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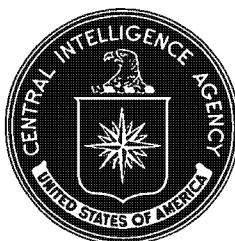
30 October 1958

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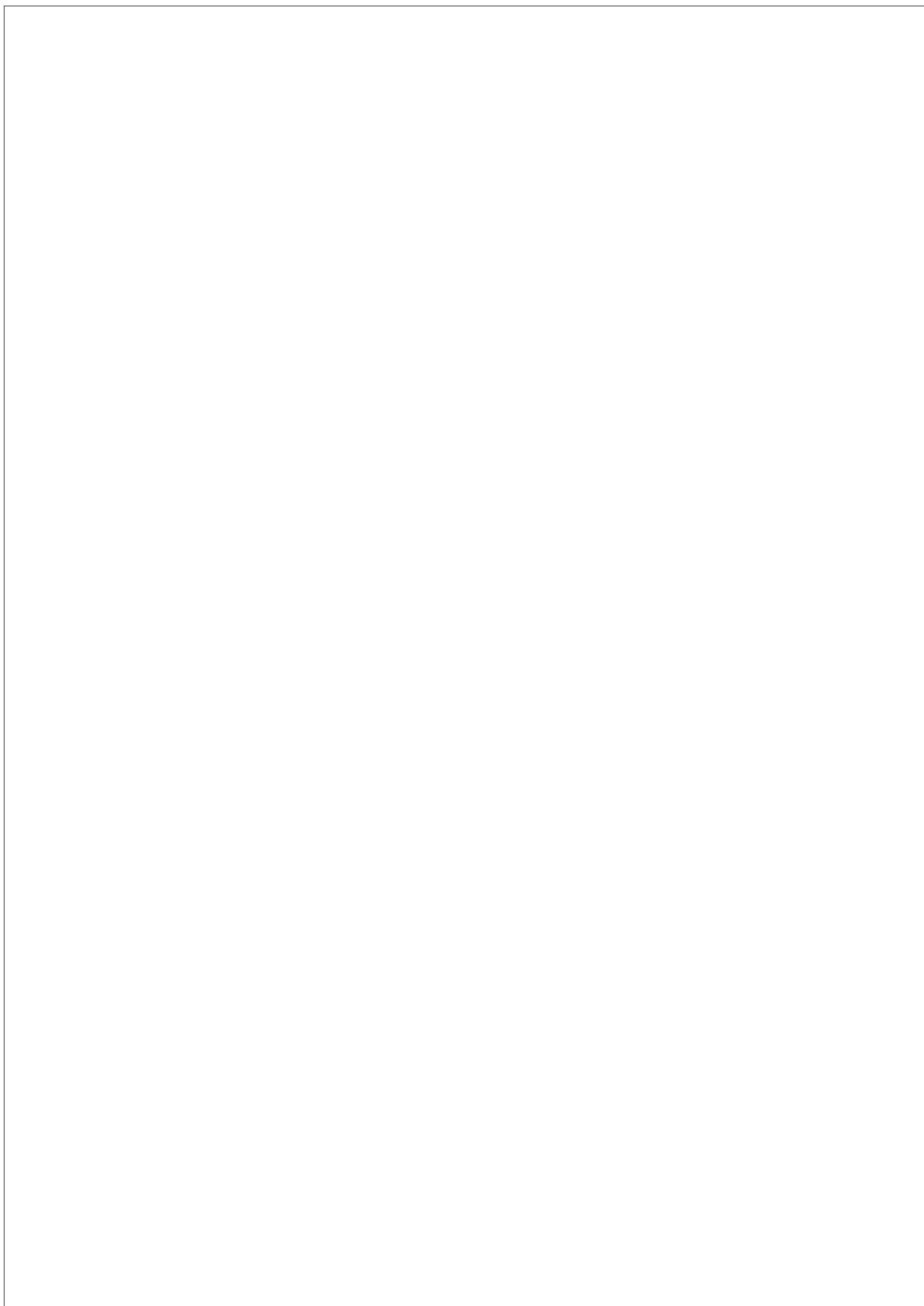
INTELLIGENCE

BULLETIN



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30 OCTOBER 1958

I. THE COMMUNIST BLOC

Communist China - Far-reaching reorganization of Chinese society under way; to create new, strictly regimented, way of life.

