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4 March 1958

Copy No.

## CENTRAL

# INTELLIGENCE

# BULLETIN



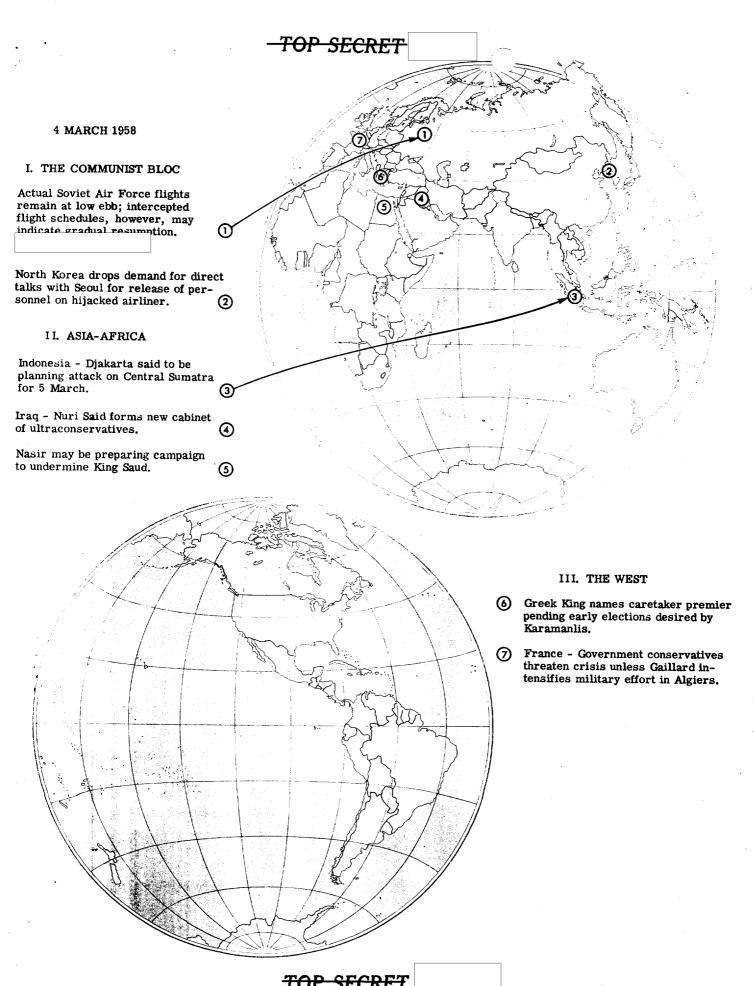
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4 March 1958

## DAILY BRIEF

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#### I. THE COMMUNIST BLOC

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Soviet air activity: The Soviet Air Force is gradually resuming flight activities after an unprecedented nine-day stand-down. Long Range air units are again scheduled for activity in the Far East and the Arctic, while tactical air units are resuming operations in the western USSR and the satellites. The resumption of flight activity was apparently hampered in many areas by adverse weather.

no

North Korea: The Pyongyang regime still insists that the United Nations Command in the Military Armistice Commission is not competent to negotiate the hijacked airliner issue, but the Communists have dropped their demand for "direct negotiations" with South Korea as a prerequisite to releasing the passengers. The Communists seem to have moved to a position which makes release contingent on some form of government-to-government approach by the United States. West Germany, and South Korea.

#### II. ASIA-AFRICA

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\* Indonesia: Djakarta is planning to attack the Central Sumatran oil center of Pakanbaru on 5 March, employing ground, naval, and air forces

who are well informed on the

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defenses of the area, are doubtful of the success of such an operation. Earlier reports have stated, however, that an attack on Pakanbaru would be followed closely by landings on the west coast aimed at the capture of the rebel strongholds of Padang and Bukittinggi. (See map on facing page)

Iraq: Nuri Said, the country's strong man, returned on 3 March to head a new ultraconservative government which will probably have to face a continuing propaganda barrage from Nasir and other radical Arab nationalists. The response inside Iraq to Egypt's propaganda has been confined so far to small-scale student demonstrations. The new cabinet, composed of Nuri stalwarts and conservatives such as Suwaydi, Jamali, and Bashayan, illustrates the paucity of Iraq's conservative leadership.

