

23 January 1958

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CENTRAL INTELLIGENCE BULLETIN



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~~TOP SECRET~~

23 JANUARY 1958

Renewed activity at Tyura Tam missile range.



USSR - New supersonic interceptors probably in pre-series production.



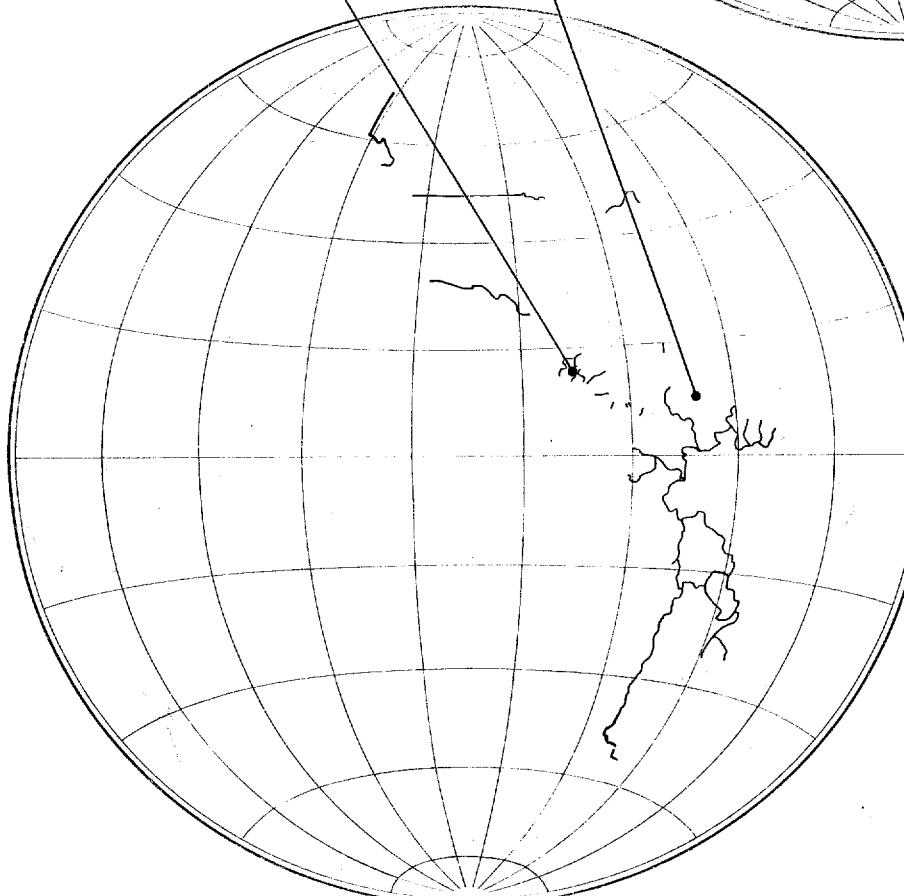
Egyptian Air Force jet strength increases.

Indonesia will accept 60 Soviet ships.



Venezuela - Armed forces oust President Perez.

Guatemala - Leftist Revolutionary party probably polled at least 25 percent of vote.



OTHER ITEMS

Soviet bloc may announce countermeasures to recent NATO decisions.

King Hussayn plans countermeasures to proposed Syrian-Egyptian union.

Hammarskjold suggests bilateral US-USSR disarmament talks.

Hammarskjold pushing plan for Arab development fund.

Indonesian Government may lose oil revenues to Sumatran dissidents.

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CENTRAL INTELLIGENCE BULLETIN

23 January 1958

DAILY BRIEF

HEADLINE ITEM*SIRAB**OK*

* Venezuelan armed forces ousted President Perez early on 23 January after two days of widespread violence resulting from a civilian-backed general strike. A military junta replaced Perez and has announced its intention to restore "peace and rapprochement" among all elements of the population. Perez is believed to have left by plane, possibly for the Dominican Republic, soon after he was deposed.

The junta will probably continue Venezuela's pro-US, anti-Communist policy, give civilian factions a substantial voice in the new government, and gradually relax Perez's tight controls over individual liberties and political activities. The possibility exists, however, that sporadic or even widespread violence may occur, particularly if military and civilian groups vie for control. This could endanger American residents and private investments in Venezuela even though not inspired by anti-US sentiment. There is no indication of a threat to US interests at present.

