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# 1. AMERICAN CONSULATE GENERAL IN TUNIS ATTACKED BY MOB

The reported attack on the American consulate general and information center in Tunis by French mobs on 9 March is evidence of the strong anti-American sentiment dominating

French settler thinking. It reflects a general French sentiment against American information activity, which has been favorably received by the Arab population. This attack is the second on an American installation within the past nine months. The information center was bombed on 28 June, at which time an unexploded bomb was found at the residence of an American vice consul.

The French high commissioner in Tunis, who was also attacked by the mob, recently informed the American embassy in Paris that the French population in Tunisia had not yet accepted the fact of full Tunisian independence. The French settlers believe that the United States has encouraged the nationalists in their demands for full independence and intends to usurp France's position and drive them out of Tunisia. They have been encouraged in this belief by recent statements made by French foreign minister Pineau and Prime Minister Mollet, who have claimed that France's policies are not fully supported by its allies. In view of the distrust of American motives prevailing in France and French North Africa, similar attacks on American installations in Algeria and Morocco are possible.

#### 2. BRITAIN DEPORTS ARCHBISHOP MAKARIOS

Britain's deportation of Cypriot archbishop Makarios, in line with its new tough policy, invites a new wave of terrorism in Cyprus and makes impossible any further negotiations for a settlement. The announcement of Britain's move interrupted Greek preparations for

Makarios' arrival for talks with Greek government officials and was followed by large-scale demonstrations against the British in Athens and Salonika.

### The Greek foreign minuster

feared Greek

reaction to an "all-out British clean-up" on Cyprus.

his government would not allow itself to be divorced from Greek public opinion and would therefore take a firm position on all issues involving Cyprus. Athens, under a new government which is trying to develop popular support, may seek to identify itself with public opinion by some dramatic counter-move such as a rupture of relations with Britain.

The Greeks will give new encouragement and support to violent resistance to the British on Cyprus, and may also permit popular demonstrations against Britain, Turkey and the United States.

| 3. ISRAEL EXPECTS EGYPTIAN ATTACK BY AUGUST |  |  |  |
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The estimate is consistent with statements made by Israeli officials in recent months that Egypt would be ready for general hostilities sometime between June and August. Israeli officials have also said that Egypt might launch an air attack at any time before then.

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### 4. SOVIET LEADERS DISCUSS INTERNAL QUESTIONS

At a reception on 6 March, the top Soviet leaders emphasized to Ambassador Bohlen that under present conditions in the Soviet Union collective leadership is the only form of rule possible. Khrushchev claimed that it was "absolute nonsense" that he was on the way to becoming another "great leader," and Mikoyan later made a statement along this same line.

Khrushchev admitted that certain adjustments in economic policy had been necessary, partly because the Soviet leadership came to realize that disarmament was not an immediate prospect. Both Khrushchev and Malenkov vigorously denied, however, that there had been any "quarrel" between them on economic policy, and Malenkov reiterated that lack of experience was the reason for his resignation as chairman of the Council of Ministers. Bohlen comments that although candor marked these discussions, he felt the statements on Malenkov were not entirely frank.

Mikoyan described Stalin's later days as "difficult times" and said that Stalin frequently made decisions on his own without consultation "with any of us." He said that by this procedure Stalin had abolished the principle of voting in party organs and in effect had destroyed their usefulness. Khrushchev stated that decisions in the

party presidium are now usually reached without vote, but in the event of disagreement which cannot be ironed out in discussion, a vote is 'obligatory.'

Mikoyan intimated that the process of rewriting Soviet history might be quite far-reaching and said that in all probability Lenin's testament—his last statement on the succession problem—would be made public.

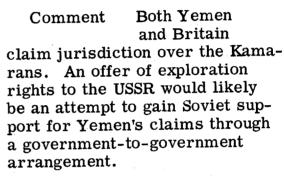
Comment These remarks provide the best evidence to date on how collective leadership actually operates within the top echelons of the Soviet hierarchy.

Trotsky claimed that Lenin's testament called for Stalin's removal as general secretary of the party. Publication of the testament could be used as a device to discredit Stalin completely.

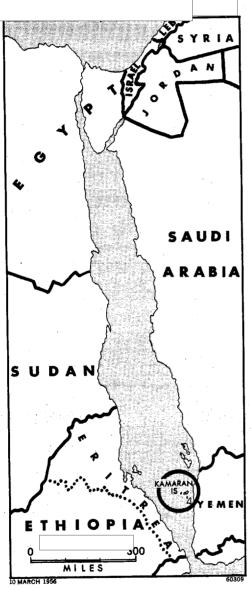
# 5. YEMEN TO ASK WHETHER USSR WILL EXPLORE FOR OIL IN KAMARANS

the king of Yemen expressed an interest in asking the Soviet ambassador whether it

would be possible for the USSR to explore for oil in the Kamaran Islands.



It is likely that Moscow would consider such a request favorably in view of its recent efforts to increase Soviet influence in Yemen and its offer last November to help Yemen "in everything." The USSR recently renewed its 1928 treaty of friendship with Yemen. In February, a Soviet economic team went to Yemen to negotiate a trade agreement which was signed on 8 March in Cairo. (Prepared by ORR)



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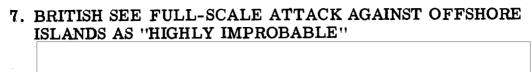
## 6. TUNISIANS OPPOSE DELAY OF NEGOTIATIONS WITH FRANCE

The French government has requested a recess of the current negotiations with Tunisia during the National Assembly debate on Algeria, according to

Tunisian deputy premier Bahi Ladgham. He told the American embassy in Paris that France was trying to tie Tunisia's hands in defense matters, although he admitted that the two governments were virtually agreed on the conduct of Tunisian foreign affairs.

