

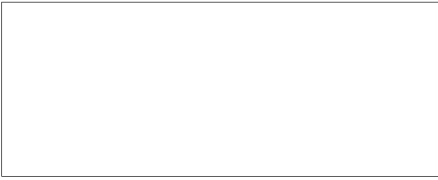
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28 March 1958



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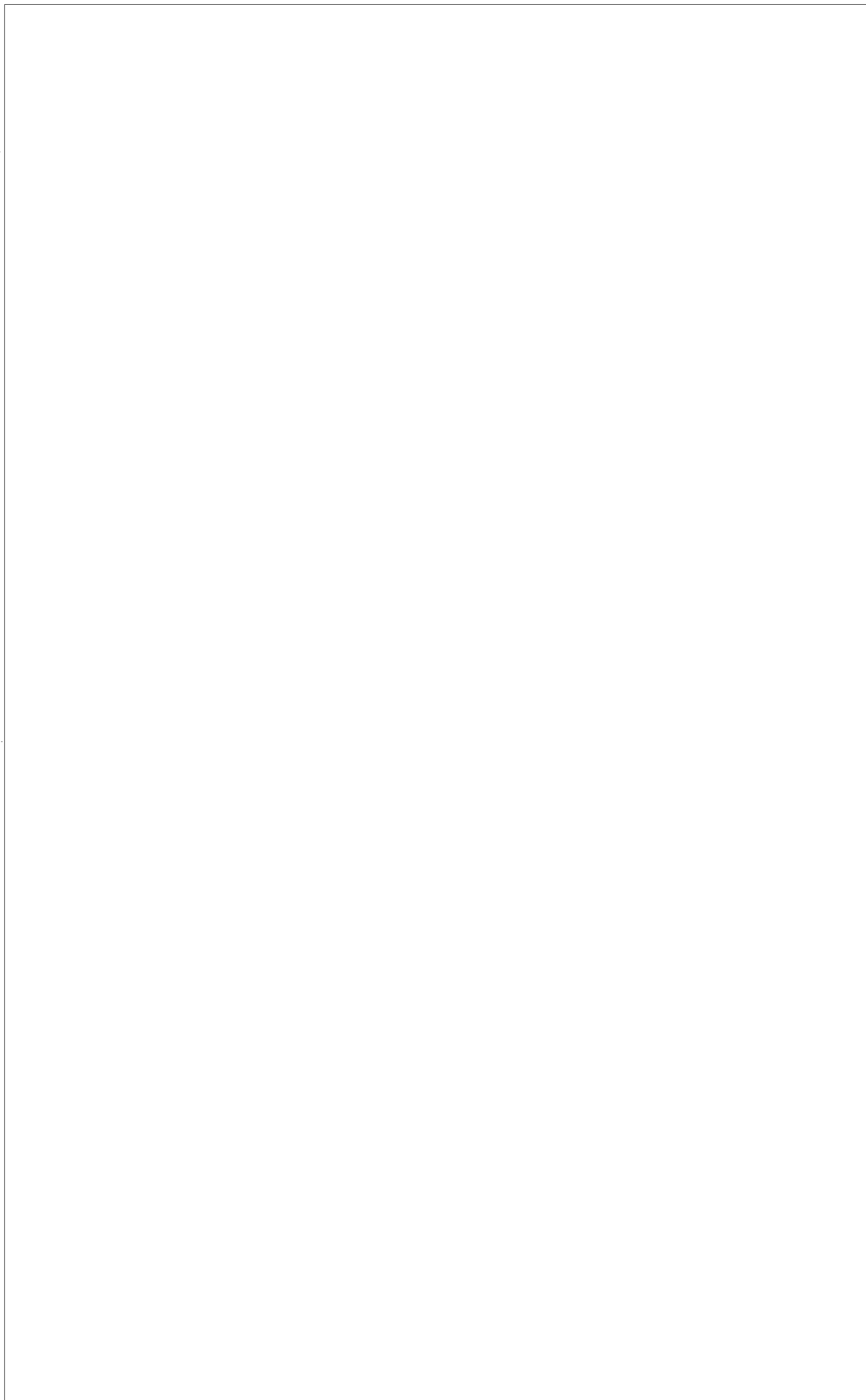
CENTRAL INTELLIGENCE BULLETIN



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28 MARCH 1958

I. THE COMMUNIST BLOC

USSR - Khrushchev now holds top position in both party and government.

