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8 July 1958

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# CENTRAL INTELLIGENCE BULLETIN



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NO CHANGE IN CLASS.

1.1 DECLASSIFIED

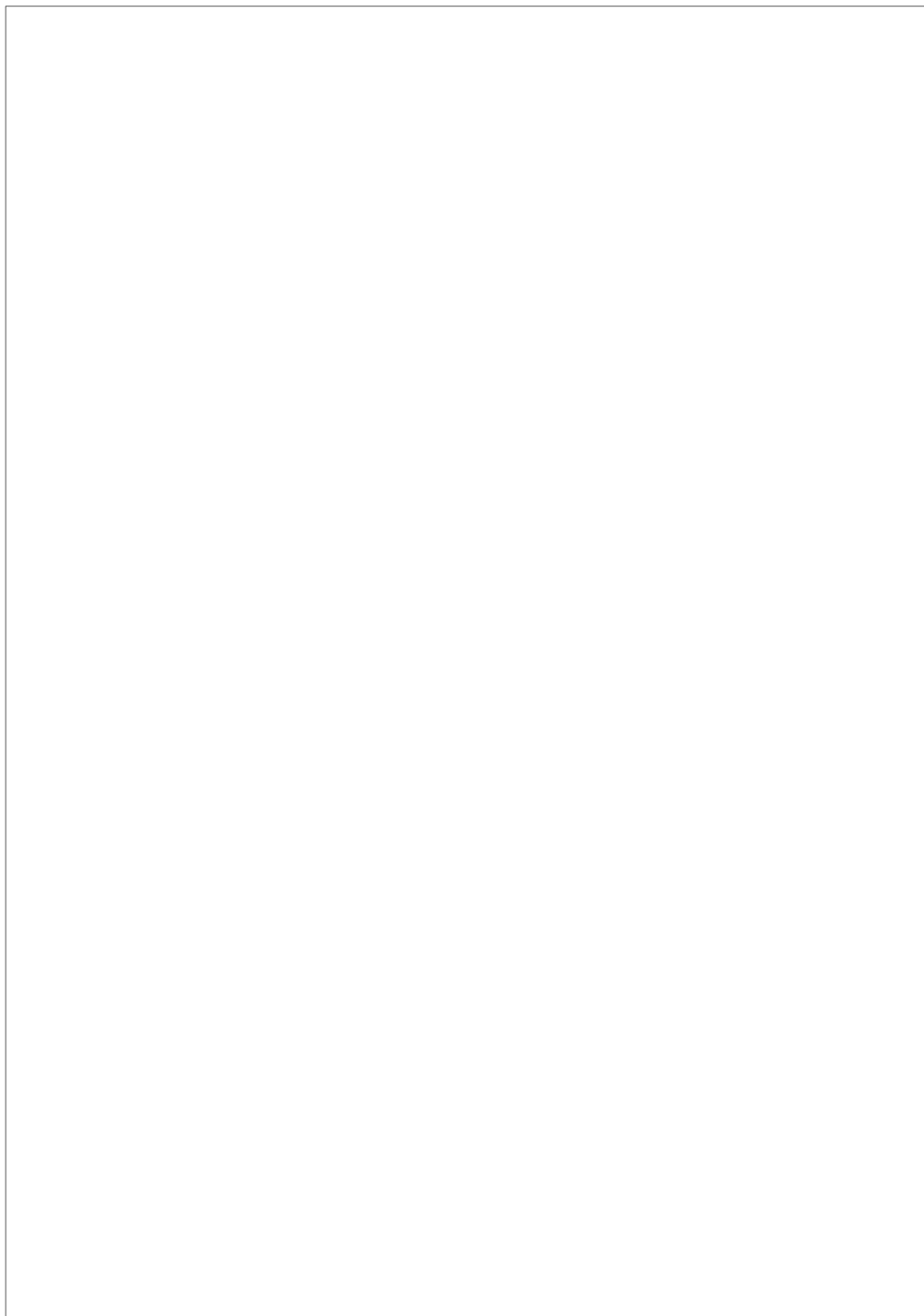
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8 JULY 1958

**I. THE COMMUNIST BLOC**

New Communist international journal to begin publication next month.