Ladgham fears that more than a week's suspension would lead to an upsurge of Tunisian nationalism, with many extremists joining the Algerian rebels. He said that if an agreement were not reached before the Tunisian elections are held on 25 March, the assembly then elected would unilaterally declare the country's independence and would abrogate the existing treaties with France.

Comment Although an agreement in principle was reached prior to the commencement of these negotiations on 29 February, the deliberations apparently have not gone smoothly. The French high commissioner in Tunis, who was in Paris at the time, informed the American embassy on 7 March that Minister of State Savary disapproved an American plan to send food and clothing into Tunisia because France's position would be greatly weakened if the Tunisians gained the impression that they could get material or financial support elsewhere.



As long as the American 7th Fleet.remains in the Taiwan area, it is 'highly improbable' that the Chinese Communists will launch a full-scale attack or

institute a blockade against the offshore islands,

the main deterrent to military action is the unpredictability of American reaction, which could lead to an extension of the area of hostilities—a result which the Chinese Communists would wish to avoid at this time.

the Chinese Communists are convinced that 'time is on their side.' They expect Chinese Nationalist morale to deteriorate, and consider it pointless to fight for areas which they hope to acquire in due course through subversion and propaganda.

Comment The prevailing British thinking for some months has emphasized that aggression is not now in the Communist interest, and that the principal threat arises from increasing Chinese Communist economic penetration of neighboring areas.

Over the past year, Communist attempts to capture Nationalist-held offshore islands have apparently been deferred pending the outcome of Peiping's efforts to reach a diplomatic settlement on the area. Although there are no signs of an imminent attack against the islands, the Communists might at any time step up their harassing activity to support their diplomatic pressure against the United States in the Sino-American negotiations at Geneva.

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### 8. INDIA ACCEPTS SOVIET STEEL MILL

The announcement on 8 March that India has accepted the offer of a Soviet steel mill indicates that New Delhi is satisfied with Soviet terms and equipment but that it has ac-

cepted only the original offer of a mill capable of producing 1,000,000 tons of steel ingots annually. It apparently has not yet accepted a recent Soviet offer to increase the capacity of the mill by 300,000 ingot tons, though at least one news release suggests it may do so later.

Completion of negotiations and commencement of construction may lead to some loss of public interest in the Soviet mill, which heretofore has had a strong propaganda impact. The USSR may therefore search for another project of equal publicity value, whose offer to India would keep public attention focused on the USSR. Soviet interest in India's basic heavy industries suggests that any dramatic new Soviet offer might deal with petroleum or mineral development.

(Concurred in by ORR)

### 9. LEBANON MAY BE NEXT TARGET OF EGYPTIAN AND SAUDI ARABIAN SUBVERSION

|                            | the Saudi Arabians and Egyptians are     |
|----------------------------|--|
|                            | paign in Lebanon aimed at taking over    |
|                            | , –                                      |
|                            | a puppet government.                     |
| Lebanon was steadi         | ly losing ground in its effort to oppose |
| these moves.               |  |
| these moves.               |  |
|                            |  |
|                            | informed groups                          |
| in Lebanon are rapi        | dly coming to believe their country is   |
|                            | ne Egyptians and Saudi Arabians.         |
|                            |  |
| there is an inc            | reasing inclination even among staunchly |
|                            | s to think in terms of compromise or     |
| •                          |  |
| partial accommodat         | tion. This might prove to be the first   |
| step toward eventua        | l capitulation.                          |
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### Comment

The Saudis have been exerting economic pressure and subverting the Lebanese press, while Egypt's ally Syria has sought to draw Lebanon into a bilateral military pact.

Lebanon, half-Christian, half-Moslem, has traditionally tried to steer a neutral course in Arab state politics and will probably try to continue to do so. Lebanese alarm, particularly among the Christians who fear being "swallowed up" by the Arabs, has been increased sharply by the growing influence of Egypt in Arab affairs, and particularly by recent events in Jordan.

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## THE ARAB-ISRAELI SITUATION (Information as of 1700, 9 March)

The American embassy in Tel Aviv believes that Prime Minister Ben-Gurion's remarks in the Israeli parliament on 6 March, when he affirmed his government's intention to avoid a "preventive war," indicates Israeli leaders are now concerned with restoring the public morale depressed by earlier alarmist statements about growing Arab strength. The embassy also believes Ben-Gurion's renewed rejection of preventive war, in the face of strong opposition criticism and against the background of current border troubles, gives some ground for believing that Israel may avoid "adventurous reactions" for the time being.

An Israeli newspaper reported on 29 February that the first volunteer members of an international Jewish force are expected to arrive in Israel in March. An appeal was made early last November to Jewish communities abroad to send 100,000 immigrant youth to help defend Israel's horders. (Press)

Two factions have developed within the / Jordan Arab Legion, according to the American military attaché in Amman. On the night of 6-7 March one faction attempted to kidnap a leader of the other group. The basic cause of the factionalism is the question of officer assignments to replace departing British personnel. The attaché comments that King Hussain is probably caught in the middle of this struggle, and that a coup by one of the factions is possible if a compromise is not worked out. These developments, he believes, bode ill for the future of the legion as a military force.

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