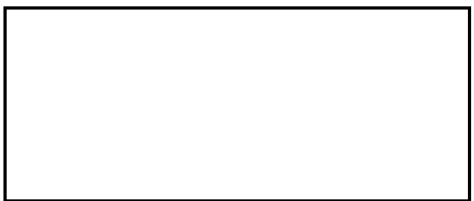


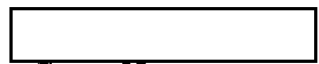
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28 May 1958



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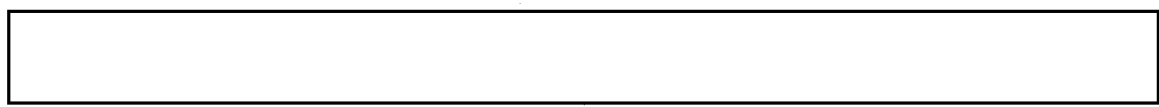
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CENTRAL INTELLIGENCE BULLETIN



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CENTRAL INTELLIGENCE BULLETIN

28 May 1958

DAILY BRIEF

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I. THE COMMUNIST BLOC

yes

*USSR-France: The Soviet Union has been taking a cautious attitude toward De Gaulle against the possibility that he may assume power. Moscow appears anxious to avoid actions which might prejudice its chances of taking advantage of those nationalistic De Gaulle policies which Moscow believes would serve Soviet interests. The Soviet leaders probably hope De Gaulle's assumption of power would facilitate French Communist efforts to establish unity of action with the Socialists and eventually lead to a popular-front government.

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no

Soviet summit tactics: The draft nonaggression treaty offered by the Warsaw Pact nations to the NATO powers is intended to give added impact to a proposal which the USSR has been consistently proposing for consideration at the summit. The text is basically similar to a pact proposed by the USSR at the Geneva summit conference in July 1955. The proposed signatories on behalf of the Warsaw Pact are the same countries that the bloc has urged be included at a summit meeting: the USSR, Poland, Czechoslovakia, and Rumania.

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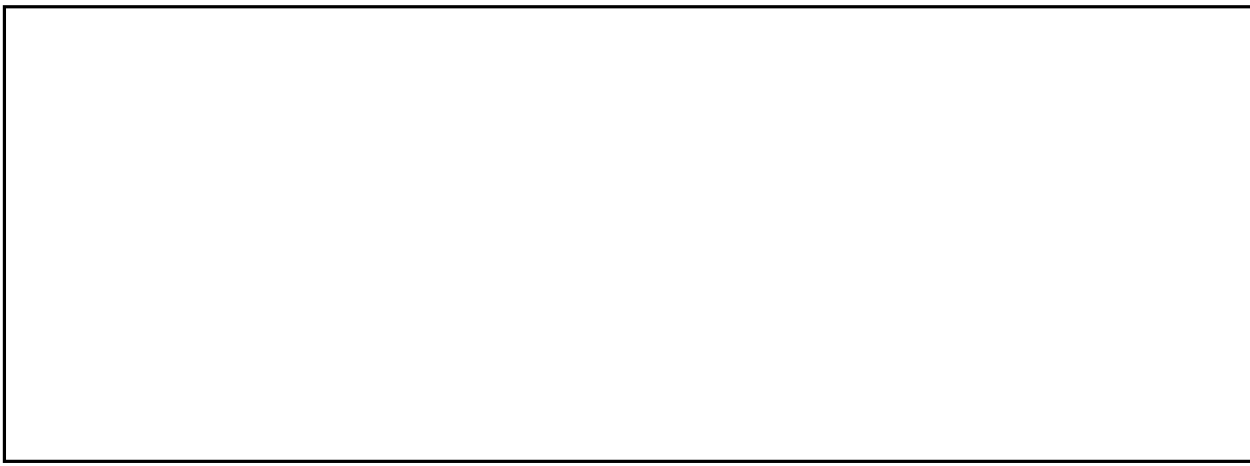
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II. ASIA-AFRICA

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yes

Indonesia: The Indonesian Communist party, with an estimated membership of as many as 750,000 and the support of one fifth of the electorate, has attained more influence than ever before. Any effective anti-Communist action in the foreseeable future would depend on army action and on President Sukarno's support of such an undertaking. The party's current strategy, however, appears to be to avoid giving any provocation which might precipitate army action, and to work toward improving its electoral following for the 1959 general elections.



