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27 June 1958

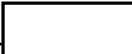


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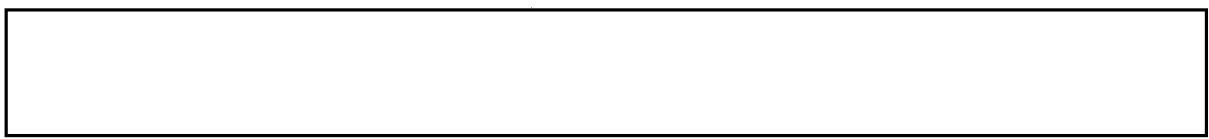
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CENTRAL INTELLIGENCE BULLETIN



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State Dept. review completed

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CENTRAL INTELLIGENCE BULLETIN

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DAILY BRIEF

I. THE COMMUNIST BLOC

Bloc-Yugoslav dispute: Peiping's harsh anti-Yugoslav editorial on 25 June following the Chinese Communist boycott of the departure of the Yugoslav ambassador marks a further deterioration in Chinese-Yugoslav relations. Albania's statement on 22 June that Tito is a "traitor and enemy" may also be an attempt to provoke a virtual suspension of diplomatic relations.

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II. ASIA-AFRICA

Watch Committee conclusion--Lebanon and Middle East (for the period from 19 to 25 June 1958): No political or military solution of the Lebanese crisis is in sight. There is evidence of a rebel build-up which may foreshadow increased efforts to take over the government. The army has not been employed to its full capabilities. An attempted military coup d'etat by some senior officers to oust Chamoun remains a possibility. Covert intervention by UAR irregulars and infiltration of considerable quantities of UAR arms continue.

no

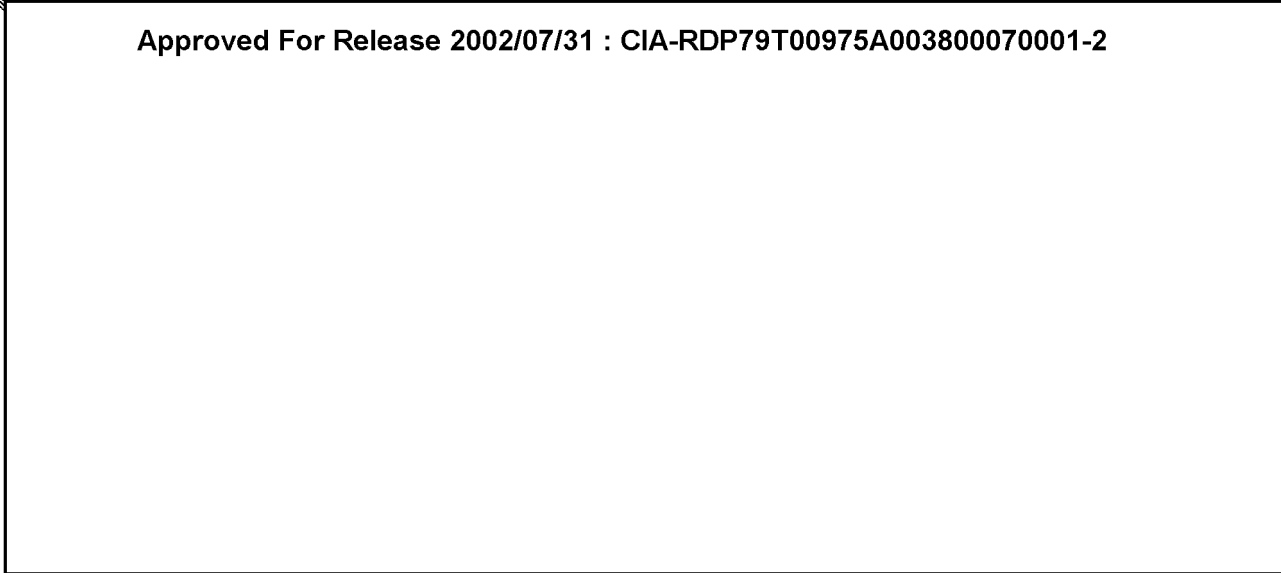
There is no evidence of Soviet bloc, UAR, or Israeli intention to intervene with regular military forces.

