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19 February 1958

Copy No.

137

CENTRAL INTELLIGENCE BULLETIN

DOCUMENT NO. 42NO CHANGE IN CLASS. X

11 DECLASSIFIED

CLASS. CHANGED TO: TS S C

NEXT REVIEW DATE: 2010AUTH: HR 202DATE: 1-4-84 REVIEWER: ~~TOP SECRET~~



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19 FEBRUARY 1958

I. THE COMMUNIST BLOC

Recent developments in western Soviet Arctic raise possibility of further nuclear testing in Novaya Zemlya area.

Chinese Nationalist jet reconnaissance plane attacked and probably shot down by Chinese Communists near Dairen.

Pyongyang expected to use kidnaped South Korean airliner as lever for negotiations with South Korea.

LATE ITEM

Korea - Communists declare intention to withdraw all Chinese troops from North Korea by end of 1958. ③

II. ASIA-AFRICA

Iraq and Jordan consider bringing Kuwait into Arab Federation; Britain will oppose. ④

King Saud orders moves to undermine Imam of Yemen. ⑤

Sudanese concerned over Nasir's approach on border question. ⑥

Indonesia - Djakarta government maintains uncompromising attitude toward dissidents; outlaws dissidents' political organizations. ⑦

III. THE WEST

Cyprus - Prospects for solution remain slight. ⑧

Cuba - Army steps up campaign against rebel units in eastern Cuba. ⑨

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19 February 1958

DAILY BRIEF

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I. THE COMMUNIST BLOC

Soviet Arctic activity: Recent developments in the western Soviet Arctic raise the possibility that a new series of nuclear tests is being prepared. A Soviet

BEAR turboprop heavy bomber recently flew from Kerch/Bagerovo (a nuclear energy associated installation) to Novaya Zemlya. In the past week, flights by five possible BADGERS from Kerch to Olenya have been noted. Olenya is the Kola Peninsula location which served as the base for some air activity associated with previous nuclear tests in the Novaya Zemlya area.

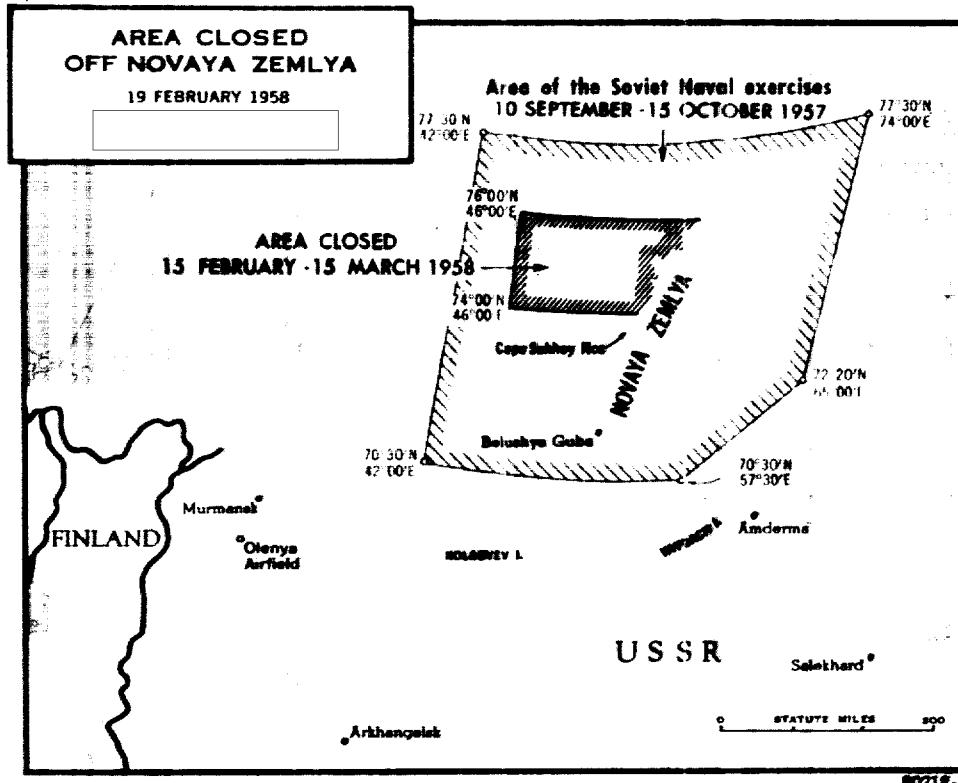
(See map at top of reverse page.)

