





I. THE COMMUNIST BLOC

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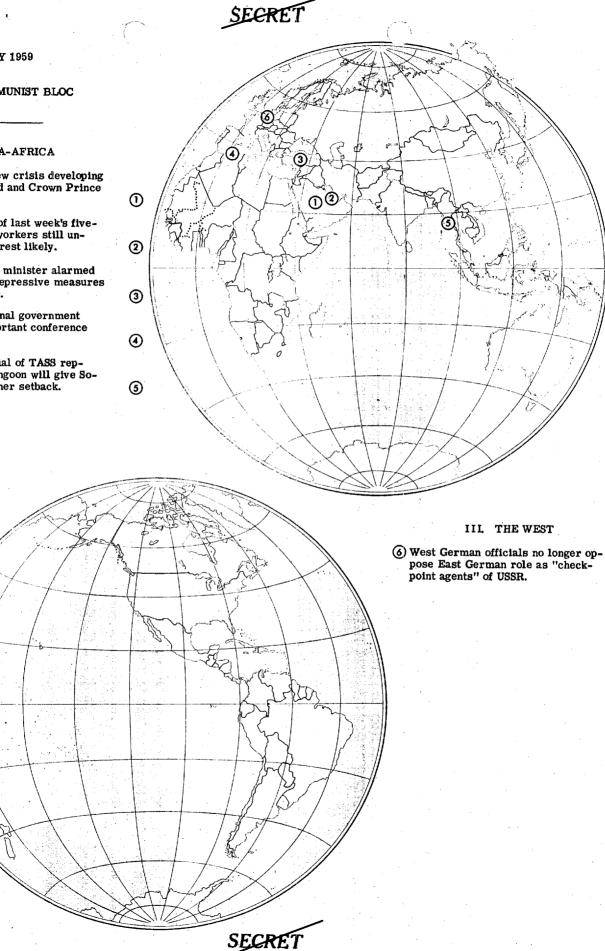
Saudi Arabia - New crisis developing between King Saud and Crown Prince Faysal.

Qatar - Leaders of last week's fiveday strike of oil workers still unknown; further unrest likely.

Turkey - Defense minister alarmed at government's repressive measures against opposition.

Algerian provisional government leaders hold important conference in Tunis.

Burma - Libel trial of TASS representative in Rangoon will give Soviet prestige further setback.



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12 May 1959

DAILY BRIEF

I. THE COMMUNIST BLOC

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II. ASIA-AFRICA

Qatar: The five-day strike last week of Qatar Oil Company workers in the British-protected Persian Gulf Sheikdom of Qatar reflected carefully guarded preparation, in the view of the American Consulate General in Dhahran. Local sheiks and British political officials apparently were reluctant to use strong measures against the strike, which ended with the government largely accepting the workers' demands. The authorities are still unable to identify the strike leaders, and further unrest seems likely.] (Page 2)

<u>Turkey:</u> Minister of Defense Etem Menderes, whose relations with the prime minister and other Democratic leaders have become seriously strained, claims that if the present repressive tendencies of the Democratic regime continue, military leaders will intervene and a dictatorship will result. Menderes' *c* views are probably colored by his own political ambitions. There is, however,

stringent measures the government has taken and is planning to take against the opposition? (Page 3)

Algeria: Leaders of the Algerian provisional government met in Tunis on 8 May for a conference

Among the topics probably discussed were low morale and shortages of materiel within the National Liberation Army (ALN), as well as Tunisian moves to restrict rebel activities in Tunisia. A provisional government official has alleged that Premier Abbas hopes to convince his ministers of the advisability of negotiations with the French but fears that rebel extremists would elect to continue the military struggle.

Burma-USSR: Soviet prestige in Burma, damaged by the recent furor over an attempt by the Soviet military attache to defect, faces another setback in the upcoming libel trial of a TASS representative in Rangoon. The suit, filed by an influential Burmese editor, is receiving wide publicity. The Soviet Embassy, which thus far has shielded the TASS representative, has attempted to quash the case. (Page 5)

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III. THE WEST

West Germany: West German and West Berlin political leaders have given up their previous opposition to the acceptance of the East Germans as Soviet "agents" in operating checkpoints on the routes to Berlin. They are more firmly opposed than ever, however, to any change in West Berlin's status or in the four-power responsibility for the entire city.

such a transfer of "authority" as a satisfactory solution in return for firm guarantees on continued free access for Allied as well as West German traffic. Brandt and Bonn authorities oppose any UN role in Berlin other than the monitoring of East-West agreements.7 (SECRET NOFORN) (Page 6)

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I. THE COMMUNIST BLOC (No Back-up Material)

II. ASIA-AFRICA

Government Crisis in Saudi Arabia

(Crown Prince Faysal is reported to have submitted his resignation as prime minister as a result of growing frustration and friction with King Saud,

The specific cause of the current crisis is not clear, but it is believed to have grown out of Faysal's refusal to permit the 18-20 million dollar personal debts of the King to be paid out of government funds.

(Faysal became chief executive officer largely as a consequence of the fiscal chaos resulting from the King's irresponsible extravagance with the nation's revenues. Since late last fall, Saud has been working against his brother's fiscal reforms, with the intention of discrediting Faysal and recovering full executive powers from him.)

(Although aware of the King's intrigues, Faysal has not been in robust health and would be unlikely to challenge the King without the firm backing of the senior princes. While the princes were instrumental in Faysal's elevation to power last year, his efforts to curb extravagance by the royal family may by now have cost him their support.)

