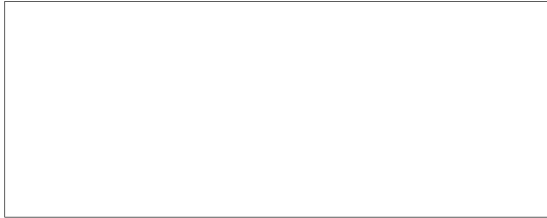


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30 May 1957

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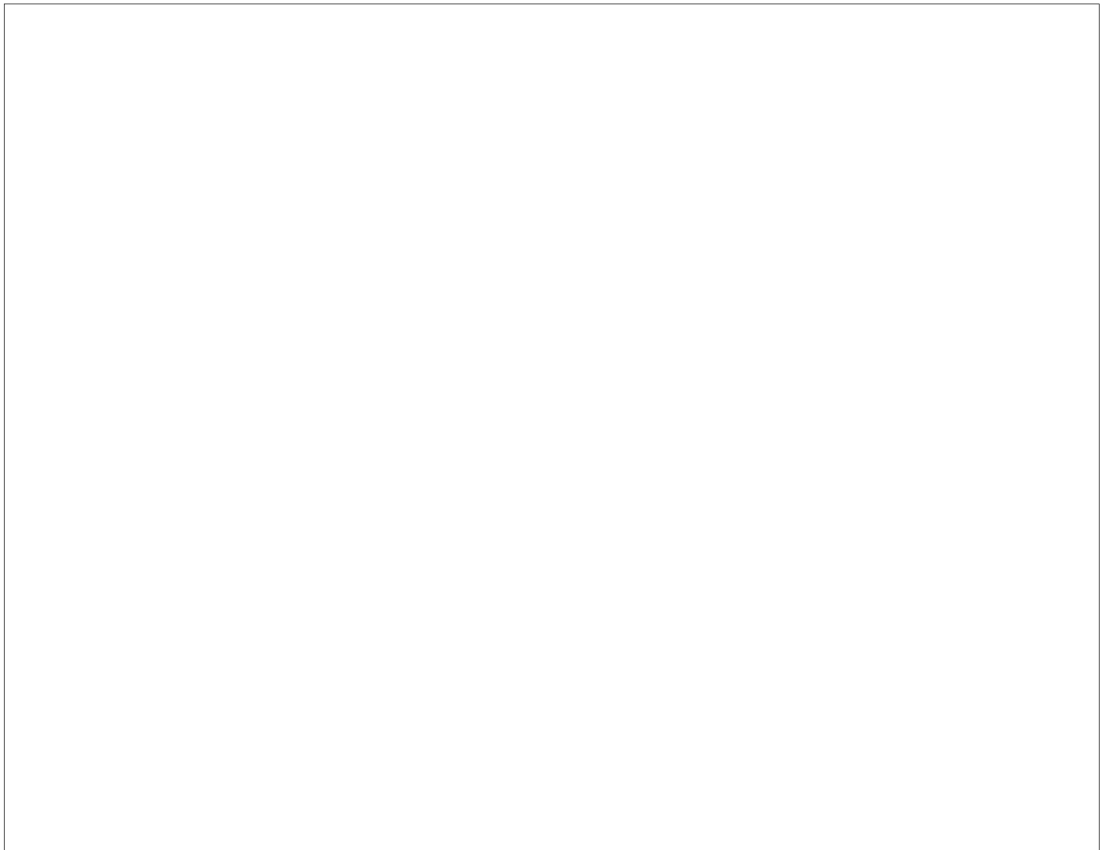


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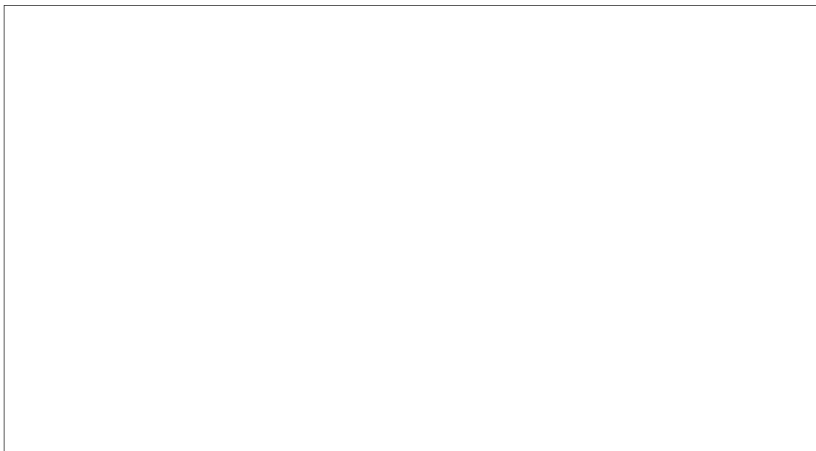
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CONTENTS

1. JAPANESE VIEW OF TAIPEI RIOTS [redacted]

[redacted] (page 3).