Chinese Nationalist aircraft shot down: A Chinese Nationalist jet reconnaissance aircraft was apparently attacked and probably shot down in waters near Dairen by Communist fighters during a daylight mission.

the Nationalist RB-57 was pursued by fighters for over an hour as it flew an erratic course over the Shantung Peninsula.

Radar tracking ceased near Dairen, indicating a successful attack had occurred. The Nationalist aircraft failed

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to land at a US base [redacted]

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[redacted] [redacted]
South Korean airliner: Pyongyang's claim of voluntary defection by the 34 passengers of the South Korean airliner which crossed the armistice line on 16 February suggests that the Communists intend to hold them as hostages to force negotiations with South Korea. Repeated bids by the Communists for direct contacts as a first step toward unification have thus far been categorically rejected by Seoul.

(Page 1)

II. ASIA -AFRICA

Federation plan for Kuwait: Iraqi and Jordanian leaders are considering the possibility of bringing Kuwait--largest oil producer in the Middle East with more than 1,000,000 barrels a day--into their recently formed federation. Unless the British withdraw their opposition, the move is not likely to occur. [redacted]

Saudi moves against Yemen: King Saud has ordered moves to undermine the Imam of Yemen. Saud's principal officer in Saudi territory adjacent to northeastern Yemen is being secretly allotted money for propaganda against the Imam and has been told to allow Yemeni tribesmen free access to Saudi territory. Some Yemeni dissident groups have sought intervention by Saud to establish a protectorate over Yemen. Although King Saud has repeatedly warned the Imam against the dangers of Communism, the planned propaganda campaign is probably designed to increase Saud's own influence as well as to reduce Soviet and Egyptian influence in Yemen. (TOP SECRET EIDER NOFORN) (Page 2)

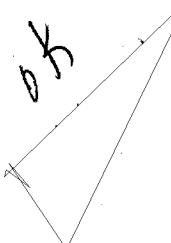
Sudan-Egypt: The publicity given by the government of the Sudan to its dispute with Egypt over the status of

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border areas is probably intended in part to arouse anti-Egyptian feelings which would strengthen the Khartoum cabinet's hand in parliamentary elections scheduled from 27 February to 8 March. Egypt in turn appears to be promoting this border rectification in connection with its union plebiscite scheduled for 21 February. The Sudanese appear genuinely concerned over notes sent them by Nasir calling for a return to the pre-1903 boundary. They have sent troops into the area, but with orders not to fire even if fired on. Reports of Egyptian troop movements are unconfirmed.

[Page 3) (Map)]

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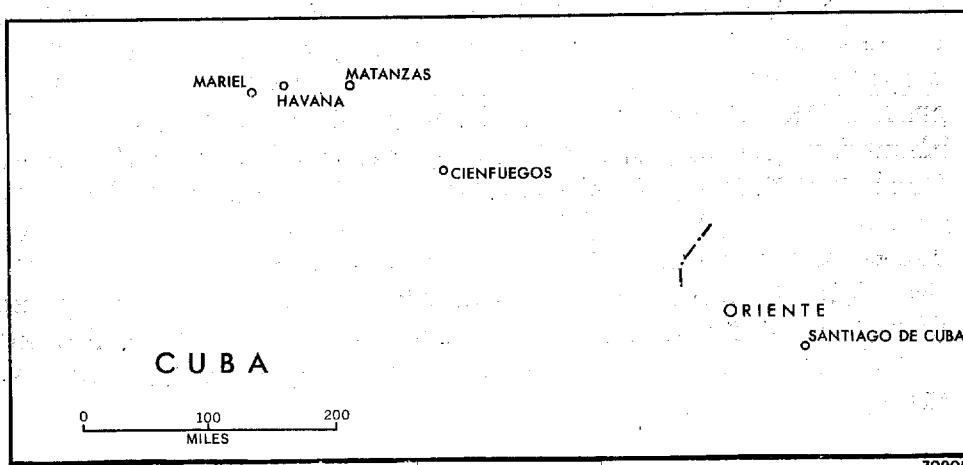


Indonesia: The Djakarta government, at least outwardly, is maintaining an uncompromising attitude toward the dissident movement and has declared all the rebel political organs illegal. Army Chief of Staff Nasution has formulated plans for military operations against Central Sumatra should President Sukarno decide to take this course of action. The military commander in North Celebes and his deputy, who declared their support for the rebel government on 17 February, have been dishonorably discharged from the army, and the navy chief of staff has declared ports in Central Sumatra and North Celebes to be closed areas.