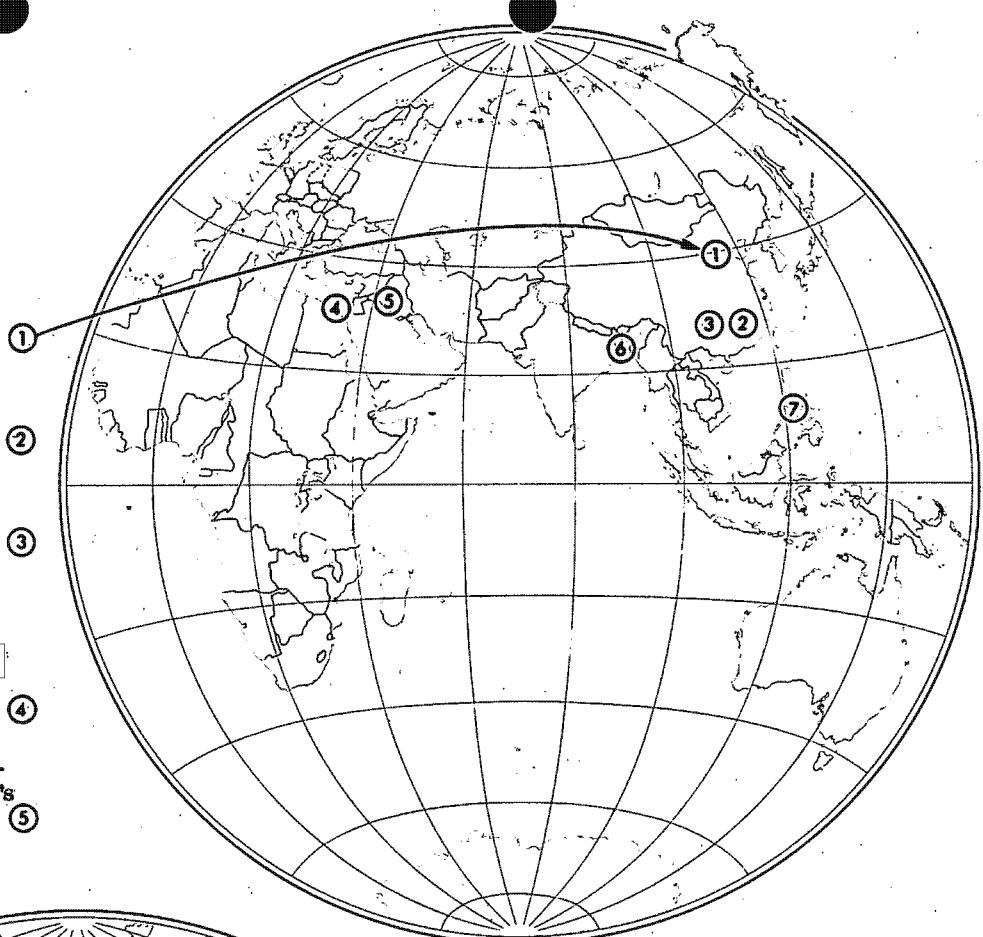
Taiwan Strait - Delivery of MIG-19 jet fighters to China indicated.
[redacted]

USSR to aid Chinese in construction of more modern submarines and destroyers.
[redacted]