The Lebanese Government has reportedly requested from the secretary general a United Nations Emergency Force to seal off the border with Syria. Should this request be denied, the Lebanese Government will probably seek Western intervention under Article 51 of the UN Charter.

Elsewhere in the Middle East, a deliberate initiation of hostilities is unlikely; however, serious incidents may occur.

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Indonesia: Army headquarters in Djakarta has announced the capture of Menado. Guerrilla warfare by the dissidents in North Celebes seems likely. In Sumatra, such warfare by the dissidents is steadily increasing in scope and intensity. Sizable areas in North and Central Sumatra are under dissident control. Rubber estates, including some which are American-owned, have already been attacked. [redacted] Stanvac and Caltex oil installations may also be attacked. [redacted]

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The Cyprus issue: Turkey has raised the Cyprus controversy in the Baghdad Pact Council of Deputies by complaining that Britain has failed to coordinate its Cyprus policy with Ankara since January 1958. The Turkish representative warned that London's "unfair" attitude could lead to "disastrous results" and the end of close relations within the alliance. [redacted]

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Watch Committee conclusion--North Africa: Accord between France and Tunisia on evacuation of French forces and progress in similar negotiations between France and Morocco have substantially reduced the danger of serious conflict in these areas. [redacted]

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DAILY BRIEF

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III. THE WEST

France-Algeria: Disturbances by right-wing elements are being planned for De Gaulle's visit to Algeria on 1 July. The French armed forces, however, are believed loyal to De Gaulle and capable of preventing any serious violence. *OK*

[Redacted]

IV. SIGNIFICANT INTELLIGENCE
REPORTS AND ESTIMATES

(Available during the preceding week)

National Intelligence Estimate No. 36-58. Trends in the Middle East in the Light of Arab Unity Developments. 5 June 1958. [Redacted]

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DAILY BRIEF

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[Redacted]

I. THE COMMUNIST BLOC

Yugoslav-Bloc Dispute

The Yugoslav dispute with the Sino-Soviet bloc is apparently moving toward the level that existed subsequent to the 1949 Cominform resolution despite the Communist world's declaration that state relations should remain "correct." Yugoslav Foreign Secretary Koca Popovic claimed on 26 June that some political leaders of the Sino-Soviet bloc now "intend to worsen relations with a definite political aim." He declared that "such a course necessarily contains elements of a policy of reliance on force."

The 25 June editorial of the Chinese party organ People's Daily indicated that the bloc will intensify its attempt to undercut the position of the Yugoslav leaders. The editorial attacked Tito as a "traitor" and clearly questioned the "future" of Tito. An Albanian editorial in Zeri I Popullit on 22 June wrote off Tito as a "traitor to Marxism-Leninism, enemy of the Soviet Union, China, and the Communist parties." While the article paid lip service to the continuation of correct diplomatic relations, its tone was such as to render this virtually impossible, and suggested that actually Tirana desires to provoke a suspension of diplomatic ties with Belgrade.

The departure from Peiping of Tito's ambassador to assume a previously assigned top-level domestic post gave the Chinese an opportunity to administer an insult which in effect signals the virtual suspension of normal diplomatic ties. The Chinese snub of his departure makes it unlikely that Belgrade will assign in the near future a replacement, and the Chinese ambassador to Yugoslavia, who is currently in Peiping, probably will not return in view of the current dispute.