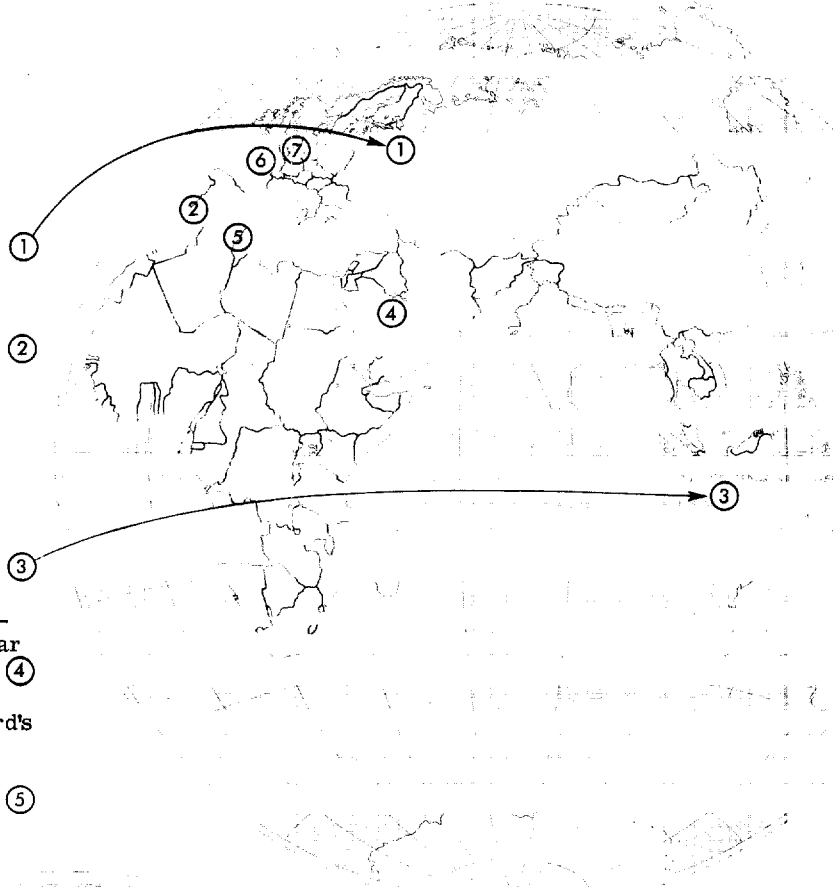
Three Soviet submarines believed destined for Egypt enter Mediterranean.

II. ASIA-AFRICA

Indonesia - Sumatran dissidents expected to offer serious resistance only in mountains; more Soviet aid reaching central government.