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Egypt - Saudi Arabia: Nasir may be preparing a campaign to undermine King Saud by identifying him more directly with "imperialist" policies. Cairo has ordered the withdrawal "within one week" of its military advisers in Saudi Arabia. On 26 February, Nasir ordered his intelligence chief to obtain information about Saud's attitude and his meetings with the Iraqi and Jordanian foreign ministers.

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#### III. THE WEST

\* Greece: The selection of Constantine Georgacopoulos, nonpolitical president of the Greek Red Cross, to form a caretaker government indicates that King Paul has successfully resisted pressure to postpone elections for several months. Georgacopoulos will ask approval of his cabinet and seek to push through the new electoral law prior to dissolution of Parliament and the subsequent holding of national elections within 45 days. In taking this action, King Paul

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DAILY BRIEF

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appears to be following the advice of	ex-Premier Con-
stantine Karamanlis, who presumably	y would be favored
by early elections.	

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French Government: Premier Gaillard faces open revolt from the conservative wing of his coalition over his proposal to hold the 1958 military budget to the ceiling agreed on in December 1957. Independent party deputies have threatened to precipitate a crisis unless he agrees this week to reinforce the army in Algeria substantially, even at the expense of France's NATO-committed units.

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DAILY BRIEF

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## I. THE COMMUNIST BLOC No Back-up Material.

#### II. ASIA-AFRICA

## Nuri Said Returns to Iraqi Premiership

Nuri Said's formation of a new ultraconservative cabinet appears to be aimed at tightening the Iraqi administration in anticipation of serious internal and external security problems. The Iraqis probably believe that the formation of the UAR and Nasir's propaganda offensive against the "imperialist-inspired" Jordanian-Iraqi federation is the prelude to a struggle for domination of the uncommitted Arab states.

Egyptian and Syrian propaganda will probably claim that Nuri's appointment was the result of Nasir's personal attacks on the Mirjan cabinet and that Nuri will carry out the anti-Arab plans of the "imperialist" powers. So far the response in Iraq to Egyptian propaganda has been confined to small student demonstrations easily broken up by the police. Unrest probably will increase, however.

Nuri will probably follow a "go slow" policy toward developing the new federation with Jordan and will try to ensure Iraqi dominance of the new Arab state. The new cabinet, composed of such Nuri stalwarts as Suwaydi, Jamali, and Bashayan, exemplifies the paucity of conservative political leadership in Iraq, where Nuri has said there is "a small pack of cards which has to be shuffled often."

## -CONFIDENTIAL

## Nasir Possibly Preparing to Undermine King Saud

Nasir may have decided to try to discredit King Saud in the eyes of radical Arab nationalists by exposing Saud's			
growing opposition to the new United Arab Republic.			

Nasir is almost certainly aware of Saud's past and present efforts to undermine the governments of Syria and Yemen and disrupt Nasir's new state, which Saud considers a threat to the Arab monarchies. Cairo specifically avoided officially implicating Saud in plotting in Syria publicized in mid-February. Nasir may now, however, feel that the UAR is well enough established that he can move against Saud.

A treason t	trial which began in Cairo on 3 M	arch may
be used by the	Egyptians to present evidence tha	t Saud had
supported a cor	spiracy of Egyptian monarchist e	elements
against Nasir.		
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#### III. THE WEST

## French Conservatives Press for More Men for Algeria

French Premier Gaillard faces open revolt from the conservative wing of his coalition over his efforts to hold the government's proposed 1958 military budget and manpower ceilings. An Independent party delegation demanded on 28 February that he reinforce the army in Algeria by 50,000 to 80,000 men and threatened a special debate and possible crisis unless he gave an "affirmative" answer within 10 days. Gaillard is reported opposed to these demands on financial grounds. The proposed defense allotment of approximately \$3 billion is already inadequate because of supplementary costs of the Algerian war.

The Independent delegation had suggested that more men for Algeria could be found by 'partial mobilization in Algeria," by more efficient utilization of personnel in France, and if necessary by reducing France's NATO commitments.

It is not clear whether these demands take into account the government's recent announcement that 50,000 troops would be found for Algeria--presumably to replace men being released, but there is a possibility that proposed establishment of the "no man's land" may require more troops and be reflected in the Independents' total.

If the Independents' demands are met, a major portion
of the personnel involved will be taken from France, and
probably some from French forces now in Morocco. Al-
though the government recently denied reports that its cur-
rent manpower program for Algeria would draw from its
NATO contribution in Germany, this possibility cannot now
be ruled out.

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