[Page 4) (Map)]

III. THE WEST

Cyprus: Greek and Cypriot misrepresentations of British Foreign Secretary Lloyd's statements in Athens leave the Cyprus issue confused. Lloyd suggested that Turkey be offered a base on the island to mollify Ankara's demand for immediate partition. Athens has inferred erroneously that London is also prepared to give up the idea of partition. The British evidently plan further bilateral talks with both the Greeks and the Turks, but prospects for any progress remain slight.



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Cuba: The army has stepped up its campaign against rebel units in eastern Cuba following a new flare-up in rebel sabotage and terrorism. Disaffection is believed to be growing among the Cuban military, Batista's principal bulwark.

(See map.)

LATE ITEM

*Communist China-North Korea: The announcement of Peiping's intention to withdraw all Chinese troops from North Korea by the end of 1958 paves the way for a Communist diplomatic and propaganda campaign presenting the United States as the major obstacle to Korean reunification. Such a campaign may be intended to develop a Far Eastern issue as a pretext for Chinese participation in summit talks. The campaign will probably include renewed bids for north-south negotiations. The troop withdrawal, the first stage of which is to be completed before 30 April, could serve to undercut arguments against Communist China's admission to the UN on the grounds of its aggressive posture in Korea.

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I. THE COMMUNIST BLOC

North Korea Uses Plane Incident to Press for North-South Negotiations

Pyongyang apparently views the landing on 16 February of a South Korean airliner in North Korea as an opportunity to force its demands for negotiations with Seoul. The North Koreans' claim that the 34 passengers voluntarily defected is intimidation that they will not be released immediately but may be held for their hostage value.

The North Koreans have refused to discuss the incident in the Military Armistice Commission and have proposed instead "direct" negotiations between the governments of North and South Korea. Repeated bids by the Communists for North-South negotiations to promote trade and prepare for unification elections have heretofore been categorically rejected by Seoul.

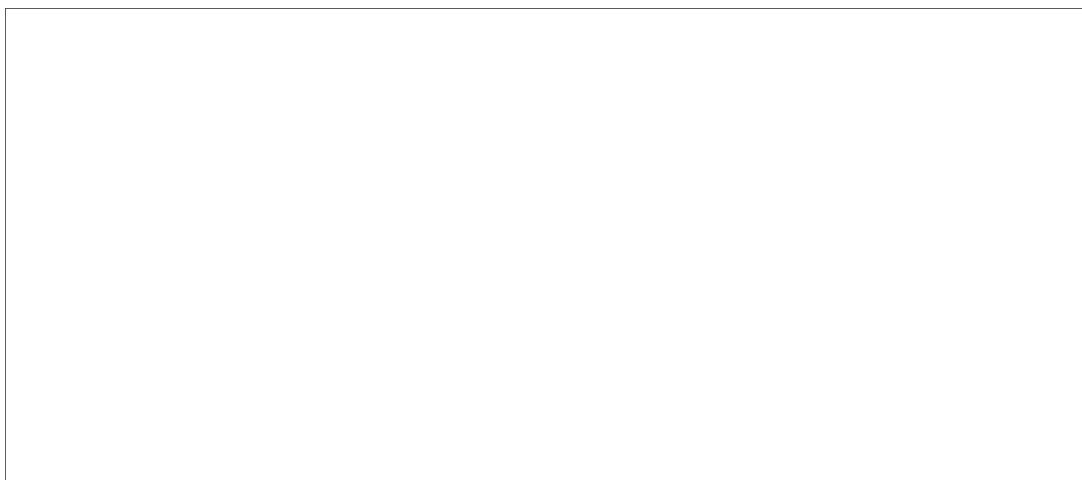
North Korea is linking the incident to its current propaganda campaign for the withdrawal of foreign forces from South Korea. Pyongyang is alleging that the passengers defected because they opposed the "occupation" of the South by US troops. Communist China's Premier Chou En-lai, who now is in North Korea to discuss the withdrawal of Chinese Communist forces, will probably exploit the incident in a similar way, stressing US "occupation" and Chinese Communist willingness to act to get all foreign troops out of Korea.

