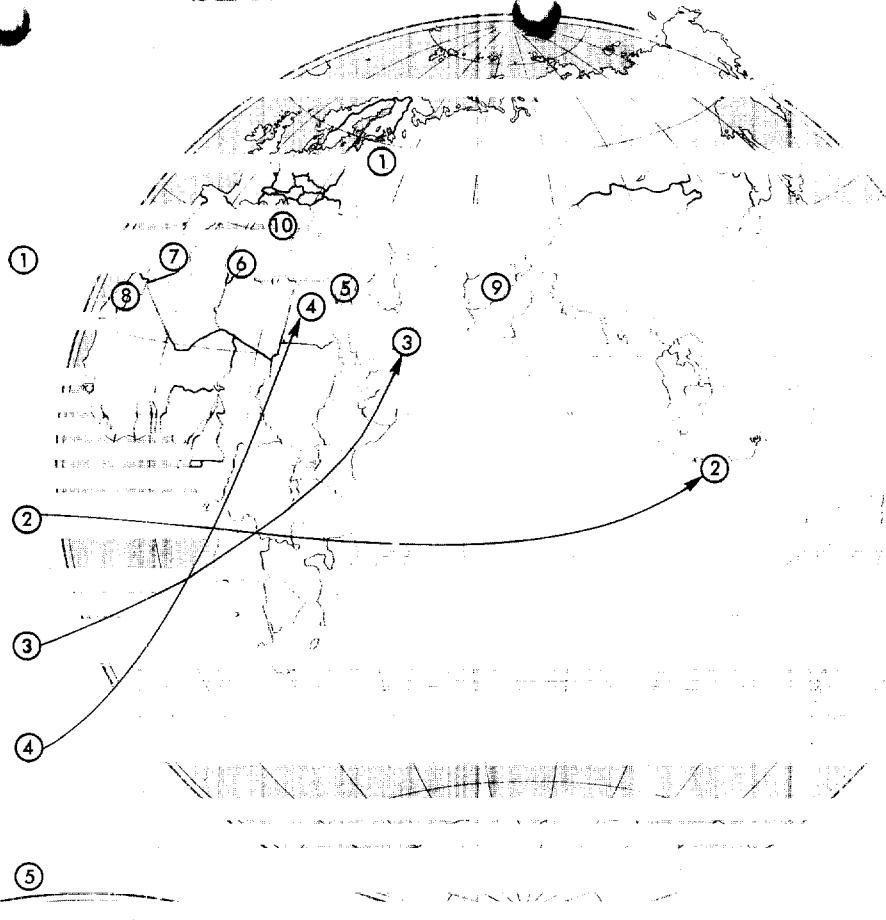
II. ASIA-AFRICA

British air reconnaissance of Indonesian Government's "staging area" for attack on Central Sumatra shows three aircraft and no unusual concentration of shipping. Other indications suggest plans are proceeding for military action against dissidents.

King Saud's position in Arab world weakened by Nasir's charges that the King attempted to sabotage the United Arab Republic.

Nasir's appointments to cabinet of United Arab Republic ensure his control over Syria.

UN secretary general calls meeting of UN Emergency Force Advisory Committee to consider movement into Gaza of three companies of Egyptian troops.



⑥ Tunisia - Bourguiba denounces Egypt for supporting plot to assassinate him.

⑦ Moroccan King calls for North African federation.

⑧ New military action is possible soon in Spanish West Africa.

⑨ Soviet Union and Afghanistan sign another construction contract under \$100,000,000 Soviet credit.

III. THE WEST

⑩ Italy - Christian Democrats' chances of winning working majority in spring election are reduced by split over conviction of Bishop of Prato.

~~SECRET~~

CENTRAL INTELLIGENCE BULLETIN

7 March 1958

DAILY BRIEFIJRA B**I. THE COMMUNIST BLOC**

Summit talks--Soviet view: Soviet officials are hinting that the USSR will compromise on the question of who should attend a foreign ministers' conference.
 (Page 1)

II. ASIA-AFRICA

ok - substitut
 last sentence
 y brief for
 whole 2nd P
 y piece.

