



13 February 1958

I. THE COMMUNIST BLOC

USSR threatens to obstruct Japanese fishery negotiations to force peace treaty discussion.

Opposition to East German Communist boss Ulbricht continues. (2)

Moscow - TASS cautiously endorses Egyptian-Syrian union; USSR will probably recognize the new state.

II. ASIA-AFRICA

Indonesia - Disunity among dissidents; government likely to engage in political and military maneuvering. (4)

King Saud and President Chamoun inform King Hussayn they will have to recognize Egyptian-Syrian union after 21 February plebiscite.

III. THE WEST

Tunisia - Bourguiba will ask for immediateevacuation of French troops.



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DAILY BRIEF

I. THE COMMUNIST BLOC

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<u>USSR-Japan</u>: The USSR is attempting to force Japan to discuss a peace treaty on Soviet terms by threatening to obstruct current fishery negotiations. Prime Minister Kishi has held that Japan is willing to undertake peace treaty discussions, if Japanese views on the southern Kurils territorial issue are accepted by the USSR. It is doubtful that Tokyo will change its stand on this issue--the major obstacle to a treaty--in order to gain fishing concessions.

(Page 1) (Map)

East Germany: Last week's purge in the East German Communist party has not quelled opposition to party boss Ulbricht. However, as long as Ulbricht continues to receive Soviet support, his opposition will not be able to unseat him or to bring about any significant changes in policy. (Page 2)

*Egyptian-Syrian union--Moscow view: After a period of apparent hesitation and avoidance of comment, the Soviet news agency TASS has broadcast a cautious Soviet endorsement of the United Arab Republic. The Soviet government remains officially silent While the brief TASS comment fell short of the welcome previously accorded the Egyptian-Syrian union by Chou En-lai, the Eastern European press, and the Ukrainian party newspaper, it suggests that the USSR is preparing to extend recognition to the new state soon after Nasir is proclaimed president.

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II. ASIA-AFRICA

*Indonesia: Indonesian dissidents are not united on their future plans. The central government may attempt to exploit this disunity by sending some troops to areas where foreign economic interests are concentrated, according to one late report. However, all factions desire to avoid open conflict, and a period of political and military maneuvering is probable.

(Page 3)

Saud to recognize UAR: King Saud informed Jordan's King Hussayn he will be unable to delay recognizing Egyptian-Syrian union after the plebiscite scheduled for 21 February. Hussayn has received a similar message from Lebanese President Chamoun.

Taiwan Strait: In the Taiwan Strait area, Chinese Communist air defense capabilities have shown progressive improvement during the past few months. This trend is discussed in the report of the IAC Current Intelligence Group for the Taiwan Strait problem, covering the period from 9 January to 12 February 1958. (Page 4) (Map)

III. THE WEST

French-Tunisian situation: President Bourguiba intends to ask the UN Security Council to order all French forces--including those at the Bizerte base-to evacuate Tunisia. If France agrees publicly to such an action, Bourguiba will not press his appeal. The over-all evacuation would be staged over a period of time, but withdrawal from southern Tunisia, according to Bourguiba, would have to be !!almost!! immediate. Although the French may relinquish their remaining posts in southern Tunisia, they are not likely under present circumstances to give up Bizerte. (Page 5)

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I. THE COMMUNIST BLOC

USSR Presses Japan for Peace Treaty

The USSR is using deadlocked negotiations on fishing rights as a means of compelling the Japanese to reopen peace treaty talks. Moscow probably hopes to force the Kishi government to abandon its claim to the Soviet-occupied southern Kuril Islands of Etorofu and Kunashiri-the major obstacle to a peace treaty between the two countries.

In the fishery negotiations which began on 13 January, the USSR has introduced proposals which would greatly hamper Japanese fishermen. On 5 February, Soviet officials refused to discuss measures to safeguard Japanese fishermen from seizure by Soviet patrol boats except in a framework of peace treaty talks.

Japanese Prime Minister Kishi announced on 12 February that his government is willing to undertake peace treaty negotiations with the USSR, but that they should not be linked with any fishing talks. His position, as stated last May, has been that Moscow must first accept Japanese views on the Kurils issue. Domestic pressure by fishing interests may now force Tokyo to allow the peace treaty and fishing talks to be linked. Tokyo probably will not, however, change its stand on the territorial issue despite the major importance to Japan of fishing in the restricted northwest Pacific waters.

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Opposition to Ulbricht Not Ended by Party Purge

Opposition to Walter Ulbricht, the Stalinist boss of the East German Socialist Unity (Communist) party (SED), was not ended by last week's purge of three party leaders, Karl Schirdewan, second man in the SED hierarchy until he was purged, has many supporters in the provinces, and feels the fight has just begun.