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yes

Ceylon: As a result of widespread disorders, the Bandaranaike government declared a state of emergency on 27 May, accompanied by a ban on Singhalese and Tamil extremist groups responsible for the disturbances. The government's action probably will be supported by most of the public and should bring the communal conflict under control for the time being. Coming at a time when prolonged strikes are severely straining the economy, however, this development will lead to stronger political pressures against the government.



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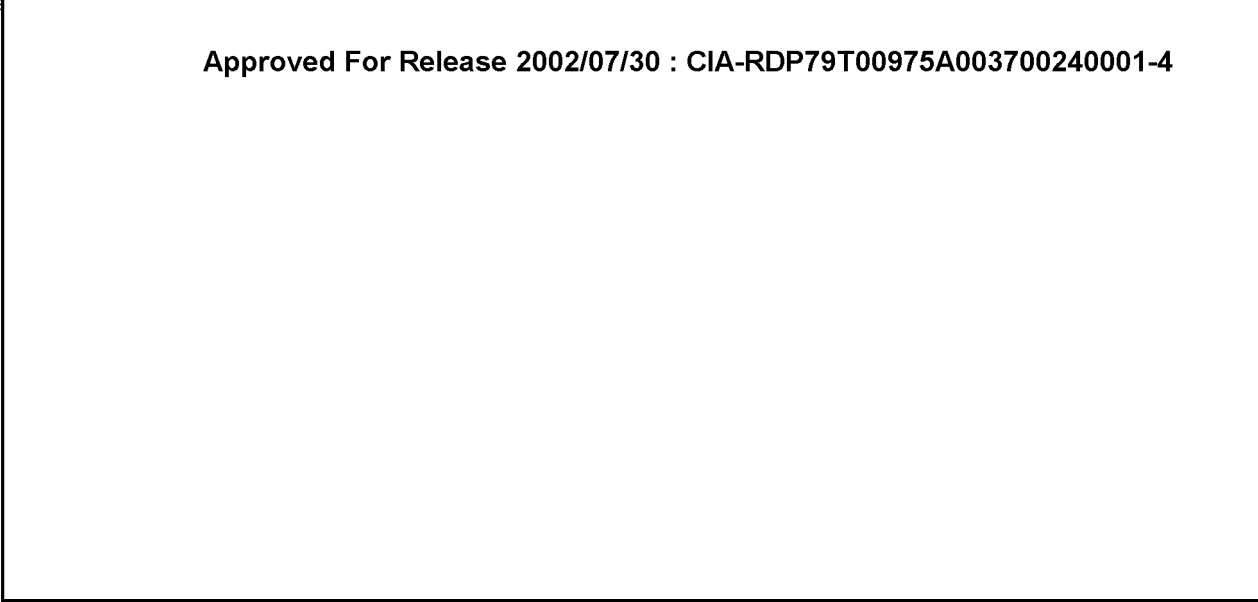
DAILY BRIEF

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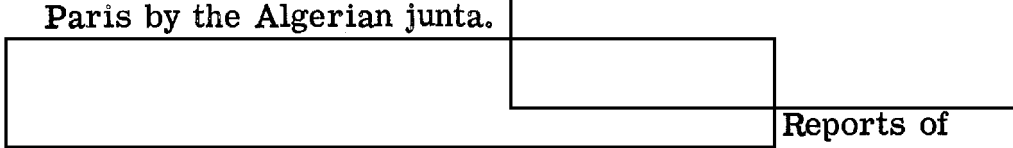
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III. THE WEST

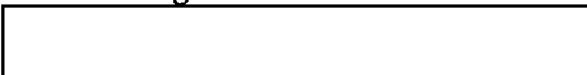
No

* France: Pflimlin's offer to resign in spite of the vote of confidence given him by the National Assembly further weakens the forces opposed to the return of De Gaulle to power. President Coty may turn to De Gaulle in an effort to avoid widespread disorders and a possible move against Paris by the Algerian junta.



Reports of

new public restlessness over the crisis may increase the prospect of violence during leftist demonstrations scheduled for today.



