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CENTRAL

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BULLETIN



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9 SEPTEMBER 1958

I. THE COMMUNIST BLOC

Taiwan Strait - Communists continue to augment naval elements.

Mao says talks with US "will open" in Warsaw.

Possible Soviet lunar probe between 11 and 15 September.

Yemen seeking more Soviet arms.

II. ASIA-AFRICA

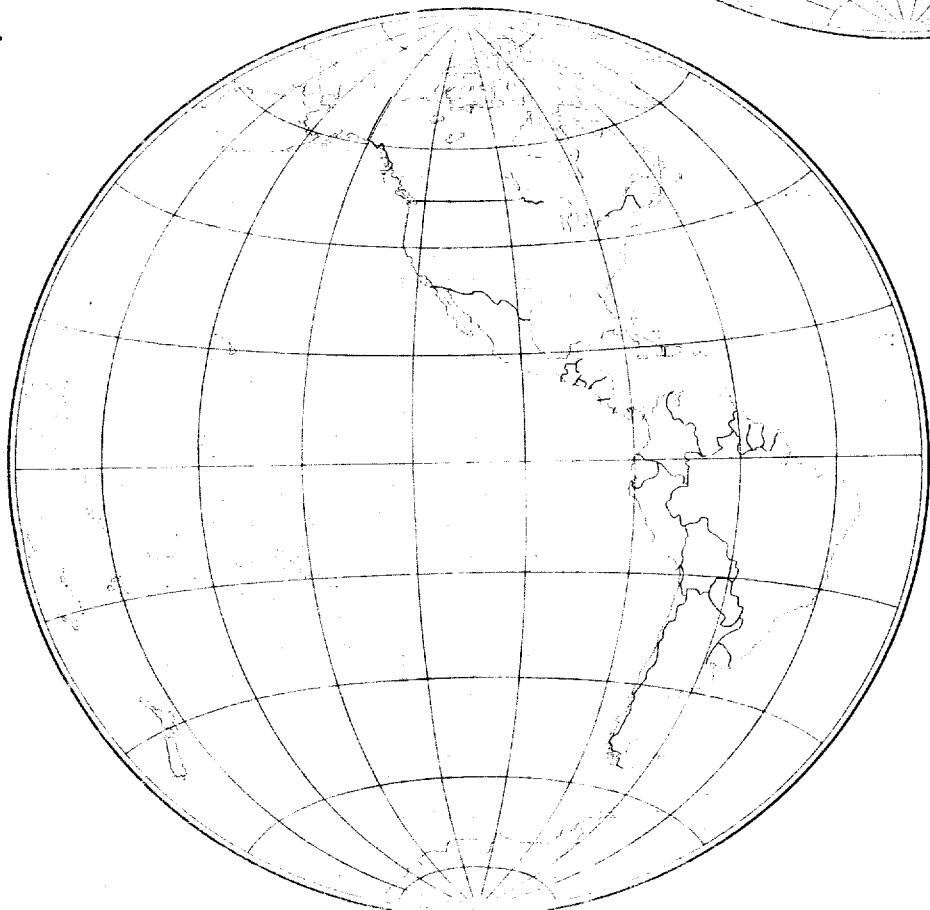
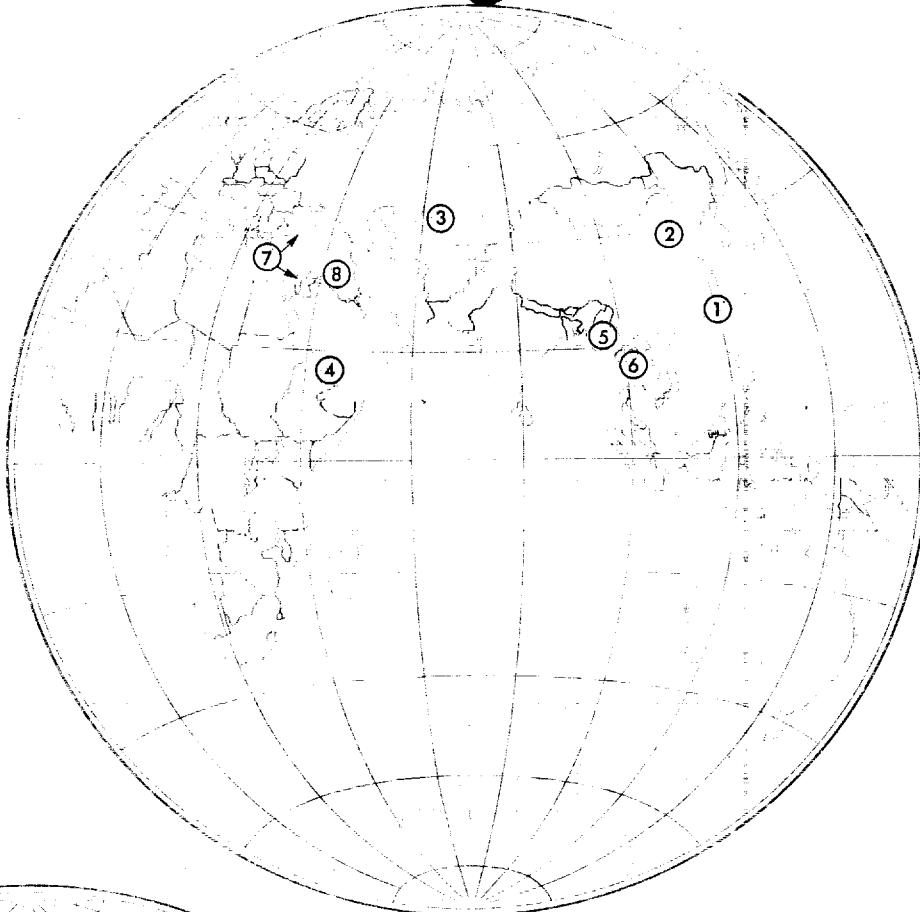
New Communist-front party may be organized in Burma.