There is little likelihood, however, that Schirdewan and his supporters will be able to defeat Ulbricht or his policies as long as the East German leader enjoys Soviet support. Ulbricht coordinated the purge with Moscow, and convinced the Russians that the Germans must still be handled with force and brutality. In an effort to maintain his control of the SED, Ulbricht will probably undertake an extensive purge aimed at eliminating pro-Schirdewan elements and others suspected of holding revisionist or liberal views.

there was no organized conspiracy against Ulbricht, but that Schirdewan and other party officials had attempted "in a friendly manner" to persuade Ulbricht to revise his political and economic policies. Schirdewan favors German reunification, which the USSR refuses to consider, and believes East Germany should have more freedom in dealing with its own political and economic problems.

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II. ASIA-AFRICA

The Indonesian Situation

Indonesian dissidents in Central Sumatra are split over their next move. Two key figures in the dissident group, Colonels Simbolon and Lubis,

have little hope of pushing through their original plan to form a provisional government.

The central government in Djakarta may already be planning to exploit this disunity. Djakarta may sendilimited numbers of troops to areas where foreign economic interests are concentrated, to ensure continued foreign exchange remittances to Djakarta. A period of political and military maneuvering is probable, with all factions hoping to avoid violence. However, isolated incidents, possibly leading to localized conflict, could occur.

President Sukarno is expected to return to Djakarta on 16 February. National party leaders plan to recommend to him the formation of a new cabinet led by former Vice President Hatta. Should Sukarno refuse, they will recommend that he at least drop two leftist ministers from the cabinet.





Report No. 113 of the IAC Current Intelligence Group for the Taiwan Strait Problem Covering the Period From 9 January To 12 February 1958

1. There were no significant combat operations in the area during the pariod.

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2. Chinese Communist air defense capabilities have shown progressive improvement during the past few months. There has been a noticeable increase in the frequency and scope of Ground Control Intercept attempts by Chinese Communist jet fighters against Nationalist jets overflying the China mainland. This intensified effort to counter Chinese Nationalist air activities is primarily a result of additional fighter coverage in Southeast China,

While these factors reflect a tightening of Chinese Communist air defenses and are chiefly attributable to Chinese Communist willingness to challenge Nationalist air operations, the Chinese Communist Air Force, with an estimated 1,625 jet fighters, is still believed to be deficient in many areas. Sufficient numbers of all-weather fighters are lacking;

pilot proficiency is relatively low; and major logistic support is still dependent on the USSR.

the port of Amoy now is open to Japanese shipping. It is probable that the Chinese Communist motive in opening the port to the Japanese was in part a desire to embitter relations between Japan and Nationalist China. The Chinese Nationalists on 3 February issued a statement reiterating their "port closure" of all China mainland ports and warned that foreign shipping entering the Taiwan Strait should inform Nationalist officials in advance. If Japanese shipping does commence using Amoy, the Nationalists probably will confine their protests to the diplomatic field. British ships since last August have been entering Amoy without interference.

4. Chou En-lai, in his foreign policy address on 10 February, devoted considerable attention to the charge that the US was attempting to create acceptance of the status quo on Taiwan and thus to bring about a "two Chinas" situation, which he termed "absolutely unacceptable." Chou reaffirmed Peiping's determination to gain control of Taiwan but did not discuss the means by which this is to be accomplished.

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III. THE WEST

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Total French Evacuation of Tunisia Sought by Bourguiba

The American Embassy in Tunis reports that President Bourguiba plans to ask the UN Security Council to order the evacuation from Tunisia of all French forces, including those at the Bizerte base. Bourguiba would be willing to refrain from the UN appeal if assured that France will publicly agree within a few days to evacuate its forces. A phased withdrawal over a period of time would be acceptable to Bourguiba, but he insists that French evacuation of southern Tunisia must be "almost" immediate.

Prior to this formulation of Tunisian aims, UN Secretary General Hammarskjold had advised Tunisian delegate Mongi Slim to "play for time" before formally requesting a Security Council meeting. Free world delegations are seeking to devise some type of UN machinery which would ease the impact of future incidents. French Premier Gaillard's defense before the National Assembly of the military action which created the crisis suggests the French Government will be unable to make any major concessions to Tunisia, and is not likely to evacuate Bizerte.

The establishment of a UN observer patrol along the Tunisian-Algerian border-similar to those used during the dispute between Greece and its Balkan neighbors--has been suggested. France, sensitive to any "internationalizing" of the Algerian question, would most likely refuse to allow the patrols on the Algerian side of the border, and Tunisia has pointed out that such patrols would not be able to prevent incursions by air.

An arrangement similar to the UN Emergency Force now deployed along the Egyptian-Israeli border probably would not be acceptable to France. Moreover, the Tunisian incident is not yet sufficiently critical to encourage UN members to contribute troops and equipment for another UNEF. However, some kind of UN action is inevitable.





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