II. ASIA-AFRICA

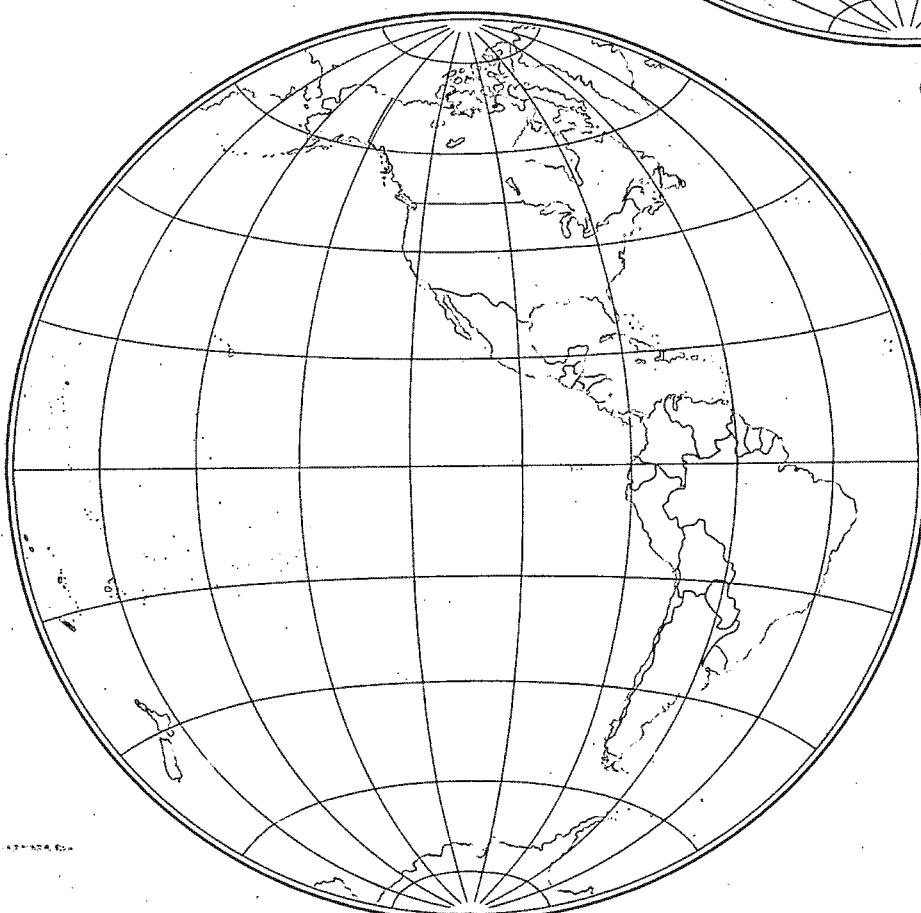
UAR forces remain on alert [redacted]; Israeli units also in state of readiness.
④

Iraq - Clashes in Baghdad between pro- and anti-UAR factions indicate regime's control still not firm.
⑤



⑥ Eventual unrest likely in East Pakistan.

⑦ Philippines - President Garcia may be planning to replace defense chief Vargas, a potential rival.

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CENTRAL INTELLIGENCE BULLETIN

30 October 1958

DAILY BRIEF

I. THE COMMUNIST BLOC

OK

Communist China: In a far-reaching reorganization of Chinese society, Peiping has enrolled over 90 percent of peasant households in "people's communes." The communes, far larger than the collective farms they are replacing, embrace not only agriculture but industry, commerce, education, and local police affairs as well. Designed to eliminate the traditional Chinese family pattern, they will create a new way of life, with all human activities strictly regimented. This program differs radically from practices elsewhere in the bloc, and Moscow has been reticent in reporting and commenting on the subject. [redacted] (Page 1)

Taiwan Strait situation:

[redacted] at least 15 Soviet MIG-19 fighters flew into Manchuria from the USSR beginning on 25 October. Associated Soviet transport movements into China during the same period suggest that these twin-engine jets, the USSR's most modern day-fighter in operational units, are being delivered to the Chinese Communists. [redacted]

Watch Committee conclusion--Taiwan Strait: The Chinese Communists are likely to continue military action against the offshore islands to the degree they deem necessary to demonstrate their capability to retain the military initiative and to support their political objectives in the strait area. They retain the capabilities to launch major attacks with

little or no warning against the offshore islands and, by air, against Taiwan and the Penghus (Pescadores). While the Chinese Communists may expand the scope of their military activities against the offshore islands, available evidence does not indicate that they will do so to the extent of deliberately risking hostilities with the US.