Thailand - Demonstrations against Cambodia may increase pressure on Sihanouk.

Turkey and Israel developing closer relations.

Cairo moving to increase its influence in Iraqi armed forces.

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CENTRAL INTELLIGENCE BULLETIN

9 September 1958

DAILY BRIEF

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I. THE COMMUNIST BLOC

H0
Taiwan Strait situation: The Chinese Communists continue to augment their light naval elements in and near the strait. [redacted]

[redacted]
H0
Increased military operations occurred on 8 September with the shelling of the second Kinmen resupply convoy and a Nationalist-Communist air clash over Chinese Communist territory near Swatow. High-level Nationalist officials have manifested dismay over indications that the United States is willing to resume negotiations with Communist China; this could lead to provocative Nationalist actions.

[redacted] (Page 1) (Map)

H0
Communist China: The official summary of Mao Tse-tung's remarks at the 8 September meeting of the Chinese Communist Supreme State Conference stated that the Sino-American talks "would begin in Warsaw!" Mao was quoted as being "hopeful" about the talks, which he said "might lead to some results provided that both sides had the sincere desire to settle the question." Peiping, evidently confident that it will be negotiating from a strong position, is claiming that all countries except the US hold that the offshore islands are Communist China's territory. [redacted]

[redacted] (Page 3)

H0
*USSR: The USSR may attempt a lunar probe research vehicle as early as 11 September 1958, with optimum dates for such a launching extending to 15 September. The flight to the Soviet missile test area of a TU-104 frequently used by Khrushchev may be connected with this or other important developments in the Soviet missile program. [redacted]

[redacted] (Page 5)

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No
USSR-Yemen: Yemen is seeking what may well be another major arms deal with the USSR. The Imam instructed Crown Prince Badr on 27 August to negotiate an arms agreement "like the previous one, complete, but with more in it." Yemen has already received about \$30,000,000 worth of Soviet arms, much of which has never been used.

Two Soviet freighters may have made a further delivery last week.

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II. ASIA-AFRICA

OK
Burma: There is evidence that organization of a new Communist-front party is being planned by left-wing components of the National United Front. If this organization is established, the Communist underground plans to cease insurgent activities and join it.

(Page 7)

OK
Thailand-Cambodia: Large-scale student demonstrations at the Cambodian Embassy on 7 September were apparently inspired by Interior Minister Prapat, who has been exploiting Thai nationalist feeling against Cambodia. Prapat may hope to increase his power within the ruling military clique by such activities. Meanwhile, the breakdown of Thai-Cambodian border negotiations, coupled with South Vietnamese pressures on Cambodia, may increase Sihanouk's feeling of isolation which originally led him toward closer relations with Peiping.