Indonesia: British air reconnaissance on 5 March of the Indonesian Government's "staging area" in the Riau Islands for an attack on Central Sumatra showed three aircraft and no unusual concentration of shipping there. Another sweep on 6 March revealed no unusual shipping in the Siak River area. Nevertheless, other indications continue to suggest that the central government is proceeding with plans for military action against the dissidents whenever its capabilities permit.

(Page 2) (Map)

No

Watch Committee conclusion--Indonesia: There is no evidence of Sino-Soviet intention to become militarily involved in the Indonesian situation. The Djakarta government is proceeding with measures to subdue the dissidents, but an early resolution of the issue, either militarily or by negotiation, is unlikely. The general situation continues to favor the Communist position on Java and exploitation by the Sino-Soviet bloc.

TOP SECRET

~~TOP SECRET~~*no*

Saudi Arabia: As a result of the Egyptian-Syrian exposé of King Saud's alleged attempt to sabotage the Arab Republic, Saud has lost international prestige in the Arab world. He has replied to these charges by assuming an air of injured innocence and announcing that he will appoint a committee to investigate the affair. New moves by Nasir against Saud might exploit growing discontent within the Saudi royal family over the King's policies and his reluctance to delegate authority. Jordan's King Husayn, however, may retaliate against Nasir's recent attacks on him by attempting sabotage operations inside Syria.

(Page 3)

ok

United Arab Republic cabinet: The appointments to the 31-member UAR cabinet make it clear that Nasir intends to keep Syria under his control; most of Nasir's top advisers have been named to important posts. Four vice presidents and numerous separate ministers for the Egyptian and Syrian "sectors" were named. However, Syrian G-2 chief Sarraj, in becoming minister of interior for the Syrian sector, is in position to emerge more strongly as the dominant force there if he retains control of the intelligence and internal security organization he has built up.

(Page 4)

no

Egypt - Gaza strip: UN Secretary General Hammarskjold called a meeting of the United Nations Emergency Force Advisory Committee on 5 March to consider Egypt's statement that it intends to send three companies of "Palestinian" troops into the Gaza strip in connection with a celebration on 8 March of the anniversary of the Israeli evacuation. Hammarskjold feels the Israelis may regard these troops, which the Egyptians intend to withdraw about 17 March, as fedayeen terrorists. Tel Aviv is likely to protest both their presence in the Gaza area as well as the autonomous "Palestine legislative council" which is to be established there about 15 March.

(Page 5)

7 Mar 58

DAILY BRIEF

ii

~~TOP SECRET~~

~~TOP SECRET~~*no*

Watch Committee conclusion--Middle East: Tensions in the Middle East continue to create possibilities for serious incidents; however, a deliberate initiation of hostilities in the Middle East is considered unlikely in the near future.

SR

Tunisia: President Bourguiba's public denunciation of Egyptian support for Tunisian plotters alleged to be planning his assassination, while timed primarily to bolster his popular support at home, does, nevertheless, create another fissure in the Arab world.

(Page 6)

SR

Morocco: King Mohamed V, together with the governing Istiqlal party, supports the future creation of a North African federation which could be a potential rival to the United Arab Republic.

(Page 7)

OK

Spanish West Africa: The Ifni enclave, where fighting between Spanish troops and Moroccan-led guerrillas apparently died down after a limited Spanish operation there last month, may soon become the focal point of renewed military action. The Moroccan Government has recently dispatched additional troops to the environs of the enclave. Neither Spain nor Morocco is believed to have any intention of attacking the territory of the other, but the danger exists that movements in an area where borders are ill-defined could lead to engagements between forces of the two countries.

(Page 8)

(Map)

OK

New Afghan-Soviet project agreement: Afghanistan has apparently committed another large portion of the Soviet \$100,000,000 credit by signing a contract for construction of the Salang Pass tunnel and road, which will materially shorten the road distance from Kabul to

7 Mar 58

DAILY BRIEF

iii

~~TOP SECRET~~

~~TOP SECRET~~

northern Afghanistan. This project, which may cost \$20,000,000, is the largest yet undertaken under the credit. The agreement is in line with Kabul's previously stated intention to use all of the \$100,000,000.

(Page 9) (Map)

III. THE WEST

812

* Church-State issue in Italy: The Vatican's violent reaction to the conviction of the Bishop of Prato may divide the Christian Democratic party and reinforces the probability that the Christian Democrats will not win a working majority in this spring's elections.