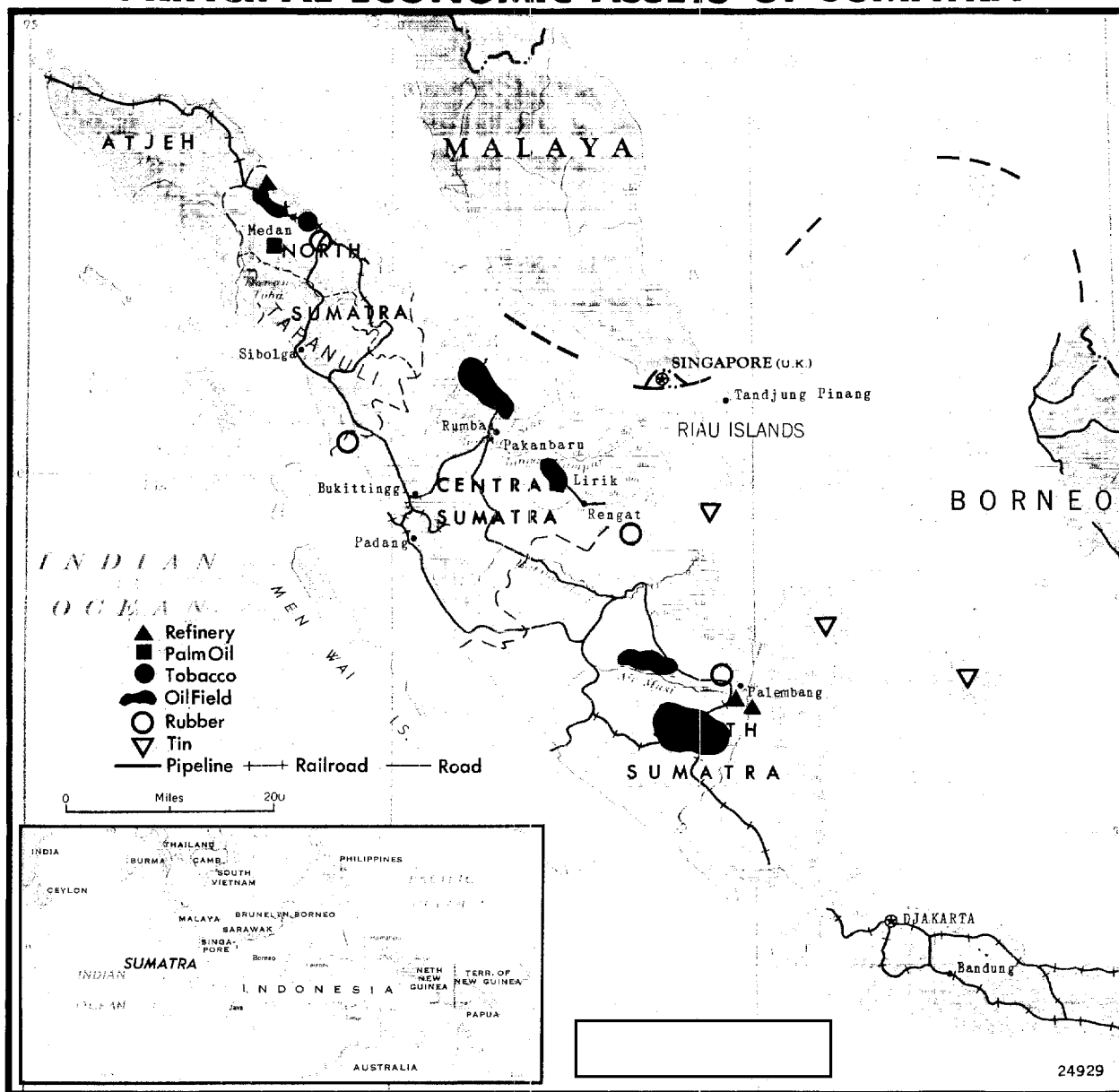
Portions of Yugoslav broadcasts originating in Belgrade have been jammed in Eastern Europe since 19 June, suggesting that a return to the 1949-54 blackout of Yugoslav transmissions is now contemplated.

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PRINCIPAL ECONOMIC ASSETS OF SUMATRA



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Dissident Guerrilla Activity in Sumatra

Dissident guerrilla warfare in Central and North Sumatra is increasing in both scope and intensity, [redacted]

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[redacted] Dissident units are being reorganized, and the rebels have launched night attacks against towns in the Bukittinggi area. Several districts north of Bukittinggi and east and southeast of Padang are reported cleared of central government troops and under dissident control, and at least one government counterattack is said to have been repulsed.