No

Communist China - USSR: The USSR is assisting Communist China in constructing modern Soviet Kotlin-class fleet destroyers and submarines of a new class just becoming operational in the Soviet Navy. Construction programs will apparently enter the preliminary stages this year. Soviet warships of other classes, including the W-class submarine, have been under construction in Communist China since 1955.

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II. ASIA-AFRICA

***The Arab-Israeli situation:** The widespread alert of UAR armed forces continues.

The American Army attaché in Tel Aviv reported no unusual activity at key Israeli military camps, known mobilization points, or in the Jerusalem corridor as of the afternoon of 28 October. Israeli forces, however, are maintained at a high state of readiness. The airlift of British paratroopers from Amman was completed on 29 October, and the transport by sea of the infantry battalion from Aqaba now is scheduled for completion on 2 November, one week earlier than first planned.

Watch Committee conclusion--Middle East: The situation remains unstable throughout the Middle East and incidents and coups could occur at any time. A deliberate initiation of open hostilities in the area is unlikely in the immediate future, except as noted below.

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NOTE: The survival of the Jordanian regime is increasingly threatened because of the imminent withdrawal of all UK combat forces and the scheduled departure of the King from the country on 10 November. Should the regime collapse or become clearly UAR-oriented before, on, or following the departure of the King, action by Israel to seize the West Bank is probable. This could precipitate, or be coincident with, action by other neighboring states.

Iraq: The clashes in Baghdad on 27 October between pro- and anti-UAR factions--the latter apparently had Communist support--indicate that the Qasim regime's control is not yet firm. Army tanks were used to intimidate and disperse the demonstrators. Rumors persist of an early cabinet change, and adherents of the pro-UAR Baath party apparently believe that former Deputy Premier Arif will return to the country from Europe about 5 November.

(Page 6)

East Pakistan: President Ayub's new military regime is likely to stimulate growing unrest in East Pakistan. While scanty reports from this province do not yet indicate general dissatisfaction, the Bengali population probably will chafe under absolute rule by an army which is overwhelmingly West Pakistani in composition. Sporadic disturbances may occur, with an eventual likelihood of widespread unrest if the new government's policies discriminate against East Pakistan.

(Page 7)

Philippines: President Garcia may be planning to replace Defense Secretary Jesus Vargas, possibly following Vargas' return from his mission in early November to seek increased military aid from the United States. Vargas has been increasingly mentioned as a potential political rival to Garcia. Vargas publicly denied this week a current rumor he was "preparing a coup," but this statement may only aggravate speculation concerning his political ambitions.

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I. THE COMMUNIST BLOC

The People's Communes in Communist China

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Rapid progress is being made by the Peiping regime in the reorganization of Communist Chinese society into "people's communes." The formation of communes--new basic social and economic units in rural and urban areas--did not begin in earnest until July and August. By the end of September, however, the regime claimed that over 90 percent of the peasant households had been enrolled--which would be a pace far exceeding that of the rapid collectivization drive of 1955-1956.

Communes average some 20,000 members each and are far larger than the collectives they are replacing. Most communes now are synonymous with a township, but some are already being federated into units as large as an entire county.

One of the principal economic benefits Peiping expects from the reorganization is better control over the disposition of the labor force. The commune also offers a mechanism through which rural capital accumulation can be stepped up. Labor in the commune is being paid a straight wage, but such staples as rice and wheat are being provided in addition to wages in some cases.