(Page 8)

No
Turkey-Israel: The chief of the Turkish General Staff told an American official on 3 September that Turkey and Israel are developing increasingly close military relations, and a Foreign Ministry official said that Israel had requested that full diplomatic relations be restored. These developments follow the secret talks in Ankara on 28 August between Israeli

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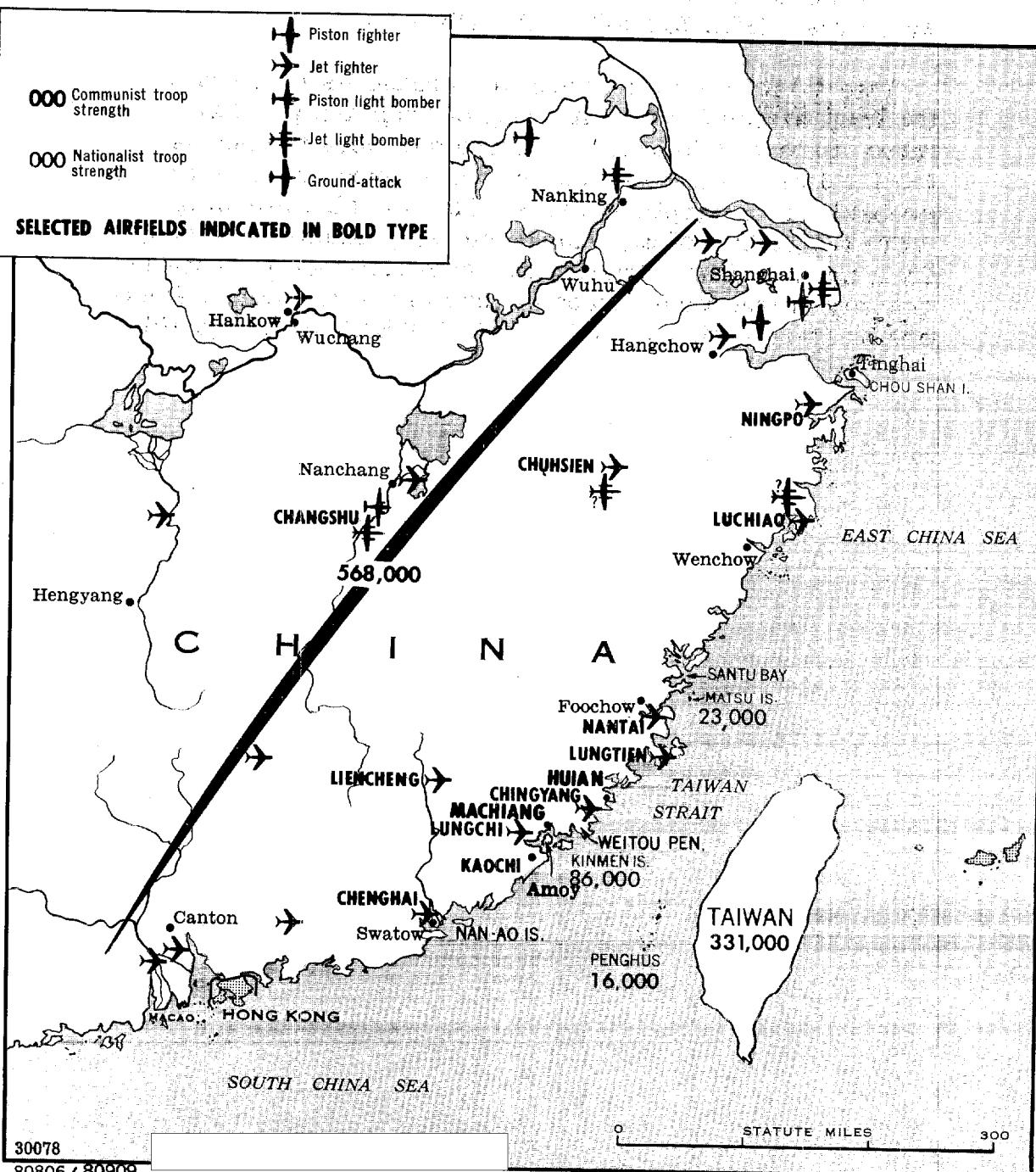
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Prime Minister Ben-Gurion and Turkish Prime Minister
Menderes. [redacted] (Page 9)