(page 10)

IV. SIGNIFICANT INTELLIGENCE REPORTS AND ESTIMATES

(Available during the preceding week)

Possible Soviet Long Range Bomber Development, 1958-1962. Special National Intelligence Estimate No. 11-58, 4 March 1958.

7 Mar 58

DAILY BRIEF

iv

~~TOP SECRET~~

~~SECRET~~

I. THE COMMUNIST BLOC

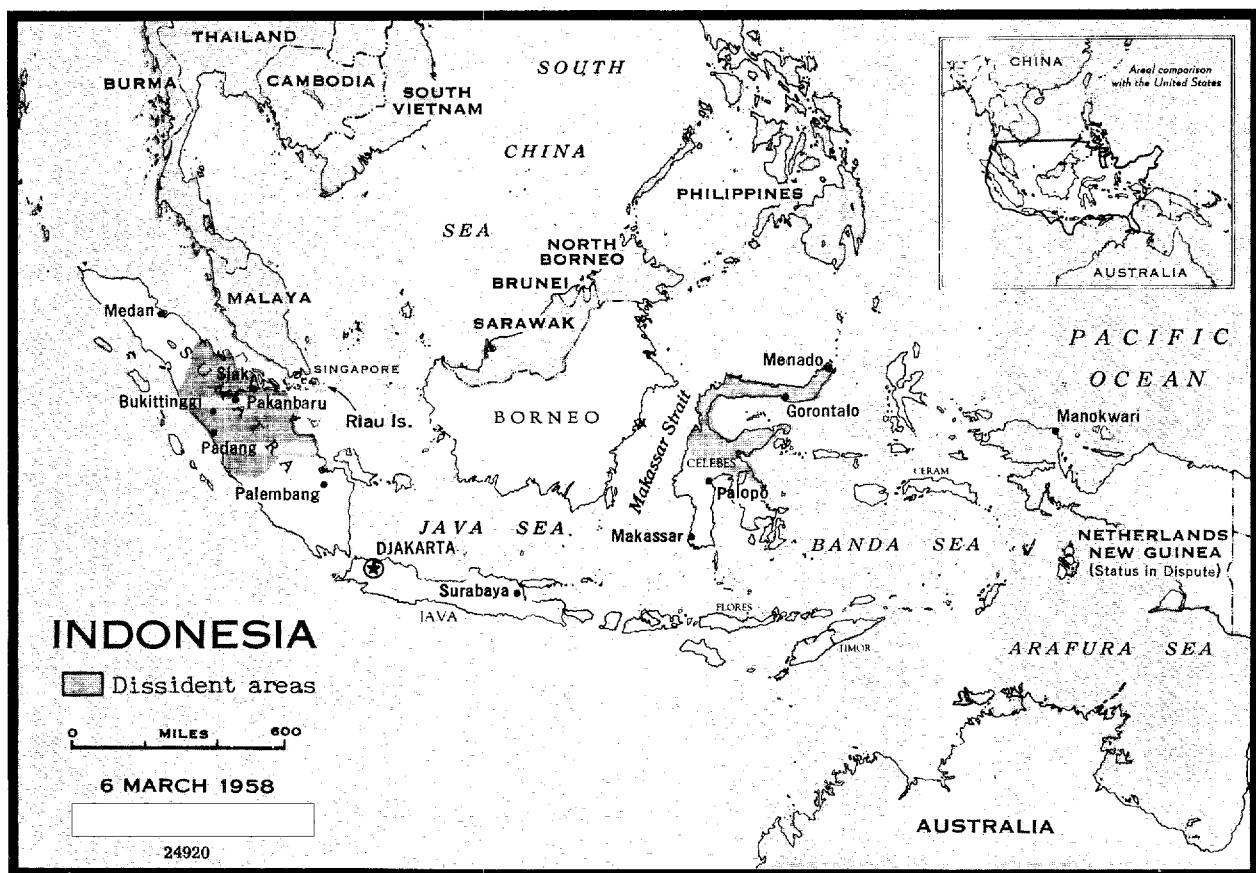
USSR Hinting at Compromise on Foreign Ministers' Meeting

Kremlin leaders apparently believe that a compromise on the composition of a foreign ministers' meeting would increase pressure on Western governments to agree to a summit conference before its membership and agenda have been determined.