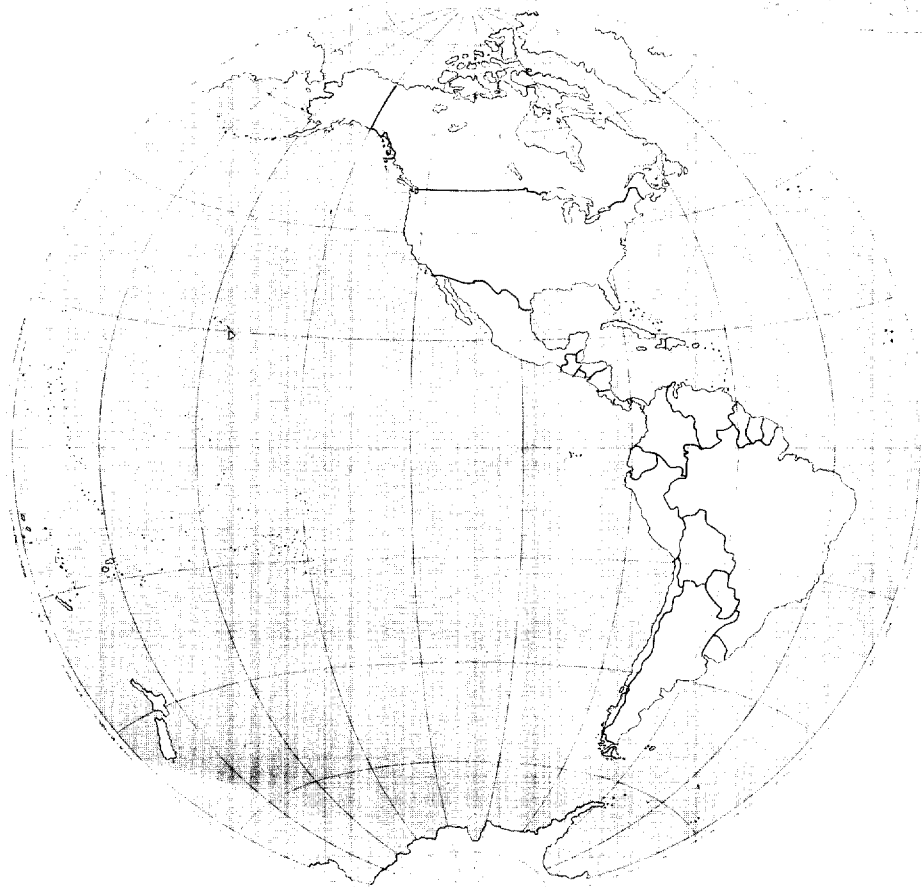
Saudi Arabia - Relative power positions of Saud, Faysal remain unclear to high Saudi officials.

Tunisia - Bourguiba refuses Gaillard's demand for neutral commission to supervise Tunisian side of Algerian border.



III. THE WEST

- ⑥ France - Pineau bent on exploring "disengagement" possibilities despite opposition within own government.
- ⑦ West Germany - Debate on foreign policy, nuclear armament restores unity of Adenauer's party, leaves opposition disorganized.



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CENTRAL INTELLIGENCE BULLETIN

28 March 1958

DAILY BRIEF

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I. THE COMMUNIST BLOC

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Soviet leadership: Khrushchev now holds the top positions in both party and government as Stalin did. Although he does not yet dominate the Soviet scene to the same degree, he has reached the pinnacle more rapidly than Stalin. As in Stalin's day, Soviet policy will reflect to a great extent the personality of the leader. [redacted] (Page 1)

no

Soviet submarines for Egypt: Three Soviet W-class long-range submarines and one mine sweeper, which left the Baltic on 18 March, probably entered the Mediterranean through the Straits of Gibraltar on 27 March. If, as expected, the submarines are to be turned over to the United Arab Republic, they could arrive in Alexandria on about 4 April. [redacted]

II. ASIA-AFRICA

no

Indonesia: The dissident command in Central Sumatra is said to be planning its major defense in the mountainous west coast area, with only token resistance in other areas to conserve dissident strength. [redacted]

A Moscow shipping official, recently arrived in Djakarta on one of the ten merchant vessels transferred to the Indonesian Government, is to be on detached duty status there at least until 1 May. His extended visit may indicate either continuing assistance to the Indonesian

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Shipping Ministry or that more Soviet ships are to be received. A Soviet ship carrying cranes, trucks, and large crates on deck, ordered in January, is expected to reach Indonesia on 12 April via the Suez Canal.

[redacted] (Page 2) (Map)

no Watch Committee conclusion - Indonesia: The general Indonesian situation increasingly favors the local Communist position and provides expanding opportunities for exploitation by the Sino-Soviet bloc through aid and propaganda, although there is no evidence of Sino-Soviet intention to become militarily involved. The Djakarta government has had considerable military success on Sumatra against the dissidents, but a resolution of the basic issues is not an early prospect. [redacted]

no Saudi Arabia: The situation resulting from Saud's grant of broad powers to Crown Prince Faysal is still far from clear even to officials of the Saudi Foreign Ministry. However, the Foreign Ministry has issued instructions from King Saud that all communications from Saudi diplomats abroad must be sent through Faysal. [redacted]
(Page 3)

no Watch Committee conclusion - Middle East: A deliberate initiation of hostilities in the Middle East is considered unlikely in the near future. Serious incidents could arise, however, from continuing tensions in the area. [redacted]

no *Tunisia - France: President Bourguiba has told Ambassador Jones that he will not accept Gaillard's demand that a neutral commission be permitted to supervise the Tunisian side of the Algerian border. Gaillard told the good offices mission on 25 March that France would accept with slight modifications some earlier proposals agreed to by Bourguiba, but only if Bourguiba accepted some form of