(Director General of Petroleum Affairs Abdullah Tariki commented to Ambassador Heath that Faysal is the only competent member of the royal family, and that his departure from government would undo the gains made in the last year and hasten the eclipse of the monarchy.

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Qatar Oil Workers Strike

A five-day strike last week by workers of the Qatar Petroleum Company (QPC), an affiliate of Iraq Petroleum Company, demonstrated careful preparation, in the view of the American Consulate General in Dhahran. British and local government officials in this small British-protected state on the Persian Gulf are concerned over the effectiveness of the strike organization which immobilized almost the entire sheikdom. Thus far the government and QPC have been unable to identify strike leaders.

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About half the QPC workers are Qataris; most of the rest are Indians and Pakistanis. In the early stages of the strike only the Qataris participated, but they soon forced the Indian and Pakistani workers to join. By late in the week the strike had spread to government offices.

Support for the strike apparently stems from widespread dissatisfaction with the extravagances of the ruling family, although Arab resentment of the superior pay and status granted more highly skilled Indian and **P**akistani workers was probably also a factor. The workers formulated specific demands only when the government began to react.

The strikers have returned to work, but the issue is not yet settled. Sheik Ahmad, son of the Ruler, publicly has given in to most of the strikers' demands, but the QPC is unwilling to settle on this basis. Qatar itself is relatively unimportant in Middle East oil production, but the example could be contagious.



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Turkish Defense Minister Fears Further Repression of Opposition

Turkish Defense Minister Etem Menderes--no relative of Prime Minister Adnan Menderes--considers that the prime minister is falling more under the influence of government leaders who favor stronger repressive measures against the Republican People's party (RPP), the principal opposition party. The defense minister, who is highly respected by the armed services, fears army intervention if more extensive restrictions are put on the freedoms of press and opposition. the only hope for the ruling Democratic party (DP) is to make radical changes in top-level government personnel and to adopt more liberal policies.

Etem Menderes' views are favored by a large number of the party's legislators who have shown their dissatisfaction particularly with the prime minister's restrictions on the press. A DP caucus, however, reportedly has decided to tighten restrictions on the press. Among other restrictions, only newspapermen working for the progovernment news service would be permitted to accompany political figures around the country.

Early this month the government used army and police in an unsuccessful attempt to prevent opposition leader Ismet Inonu's followers from gathering to greet him during his tour of the Aegean region. Inonu, whose popularity has increased as a result of the incidents, says he will continue to travel around the country, thus intensifying the pressure on the government to take further repressive measures against him.



Algerian Rebels Confer in Tunis

The meeting in Tunis of Algerian rebel military commanders with Premier Ferhat Abbas and other top provisional government leaders, which began on 8 May, probably has as its main topic the deteriorating rebel military position in Algeria. An official of the rebel-sponsored labor union conceded on 6 May that the military situation in Algeria is "very unfavorable" to the rebel army. A second topic of concern to the provisional government is the state of its relations with Tunisia.

Premier Abbas has long favored a negotiated settlement of the Algerian problem, and rebel spokesmen have dropped their earlier insistence that any negotiations be preceded by France's explicit recognition of Algeria's right to independence. It is possible that recent rebel military setbacks will lead to discussion by the rebel leaders of possible terms for a settlement with the French. There are, however, no indications that President de Gaulle is prepared at present to discuss anything more than a cease-fire, and rebel extremists may be less ready than Abbas to consider negotiations.

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Soviet Prestige in Burma May Be Further Damaged by Libel

Soviet prestige in Burma, damaged by the furor over the Soviet military attache's recent attempt to defect, faces another setback in the coming libel trial of a TASS representative in Rangoon. The suit was filed by U Law Yone, the editor of the influential Rangoon Nation, who had been accused by the TASS representative of receiving \$34,-000 from the American Embassy.

After the TASS representative failed to appear in court on 8 May, a second warrant was issued, even though Soviet Ambassador Shiborin had intervened with the Burmese foreign minister in an effort to have the case quashed. The police have been unable to locate the defendant to serve either warrant, which will almost certainly lead the Burmese public to presume that he is hiding in the Soviet Embassy.

Whatever course the embassy takes, it seems certain to suffer further embarrassment. Flight from Burma by the TASS representative, who has no diplomatic status, would invite strong censure; should he face trial. he is likely to be convicted.



III. THE WEST

West German and West Berlin Leaders' Views on Status Cf Berlin

West German and West Berlin political leaders have given up their previous opposition to the acceptance of the East Germans as Soviet "agents" in operating checkpoints on the routes to Berlin. They are more firmly opposed than ever, however, to any change in West Berlin's status or in the four-power responsibility for the entire city.

(West Berlin Mayor Willy Brandt, indicated he would accept Soviet 'turnover to East Germany of control over access to Berlin, provided both Moscow and East Germany gave firm commitments on continued free access for Allied as well as West German civilian traffic. Both Brandt and Bonn government authorities are opposed to involving the UN in West Berlin beyond permitting it to monitor an East-West agreement on access.]

(There are indications that Brandt may have become more willing to consider disengagement schemes. Chancellor Adenauer and other top Bonn officials remain critical, however, and fear the British will use the first opportunity in Geneva to present a plan for thinning out forces, despite the agreement to avoid discussing separate elements of the "package."]

Adenauer informed top officials in his party as early as mid-March that Bonn would agree to some de facto recognition of East Germany in return for a guarantee of the status quo in Berlin. In subsequent conversations with Western officials, both Adenauer and Foreign Minister Brentano have stressed that the Geneva conference should focus on the Berlin question rather than on the broad problems of unification and European security.



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