[redacted]
the USSR is prepared to agree to a four-power foreign ministers' meeting, instead of a broader meeting with neutralist participation, provided the West does not insist on discussing German reunification. A Soviet Foreign Ministry official informed the Italian Embassy in Moscow on 3 March that the Soviet Union wants neutralist states to be represented at summit talks, but believes their participation in a foreign ministers' meeting is not essential. Soviet Ambassador Malik in London reminded Ambassador Whitney on 4 March that the USSR does not require the same composition for both a foreign ministers' and a summit conference.

Although apparently prepared to concede on the question of the composition of a "strictly procedural" foreign ministers' conference, the Soviet Government still attaches great importance both to the agenda and to equal East-West representation at a summit meeting. Moscow hopes to use "parity at the summit" to illustrate Western recognition of the status quo in Eastern Europe and Soviet claims that the "balance of world forces" has shifted away from the West.
[redacted]

~~SECRET~~



II. ASIA-AFRICA

Indonesia

A British airssweep on 5 March up to 30 miles around Tandjung Pinang, the Indonesian Government's purported staging area in the Riau Islands south of Singapore, revealed only three planes on the airfield there. There also was no evidence of any unusual concentration of vessels in the area. Aerial reconnaissance of the Central Sumatran east coast on 6 March, in the vicinity of the Siak River, similarly showed no unusual shipping activity.

Nevertheless, the central government apparently is proceeding with its planning for military operations in Central Sumatra. [redacted] that a battalion would leave East Java that day for the Riau Islands, there to be split for further deployment to Padang and Medan. Caltex officials in New York state their company has been assured by Djakarta that it will have five days' advance notice of any military action in the Pakabaru oil-producing area.

Conscription has been introduced in Central Sumatra. The rebel regime's Padang radio announced on 6 March that all males between the ages of 15 and 45 will serve in rural defense corps to be formed in each village.

The Indonesian Communist party (PKI) is continuing to back a policy of strong action against the rebels. [redacted] its leaders argue that an early rebel defeat would fatally weaken the non-Communist opposition, thus paving the way for further electoral victories and the short step from "guided" to "popular democracy." Accordingly, they are making every effort to whip up mass support in Java against the rebels and to press President Sukarno and his National Advisory Council to take prompt, decisive action. [redacted]

~~TOP SECRET~~

Saud-Nasir Conflict

Saudi Arabia has professed official surprise and indignation over Nasir's charge that King Saud had plotted to break up the United Arab Republic and kill its leader. Jordan's King Husayn, however, instead of trying to minimize this crisis, has denounced the charges as mean lies against the rightful leaders of the Arabs. In other direct action which promises to intensify the Arab split, Husayn has indicated that Jordan sent terrorists into Syria on 2 March for the purpose of blowing up two bridges.

Long-standing policy differences between King Saud and members of the royal family are reported to have become more serious during recent weeks and presumably are being exploited by Nasir to weaken Saud's position at home and abroad. Saud's pro-Western policies have been opposed by important members of the royal family, including Crown Prince Faysal, who also resent Saud's steady concentration of power in his own hands and those of favorite sons. An attempt by Faysal to resign as prime minister and foreign minister is reported to have been rejected in mid-February by the King. At that time six other disgruntled ministers, including Interior Minister Prince Abdulla Faysal, son of the crown prince, were said to be prepared to resign about the end of April in support of the crown prince.

The Saudi press, meanwhile, has reported the departure of Prince Abdulla Faysal for Beirut on 3 March for "medical treatment."

[redacted] the prince has been cooperating with Egyptian intelligence. His departure from Saudi Arabia immediately before Nasir's attack on the King may indicate that the prince and his faction, possibly including the crown prince, may be close to breaking with King Saud.