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international border control commission. Bourguiba now is expected to press for UN action. [redacted]
(Page 4)

III. THE WEST

no
France - disengagement: Despite the opposition of French Foreign Ministry and Defense Ministry specialists, Foreign Minister Pineau appears intent on exploring possibilities for "disengagement" in central Europe, ultimately involving mutual troop withdrawal. He will probably try to sound out Chancellor Adenauer and other officials in Bonn on 28 March, although Bonn has repeatedly denounced such ideas. Pineau, who is a perennial seeker after "more flexible" Western policies on grounds of their propaganda value, may be counting on tacit support from London for his current effort. [redacted] (Page 5)

OR
West Germany: Christian Democratic party unity and self-confidence appear to have been in large part restored by the recent Bundestag debate on foreign policy. The Socialist opposition displayed more internal differences than did the government, particularly on the question of dealing with the East German regime. [redacted]
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I. THE COMMUNIST BLOC

Khrushchev Assumes Soviet Premiership

With the assumption of the Soviet premiership, Khrushchev becomes officially the chief executive of both government and party and adds control over the execution of policy to his already established authority in policy formulation. Besides increasing the dominance of the Communist party over the Soviet state, Khrushchev has taken into his own hands more power than any man has held since Stalin's death. In so doing he has delivered the final blow to the myth of collective leadership and has taken the risks of being accused of becoming a latter-day Stalin.

As premier and party chief Khrushchev will be able to speak with undiluted authority in any high-level international negotiations, but this seems hardly the primary reason for assuming the additional burdens of office and the liabilities inherent in a further seizure of power. He undoubtedly chafed under committee rule, however weighted in his favor in the past, as a system which was too cumbersome and produced too many restraints and compromises for his impatient nature.

Khrushchev can be expected to delegate many of the day-to-day chores of his new office, and for this reason further changes in the Council of Ministers will probably take place during the current Supreme Soviet session. The key posts of defense and foreign affairs will, however, probably not be affected.

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II. ASIA-AFRICA

Situation in Indonesia

An Indonesian Foreign Ministry official has said he understands Russian officers will continue to staff the recently purchased merchant ships until Indonesians have been trained to do so, and that they will also instruct in Indonesia's merchant marine school on the use of the vessels. The Foreign Ministry source states that the ten merchant ships already purchased total 23,000 tons, and that the total Russian ship program remains 35,000 tons.

On 12 April, a Soviet ship is expected to reach Indonesia via the Suez Canal with cranes, trucks, and crated deck cargo. This shipment was arranged for in January, prior to the bloc visits of Indonesian arms purchasing missions.

Government troops in Central Sumatra continue their push westward but have not yet started through the rugged mountain terrain which lies between them and the dissident center of Padang. Dissident commander Lt. Col. Hussein states, [redacted] his strategy is to offer only token resistance in the lowlands and conserve his strength for a stand near the west coast where mountain terrain will be to his advantage. Another government force marching southwest from North Sumatra has stopped on the border of Tapanuli subprovince, since Tapanuli officials claim they are neutral. [redacted]

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~~TOP SECRET~~Saudi Arabian Developments

The changes which will result from King Saud's relinquishment of extensive powers to Faysal are not yet clear even to high Saudi officials [redacted]

[redacted] It is anticipated, however, that Faysal will be unable to make numerous quick changes, but will proceed slowly while building up a staff capable of assuming responsibility.

A high Saudi Foreign Ministry official believes it unlikely that Saudi Arabia under Faysal will join the United Arab Republic (UAR) in the near future, but that the Saudi Government will receive a new UAR ambassador and seek normalization of relations with Nasir. He observes that prospects for a stronger administration of affairs of state and for a more conservative financial policy under Faysal have already resulted in an improvement in the exchange rate of the riyal.