OK 2. SUPPORT GROWING IN FRANCE FOR RECOGNITION OF PEIPING [redacted] (page 4).

OK 3. POLITICAL RIOT IN BEIRUT [redacted] (page 5).

No 4. SHOWDOWN LIKELY BETWEEN JORDAN'S KING AND CABINET STRONGMAN [redacted] (page 6).

OK 5. EAST INDONESIA DEFIES DJAKARTA [redacted] (page 7).

OK 6. LAOTIAN CABINET RESIGNS [redacted] (page 8).

No 7. PATHETS ADVOCATE SWITCH TO CONCILIATORY TACTICS IN NEGOTIATIONS [redacted] (page 9).

OK 8. EARLY CRISIS IN THAILAND FEARED [redacted] (page 10).

No 9. GOMULKA VISIT TO MOSCOW [redacted] (page 11).

OK 10. AFGHAN KING ACCEPTS INVITATION TO VISIT MOSCOW [redacted] (page 12).

OK 11. SOVIET SUBMARINE OFFICERS REPORTEDLY ASSIGNED TO MERCHANT SHIPS [redacted] (page 13).

No ANNEX--Conclusions of the Watch Report of the Intelligence Advisory Committee ([redacted]) (page 14).

~~TOP SECRET~~

1. JAPANESE VIEW OF TAIPEI RIOTS

[redacted] Japanese Foreign Ministry analysts have tentatively concluded that the Chiang Ching-kuo clique was the principal Kuomintang group involved in the riots which they describe as "obviously prearranged by important elements in the government of the Republic of China." The ministry, [redacted] [redacted] has received a number of reports that National Youth Corps members were identified as among the principal leaders.

[redacted] few native Taiwanese were involved and that most participants were Chinese mainlanders who sought refuge on Taiwan with the Chiang regime. The Japanese Foreign Ministry believes that sentiment aroused by the Reynolds case was exploited by some elements of the Kuomintang in order to break into American files and ascertain the attitude of the United States toward Nationalist China.

Comment

[redacted] reported evidence of prior planning and some have stated that the Kuomintang and Youth Corps participated in the rioting. American officials in Taipei report that looting of the embassy files appears to have occurred without system and that the riots were probably not staged for that purpose.

[redacted] he riots "were carried on in a somewhat organized manner" with the participation of young men in student uniforms. [redacted]

30 May 57

Current Intelligence Bulletin

Page 3

~~TOP SECRET~~

2. SUPPORT GROWING IN FRANCE FOR RECOGNITION OF PEIPING

Sentiment favoring recognition of Communist China by France is reportedly gaining ground in center and rightist parties, [redacted]

Among the new advocates of recognition are the president of the parliamentary group of René Pleven's small center party and Emile Roche, a prominent Radical Socialist who is the president of the advisory Economic Council. [redacted]

Comment

According to the American embassy in Paris, a Social Republican (ex-Gaullist) member of the National Assembly's foreign affairs committee is sponsoring a bill calling for recognition. There are also press reports from Hong Kong and Peiping that former premier Edgar Faure, who is now on a month-long visit to Communist China, has voiced his unqualified support for recognition.

Premier Mollet has continually had to restrain left-wing leaders of his own party--particularly Daniel Mayer, chairman of the assembly foreign affairs committee, from pressing for such a move.

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3. POLITICAL RIOT IN BEIRUT

Comment on:

Rioting which followed government attempts to suppress a political demonstration by opposition groups in Beirut on 30 May resulted in the death of at least six persons and the serious wounding of 23. Pro-Egyptian opposition leader, ex-prime minister Saib Salam, received a head wound and is under arrest in a hospital. Most of the casualties were Palestinian refugees and Syrians. Warrants are reported to have been issued for the arrest of all opposition leaders. Beirut and Tripoli are being patrolled by tanks and armored cars of the army and gendarmerie.

The riots grew out of a 48-hour opposition ultimatum threatening a general strike if the government of pro-American prime minister Sami Solh did not resign in favor of a caretaker government which would supervise the parliamentary elections beginning on 9 June. Agitation for a coup d'etat against President Chamoun added to the tension.