~~SECRET~~

Nasir Appoints United Arab Republic Cabinet

In appointing a 31-man cabinet for the United Arab Republic, Nasir has side-stepped the selection of separate "sector" executive councils for Egypt and Syria as previously planned, apparently because of inability to find suitable or generally acceptable chairmen. By appointing both an Egyptian and Syrian minister for nearly every cabinet position, and by placing Egyptians at the head of four important combined ministries--war, foreign affairs, national guidance (propaganda), and education--Nasir has created at least a temporary balance which should minimize conflicts and disappointments and maintain his own absolute authority.

Appointed at the same time were four vice presidents--former chairmen of the Egyptian National Assembly Abd al-Latif al-Baghdadi and Marshal Abd Al-Hakim Amir, along with Syria's former Premier Sabri al-Asali, and former speaker of the Syrian chamber of deputies Akram al-Hawrani. In the Syrian sector, "strong man" Col. Abd al-Hamid Sarraj received the key Interior Ministry slot, while other members of the Syrian general staff have been relegated to such apparently innocuous sinecures as communications and social and village affairs. The pro-Soviet former Syrian Vice Premier Khalid al-Azm is conspicuously absent.

The capable director of Egyptian propaganda, Fathi Radwan, will serve as the single minister of national guidance. The unified Ministry of Foreign Affairs will be under Egypt's Mahmud Fawzi, probably seconded by Syria's former head of foreign affairs, Salah al-Din al-Bitar, as minister of state. Egypt's red-tinged former Minister of Commerce Muhammad Abu Nusayr has been assigned to what appears to be a less significant post as minister of municipal and village affairs for the Egyptian sector. The more conservative former Finance Minister Abd al-Munim al-Qaysuni will be the minister of economy and trade for Egypt. Ali Sabry, one of Nasir's closest advisers, remains as minister of state for presidential affairs. [redacted]

~~CONFIDENTIAL~~

UN Concerned Over Egyptian Moves in Gaza Strip

UN Secretary General Hammarskjold called a meeting of the United Nations Emergency Force advisory committee on 5 March to consider an Egyptian statement that Egypt intends to send three companies of "Palestinian" troops into the Gaza strip.

[redacted] these troops may be in the strip already, since Cairo ordered the troops to be there on 3 March and remain until 17 March. [redacted]
they are uniformed and carry only light arms.

The Egyptians plan to use the troops, presumably for parade purposes as well as to keep order, during the celebration on 8 March of the anniversary of the Israeli evacuation of Gaza. Since the troops are to stay until 17 March, however, they presumably will participate in formalities connected with the scheduled establishment, or revival, in Gaza about 15 March of an autonomous Arab Palestine government and legislative council. If Israel protests the presence of the Egyptian troops, Egypt can point to Israeli plans for a military parade in Jerusalem on 24 April as a technical violation of the Israeli-Jordanian armistice agreement.

[redacted]

[redacted]

~~SECRET~~ [redacted]

Tunisia Threatens to Break Relations With Egypt

President Bourguiba, following his official protest against Egyptian assistance to his exiled rival, Salah ben Youssef, has publicly threatened to break off diplomatic relations unless Cairo supplies an acceptable explanation of the facilities provided Ben Youssef and his few followers in the past two years. Ben Youssef is said to have plotted Bourguiba's assassination. While Ben Youssef, who has been sentenced to death in absentia by Tunisian courts, may have planned for Bourguiba's liquidation, he is as likely to have been encouraged by French extremists as by Cairo.

The present publicity is probably an effort by the Tunisian Government to shore up Bourguiba's declining prestige and to besmirch Nasir in the eyes of the Tunisians, among whom there has been a marked growth recently in pro-Egyptian sentiment. It may also be designed to gain additional credit for Bourguiba in Western eyes.

