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27 March 1958

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CENTRAL INTELLIGENCE BULLETIN



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27 MARCH 1958

I. THE COMMUNIST BLOC

USSR may be intervening in East German dispute between Ulbricht and purged opponents.

II. ASIA-AFRICA

Impact of Saudi regime shift makes eventual resumption of sole rule by Saud highly unlikely.

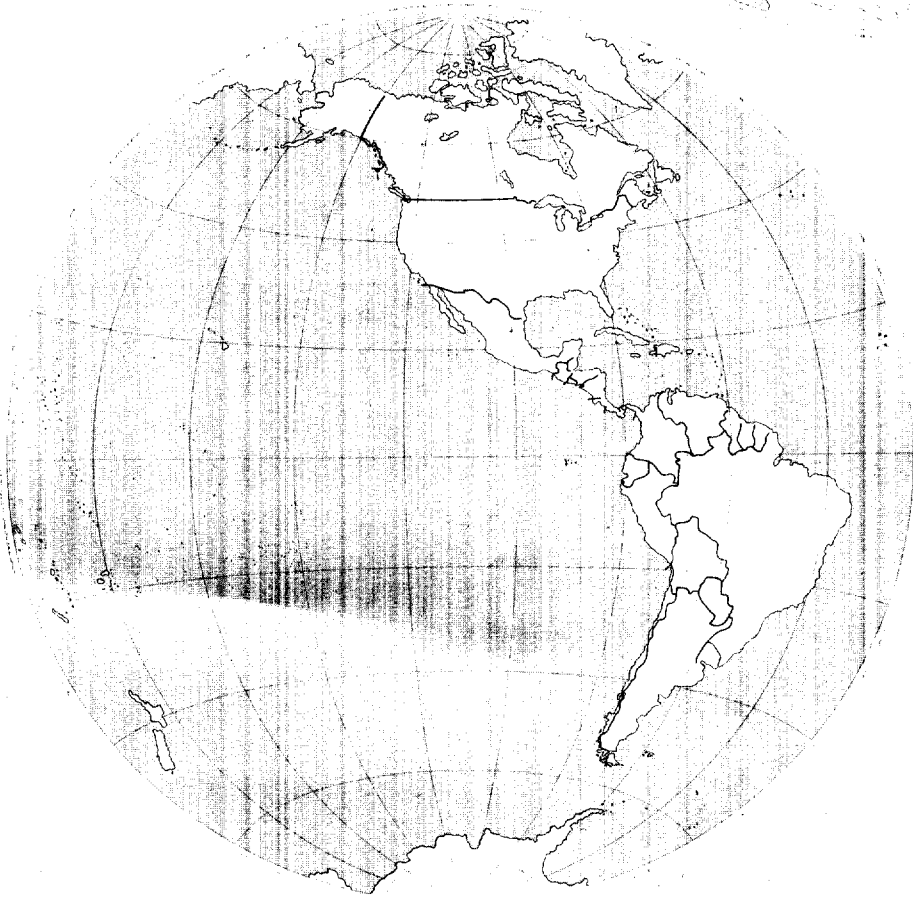
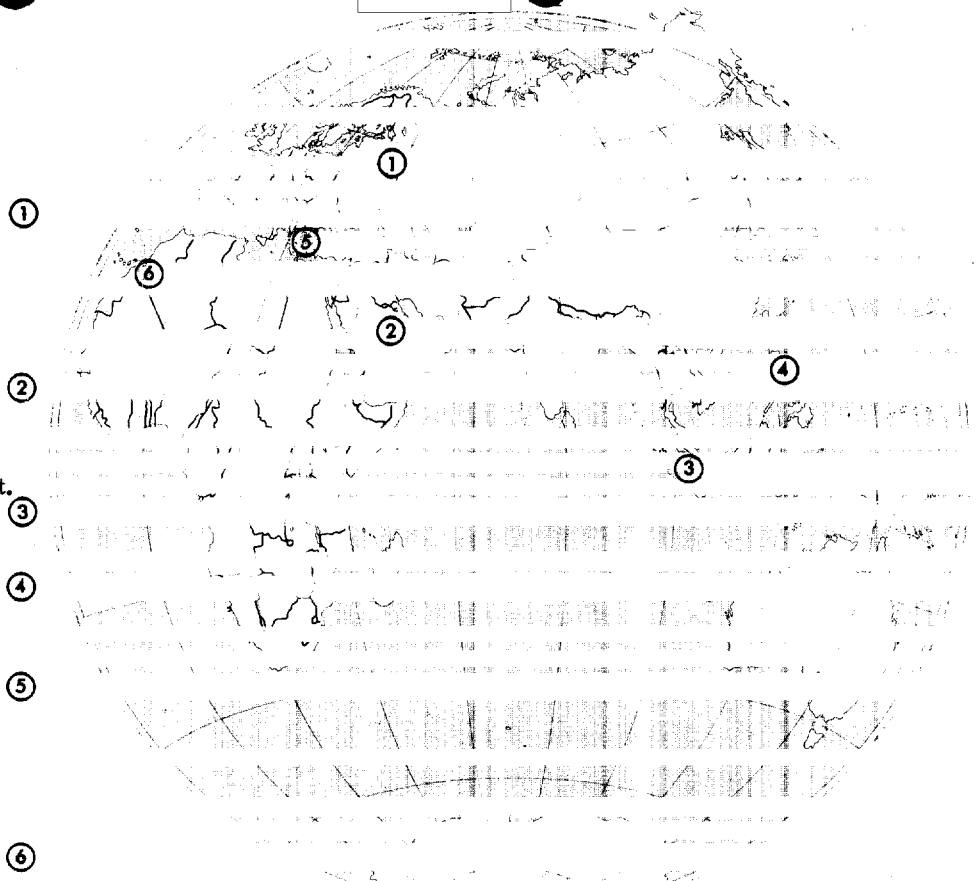
Indonesia - Naval orders support evidence that amphibious attack on West Sumatran coast is not imminent.