The new regime may expel former Argentine President Peron, whose use of Caracas as a headquarters for plotting against the Aramburu regime caused a break in Argentine-Venezuelan relations last July. [redacted]

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CENTRAL INTELLIGENCE BULLETIN

23 January 1958

DAILY BRIEF

I. THE COMMUNIST BLOC

The USSR and its Warsaw Pact allies may be planning to announce countermeasures to the December NATO meeting decisions. The Soviet military attaché in Warsaw said that Khrushchev and Gomulka in their recent secret meeting considered the interrelationship among Warsaw Pact arrangements, the Rapacki plan, and the decisions at the Paris NATO meeting. [redacted] (Page 1)

OK

No

New Soviet supersonic interceptors are probably in pre-series production and may soon appear in Soviet fighter units. These aircraft with maximum speeds ranging up to Mach 2 will be a considerable advance over the transsonic FARMER (MIG-19) which they will replace. [redacted]

[redacted] (Page 2) (Graphics)

~~TOP SECRET~~

II. ASIA-AFRICA

Indonesia intends to accept a Soviet offer, made in December, to provide 60 small ships to solve its critical interisland transportation problem after current negotiations with the Japanese have broken down.

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The Indonesian Government may soon be faced with the loss of one of its most important sources of foreign exchange. Anti-Djakarta authorities in Sumatra are apparently planning to sequester oil export earnings. Indonesian authorities have initiated measures aimed at thwarting barter trade between Sumatra and Singapore.

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King Hussayn of Jordan wants to discuss with King Saud possible countermeasures to the proposed Syrian-Egyptian union. Hussayn plans to revive his proposal of a confederation of the three Arab monarchies--Jordan, Saudi Arabia, and Iraq. Mutual suspicions and differing ambitions will probably prevent the three states from acting effectively on such a project.

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UN Secretary General Hammarskjold plans to push ahead with his plan for a Middle East development fund, financed by oil revenues, as the only approach in his view now possible for preventing serious deterioration in the area. His preliminary discussions with Britain and France, as well as with selected Arab statesmen, have evidently led him to believe that there are some prospects for success. However, Arab inability to work together on combined projects as well as strong local self-interests will be difficult obstacles to overcome.

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Recent information indicates that Egyptian Air Force (EAF) strength on MIG-type fighters has increased to 120

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(80 MIG-17's, 40 MIG-15's) from a previously estimated 90. In addition, Egypt has another 28 older British jet fighters for a total jet fighter strength of 148. Estimates of IL-28 jet light bomber strength have been raised from 35 to 45. These figures compare with 106 jet fighters and no jet light bombers credited to the Israeli Air Force. Despite some improvement in combat capability, the EAF is still considered to be inferior to the Israeli Air Force.

III. THE WEST

UN Secretary General Hammarskjold suggests bilateral US-USSR disarmament talks under cover of a February meeting of the Security Council at the foreign minister level, with Britain and France occasionally included. Hammarskjold thinks his plan might be accepted by the USSR as a means of bringing about bilateral talks with the US and that such discussions might eventually lead to a summit conference.

Clarification of Guatemalan election returns awaits Congressional review beginning 23 January. The leftist Revolutionary party has already emerged as an important political force, and may have polled at least a quarter of the total vote.

I. THE COMMUNIST BLOC

Secret Khrushchev-Gomulka Talks

At an Argentine Embassy reception in Warsaw on 20 January, the Soviet military attaché told the US military attaché that he understood the recent Khrushchev-Gomulka talks dealt with a consideration of the interrelationship of the Warsaw Pact arrangements, the Rapacki plan, and the December NATO decisions. Reports that several Soviet and Polish generals were present suggest that military affairs were a major topic. The discussions may have ranged over other subjects, including party affairs and economic aid to Poland.

Khrushchev told an American journalist in November that the decision to equip Warsaw Pact forces with nuclear weapons and missiles "will depend on the line to be followed" by NATO countries. The Soviet leaders may be urging the Poles to agree to Warsaw Pact countermeasures to the NATO decisions. Gomulka, however, may have serious reservations about the stationing of advanced weapons in Poland, and probably maintains that a Warsaw Pact meeting now would be ill timed in view of current Western discussion of the Rapacki plan.

Polish officials have been closemouthed about the talk. British Foreign Office officials have commented that the length of the talks suggests considerable disagreement, a view supported by the fact that no official comment has been made. They feel that Moscow's lead in announcing the meeting may indicate that it was sought by Khrushchev.

~~SECRET~~



FITTER



FACEPLATE



FISHBED



FISHPOT

New Soviet Fighters

Two new Soviet supersonic interceptors are probably in pre-series production and may soon appear in operational units. Several observations of the factory airfield at Plant 31, Tbilisi, during December established the presence of as many as eight delta-wing fighters, believed to be Mikoyan-designed FISHBEDS.

Plant 31 at Tbilisi and Plant 21 at Gorkiy were engaged in production of a new Mikoyan aircraft in two different versions. Since the Tbilisi plant is apparently producing Mikoyan's delta-wing FISHBED, Plant 21 at Gorkiy may be producing his swept-wing FACEPLATE.

a new Mikoyan-designed aircraft was undergoing service testing as early as April 1957 when nine MIG-21's were scheduled for flights from Shuli airfield, a possible test center in the Crimea. On 16 November, two MIG-23's were scheduled to fly from Shuli. The Soviet numerical designations have not been equated to the new planes seen by Western observers. Developments since the first appearance of the FISHBED and FACEPLATE in the 1956 Aviation Day air show indicate that these interceptors--capable of Mach 1.5 speeds--should soon appear in operational units.

se-
ries production at Plant 126 at Komsomolsk of a new Suhkoi-designed fighter which should also reach operational status in the near future. This new aircraft may be the swept-wing FITTER or the delta-wing FISHPOT--capable of speeds on the order of Mach 2--which were first displayed in the 1956 air show.