~~CONFIDENTIAL~~

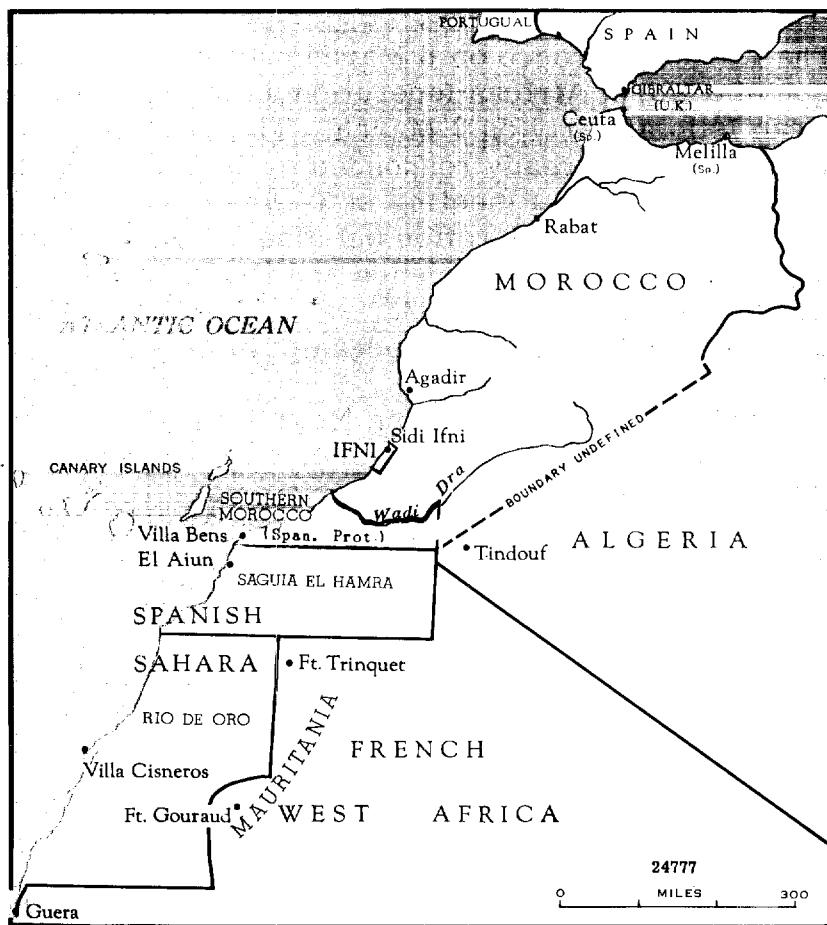
Moroccan King Endorses North African Federation

The King of Morocco on 6 March publicly endorsed creation of a North African federation as suggested by the Moroccan Istiqlal party on 2 March. The Tunisian Neo-Destour party had already responded to the Istiqlal initiative and had proposed a meeting in Tunis or Rabat to consider not only such a federation but also joint action to bring about Algerian independence and the evacuation of foreign troops from all North Africa. The latter objectives are also endorsed by Moroccan politicians.

Some North Africans, among them Tunisian President Bourguiba, envisage a union including Libya and an independent Algeria as well as Tunisia and Morocco which could serve as a Western counterbalance to the United Arab Republic. [redacted]

[large rectangular redacted area]