The social changes which the communes will bring to Chinese rural life will, in the long run, probably be far greater than the economic. Peiping intends to create a "new way of life" through the organization of communal mess halls, housing, nurseries, schools, and other "amenities," and thus break up the traditional Chinese family pattern. Communes will be the closest thing to total regimentation anywhere in the modern world.

Successful implementation of the program--which is by no means assured--would considerably strengthen the regime and enhance its stature in the bloc. Peiping is presenting the communes as its own "creative development" of Marx and Engels. Some of its statements have implied that China is taking rapid strides toward the ultimate stage of Communist development. The apparent Soviet coolness to this line is reflected in Moscow's lack of comment.

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In any case, the full burden of the communal status probably will be felt by the ordinary Chinese only after some years. The communes represent Mao Tse-tung's greatest gamble, and there seems at least a possibility this time that he is asking more of the human material than it can bear.

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Taiwan Strait Situation

at least three Soviet MIG-19 jet fighters flew to Tsitsihar, Manchuria, on 25 October from an airfield just inside the Soviet border. Eleven more were scheduled to fly the same route in two groups on 26 October and a 15th [redacted]

[redacted] There is a suggestion [redacted] that some of the individual MIG's [redacted] were group leaders, in which case the total number could be as high as thirty.

Concurrent movements of Soviet transport aircraft from both the European and Far Eastern USSR along the same route into China suggest that the transports and the MIG-19's are involved in a ferry-flight delivery of the fighters to the Chinese Communists. The MIG-19, a twin-engine jet, is the USSR's most effective day-fighter known to be in operational units. It can be armed with air-to-air missiles.

At least 22 IL-28 jet light bombers flew from a Shanghai airfield on 29 October to an airfield in northeast China, probably Tungchengtzu which is the base of the 5th Naval Air Division. Forty-three IL-28's of this division had deployed to the Shanghai area during July and they now may be returning to their base. >

[redacted] no Communist artillery fuzes or projectiles larger than 160-mm. have been identified [redacted]. All Communist shell fragments examined proved to be of Soviet manufacture and no shells or fuzes of Chinese Communist manufacture had been found as of 28 October.

A Chinese Nationalist newsman said on 27 October that despite the Nationalist Government's protestations, many Chinese in press and government circles on Taiwan viewed the Chiang-Dulles communique as, in effect, an absolute prohibition on the use of force in retaking the mainland. He said they felt the United States had dashed the hopes of the Chinese

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people of ever returning to the mainland, because "everyone" knows Communist China is not Hungary and people on the mainland are unable to create a situation which would enable the Chinese Nationalists to return.

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Communist China to Construct New Classes of Soviet Warships

the USSR is assisting Communist China in constructing two, or possibly three, new classes of Soviet-designed warships. These are the modern Kotlin-class fleet destroyer and the Project-641 submarine. Preliminary technical documents and plans are to be delivered to China this year and construction is apparently planned for 1959.

The Kotlin-class destroyer--of which about 30 are now with Soviet fleets--has been operational since 1954. It is a large (425 feet) general-purpose destroyer with a designed top speed of just under 40 knots.

The Project-641 submarine is probably just becoming operational in the Soviet Navy. This class has been under construction at Komsomolsk shipyard in the Soviet Far East for about two years and is apparently receiving an anti-sonar rubber coating, which may be indicative of its importance. A third unidentified project, possibly a submarine, was also mentioned in the conversation, but the Chinese apparently had some reservations and no further arrangements were made.

The Chinese Communists began constructing Soviet-designed warships in 1955. With generous Soviet technical and material assistance, Chinese shipyards have produced about 10 W-class submarines, four Riga-class destroyer escorts, about 20 Kronstadt subchasers, a few minesweepers, and a larger number of motor torpedo boats.