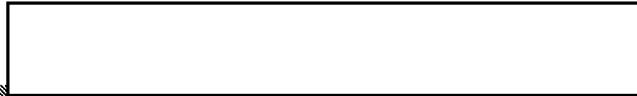
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28 May 58

DAILY BRIEF

iii



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I. THE COMMUNIST BLOC

USSR Taking Cautious Attitude Toward De Gaulle

The USSR has been taking a cautious public line toward General de Gaulle in order to gain the best possible relations with him and to take advantage of those of his policies that Moscow feels would serve its interests. Ambassador Thompson believes that Moscow is uncertain whether De Gaulle would seek to establish a dictatorship and suppress the Communists and consequently is playing the situation by ear. While Moscow presumably hopes that the situation will eventually lead to a popular-front government, its immediate concern is merely to encourage Communist-Socialist cooperation.

There have been signs that the USSR expects that De Gaulle would damage NATO unity and seek closer relations with Moscow, but it probably is also concerned about the possibility that De Gaulle might be able to adjust the Algerian situation in such a way as to undercut the National Liberation Front and thereby reduce the chances for Communist influence in North Africa.

Soviet propaganda, while critical of De Gaulle, has centered its fire on the military leaders in Algeria and other right-wing groups, and specific criticisms of De Gaulle have been attributed to the French Communists or have been made only by Soviet correspondents in Paris. The French Communist propaganda attack on De Gaulle has intensified, however, and now includes the claim that the USSR opposes him.

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The Indonesian Communist Party

The Indonesian Communist party (PKI) is the largest political party in Java and the second largest in the country. Of Indonesia's numerous parties, the PKI is the best disciplined and hardest working, and its leadership is able and dedicated. It is in a position to influence government policy through four cabinet members who are at least fellow travelers, and through 18 Communists and sympathizers among the 45 members of the National Council established as part of President Sukarno's "guided democracy" concept. The Communists also wield great economic power through SOBSI, Indonesia's largest labor federation, whose claimed membership is 2,000,000 and whose affiliates control vital oil, plantation, and transportation workers' unions. These unions form the nucleus of PKI strength outside Java. The PKI has been steadily developing grass-roots support through a variety of front organizations.

The Communists have exploited the central government's preoccupation with the dissidents in the past three months to increase their influence in the management of Dutch firms seized during the anti-Dutch campaign late last year. Their position has also been strengthened by the strong support they have given to Sukarno's "guided democracy" concept and, more recently, to the central government's campaign to suppress the dissidents. In addition, the Communists stand to benefit from the propaganda and material support the bloc has been extending to Indonesia.

In view of the ineffectiveness of Indonesia's non-Communist political parties, any effective anti-Communist action in the foreseeable future would have to be taken by the army, and its success would depend on Sukarno's support. Army spokesmen have indicated that in the absence of provocation, there would be no outright suppression of the Communists; however, the army has recently taken a few steps to curb Communist activity and Chief of Staff Nasution has claimed he will "take care" of the Communists after the dissidents are eliminated, provided he is given American arms. Sukarno has also indicated a desire for closer relations with the US, but it remains to be seen whether he will

be willing to sanction effective army action against the Communists, who have been his strongest supporters.

In the meantime, the PKI's strategy is to maintain its momentum, without resort to violence, in the hope of winning the national elections in 1959. The Communists' confidence in their ability to come to power through parliamentary means is underscored by Secretary General Aidit's recent statement in opposition to the dissolution of political parties, a cardinal point in Sukarno's program for revitalizing Indonesia.

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State of Emergency Declared in Ceylon

The Ceylonese Government's proclamation of a state of emergency and the ban it imposed on 27 May on two extremist Tamil and Singhalese communal organizations in Ceylon probably will bring under control the riots initiated on 22 May.

The principal issue involved in the disorders is the demand of the Federal party--the main political organization representing the island's 2,000,000 Tamil-speaking minority--that Tamil be given equal status with the official Singhalese language and that Tamil-speaking people of Indian origin be given wider political and administrative rights.

The agitation apparently was initiated by a militant Singhalese group in an effort to exploit the annual convention of the Federal party held from 23 to 26 May. The riots and demonstrations which it sparked have resulted in about 20 deaths and the intervention of the armed forces. The extremist elements probably do not command the support of the Singhalese-speaking majority.