~~CONFIDENTIAL~~



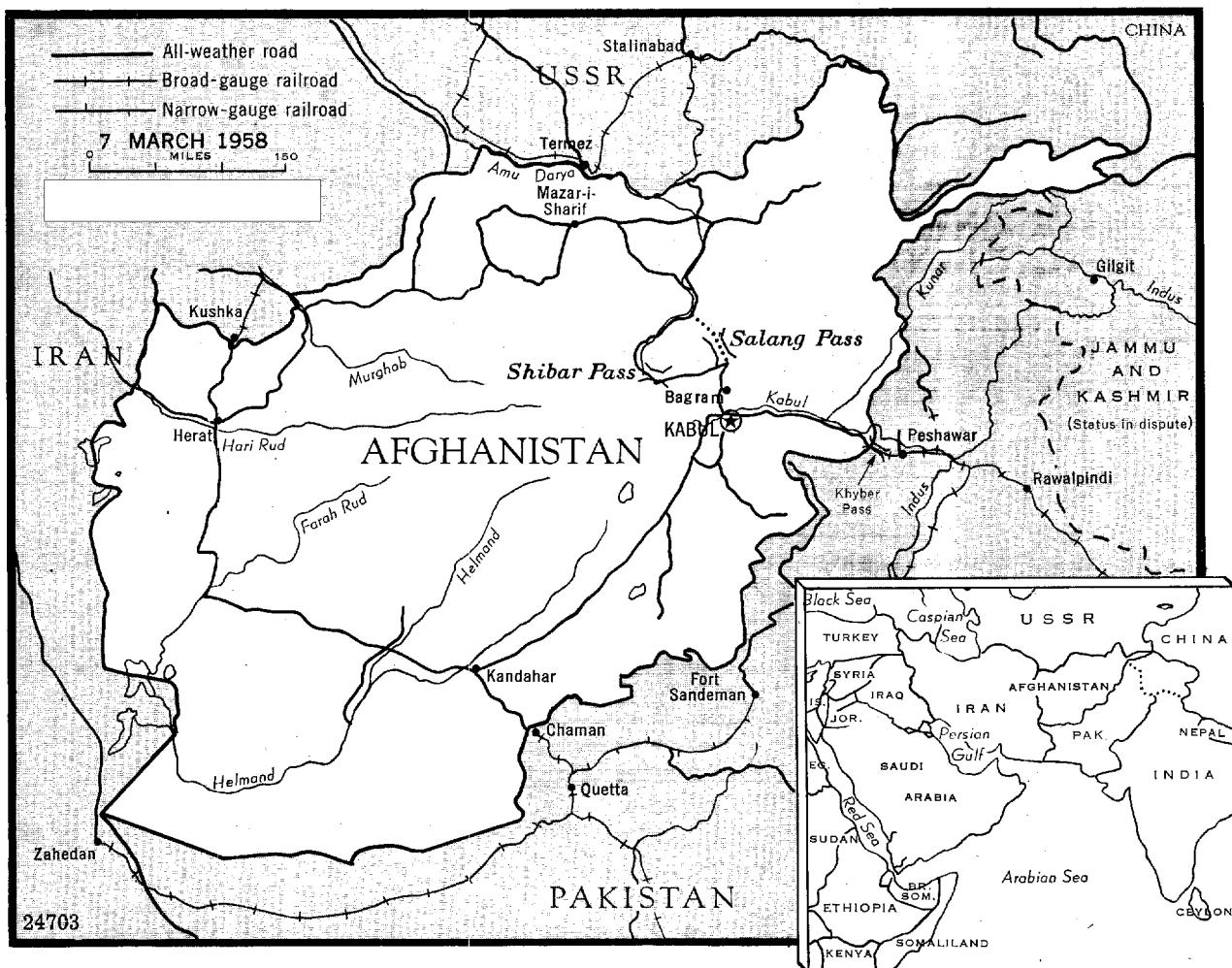
~~SECRET~~Renewed Hostilities Possible Soon in Ifni Area

A large-scale Spanish offensive against guerrillas in Ifni is to be launched in the second week of March, [redacted]

[redacted] that the Spanish general staff was drawing up plans for the operation and that these envisaged support by the French Air Force and the coordination of a 7,000-man parachute drop with an attack by ground elements from Spain's present coastal defense perimeter in Ifni. The American army attaché doubts that the 7,000-man Spanish force now in Ifni can reoccupy the entire enclave and hold its frontier posts. France, which carefully avoided any involvement in Ifni while cooperating militarily with Spain in Spanish Sahara last month, is unlikely to participate overtly now that its relations with Morocco are already deteriorating.

Rabat's current reinforcement and redeployment of royal army forces in the environs of the enclave was prompted by its anticipation of the offensive. [redacted] the Moroccan King and government do not discount the possibility of a border incident similar to the 8 February French attack on the Tunisian frontier village of Sakiet Sidi Youssef. Spain, however, has denied the existence of any plan for military action which might infringe on Moroccan territory. In any event, the likelihood appears to be increasing that any significant military flare-up in Ifni would overflow the enclave and involve royal army elements. [redacted]
[redacted]
✓ [redacted]

~~SECRET~~



Construction Contract on New Afghan-Soviet Project

Afghan and Soviet representatives on 3 March signed a construction contract for the Salang Pass tunnel and road, [redacted] thus committing another large portion of the \$100,000,000 Soviet credit. The road and tunnel will shorten the road distance from Kabul to northern Afghanistan by about 65 miles and be more usable during the winter than the present Shibar Pass route.

This contract could utilize as much as \$20,000,000 of the credit, in addition to the approximately \$13,000,000 committed to date. Kabul had previously stated that it intended to use all of the \$100,000,000, despite its concern over servicing its increasing foreign debt. Large amounts of Afghan currency, already in short supply, will also be required for the project.