No Chinese Communist aircraft observed on coastal fields opposite Taiwan.

**II. ASIA-AFRICA**

Lebanon - Fighting continues in Tripoli and Beirut.

Cyprus - Greek Cypriots launch general strike.

Ceylon - Emergency rule helps to maintain control over continuing communal tension.

Recriminations by officials sustain Cambodian - South Vietnamese feud.

Thailand - Sarit concerned over discontent in both army and party.

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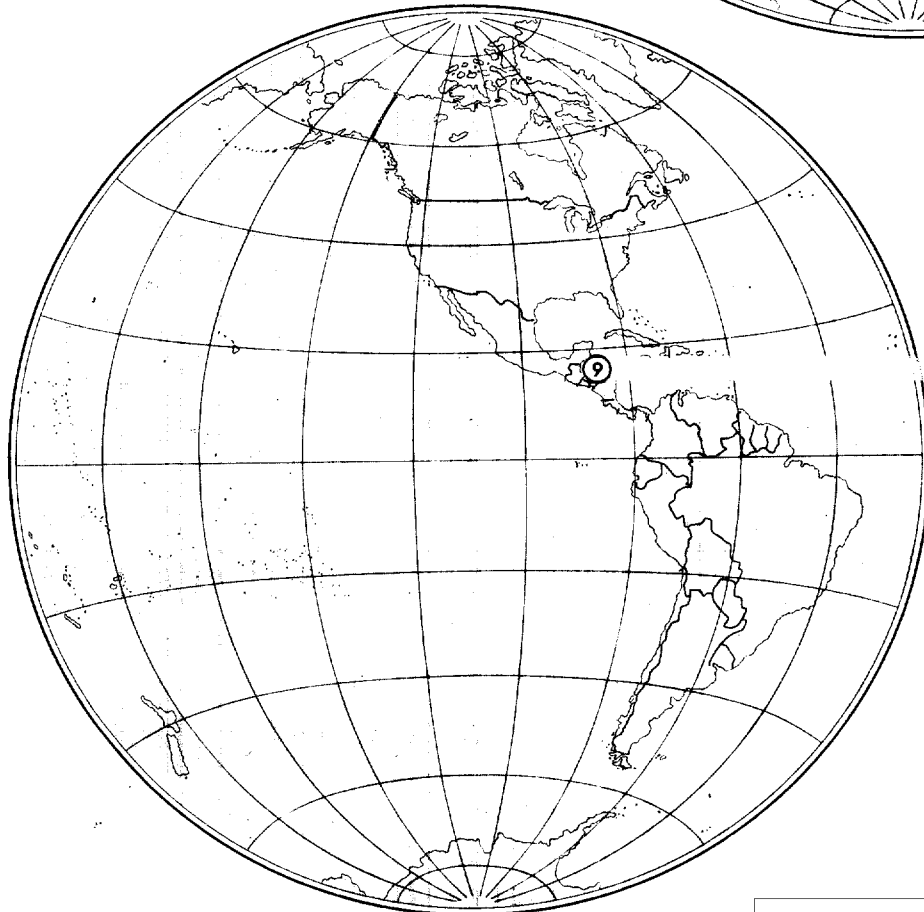
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**III. THE WEST**

⑧ De Gaulle's nuclear policy and Adenauer election victory may reopen question of French-German nuclear weapons cooperation.

⑨ Honduran fruit workers may strike.

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# CENTRAL INTELLIGENCE BULLETIN

8 July 1958

## DAILY BRIEF

### I. THE COMMUNIST BLOC

New Communist journal: After some delay a new international Communist journal in 13 languages will begin publication next month in Prague under a Soviet editor. Its predecessor, the Cominform journal, which ceased publication in the spring of 1956, was widely considered in Eastern Europe to be a Soviet vehicle for promulgating Kremlin directives on satellite affairs. The USSR is trying to still objections to the new journal within the Communist world, particularly in Poland by stressing that the new publication will be "only theoretical and informative." [redacted] (Page 1)