The Federal party's reported decision to postpone until sometime before 20 August a civil disobedience campaign which it had previously announced for 23 May suggests the Tamil leaders recognize their loss of some popular support. Furthermore, they have already been assured of parliamentary consideration of their demands despite the abrogation on 9 ~~May~~ *April* of an agreement reached last year which made some concessions to the Tamils. Any Tamil attempts to create trouble while serious strikes and labor violence in Colombo continue would only antagonize the government and lessen the possibility of securing favorable legislation.

In view of the government's firm action, especially against the Singhalese extremists, further widespread disturbances are unlikely, although minor demonstrations probably will continue.

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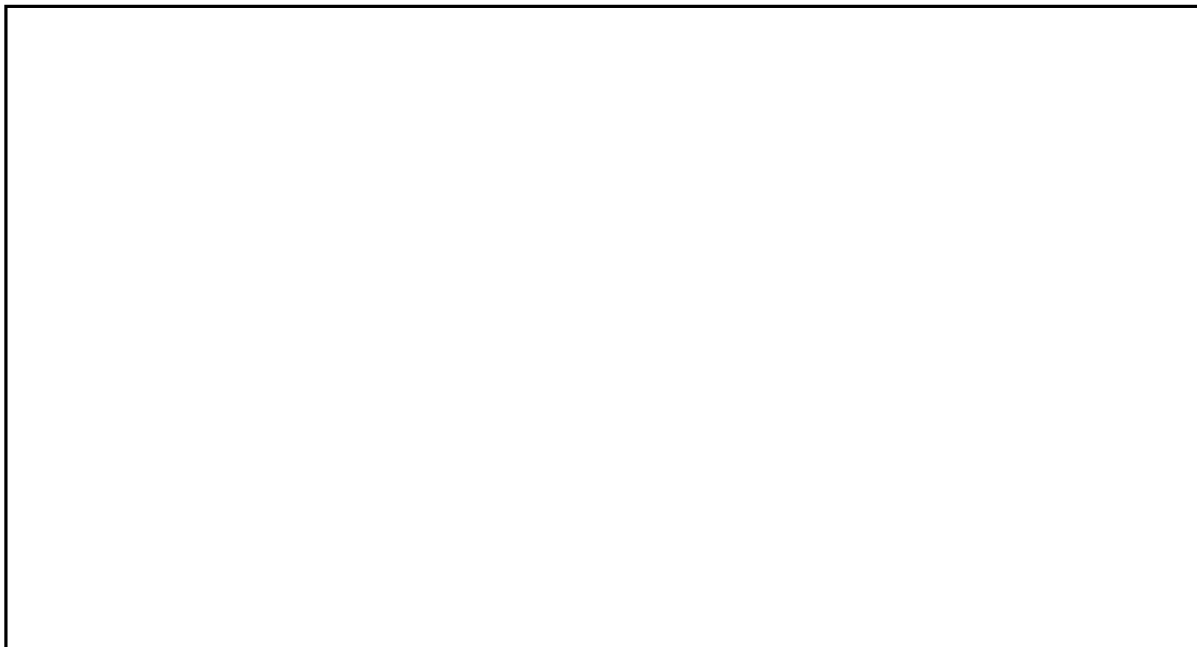
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III. THE WEST

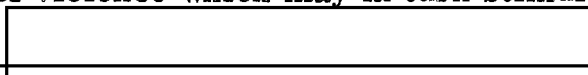
French Crisis

Premier Pflimlin's proffered resignation despite a 408 to 165 confidence vote in the National Assembly strengthens the possibility that a call to General de Gaulle to form a new government may be imminent. President Coty will probably be reluctant to leave the country without a government for even a short time for fear of a coup d'etat.



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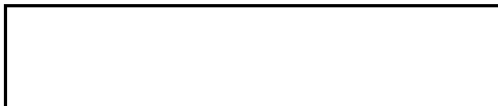
Prior to Pflimlin's resignation, massive anti-Gaullist demonstrations in Paris were called for 28 May. The sponsorship of the demonstrations includes non-Communist political organizations and the Catholic and Socialist labor organizations, and is much broader than that for the abortive Communist general strike on 27 May. Growing public restlessness in the face of the prolonged crisis increases the possibility of violence which may in turn stimulate army intervention.



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