NO

Iraq-UAR: Cairo is trying to increase its influence in the Iraqi armed forces. A group of Iraqi army and air force officers is to arrive in Cairo this week to discuss the Iraqi armed forces' requirements for Soviet-bloc arms, probably from Egyptian stocks. Cairo is also pressing to move a squadron of Egyptian fighters, probably MIG-17's, from Syria to Iraq. Introduction of Soviet-bloc weapons in quantity in Iraq would probably lead to the removal of Western military advisers. [redacted] (Page 10)

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I. THE COMMUNIST BLOC

Taiwan Strait Situation

There is more evidence that the Chinese Communists are continuing to build up their naval strength in the strait area. Four Kronshstadt-class subchasers, 300-ton vessels mounting 3.4-inch guns and with a speed of about 25 knots, moved into the Swatow area [redacted]

[redacted] The Communists may be planning to use the highly maneuverable Kronshadts with their heavier guns in combination with motor torpedo boats for interdiction operations against the Kinmens. There has been some evidence [redacted] [redacted] that other vessels of the South China Fleet have been transferred from the Canton area to Swatow since late July.

Chinese Communist artillery, silent for two days, resumed firing during the afternoon of 8 September in what was described by the Communists as a "punitive bombardment" of the Kinmens. Heavy firing was concentrated on the Nationalist command post and the beach area. One Nationalist LSM was hit, caught fire, and exploded. Another LSM which had completed unloading had put to sea before the shelling began.

A few hours before the shelling, a flight of 12 Nationalist jet fighters flying top cover for a photo reconnaissance mission clashed with 12 Communist MIG fighters over Nan-ao Island near Swatow. The Nationalists claim five MIG's shot down and two damaged. One Nationalist plane was damaged.

Chinese Nationalist pilots covering the second Kinmen resupply operation on 8 September claimed they saw at least 40 motor torpedo boats maneuvering in the Weitou Peninsula area with 20 more to the north moving toward the area. This information is not confirmed. The number reported appears to be exaggerated, although some motor torpedo boats and other types of vessels probably were seen.

Many high-level Nationalists fear that a possible renunciation of the use of force in the Taiwan area by Peiping and

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Washington would indefinitely defer a showdown fight with the Communists which they have anticipated might grow out of the offshore islands situation. These Nationalists have been dismayed by indications that the US is willing to resume negotiations with Communist China, and they may try to take provocative actions in an attempt to expand the area of conflict to the mainland. Nationalist Chief of Staff Wang Shu-ming has publicly linked the present crisis to the "return to the mainland" theme.

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Mao Tse-tung "Hopeful" About Sino-American Talks

Mao Tse-tung's speech to the Supreme State Conference--the forum used to enunciate major policies--contains Peiping's firmest commitment thus far to resume the suspended Sino-American talks. Mao stated that the "ambassadorial" discussions "would begin in Warsaw." Going beyond Chou En-lai's statement, Mao was "hopeful" about the talks, which he said "might lead to some results" provided there was sincerity on both sides.

The Chinese Communists evidently are confident that their negotiating position has been strengthened. An editorial in the Peiping Ta Kung Pao--roughly the equivalent of Izvestia--stated on 8 September that all countries except the US consider that the offshore islands are Communist China's territory and that the US faces "unprecedented isolation." Mao's confidence was indicated in a comment that US bases were "nooses round the neck of US imperialism" and that the "Americans" have "handed one end of the rope to the Chinese people."

Peiping continues to indicate that military and psychological pressures will be continued during the talks. The Ta Kung Pao on 7 September issued a "special warning" to the US against the "old trickery of stalling the ambassadorial talks," which, according to Mao, will be watched by people all over the world.

Free-world reaction to Taiwan Strait crisis: The British Government appears increasingly apprehensive at the prospect that the United States intends to defend the offshore islands, as most influential British opinion doubts their importance to free-world security. Virtually all British papers argue this, and both the Conservative party chief whip in Parliament and opposition leader Gaitskell have recently offered similar estimates of public opinion to the American Embassy in London. Assuming emphatic Labor and Liberal opposition to American policy, they believe the government may

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have serious trouble in holding its own supporters. According to the British Foreign Office, the real difference of opinion with the United States is that Britain regards the offshore islands as part of the Chinese mainland.