Dissident units in the Lake Toba area of North Sumatra are harassing government military posts and transportation facilities. A dissident representative who recently went from Sumatra to Singapore claims that one tribal group in North Sumatra--the Bataks, many of whom are Christianized--is completely united against the Javanese, and over 10,000 Batak youths have volunteered for dissident service. Only a limited number of them can be used, however, because of a shortage of arms. [redacted]

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Attacks against foreign estates, including some which are American-owned, are increasing in the east coast Sumatra plantation area near Medan. The deputy army commander has said he is powerless to evict the dissidents from one estate they have occupied. [redacted] efforts may soon be made against Stanvac and Caltex oil installations in Central Sumatra. [redacted]

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Turkey Warns Baghdad Pact Deputies of Repercussions
From Cyprus Dispute

Turkey, in a special meeting of the Baghdad Pact Council of Deputies on 24 June, warned that the Cyprus issue could affect pact relationships. The Turkish representative castigated the British Government for its handling of the problem, especially for "failure to work out its plan in consultation with its allies." The Turkish statement reiterated the claim that Britain, by previous official statements, was committed to ultimate partition and the interim establishment of a Turkish base on Cyprus. Largely ignoring Greek involvement, except to blame Athens for creating the problem, the statement noted that the question had reached a phase which could obstruct cooperation within the Baghdad Pact.

Despite the Turkish desire to pursue the matter, further consideration of the issue was postponed for a week to allow the British delegate to consult London.

In London, parliamentary debate of the Cyprus plan concluded with the Labor party criticizing particulars but generally supporting the government and urging renewed negotiations.

On Cyprus, periodic outbreaks of violence continue, with EOKA leader Grivas rejecting the latest plan as "a new monstrosity." Turkish Cypriots, who have also firmly rejected the plan, are warning individuals against voicing approval of the plan.

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III. THE WEST

De Gaulle 1 July Visit to Algeria May Provoke Disturbances

Extremist French settler groups in Algeria, increasingly disenchanted with De Gaulle, are reportedly preparing for violence during the premier's 1 July visit. An attempt may be made against Socialist leader Guy Mollet, [redacted]

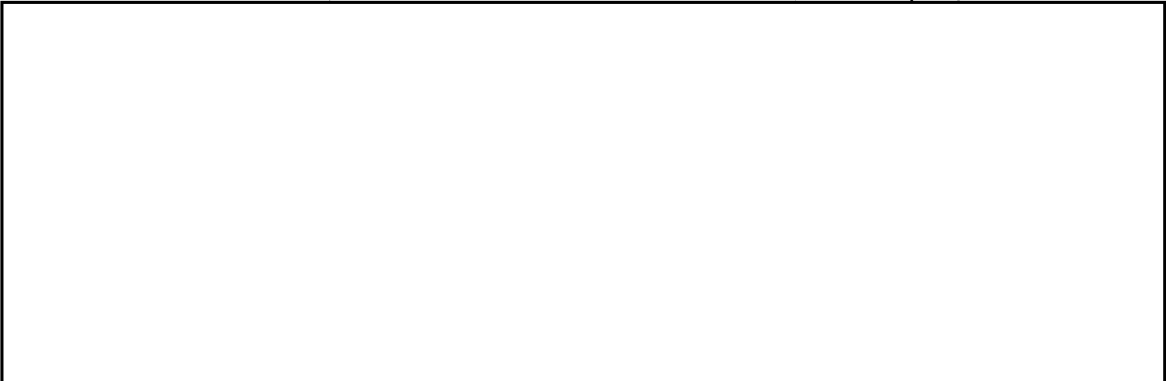
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[redacted] The settlers interpret De Gaulle's intention to take Mollet with him as confirmation of their fears that a liberal solution for Algeria has been decided on. The anti-De Gaulle movement in Algeria is said to be led by several high officials including General Allard, super-prefect of the Algiers region.

Pierre Poujade, extreme rightist demagogue, may arouse settler feelings still further if he visits Algeria as he reportedly plans. Poujade has recently thrown in his lot with the committees of public safety and is said to be working with retired air force General Chassin's committee and in liaison with the Algiers committee.

The US consul general in Algiers feels that disturbances during De Gaulle's visit are possible, but he and the embassy in Paris believe that the army is behind De Gaulle. The consul general thinks that the army would not tolerate any action by local mobs against Mollet and that the settlers will find it difficult to generate serious trouble during the visit. The secretary general of the Gaullist Social Republican party, who was active in the 13 May upset and maintains close liaison with the military in Algeria, also believes the army fully supports De Gaulle. He says the majority of paratroop officers will not hesitate to crack down on the civilian extremists if they resist.

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