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II. ASIA-AFRICA

King Saud Moves to Undermine the Imam of Yemen

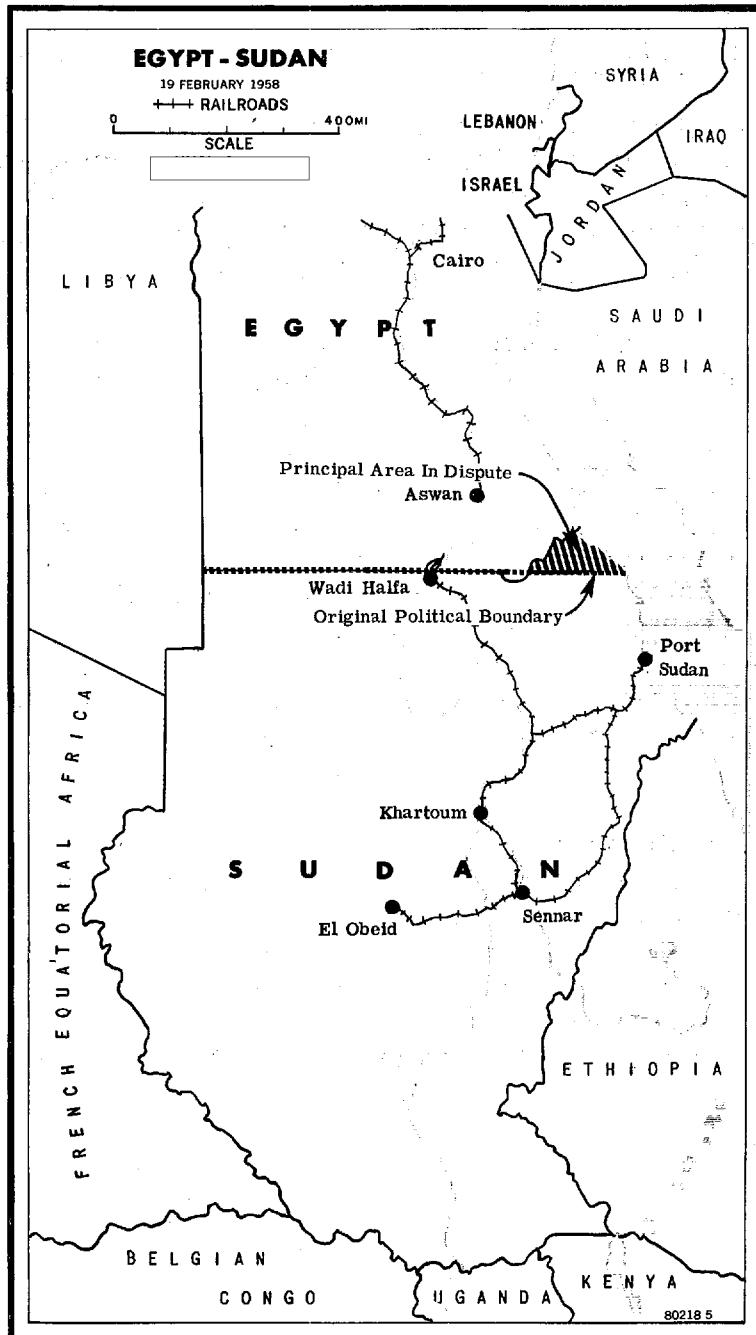
King Saud's growing apprehension over the threat posed to Saudi Arabia by Yemen's headlong drift into closer association with the Sino-Soviet bloc and Nasir's antimonarchical state has resulted in [redacted] moves to strengthen Saud's following in Yemen and undermine the Imam.