*no* Taiwan Strait: The IAC Current Intelligence Group for the Taiwan Strait Problem, in its report for the period 12 June - 7 July 1958, notes that photographic and radar coverage of the East China airfields since 25 June, when as many as 48 jet fighters were reported to have moved into Fukien Province, has revealed no aircraft on Liencheng airfield, or on any of the coastal airfields in Fukien and in the Swatow area. [redacted] (Page 2) (Map)

### II. ASIA-AFRICA

*no* \*Lebanon: Fighting has continued in the Tripoli area, and there has been firing, as well as explosions of a harassing nature, in Beirut. The failure of the government security forces to make a major offensive move apparently reflects army commander Shihab's desire to contain the situation until a political solution is found. [redacted]

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no Cyprus: An island-wide general strike has been launched to protest the death of two Greek Cypriots in an open clash. with British security forces. (Page 3)

OK Ceylon: Surface calm prevails in Ceylon under the governor-general's emergency rule, which has been in effect since 27 May. Tamil-Singhalese tension remains. The government can be expected to cope successfully with communal extremists and troublesome labor elements in any local disturbances, but the ability of the security forces to deal with an uprising on a national scale is open to question. (Page 4)

OK Cambodia - South Vietnam: Bitter recriminations by top officials in Phnom Penh and Saigon block chances for any early abatement of the Cambodian - South Vietnamese feud. Government-inspired, Communist-exploited demonstrations have already occurred in Phnom Penh, and Sino-Soviet bloc propaganda is supporting Cambodia's position. (Page 5)

OK Thailand: Field Marshal Sarit since his return to Bangkok has taken steps to stabilize the political situation, but remains concerned over rumblings of discontent both in the armed forces and in the unwieldy government coalition party. (Page 6)

### III. THE WEST

France-Germany: De Gaulle's strong plea for nuclear weapons and the victory of the West German Christian Democratic party in the North Rhine - Westphalia elections on a pronuclear weapons platform may reopen the question of bilateral French - West German cooperation in nuclear weapons research, and, possibly, production. Adenauer is likely to avoid any definite commitments now but may extend some technical cooperation and financial support to the French in return for an understanding on a joint modern weapons program and European integration.

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DAILY BRIEF

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\*The representative of the Department of State does not believe that there is any connection between the North Rhine - Westphalian elections and French-German bilateral weapons cooperation, and considers the comment at variance with National Intelligence Estimate 100-2.

Honduras: The democratically oriented Villeda Morales administration faces the threat of a crippling strike by the 13,000 workers of the United Fruit Company. The American Embassy believes the company is following a hazardous policy in seeking participation of Communist-led or -influenced unions in contract negotiations.  (Page 7)