Japan to establish missile test range next year.

Communists resume black radio broadcasts to Greece as election campaigning begins.

III. THE WEST

Spain, Morocco about to resume negotiations on cession of Southern Morocco protectorate.



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CENTRAL INTELLIGENCE BULLETIN

27 March 1958

DAILY BRIEF

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I. THE COMMUNIST BLOC

East Germany:: Despite Ulbricht's efforts in Moscow, [redacted] the USSR has intervened in the East German party dispute to halt the denigration of his opposition. Moscow's action follows presentation of the anti-Ulbricht faction's views to the Soviet leaders by former East German security chief Ernst Wollweber. Various members of the opposition are again circulating freely in East Germany, including Schirdewan, the leader of the opposition, who remains determined to oust Ulbricht.

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[redacted] (Page 1)

II. ASIA-AFRICA

Saudi Arabia: The widespread rumors that Crown Prince Faysal has assumed control of the Saudi armed forces are unconfirmed. Saud's actual power position at this time may be greater than such reports suggest. Nevertheless, the impact in the area of Faysal's announced assumption of broad powers has been to undermine rather than buttress the King's authority. A return to personal rule by Saud alone now is unlikely. [redacted]

no

Indonesia: Further evidence that an amphibious attack on the Padang area of Sumatra by central government forces is not imminent is [redacted]

[redacted] navy's principal task in West Sumatran waters is to enforce the blockade of dissident-held territory. [redacted]

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OK The two smaller of the four naval ships built in Italy for the Indonesian Government are scheduled to depart Leghorn 29 March for Djakarta. Their estimated time of arrival is late April or early May. The central government has announced that its forces in Central Sumatra are still moving toward Padang. In Djakarta, the government is drafting legislation calling for approval of a \$20,000,000 Chinese Communist loan to finance a textile factory and the import of badly needed fabrics and rice. [redacted]

[redacted] (Page 2) (Map)

OK Japan: Japan will begin experimental firing of guided missiles in the fall of 1959, according to Defense Director Tsushima. A missile range is being established on Niijima Island, about 100 miles south of Tokyo on the east coast, and initial experiments apparently will involve defensive missiles of Swiss and American manufacture. [redacted]

[redacted] (Page 3)

[redacted] Communist broadcasts to Greece: A clandestine Communist radio, with its transmitter possibly located in Czechoslovakia, is broadcasting to Greece after more than two years of silence. Leaders of the exiled Greek Communist party may have decided that a renewed radio campaign at this time could assist the Communist-front United Democratic Left in the forthcoming Greek national elections.

[redacted] (Page 4)

III. THE WEST

no Spain-Morocco: The Spanish and Moroccan foreign ministers are to meet shortly to negotiate further regarding termination of Spain's protectorate over Southern Morocco.