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II. ASIA-AFRICADisorders in Baghdad

The arrival of UAR Education Minister Kamal al-Din Husayn for an official visit in Baghdad on 27 October was the occasion for disorders between pro- and anti-UAR factions, an indication that the Qasim regime's control is not yet firm. A bus caravan of welcomers favoring union with the UAR and chanting "Jumal Abdul Nasir" was attacked by anti-UAR youths, apparently inspired by Communist elements. Troops and tanks from a nearby army camp were brought in to disperse the demonstrators. Following this clash there were numerous small fights in various parts of the city.

[redacted] the welcome for Husayn was organized by UAR intelligence agents in Baghdad. Although Baath party leaders had ordered their adherents to refrain from participating in any demonstrations on Husayn's arrival, out of fear that this would provoke Qasim and the Communists, UAR agents succeeded in inducing rank-and-file Baathists to join the welcoming party. Police and military police did not interfere with the rioting until it had gotten out of hand, probably because the regime did not want to be blamed for breaking up pro-UAR demonstrations. Egyptian agents used Husayn's visit as a vehicle to whip up sentiment for the UAR and have stated that their propaganda "had an excellent effect upon the young officers excluded from the Revolutionary Council" and from cabinet posts.

Rumors of an early cabinet change persist, and Baathist supporters of former Deputy Premier Arif apparently believe that he will return about 5 November to assume another cabinet post. Arif's whereabouts is unknown, but there are rumors that he is in Cairo. The anticipation of this shake-up has increased political tension in the country, and Baathist leaders are de-emphasizing propaganda activities temporarily. Meanwhile, the rightist Istiqlal party and independent politicians are reported working toward the formation of a "National Front" which is to combat pro-UAR and Communist elements in Iraq. [redacted]

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04

Probable Reaction in East Pakistan to Military Regime

The new regime in Pakistan established by General Ayub Khan, who assumed full presidential powers on 28 October after ousting President Mirza, may eventually meet with resistance in East Pakistan. The Bengali population in that province has long been sensitive to the threat of domination by West Pakistan - controlled governments.

[redacted] to evidence of popular dissatisfaction. However, tension probably will grow if martial law is prolonged, since the army is overwhelmingly West Pakistani in composition. Disturbances may also occur--leading in time to widespread unrest--if the new government's policies are enforced too rigorously or discriminate against East Pakistan. The Bengali members of the "presidential cabinet" sworn in on 28 October will not be considered in East Pakistan as representative or influential.

Former Prime Minister Suhrawardy, East Pakistan's most popular leader, feels there is a serious possibility of "counter-revolution" in the province at some future time. Suhrawardy, as an interested party under threat of arrest by the military regime, may tend to overemphasize the prospect of revolt.

Most political leaders appear so far to be intimidated by the action already taken by the martial-law authorities in jailing a number of politicians on charges of sedition or corrupt practices. They are unlikely to risk arrest by leading opposition activity in the near future. [redacted]

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President Garcia May Remove Philippine Defense Secretary

President Garcia may be planning the early removal of Philippine Defense Secretary Vargas, who is being mentioned increasingly as a possible political rival to Garcia. Garcia and certain Nacionalista party followers are said to have asked Congressman Salipada Pendatun, a Moslem and wartime guerrilla hero from the southern island of Mindanao, to consider taking the defense post.

Vargas is currently scheduled to head a military delegation to the United States in early November to seek military aid. Garcia may be calculating that the Vargas mission will not be very successful and that this would provide an excuse to remove him.

During the past week, speculation over Vargas' political ambition was boosted by a remark of ex-Senator Laurel, one of Garcia's principal opponents within the Nacionalista party, that the defense secretary is "the last remaining hope of the country for better government." Vargas has added fuel to this speculation with a public denial several days ago of a rumor that he is preparing a military coup against Garcia. Replacement of Vargas could further stimulate existing discontent in military circles with the present administration, and Vargas' denial of coup plans might in fact be a device to focus attention on the risks involved in any attempt to remove him from his post. [redacted]

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The Secretary of State

The Under Secretary of State

The Under Secretary of State for Economic Affairs

The Deputy Under Secretary for Political Affairs

The Deputy Under Secretary for Administration

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Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

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