Indian Prime Minister Nehru presumably feels that the willingness expressed by Washington and Peiping on 6 September to resume talks on the Taiwan situation frees him from the restrictions on public statements he imposed on himself during the earlier period when it was possible for India to play a mediatory role. On 7 September Nehru reiterated India's support for Peiping's claim to the offshore islands, but urged that the matter be solved peacefully.

The Australian press has welcomed the prospect for negotiations between the US and Communist China as offering a face-saving line of retreat for the United States. Many papers are urging the government to make clear to the US that Australia does not want war over the offshore islands. In the Philippines, President Garcia on 4 September lauded US and Nationalist China's efforts to deter aggression. While not specifically reversing Garcia's earlier statement of "noninvolvement," the statement gave strong moral support to US policy in the area. Japan continues to be concerned that it would be involved in any hostilities because of the presence of US bases, and Japanese Foreign Ministry officials have welcomed the prospects of ambassadorial talks between the US and Communist China.

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USSR May Try "Moon Shot" Late This Week

[Redacted] On the basis of USAF calculations of optimum dates for launching lunar vehicles from Tyura Tam, 11 September appears to be the earliest date for a Soviet attempt with reasonable chances of success, with the optimum period extending to 15 September.

A study by the Air Technical Intelligence Center indicates that a vehicle launched on 11 September, with a burnout velocity of about 36,000 feet per second, would take about 38 hours to reach the vicinity of the moon. One advantage of such a schedule is that it would put the vehicle near the moon during the period when the moon is clearly visible to ground instrumentation in the USSR. This would permit tracking and possible transmission of command signals to place the vehicle in orbit around the moon.

[Redacted] While there is no firm evidence on the nature of the USSR's next space attempt, it is believed possible that, in view of the Soviet desire to be ahead of any successful US moon shot, the USSR may attempt a lunar research vehicle as early as 11 September. Press reports had announced a second American lunar attempt for 13 September, but this target date was recently postponed. A TU-104 frequently used by Khrushchev flew from Moscow to the Kapustin Yar rangehead area on 7 September, raising the possibility that he or other top leaders are in the Soviet missile test area, encompassing Kapustin Yar, Vladimirovka, and Tyura Tam.

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Soviet Arms for Yemen

Two Soviet ships were observed on 3 September unloading heavy equipment--possibly weapons--at the Yemeni port of Salif, which has been used almost exclusively for military shipments from the USSR. This would be the first large arms shipments to Yemen reported since March. New shipments were being discussed at that time, but it had been believed that the Imam canceled the negotiations when he became suspicious of Crown Prince Badr's inclination to work too closely with the USSR.

Yemen is interested in another major bloc arms deal. The Imam instructed Badr in late August to arrange a new arms deal with his "eastern friend" prior to returning from his visit to the UAR and other Arab countries. Badr was told to negotiate an arms agreement "like the previous one, complete but with more in it." Specifically mentioned for inclusion are "modern" antiaircraft artillery, "time" bombs, and two helicopters.

It is estimated that by early 1958 about \$30,000,000 worth of Soviet military equipment had been sent to Yemen, much of which has never been used.

the Imam may deem the moment propitious to seek closer association with the USSR. He asked that Iraq be urged to quit the Baghdad Pact, warning that Turkey and Iran would otherwise be Iraq's "shackle when the Red Bear moves in response to the provocation of the jackal, America."

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II. ASIA-AFRICA

Communist Political Elements in Burma May Consolidate

Left-wing leaders of the Communist-dominated National United Front (NUF) met on 26 August in an effort to create a Communist-front organization which, it is reported, the insurgent Burma Communist party leader Than Tun is prepared to join. Though a dispute over front leadership between long-time NUF leaders and recently surrendered insurgents has delayed its formation, the emergence of such a front prior to the November general elections would bring the political orientation of the various Burmese parties into sharper focus and, for the first time since independence, consolidate the several Communist factions of Burma into a single party.

The NUF has been seriously split since June, when it gave Premier Nu his parliamentary majority in a vote of confidence. The non-Communist Justice party and the crypto-Communist Burma Worker's and People's United parties have argued that the NUF could win through a combination of party organization and Nu's personal popularity. The youth front and the recently legalized People's Comrade party have insisted that the NUF must win through independent campaigning and ideological purity. The Justice party recently issued an ultimatum that it would leave the front unless these extremist parties were expelled.