[redacted] (Page 5)

27 Mar 58

DAILY BRIEF

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I. THE COMMUNIST BLOC

Moscow Stops East German Criticism of Purged Leaders

After hearing both sides of the East German leadership dispute, the USSR has ordered the Ulbricht forces to call off their denigration of the opposition, [redacted]

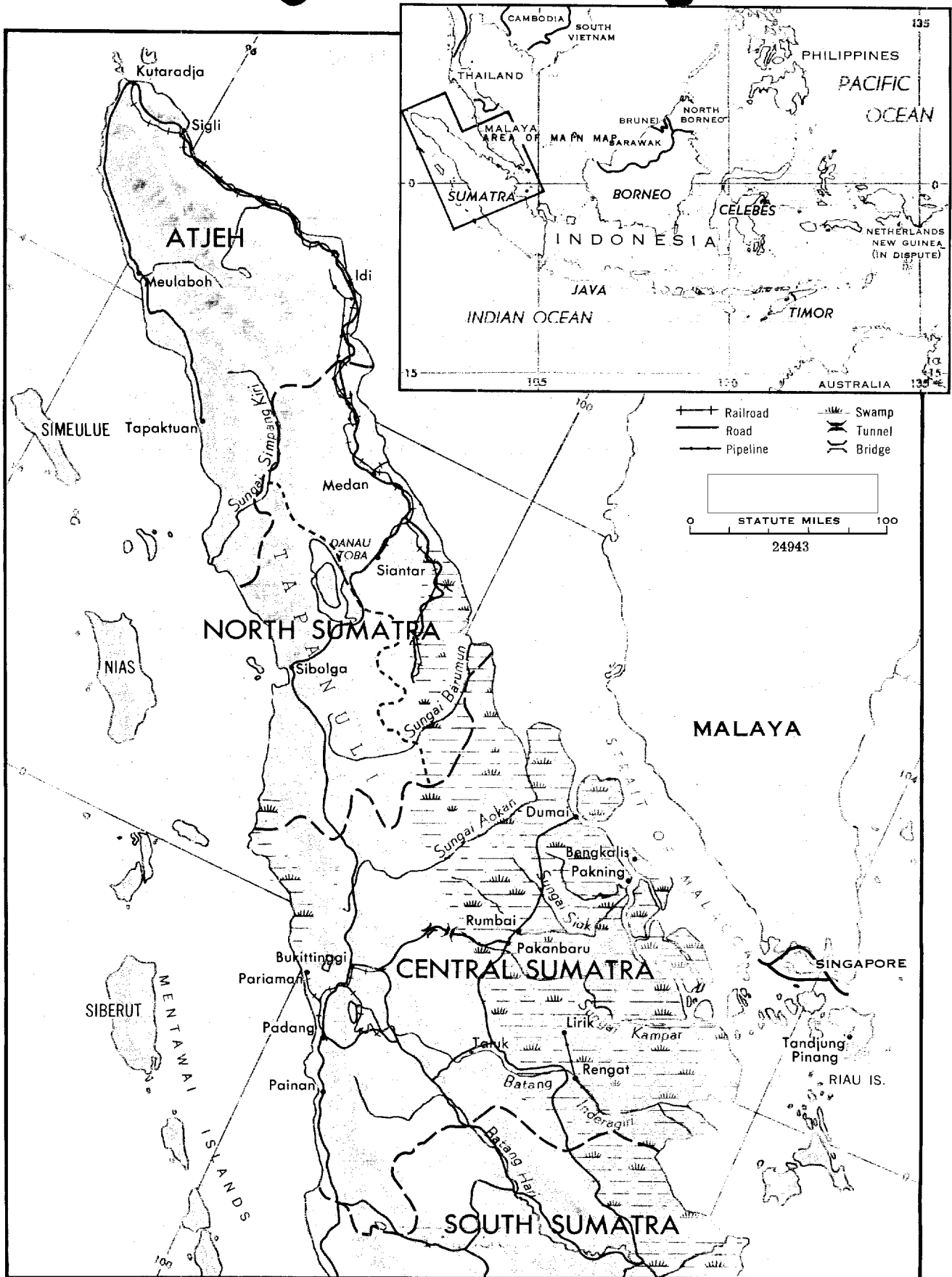
[redacted] Both party leader Ulbricht and purged security chief Ernst Wollweber, a member of the opposition, visited Moscow following the purge in early February. Karl Schirdewan, leader of the opposition, has since been assigned to a minor position in the state archives, but he and the other purgees are said to be enjoying most of their former privileges such as government housing and use of official cars.

Schirdewan is unrepentant and has refused to engage in self-criticism or to confess errors. [redacted]

[redacted] Moscow still considers that Schirdewan can be useful. His friends no longer shun him, and many of them believe the Russians are keeping him in reserve as a possible replacement for Ulbricht should such a move become advantageous.

Premier Grotewohl and Deputy Premier Selbmann, who opposed Ulbricht on many issues, have appeared confident since their return from Moscow, suggesting that they had received assurances from the Kremlin. During recent weeks there seems to have been a growing tendency among party and government officials to avoid identification as strong Ulbricht adherents, reflecting a belief that Ulbricht's own position is none too strong. [redacted]

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II. ASIA-AFRICA

Situation in Indonesia

Central government troops are headed overland toward the dissident strongholds of Padang and Bukittinggi, [redacted] [redacted] In addition to forces moving from Pekanbaru, other troops which recently occupied Rengat have continued on toward the west coast. These forces have the option of joining east of Padang for a coordinated assault on the city or of operating as pincers. Djakarta has ordered the continuous naval blockade of Padang and has sent its principal naval vessels into West Sumatran waters to enforce the blockade. The waters off Padang have been mined and the city is vulnerable to air attack.