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II. ASIA-AFRICA

Indonesia Plans to Accept Soviet Offer of Small Ships

Indonesia intends to accept a Soviet offer to provide 60 small ships to solve its critical interisland transportation problem when negotiations with the Japanese break down,

The present wrangling in Tokyo over the Japanese offer of ships has been emphasized by the Indonesian Government largely to justify acceptance of bloc shipping. The Soviet offer was made in December, but Indonesia hesitated to accept it publicly until it was first made to appear that the government had no other choice.

This maneuver is part of the Indonesian Government's elaborate plans to avoid the appearance of a direct tie with the Communist bloc. It hopes to have all purchases transshipped through Egypt and to have actual deliveries made by ships of non-Communist countries through the port of Surabaya. In this way, the government hopes to make the shipments acceptable to non-Communist elements in Java and to avoid giving regional areas a pretext for taking separatist action, but their plans to disguise the origin of the shipments are not likely to succeed.

Sixty ships suitable for Indonesia's needs could be quickly supplied from the Soviet Far East merchant fleet, but only at the risk of disrupting normal shipping operations in that area.

~~TOP SECRET~~

Indonesia's Economic Problems

The seriousness of Indonesia's economic problems has again been underlined by the report that Finance Minister Sutikno Slamet, one of the few competent members of the cabinet, intends to resign unless barter trading by the outer regions is stopped. The regions have made no move to reduce this illegal trade since the government's 11 January decree ordering all such trade to cease, and Djakarta's ability to enforce its order is limited.

Indonesian authorities are nevertheless attempting to check illegal trading between Sumatra and Singapore. The Indonesian consul in Singapore has informed local shippers that bank guarantees would be required to cover the value of ships as well as cargo for all transactions under the so-called "legal barter trade." This action is apparently designed to prevent ships engaged in this trade from deviating from stipulated routes and ports of call. Evidently as part of this effort, eight Singapore-registered vessels are being detained by Indonesian authorities, presumably on grounds of illegal trading.

Meanwhile, Sumatran authorities have asked an American oil company to import 5,000 tons of rice monthly, presumably against oil export earnings hitherto paid to Djakarta. This could eliminate one of the largest sources of foreign exchange still controlled by the central government.

~~CONFIDENTIAL~~

King Hussayn Concerned Over Egyptian-Syrian
Union Plans

Jordan's King Hussayn considers proposals for Egyptian-Syrian union highly dangerous to Jordan, Saudi Arabia, and Iraq, and desires to discuss possible countermeasures with King Saud. In an attempt to offset the enthusiasm such a union would evoke in Jordan, Hussayn plans to revive his proposal for a confederation of the three pro-Western Arab monarchies, despite earlier coolness to the idea from Baghdad and Riyadh. Hussayn will point out that propaganda by the Syrian Baath party, a principal instigator of the union scheme, has already carried antimонаrchical themes.

King Saud and Iraqi leaders would probably be reluctant to follow Hussayn's lead in challenging Nasir, although they will be ready to join in covert activity against the union proposal. King Saud will probably feel that he must publicly welcome an Egyptian-Syrian union as a move toward Arab unity, although he would fear its antimonarchical overtones and the strengthening of Nasir's leadership. Iraqi leaders would probably be concerned that their long-cherished hope of Syrian-Iraqi union appears lost and that their domestic prestige would be reduced while Nasir's stock would rise.

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Middle East Development Fund

UN Secretary General Hammarskjold plans to push ahead with his plan for a Middle East development fund as the only approach now possible in his view to prevent serious deterioration in the area. To start the project rolling, a UN Secretariat study on the possibility of channelling Middle East oil profits into a central banking system for Arab development will be privately circulated to interested UN members. Hammarskjold hopes that issuance of the study will induce the Arabs to call a meeting to organize such a bank. His preliminary discussions with Britain and France as well as with selected Arab statesmen have evidently led him to believe there are some prospects for such economic cooperation among the Arabs. Arab inability to work together on common projects and strong local self-interests, however, will be difficult obstacles to overcome.

The idea of utilizing Middle East oil revenues to finance inter-Arab development schemes has been discussed periodically for several years. The Arab League "decided" in 1956 to form an Arab Development Bank, and last December Egyptian Foreign Minister Fawzi indicated that a preliminary agreement had been reached by Egypt, Saudi Arabia, and Iraq. However, the principal oil-producing countries have so far been reluctant to make significant cash contributions. [redacted]


III. THE WEST

No back-up material.

~~SECRET~~

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