While the formation of a new Communist front would consolidate pro-Communist efforts, non-Communists of the rival factions of the Anti-Fascist People's Freedom League might benefit more from such a development. Communism as such has not been popular with Burmese voters, and qualified observers believe that much of the NUF's previous election success stemmed from voter discontent with the government. An openly Communist-oriented party would probably be unable to retain this protest vote in the coming election. Further, although security force spokesmen fear that cached arms will still give former insurgents the ability to intimidate voters, their emergence from the jungle should make control over their activities more effective.

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Thai-Cambodian Differences

The student demonstrations before the Cambodian Embassy in Bangkok on 7 September were inspired, if not directly staged, by Interior Minister Prapat. Press reports of injuries sustained by students and police, however, indicate the demonstrations became more violent than Prapat had anticipated. Prapat has recently been exploiting Thai nationalist sentiment against Cambodia and on several occasions has strongly hinted to the press that orderly demonstrations in support of the Thai Government's position would be welcomed.

Prapat may be exploiting nationalist sentiment in a bid for greater power and prestige during Marshal Sarit's absence from the country, but it is unlikely that he would attempt to seize full power. While Prapat nominally controls most of the key military units in Bangkok, it is questionable whether they would support him against Sarit in a showdown.

The demonstrations followed by three days the breakdown of Thai-Cambodian border negotiations in Bangkok. The refusal of either side to make any concessions in connection with the dispute over ownership of an ancient Buddhist temple on the border prevented agreement on any of the other points at issue. The hardening Thai attitude, coupled with South Vietnamese pressures on Cambodia, may well increase the feeling of isolation which initiated Prince Sihanouk's drift toward closer relations with Peiping.

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Turkey and Israel Moving Toward Closer Military Relations

General Rustu Erdelhun, chief of the Turkish General Staff, told an American official on 3 September that Turkey and Israel are developing increasingly close military relations. Such cooperation, which reflects the concern of both nations with Nasir's growing influence, suggests that the secret meeting at Ankara on 28 August between Israeli Prime Minister Ben-Gurion and Turkish Prime Minister Menderes had immediate results.

Israel has again asked Turkey to name a new minister to Tel Aviv. The legations of both countries have been in the hands of chargés d'affaires since the Suez crisis when Turkey withdrew its minister as a result of Iraqi pressure. While a Turkish Foreign Ministry official described Israel's request for the re-establishment of full diplomatic relations as a favorable development, such a course would constitute a major change in Turkish policy and would indicate that as a result of the Iraqi coup Ankara no longer believes a rapprochement with the Arabs is possible. [redacted]

[redacted]

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Cairo to Survey Iraq's Requirements for Soviet Bloc Arms

Cairo appears striving to increase its influence in the Iraqi armed forces by offering them large quantities of Soviet-bloc arms from the UAR

a group of Iraqi army and air force officers is to arrive in Cairo this week to discuss Iraqi requirements for Soviet bloc arms and to arrange for preliminary training of Iraqi military personnel on such weapons in the UAR. Cairo has also instructed Damascus to hold up scheduled delivery of Soviet-bloc 130-mm. rocket artillery and 152-mm. gun-howitzers to Iraq pending determination of Iraq's over-all requirements. On 6 September Cairo informed Baghdad and Damascus that a committee would arrive in Baghdad on 8 September to discuss movement of a jet fighter squadron and an antiaircraft battery from the Syrian airfield at Dumayr to Habbaniya air base in Iraq. These are almost certainly the Egyptian units equipped with MIG-17(D) all-weather jet fighters and 37-mm. anti-aircraft guns which were sent to Dumayr this spring, pending arrival of Syria's all-weather MIG-17's from the Soviet bloc. The Syrian aircraft were delivered in August.

Increased Egyptian influence in the Iraqi armed forces could be exploited to strengthen the position of the faction, led by Deputy Prime Minister Arif, which favors membership in the UAR. Those Iraqis who favor a somewhat less close association with the UAR, led by Prime Minister Qasim, would probably eventually seek a direct arms deal with the Soviet bloc. Any major introduction of Soviet-bloc weapons would probably lead to the presence of Soviet-bloc military advisers in Iraq and removal of Western advisers.

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