The "progressive" director general of the Saudi Office of Petroleum Affairs has taken the cynical view that Faysal is unlikely to initiate significant reforms. The view of such relatively able young nationalists is that the monarchy itself remains the basic cause of Saudi troubles. The recent decentralization of authority within the royal family therefore may actually stimulate new internal pressures for reform.

Crown Prince Faysal's functions as chief executive officer of the Saudi Government have been set forth [redacted]

[redacted] henceforth all communications with diplomatic missions abroad should be with Faysal, in his capacity as president of the Council of Ministers and foreign minister. It was further set forth that "everything" would be submitted to the King through Faysal, and that all of the King's directives and orders would be issued through him. [redacted]

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Tunisian President Refuses to Meet French Demand on
Frontier Commission

President Bourguiba told Ambassador Jones on 26 March that he could make no further concessions to the French point of view, particularly with regard to the frontier. Premier Gaillard had on 25 March agreed to proposals, with minor modifications, of the good offices mission providing Bourguiba agreed to have a neutral commission supervise the Tunisian side of the Algerian border.

Bourguiba argued that virtually all concessions obtained by the good offices mission had come from him, and that the only practical importance of a frontier commission would be to permit France to say it had forced another concession from him. He added that acquiescence would alienate the Algerian rebels, whom he has tried to influence to accept a moderate position, and drive them closer to Nasir, and "all the free world would lose."

Bourguiba, who has been strongly criticized by the extreme wing of his party for not having pressed his case in the UN Security Council, now is expected to press for UN action. [REDACTED]

[REDACTED]

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III. THE WEST

French Foreign Minister Trying to Line up Support For "Disengagement"

French Foreign Minister Pineau has apparently overruled specialists in the Foreign and Defense Ministries in order to push a plan for "disengagement" in central Europe. When Pineau visits West German Chancellor Adenauer in Bonn on 28 March, he is expected to sound Adenauer out on a proposal which calls for elimination of strategic missiles in central Europe, followed successively by elimination of tactical missiles and by mutual troop withdrawal. The fact that Bonn has already indicated its disapproval of such ideas may not deter Pineau, who apparently has been influenced by a report from his fellow Socialist, French disarmament expert Jules Moch, that British Foreign Secretary Lloyd is interested in a demilitarized zone along the demarcation line in Germany. Some French Foreign Ministry officials, who have expressed concern over Lloyd's "softness" and its impact on Pineau, are still trying to quash Pineau's plan.

Regardless of Bonn's reaction, Pineau is likely to pursue his efforts to achieve disengagement by proposals he hopes will interest Moscow. Since he became foreign minister in 1956, Pineau has frequently taxed the Western alliance with "rigidity" in dealing with the problem of East-West relations, and has cited the need, from the French domestic political viewpoint, to counter the Communists' pose as sole champions of peace.

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West German Policy Debate Strengthens Government

American officials in Bonn believe that the Bundestag's bitter foreign policy debate of 20-25 March served to restore Christian Democratic party (CDU) unity and has considerably improved the government's position. The government will now be better able to rally public support for its nuclear weapons policy. The opposition Social Democratic party (SPD) failed to counter arguments on the need for modern weapons, or to offer effective alternative solutions to the CDU's position on reunification. The debate also has further widened the gap between the government and opposition parties.

The government may still face some difficulties in local elections as a result of the new SPD campaign to arouse public opposition to nuclear weapons, but CDU leaders expect a calmer atmosphere in the long run. Internal differences displayed by the SPD during the debate--particularly in the question of dealing with the East German regime--may hamper a united front against the government's policies.

The debate has added to the stature of Defense Minister Strauss as contrasted with the poor showing made by Foreign Minister Brentano, who had also given a poor performance in the 23 January foreign policy debate. Although Adenauer, Strauss, and other CDU leaders presented a united policy line, the remarks of Bundestag President Gerstenmaier indicate that all party tensions have not been entirely resolved.

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DAILY BRIEF

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