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11 May 1957



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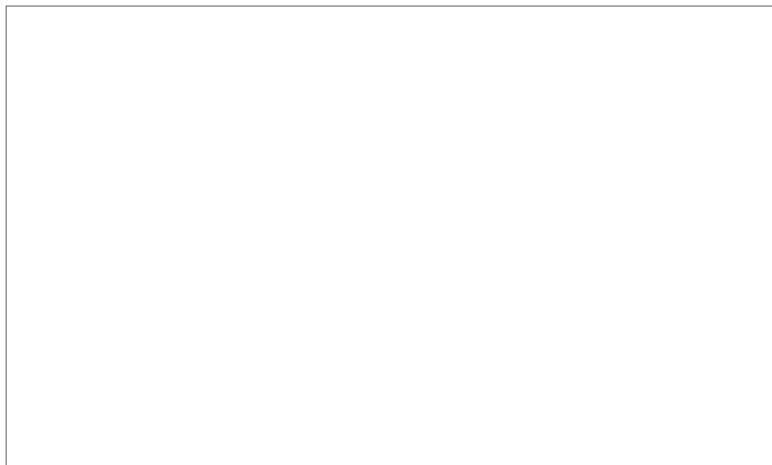
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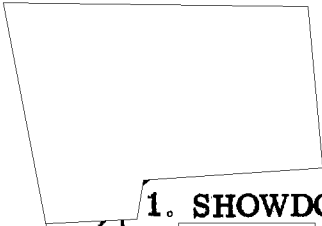


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1. SHOWDOWN MAY BE NEAR IN INDONESIA

Comment on:

Indonesia is closer to civil war than at any time since the Communist uprising at Madiun was crushed in 1948.

Sumatran dissidents are incensed over the recent arrest of their representatives in Djakarta, efforts by the army chief of staff to remove Lt. Col. Samual--the anti-government commander in East Indonesia, and over Sukarno's emergency decree imposing "guided democracy."

as a result, the Sumatrans will demand that Sukarno resign or face the prospect of a military showdown. In this connection, moves are reported already under way aimed at eliminating pro-Djakarta military forces on Sumatra.

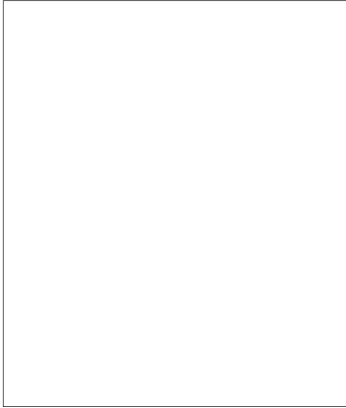
The sharpening of the lines between Djakarta and the provinces is evident in the public reaction of anti-Sukarno elements to the president's decree. A Moslem leader in Sumatra has denounced Sukarno for "sowing the seeds of dictatorship," while Lt. Col. Samual claims that the country is faced with "total ruin and collapse."

the ruling council of Central Sumatra "is furious" over Djakarta's efforts to meddle in East Indonesian affairs.

Meanwhile, Sukarno is encountering increasing difficulty in dealing with Premier Djuanda and the non-leftist elements in the cabinet. He is also said to be "very upset, unhappy and unusually moody," and complaining that he is "being forced into his actions against his own will."

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2. BOMBARDMENT OF QUEMOY ISLANDS BY CHINESE COMMUNISTS



Chinese Communist artillery on 10 May fired more than 600 rounds on the Quemoy group—the heaviest shelling of these islands so far this year. The Chinese Nationalist news agency reports that the Nationalist garrisons on the islands have been alerted for a possible invasion.

The number of rounds fired on 10 May is far from a record total. Some 6,000 rounds were fired on the islands on 3 September 1954, nearly 3,000 rounds on 20 January 1956, and over 1,000 rounds on 28 April 1956. Most of the artillery exchanges in the past year were initiated by the Nationalists. No report is yet available to indicate which side initiated the latest shelling.

The most favorable period for amphibious operations is now at hand, but the Chinese Communists would probably bring up more than the 89,000 troops believed to be in the Amoy area before launching a full-scale attack against the Quemoy, which are garrisoned by 84,000 Chinese Nationalists. However, Communist strength in the area is adequate to assault one of the smaller islands in the Quemoy, such as Erhtan or Tatan.

The Chinese Communist air force continues to maintain a generally defensive posture in the Taiwan Strait area. Prior to an amphibious assault on the Quemoy, the Communists would probably bring their bombers and fighters within closer range of the islands. Newly constructed airfields opposite the offshore islands are serviceable but still unoccupied.

The shelling of the Quemoy coincides with sharp Communist propaganda reaction to the announcement that

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Matador missiles are to be based on Taiwan. In a broadcast on 10 May entitled "A Warning to the American Aggressors," the Peiping radio charged that the United States is converting Taiwan into an atomic base to carry out aggression. The Communists reiterated their routine declaration of determination to "liberate" Taiwan but otherwise made no threat of early military action.

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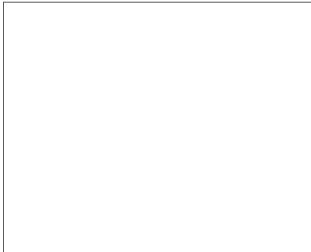
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3. KHRUSHCHEV CALLS FOR NEW CONTROL MEASURES

Comment on:



Soviet party boss Khrushchev, in a short concluding speech to the Supreme Soviet on 10 May, sounded a call for severe legislative measures in order to ensure the success of the forthcoming economic reorganization.