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DAILY BRIEF

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## I. THE COMMUNIST BLOC

### New International Communist Monthly to Begin Publication In August

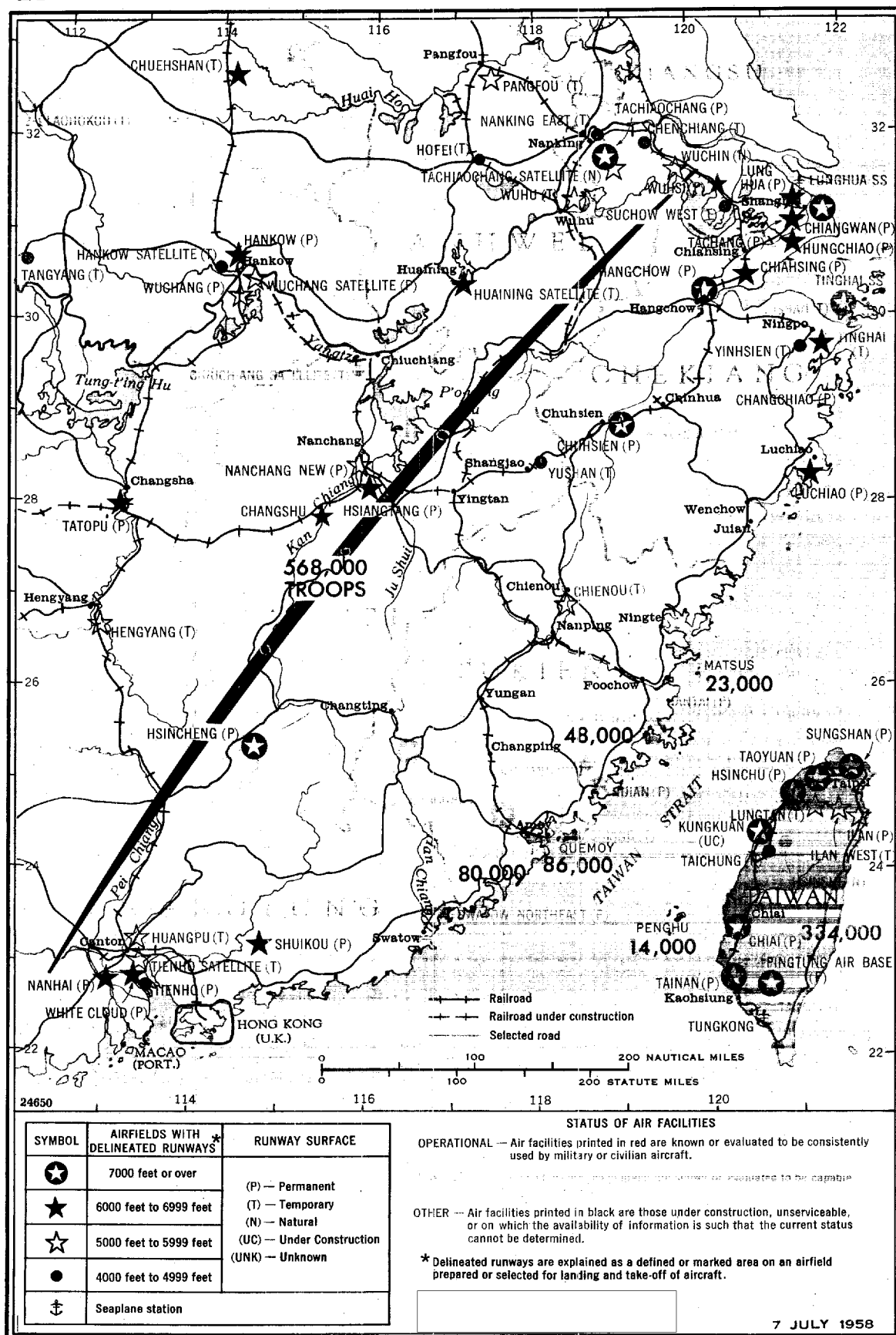
The announcement that the new international Communist monthly, Problems of Peace and Socialism, will begin publication in late August indicates that some of the problems which have delayed its establishment, particularly Polish objections and bloc policy toward the Yugoslavs, no longer pose a serious obstacle. The periodical, to be published in Prague, will appear in 13 languages not including Serbo-Croat. Czechoslovak and Polish publications have indicated that its chief editor will be A. M. Rumyantsev, until now chief editor of Moscow's Kommunist.

The establishment of a new vehicle for the ideological guidance of the world's Communist parties, which was discussed in satellite party newspapers during 1957, reportedly received a large measure of agreement during Moscow discussions in November. The decision to establish the journal was not announced until March, however. The four-month delay and the sketchiness of the announcement strongly suggested that a number of problems remained to be resolved.

In 1947 Gomulka foresaw that Moscow would use the old Cominform and its publication, For a Lasting Peace, For a People's Democracy, to limit the satellite governments' control of their internal affairs. Since his return to power, he is said to have opposed a new publication, fearing it would simply be a revival of the earlier one. However, for the benefit of Gomulka and any others who might object on these grounds, bloc media have been stressing that the new journal will be only a "theoretical and informative" publication rather than a vehicle for Kremlin directives.