[redacted] the opposition planned a march on and occupation of the parliament building. Egyptian [redacted] to spend [redacted] in an effort to defeat the government. It is probable that some of this money was used to hire the agitators who participated in the demonstrations.

The severe measures taken by the government in suppressing the demonstration may strengthen the opposition by providing it with martyrs. More rioting may occur at a planned mass funeral for those killed. The riot is reported to have had the effect of consolidating Christian opinion on the side of the government and Moslem opinion on the side of the opposition. The increased tension along religious lines may lead to incidents throughout the country.

30 May 57

Current Intelligence Bulletin

Page 5

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4. SHOWDOWN LIKELY BETWEEN JORDAN'S KING AND CABINET STRONGMAN

[REDACTED] A showdown between King Hussain and the cabinet strongman, Deputy Premier and Foreign Minister Samir Rifai, is reported developing over Rifai's reluctance to request withdrawal from Jordan of the Egyptian military attaché and the Egyptian consul general in Jerusalem. Rifai's defeat on this question would foreshadow his departure from the cabinet. This would weaken the king's position. [REDACTED]

Comment Samir Rifai, although strongly pro-West, is sensitive to majority sentiment in Jordan which remains strongly nationalist and anti-West. Therefore, he has been attempting to prevent further widening of the breach with Egypt. The two Egyptian officials in question have been deeply involved in intrigue with antimonarchical left-wing political groups in Jordan.

Hussain, in his efforts to strengthen his personal position as quickly as possible, runs the risk of alienating elements whose support he needs. [REDACTED] he has also created resentment among Palestinian Arab officers in the army by his policy of increasing the proportion of Bedouin troops and showing favoritism to Bedouin officers. [REDACTED]

5. EAST INDONESIA DEFIES DJAKARTA

Comment on:

[REDACTED]

In a 29 May broadcast, the military governor in northern Celebes strongly denounced the Indonesian government's recent orders relieving Lt. Col. Samual of his command in East Indonesia and splitting the area into four military regions. He accused Djakarta of attempting to "divide and rule" in the manner of the Dutch colonialists, and stated that the people's hope for a policy based on national peace was "merely a dream." East Indonesians were also warned to be on guard against "stooges" of the central government, as the "people's fight must be directed against the enemies from without and for the elimination of the enemies from within."

Since the governor owes his appointment to Samual, his statements almost certainly reflect his chief's viewpoint. While it does not quite constitute a declaration of independence, this speech underlines the determination of East Indonesians to win their demands for greater political and economic autonomy. Samual recently withdrew \$9,000,000 from a Celebes branch of the Bank of Indonesia for "local economic development."

Recent developments concerning East Indonesia indicate that President Sukarno is still opposed to granting any significant concessions to the provinces, despite the conciliatory position recently taken by Prime Minister Djuanda in the parliament. In his struggle with the central government, Samual probably can count on the support of other dissident leaders in Borneo and Sumatra [REDACTED]

[REDACTED]

30 May 57

Current Intelligence Bulletin

Page 7

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6. LAOTIAN CABINET RESIGNS

Comment on:

Prime Minister Souvanna Phouma's cabinet submitted its resignation on 30 May after the government suffered a defeat in the National Assembly on its handling of the Pathet Lao negotiations. If Souvanna's resignation is accepted, as seems likely, Deputy Premier Katay and his former political rival, Phoui Sananikone, leader of the

Independent Party, appear to have the best prospects of forming a new government. They are planning to implement an agreement they concluded recently under which Katay would become premier and Phoui his deputy. To succeed, however, they would need to win support from several other factions.

In the event the major leaders are unable to agree on a candidate, Prince Petsarath may be the strongest alternative. He recently returned from a visit to Pathet-held territory, allegedly convinced that the Pathets are not Communists and are no longer controlled by the Viet Minh.

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7. PATHETS ADVOCATE SWITCH TO CONCILIATORY TACTICS IN NEGOTIATIONS

[REDACTED] The Pathet Lao advised Hanoi [REDACTED] that Prime Minister Souvanna Phouma, pressed by America, Britain and France, was being forced to adopt stiffer tactics and recommended a switch to more conciliatory tactics. [REDACTED] during negotiations "we have only been discussing questions raised by us... and have done our best to dodge any questions brought up by them.... These long-standing tough tactics and perverseness of ours are bringing the present talks to a standstill.... We feel that the time has come to broach the question of the two provinces and the armed forces."