Despite his growing loss of influence in Yemen, Saud has been slow to take action. In December, he warned the Imam that closer Yemeni relations with the Soviet bloc posed an intolerable threat to the security of Saudi Arabia, and on 1 February he cautioned the Imam that Nasir's new state imperiled the Arab monarchies, advising against Yemen's hasty adherence. [redacted]



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~~TOP SECRET~~Sudanese-Egyptian Border Dispute

The government of the Sudan is seriously concerned over a note received from Egyptian President Nasir on 13 February reaffirming Egypt's claim to sovereignty over all areas along the Sudanese border north of the 22nd parallel and indicating Egypt's intention to conduct a plebiscite in these areas on 21 February regarding the establishment of Egyptian-Syrian union. Egypt has stated that it will send a commission accompanied by an armed guard into the disputed area, and has challenged the right of the Sudan to conduct parliamentary elections, scheduled for 27 February - 8 March, in "Egyptian territory among Egyptian subjects." Reports of Egyptian troop movements toward the area are unconfirmed.

The Sudan has rejected the Egyptian demands but has sent its foreign minister to discuss the question with Cairo, meanwhile dispatching troops northward into the disputed area from Port Sudan with orders not to fire even if fired on. The publicity given the dispute by the Sudan is probably intended in part to arouse anti-Egyptian feeling which would strengthen the government against pro-Egyptian opposition in the forthcoming elections.

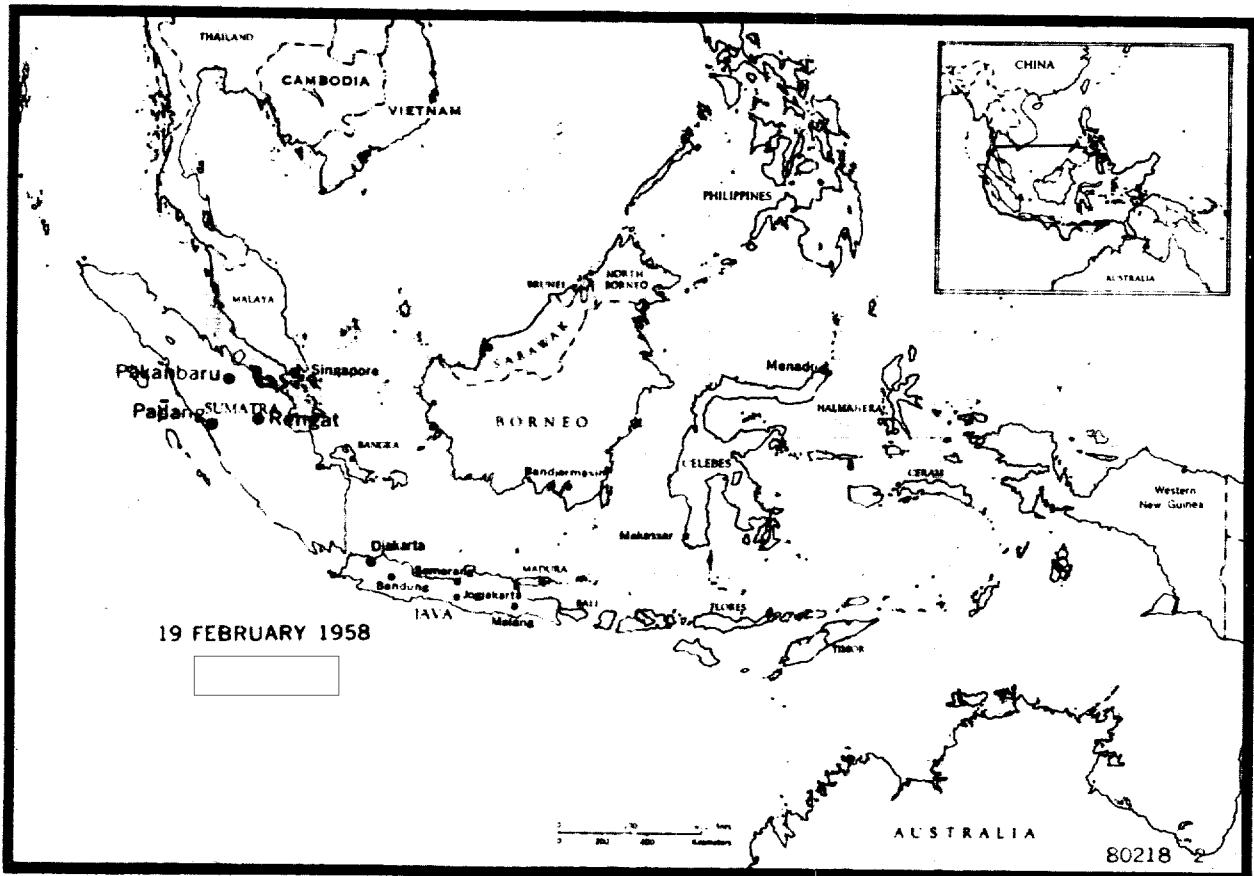
The Anglo-Egyptian convention of 1899, which established a condominium over the Sudan, provided for a border along the 22nd parallel. In 1903, however, certain areas north of the parallel inhabited by Sudanese tribes were placed under Sudanese administration, and a small area below the parallel was assigned to Egyptian control. The principal area in dispute is the wedge-shaped parcel of territory on the Red Sea coast. Should Cairo question the status of the other area north of Wadi Halfa, this could pre-sage an attempt by Egypt to avoid compensating the Sudan for any submersion of lands as a result of the construction of a high dam at Aswan.