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# TAIWAN STRAIT SITUATION



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Report No. 119 of the IAC Current Intelligence Group for  
The Taiwan Strait Problem Covering the Period From 12  
June to 7 July 1958

1. There were no significant combat operations in the area during the period. [redacted]

2. [redacted]

[redacted] no  
aircraft on Liencheng airfield or on any of the coastal air-  
fields in Fukien and in the Swatow area. The move of Chi-  
nese Communist jet fighters south from Shanghai [redacted]  
[redacted] evidently did not involve  
any of these air bases. This flight activity may have been an  
air exercise or a deployment connected with airfields farther  
inland. [redacted]

3. The level of Chinese Communist naval activity con-  
tinued high in the East China Fleet area, and declined to  
moderate in the South China Fleet area. In the East, un-  
determined-type exercises in the Hangchow Bay area appar-  
ently terminated some time between 30 June and 1 July; but  
over-all naval activity remains high. No special significance  
is attached to this activity. However, the extended duration  
of the exercise and the over-all high naval activity indicates  
a decided increase in the operational capabilities of the Chi-  
nese Communist Navy. [redacted]

4. The Chinese Communist Foreign Ministry on 2 July  
issued a follow-up to the 30 June government statement de-  
manding that the US resume the Sino-American ambassadorial  
talks within 15 days. Peiping did not indicate its acceptance  
of Secretary Dulles' suggestion that the talks be shifted from  
Geneva to Warsaw; at the same time, however, Peiping did  
not reject the proposal. Peiping has not followed up its state-  
ments on the talks with a concerted domestic or international  
propaganda campaign on the question of Taiwan. [redacted]

5. There are no signs of unusual ground force or other mil-  
itary activities along the Fukien coast indicative of a Chinese  
Communist intention to launch major military operations against  
the Chinese Nationalists in the near future. Current Communist  
strength opposite the offshore islands is sufficient, however, to  
permit an increase of military pressure on the Chinese Nation-  
alists at any time. [redacted]

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II. ASIA-AFRICA

### Cyprus

Cyprus is again the scene of murders, arson, intimidation, and intercommunal strife as each faction tries to outdo the other in exerting pressure on the British. Greek Cypriots on 7 July staged a general strike to protest the death of two demonstrators killed by British security forces during a brief clash with several hundred Greek Cypriots. Turkish Cypriots continue, by threats, fire, and armed attack, to force Greeks to leave Turkish sectors of Cypriot cities. They have also issued an ultimatum to Governor Foot threatening violence, presumably against the British, if the government does not approve separate municipal councils by 15 July.

In the diplomatic phase of the dispute, all interested parties are showing more flexibility regarding the British proposals. Athens has indicated a willingness to accept the plan if both union with Greece and partition are ruled out and if the Governor's advisers are chosen by the Cypriots instead of by Greece and Turkey. The Turks continue to be adamant concerning eventual partition of Cyprus but have again called for tripartite discussions on the problem.

The best prospect for diplomatic progress appears to be in discussions among the permanent North Atlantic Council representatives of Britain, Greece, and Turkey. Permanent representatives of Greece and Turkey have been recalled to Athens and Ankara for top-level discussions.

In contrast to the expressed optimism of Prime Minister Macmillan regarding the diplomatic prospects, Governor Foot is discouraged by continued Greek violence, which prevents the return of Archbishop Makarios, regarded by him as essential for any real progress toward settlement of the problem. He has contacted Makarios requesting a period free of violence for apparently about two months.

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### The Situation in Ceylon

Communal violence over the Tamil-Singhalese national language issue, which swept Ceylon for some ten days in mid-May, subsided about five days after Governor General Goonetilleke imposed emergency rule on 27 May, and the island is now superficially calm. Goonetilleke has extended the emergency for another month from 26 June and the government is apparently determined to deal harshly with all troublesome elements. Considerable tension remains, however.

The governor general has the power to extend emergency rule at 30-day intervals and may retain indefinitely the firm control he apparently now personally wields. The strict curfew and press censorship regulations, however, have been eased gradually.

The predominantly Singhalese government continues to blame the Tamil minority for the recent violence, and various cabinet ministers reportedly have pressed Bandaranaike to take a stronger anti-Tamil line. Promises by Bandaranaike and Goonetilleke to the Tamils that legislation providing for the "reasonable use" of their language would be introduced in Parliament may therefore remain unfulfilled indefinitely in view of the renewed violence any concessions to the Tamils might provoke. Bandaranaike and leading Singhalese Buddhists began discussions of such legislation on 7 July, however.