Comment

On 27 May, Prime Minister Souvanna Phouma read before the National Assembly a letter from Pathet chief Souphannouvong in which the latter promised to surrender control of the two northern provinces and Pathet armed forces immediately after the formation of a coalition government. This proposal undoubtedly was designed to strengthen Souvanna's position, by permitting him to point to the development of Pathet "reasonableness" as a positive achievement of his policy of accommodation.

In the event Souvanna's reported resignation is accepted, the Pathets may well make some dramatic gesture during the cabinet crisis in the interest of promoting his return to office or the appointment of Petsarath. In any event, they will probably follow through with their plan to neutralize Deputy Premier Katay by "breaking" him politically.

30 May 57

Current Intelligence Bulletin

Page 9

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8. EARLY CRISIS IN THAILAND FEARED

[redacted] expect trouble to break out in Thailand "before long." [redacted] reported that the ruling triumvirate of Premier Phibun, Interior Minister Phao and Defense Minister Sarit is likely to break up in the near future, with Phibun siding with Phao against Sarit, who is supported by elements in the court and by conservative opposition leader Khuang.

Comment

Phibun admitted to the American ambassador on 23 May that the internal situation in Thailand was "very serious," complaining that even though his regime was under strong opposition attack, Phao and Sarit were "fighting" each other and that Sarit was "even attacking me." The recent decisions of both Phao and Sarit to cancel projected visits to the US provide a measure of the tensions presently underlying the political situation in Bangkok.

There is a good possibility, however, that Phibun will be able, as he has so often in the past, to maintain at least an uneasy truce between his two chief subordinates. [redacted]

30 May 57

Current Intelligence Bulletin

Page 10

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~~TOP SECRET~~

9. GOMULKA VISIT TO MOSCOW

Comment on:

Polish first party secretary Gomulka and Premier Cyrankiewicz apparently went to Moscow for a brief visit over the week end of 26 May.

the two leaders were accompanied by Agriculture Minister Ochab.

The visit is reported to have been arranged by the Kremlin prior to the recent Polish party central committee meeting for the purpose of discussing the results of the meeting and other political matters. The Poles may also have gone to Moscow to press the Russians for further economic aid, possibly an increase in grain and meat deliveries and other consumer goods.

Soviet military activity in Poland during the period appeared normal.

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10. AFGHAN KING ACCEPTS INVITATION TO VISIT MOSCOW

Comment on:

[redacted] King Zahir Shah of Afghanistan has accepted an invitation to visit Moscow extended by Kliment Voroshilov, president of the Presidium of the USSR Supreme Soviet, according to a Soviet

[redacted] radio broadcast of 28 May. No date was mentioned in the announcement.

Moscow presumably waited until King Zahir had indicated his acceptance before it made this announcement. The king's other engagements make it unlikely that he plans to visit the USSR before next fall, however, and he may prefer to wait until next year. [redacted]

30 May 57

Current Intelligence Bulletin

Page 12

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11. SOVIET SUBMARINE OFFICERS REPORTEDLY ASSIGNED TO MERCHANT SHIPS

[REDACTED] the USSR has assigned submarine officers to Soviet merchant ships in accordance with a directive of the Council of Ministers, USSR. These officers, who are either submarine commanders or senior assistants to submarine commanders, reportedly were assigned for a period of one year for the primary purpose of gaining first-hand experience with navigation in foreign waters. In addition, each officer allegedly was issued photographic equipment and given a specific intelligence assignment. [REDACTED]

Comment

Since 1952, the number of contacts made by Western navies with unidentified submarines throughout the world has increased steadily and the majority of these contacts have been judged to be Soviet.

The successful completion of these patrols attests to the mechanical reliability of the Soviet long-range submarines and the operating skill of their crew members and commanding officers.

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ANNEX

Watch Report 356, 29 May 1957
of the
Intelligence Advisory Committee

Conclusions on Indications of Hostilities

On the basis of findings by its Watch Committee, the Intelligence Advisory Committee concludes that:

- A. No Sino-Soviet bloc country intends to initiate hostilities against the continental US or its possessions in the immediate future.
- B. No Sino-Soviet bloc country intends to initiate hostilities against US forces abroad, US allies or areas peripheral to the Orbit in the immediate future.
- C. Early deliberate initiation of hostilities by Israel or the Arab states is not probable. Although tensions continue between the Arab states and Israel and among certain Arab states themselves, these are not likely to lead to serious conflict in the immediate future.