[Redacted]

[Redacted]

[Redacted]

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Indonesian Government Continues Uncompromising Position Toward Rebels

Army Chief of Staff General Nasution apparently is proceeding with plans to use force against Central Sumatra, and several political leaders are now openly pessimistic over the possibility of avoiding conflict. Under Nasution's proposed military operation, army troops, commandos, and marines would seize the Central Sumatran oil centers of Pakanbaru and Rengat. This action is to be supported by a navy show of force in the Padang area and air force leaflet drops over Central Sumatran towns. The plan avoids transiting in either North or South Sumatra in the hope that these areas will stay neutral.

Nasution reportedly believes his plan would cause no large-scale fighting but would force rebel leader Hussein to capitulate. If the dissidents do not back down, Nasution plans to attack the Padang-Bukittinggi area with naval and air force support. Nasution hopes to move quickly unless President Sukarno opposes him.

Djakarta's uncompromising attitude is further underscored by its outlawing of all political organizations established by the dissidents. In line with this tough policy, moreover, the navy recently ordered that ports in the two rebel areas of Central Sumatra and North Celebes be closed to all shipping, and the two top dissidents in North Celebes were dishonorably discharged from the army.

The rebel areas are nevertheless continuing their military and economic preparations. A significant aspect of their economic progress is the apparent integration of South Sumatra in dissident budgetary and banking arrangements. [redacted]

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III. THE WEST

The Cyprus Situation

Greek and Cypriot misinterpretations of British Foreign Secretary Lloyd's statements in Athens leave the Cyprus situation confused and potentially explosive. Athens has mistakenly inferred that London is prepared to give up any idea of partition.

London, however, evidently plans further bilateral talks with both Athens and Ankara. A high-ranking official of the British Foreign Office said on 13 February that Foreign Secretary Lloyd may decide to consult with the Greek and Turkish ambassadors in London and attempt to bring their positions closer together. The government is also still considering the idea of a tripartite conference. In the meantime, Lloyd will probably make only a general statement in Parliament in an effort to keep flexibility for the talks and to avoid saying anything which might provoke the Cypriots to violence.

One of the latest British suggestions is apparently that the Turks be offered a military base on Cyprus in lieu of immediate partition. Greek Foreign Minister Averoff has expressed willingness to study this idea further--despite Archbishop Makarios' expected outright rejection--provided Britain makes such a proposal in detail. It is highly questionable, however, that Makarios could be ignored as Averoff suggests.

Ankara is interested in a military base on Cyprus but only as a forerunner of the eventual partition to which it regards Britain as already committed.

British security forces on Cyprus have been alerted for serious clashes. The Greek Cypriots, however, may follow a plan of EOKA-enforced passive resistance pending clarification of British intentions.

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CENTRAL INTELLIGENCE BULLETIN

19 February 1958

DAILY BRIEF**I. THE COMMUNIST BLOC**

Soviet Arctic activity: Recent developments in the western Soviet Arctic raise the possibility that a new series of nuclear tests is being prepared.

a broad area in the Barents Sea was to be closed between 15 February and 16 March. This closure involves the same general area which was closed during a series of nuclear tests last year, but a much smaller area in the Barents Sea is involved in the current closure. A BEAR turboprop heavy bomber recently flew from Kerch/Bagerovo (a nuclear energy associated installation) to Novaya Zemlya. In the past week, flights by five possible BADGERS from Kerch to Olenya have been noted. Olenya is the Kola Peninsula location which served as the base for some air activity associated with previous nuclear tests in the Novaya Zemlya area.

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