The island's economy has suffered substantially through property destruction, the interruption of commercial activities and development work, and absenteeism among Tamil workers, who constitute about one third of the government service ranks. Communist-led strikes which disrupted the economy during April and May were called off on 28 May, and on 4 July rival Communist and Trotskyite unions extended a joint appeal for communal peace. Their move, however, probably reflects mainly a desire for a return to normal conditions, under which they can further their individual interests.

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### Cambodian - South Vietnamese Feud Benefiting Communists

Chances of an early improvement in Cambodian - South Vietnamese relations, which became seriously strained following Phnom Penh's charges on 25 June of a Vietnamese "invasion," are blocked by the attitudes of top officials in both countries. Cambodian Crown Prince Sihanouk has canceled plans to visit Saigon for negotiations, citing recent "insulting" Vietnamese press articles. Vietnamese President Diem has reiterated his conviction that Sihanouk is untrustworthy and that no good could come from a visit at this time.

While the danger of military clashes between Cambodian and South Vietnamese forces over the disputed common frontier has receded, the continuing political feud between the two countries is working to the advantage of the Communists. Cambodia's complaints are being exploited by international Communist propaganda as "proof that South Vietnam is an aggressive base prepared by the imperialists for a new war." These charges also are creating an atmosphere in Cambodia conducive to further Communist political inroads. Demonstrators parading in Phnom Penh recently, protesting Vietnamese aggression and supporting Sihanouk's return to the premiership, carried large portraits of Chou En-lai, Nasir, Nehru, and U Nu in addition to that of the crown prince. Cambodian instability has been further aggravated by the National Assembly's sudden overthrow of the Sim Var government last month.

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### Sarit Moving to Stabilize Thai Political Situation

Field Marshal Sarit, who returned to Thailand last week after a five-month absence in the United States, appears to be making progress in his efforts to stabilize the Bangkok political situation, which had become increasingly confused while he was out of the country. He has concentrated on buttressing the position of Premier Thanom, whose indecisiveness during Sarit's absence had encouraged sniping both by the opposition and by certain elements within the governing National Socialist party (NSP).

Sarit is said to have lectured NSP members for two hours on 2 July concerning criticism of Thanom, warning them that if they wanted a strong, ruthless premier rather than Thanom, they could have one but that they would be "sorry." This was presumably a veiled threat that he would personally use strong-arm tactics if they did not fall into line voluntarily under Thanom.

The Thai strong man also frustrated opposition plans for a general debate in the National Assembly by "inducing" enough independents to withdraw their signatures from a petition to invalidate it.

A report that four tank companies were placed on alert status over last week end suggests that Sarit is not yet sure the situation is under control. This precautionary show of force was probably also intended as a warning to would-be troublemakers both within Sarit's own ranks and in the opposition.

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## III. THE WEST

Threatened Strike May Further Weaken Hard-Pressed Honduran Government

A strike by 13,000 workers of the United Fruit Company in Honduras which may begin on or shortly after 15 July would further weaken the already hard-pressed Honduran Government and might increase the capabilities of the Communist minority in organized labor.

President Villeda Morales, inaugurated seven months ago after his Liberal party won a good majority in the freest election in Honduran history, is rapidly losing prestige. The Treasury is virtually empty and unable to meet payrolls without borrowing, yet government spending continues at a reckless pace. The President has so far been a timid and inept executive, and his opponents are stepping up their attacks against him. Powerful army leaders are already bitterly critical of him and believe that before long they can justify seizure of the government.

The United Fruit Company, which dominates the economy of the vital north coast area, is insisting that two small Communist-led unions join the dominant anti-Communist union in negotiations for a new labor contract to replace the one expiring on 15 July. The majority union, a member of the anti-Communist Inter-American Regional Organization of Workers (ORIT), adamantly refuses to sit at the same table with the Communists. ORIT and local labor leaders believe the company is trying to use the Communists to break the majority union. The company, which has suffered serious setbacks in its operations in Honduras in recent years, is in no need to grant labor's wage and other demands. The leaders of the anti-Communist union, while generally reasonable and responsible, feel they cannot afford to back down appreciably, since such action would be exploited by the Communists, who continue their efforts to gain control of the labor movement.

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