Afghan Prime Minister Daud [redacted]

[redacted] indefinitely postponed Soviet construction on the Kabul civil airport. The USSR apparently expects to do some construction work there eventually, however, as 600 tons of materials are said to have been stockpiled at the site. The USSR is currently using all available construction equipment on the Bagram military airport, 30 miles north of Kabul, probably in an effort to complete that project before the United States finishes the Kandahar international airport in southern Afghanistan. Work on the Kabul airport will probably not be started until equipment can be released from the Bagram project. [redacted]

~~SECRET~~

III. THE WEST

Church-State Issue in Italy

The Italian Christian Democratic party's prospects of winning a working majority in this spring's elections have been reduced by the recent trial of the Bishop of Prato. The Vatican's violent reaction to the bishop's conviction for defaming the character of a couple married without a church service may cause strongly proclerical elements of the party to withdraw their support from party candidates not sufficiently sympathetic toward the church.

Premier Zoli's statement that he is "sorry about the conviction as a Catholic, but nevertheless believes that justice must take its course" will reduce the extent to which the issue can be exploited in the forthcoming national elections. Except for left-wing papers, the press on 5 March took a fairly restrained attitude, but the Communists will probably continue to stress the issue.

~~SECRET~~

DISTRIBUTION**THE PRESIDENT****The Vice President**

Executive Offices of the White House

Special Assistant for National Security Affairs

Scientific Adviser to the President

Director of the Budget

Office of Defense Mobilization

Special Assistant for Security Operations Coordination

Operations Coordinating Board

Board of Consultants on Foreign Intelligence Activities

Special Assistant for Foreign Economic Policy

The Treasury Department

The Secretary of the Treasury

The Department of State

The Secretary of State

The Under Secretary of State

The Deputy Under Secretary for Political Affairs

The Deputy Under Secretary for Administration

The Deputy Under Secretary for Economic Affairs

The Counselor

Director, International Cooperation Administration

Director of Intelligence and Research

The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Chairman, The Joint Chiefs of Staff

Commandant, United States Marine Corps

The Director, The Joint Staff

Chief of Staff, United States Army

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Assistant to Secretary of Defense for Special Operations

Deputy Director for Intelligence, The Joint Staff

Assistant Chief of Staff, Intelligence, Department of the Army

Director of Naval Intelligence, Department of the Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

Supreme Allied Commander, Europe

Commander in Chief, Pacific

Federal Bureau of Investigation

The Director

Atomic Energy Commission

The Chairman

National Security Agency

The Director

National Indications Center

The Director

United States Information Agency

The Director

~~CONFIDENTIAL~~

~~TOP SECRET~~

CENTRAL INTELLIGENCE BULLETIN

7 March 1958

DAILY BRIEF

Watch Committee conclusion--Indonesia: There is no evidence of Sino-Soviet intention to become militarily involved in the Indonesian situation. The Djakarta government is proceeding with measures to subdue the dissidents, but an early resolution of the issue, either militarily or by negotiation, is unlikely. The general situation continues to favor the Communist position on Java and exploitation by the Sino-Soviet bloc.

United Arab Republic cabinet: The appointments to the 31-member UAR cabinet make it clear that Nasir intends to keep Syria under his control; most of Nasir's top advisers have been named to important posts. Four vice presidents and numerous separate ministers for the Egyptian and Syrian "sectors" were named. However, Syrian G-2 chief Sarraj, in becoming minister of interior for the Syrian sector, is in position to emerge more strongly as the dominant force there if he retains control of the intelligence and internal security organization he has built up.

(Page 4)

Watch Committee conclusion--Middle East: Tensions in the Middle East continue to create possibilities for serious incidents; however, a deliberate initiation of hostilities in the Middle East is considered unlikely in the near future.

Tunisia: President Bourguiba's public denunciation of Egyptian support for Tunisian plotters alleged to be planning his assassination, while timed primarily to bolster his popular support at home, does, nevertheless, create another fissure in the Arab world.

(Page 6)

Morocco: King Mohamed V, together with the governing Istiqlal party, supports the future creation of a North African federation which could be a potential rival to the United Arab Republic.

(Page 7)