Khrushchev said it was necessary to draft measures calling for strict responsibility by the leaders of enterprises and members of the economic councils. He added that it may also be necessary to establish a system under which financial penalties would be imposed on those guilty of causing losses to the state. Those who undermine state discipline are to be relieved of their posts and demoted.

The tone of these statements contrasts with the encouragement of criticism during the discussion of the reorganization proposals prior to and during the Supreme Soviet session. With the structural pattern of reorganization agreed upon, the regime apparently now is moving on to the next step-- the forging of tight control over the post-reorganization bureaucracy.

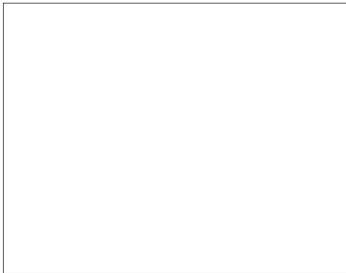


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4. MILITARY JUNTA REPLACES PRESIDENT OF COLOMBIA

Comment on:



A five-man military junta replaced President Rojas on 10 May. The new government will be pro-US and anti-Communist in orientation.

The military forced Rojas' ouster after a week of demonstrations and violence provoked by his attempt to perpetuate himself in office. Opposition political leaders, business groups, and students participated in the movement against Rojas, which paralyzed the economic activity of the nation. The Catholic hierarchy also provided substantial support by condemning his regime.

The situation may continue tense for several days. Leaders of the opposition parties, which earlier had proposed a joint presidential candidate to challenge Rojas' plans, told the American embassy in Bogota on 9 May that they would accept an interim junta only if it undertakes to restore constitutional government and civil liberties and calls free elections by next spring. The embassy commented on 10 May that some groups among the throngs in Bogota celebrating Rojas' ouster are already demanding a civilian president.

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5. FAISAL MAY DEMAND NURI SAID'S RESIGNATION

[REDACTED] King Faisal of Iraq has sent word to King Hussain of Jordan that he has decided to request the resignation of Prime Minister Nuri Said, [REDACTED]

[REDACTED] Crown Prince Abd al-Ilah is determined to secure Nuri's resignation immediately after King Saud's visit to Baghdad which begins on 11 May. Ex-prime minister Salih Jabr is being considered as Nuri's replacement. [REDACTED]

Comment

The crown prince, who is the power behind the throne in Iraq, has been antagonistic to Nuri Said for many years and may feel that internal conditions now are stable enough to drop him.

Jabr, who broke with Nuri in 1950, is considered to be favorably disposed toward the United States, and accompanied the crown prince on the latter's visit to the United States in February 1957. Jabr does not have Nuri's political power, and a cabinet led by him might be unstable.

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6. NEW EGYPTIAN-INSPIRED DISSIDENCE IN PERSIAN GULF AREA

Comment on:

[redacted] indications that Egypt is inspiring unrest in the Persian Gulf area, particularly in east central Oman, where three tribes are reportedly engaged in dissident activity. Egypt has in recent months increased its anti-British radio broadcasts to the Persian Gulf, and has particularly intensified propaganda directed against the government of Muscat and Oman.

[redacted] Cairo was planning to train refugee Omani dissidents in Egypt to oppose the sultan of Muscat, who with British support had reasserted control over Oman in late 1955. While the Saudis have given limited support to Omani dissidents, the principal initiative now appears to come from Cairo.

[redacted] the sultan has requested British assistance in dropping leaflets in east central Oman, where 150 disaffected tribesmen have defied the sultan's representative. [redacted]

[redacted]

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7. HONDURAN GOVERNMENT WEAKENED BY MOVES TO SETTLE DISPUTE WITH NICARAGUA

Comment on:

The Honduran military clique led by General Rodriguez, a member of the ruling junta, and Defense Minister Lopez hopes to discredit moderate leaders for accepting a cease-fire in the dispute with Nicaragua. The junta signed a troop withdrawal agreement with the special OAS committee on 9 May only after determined opposition from Lopez, and after General Rodriguez expressed his deep personal reservations.

Honduran leaders basically are divided on the issue of a return to constitutional government. Moderates, led by Major Roberto Galvez who is also a member of the junta, have promised a speedy return to constitutional civilian government, a prospect not to the liking of the Rodriguez-Lopez clique.

The OAS committee's troop withdrawal plan went into effect on 10 May with the Nicaraguan signature of an agreement similar to the one signed by Honduras on 9 May. The committee's military team is to remain in the area to help implement the agreements, which call for the withdrawal of troops of both countries to areas where contact between them is impossible.

Nicaragua has made every effort to respect its cease-fire agreement with the OAS committee.

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8. RETIRED ARGENTINE MILITARY OFFICERS PLANNING REVOLT

[REDACTED] A group of senior officers dismissed in November 1956 is planning to overthrow the Argentine provisional government prior to the 28 July election of a constituent assembly, [REDACTED] They feel they were treated unfairly, that the government is mishandling the affairs of the country, and that Aramburu's supporters are using crude tactics to keep him in power.

The revolutionary group reportedly intends, if successful, to hold elections immediately, but has not yet decided on a presidential candidate.

Comment Some 36 generals and other army commanders were dismissed in November 1956 as a result of their demand that Army Minister Ossorio Arana resign. Some of these apparently belong to the revolutionary group. Opposition to the government centers on the apprehension that the regime may interfere with or postpone general elections, now scheduled for 23 February 1958, despite repeated official denials of such intentions.

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