Dissident troops in North Sumatra are reported continuing their withdrawal into Tapanuli. They are being pursued by government forces.

In Djakarta, the government is drafting for submission to parliament a Chinese Communist credit agreement to finance a textile factory, 70,000,000 yards of textiles, and 20,000 tons of rice. Terms of the loan are ten years at two and a half percent. Arrangements are being made for delivery of rice and textiles even before finalization of the agreement in view of the current shortages.

The government is exhibiting at Djakarta arms dropped to the rebels and captured by government forces on 16 March. The exhibition is open only to military attachés and invited guests.

Two patrol escorts built in Italy for the Indonesian Navy are scheduled to leave Leghorn on 29 March, which would put them in Indonesian waters in late April or early May. Two other ships on order, both coastal destroyers, are scheduled for completion in early May. [redacted]

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~~CONFIDENTIAL~~Japan to Begin Missile Tests in 1959

The director of Japan's Defense Agency, Juichi Tsushima, informed a Diet committee on 26 March that Japan will begin experimental testing of guided missiles in the fall of 1959. This plan, although presently limited to defensive weapons, represents a major step in military policy for Japan and considerable political risk for the government because the Japanese people still do not favor rearmament and strongly oppose nuclear weapons.

Tsushima said that a missile range would be established on Niijima Island, about 100 miles south of Tokyo. Press reports indicate that difficulties may arise in connection with acquisition of land for the site. Presumably, initial tests would be limited to the surface-to-air Oerlikon purchased from Switzerland and the air-to-air Sidewinder to be made available by the United States.

The decision to proceed with the missile program was the result of strong pressure from defense officials and members of the ruling Liberal-Democratic party's defense subcommittee who believe Japan's defense establishment is obsolescent.

The Socialists will attempt to arouse a public uproar on this issue, but the government almost certainly will point out that neither weapon has a nuclear capability. The government probably will be unwilling to consider introducing nuclear weapons as long as antinuclear sentiment remains high in Japan.

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Clandestine Communist Radio Begins Broadcasts To Greece

A clandestine short-wave transmitter, identifying itself as the "Voice of Truth," began brief daily broadcasts in Greek on 19 March. Officials in Athens believe the transmitter is being operated on behalf of the illegal Communist Party of Greece (KKE), perhaps from Czechoslovakia. The broadcasts have been antigovernment and anti-American, emphasizing the "plight" of Greek farmers, the role of the "colonialists" in the Cyprus problem, and the need for a coalition of Greek political parties to participate in the forthcoming national elections.

These are the first such broadcasts since "Radio Free Greece" discontinued operations from Bucharest in December 1955 after eight years of supporting Greek Communist activities. It was assumed at that time that the cessation of broadcasts was designed to strengthen claims that the USSR was not interfering in Greek internal affairs so that Greek Communists could successfully promote an electoral coalition of center and leftist parties for the elections in February 1956.

The KKE may now have decided that the Communist-front United Democratic Left (EDA), whether running alone or as part of an electoral coalition, could profit from a radio-propaganda barrage on its behalf during the election campaign. The "Voice of Truth" will probably concentrate its attacks on proposals to establish missile bases in Greece, the handling of the Cyprus issue, and the economic problems which still beset Greece. However, the overt re-entry of the KKE into Greek politics would furnish anti-Communists in Athens with further ammunition in their current campaign against collaboration between centrist parties and EDA in the forthcoming elections.

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III. THE WEST

Spanish and Moroccan Foreign Ministers to Meet Regarding Southern Protectorate

Spanish Foreign Minister Castiella told Ambassador Lodge on 25 March that he and Moroccan Foreign Minister Balafrej would meet shortly at an undetermined place. Presumably this meeting will represent a new effort to remove the latest snag in negotiations for termination of Spain's protectorate over Southern Morocco.

Spain had antagonized Morocco on 19 March when the Spanish ambassador in Rabat demanded guarantees against "new Moroccan aggression." This statement by the ambassador apparently reflected divided counsels in Madrid as a result of pressure from Spanish army leaders, who are known to oppose cession of this area unless Spain obtains maximum safeguards against further hostilities mounted from Morocco. Castiella's remark to Lodge that a "decision" is "imminent" suggests that the Spanish Government is now about to clarify its own position regarding the turn-over of the southern protectorate.

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