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29 October 1958

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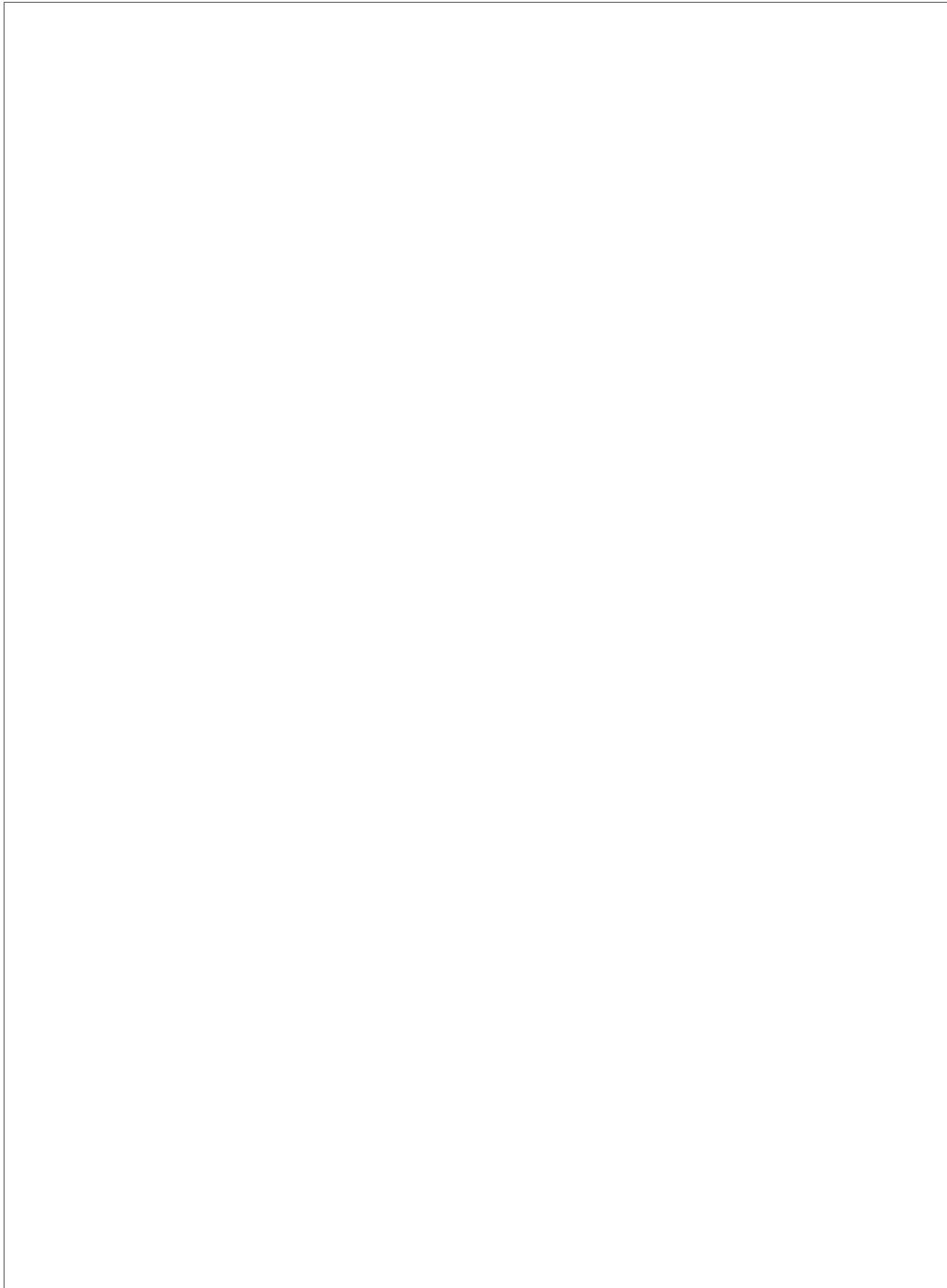
INTELLIGENCE

BULLETIN



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29 OCTOBER 1958

I. THE COMMUNIST BLOC

Taiwan Strait - Communist intermediary lists proposals for "integration" of Chinese Communist and Nationalist governments.

Moscow rejects US-UK proposal for nuclear test ban; question of whether USSR will continue testing still open.

II. ASIA-AFRICA

UAR and Iraqi military forces on alert in anticipation of possible Israeli move into Jordan.

); Husayn to start vacation on 9-10 November.

Sudan - Prime Minister Khalil considering plan to strengthen government with military support; loyalty of army uncertain.

UAR concerned over nationalist agitation among Syrian Kurds.

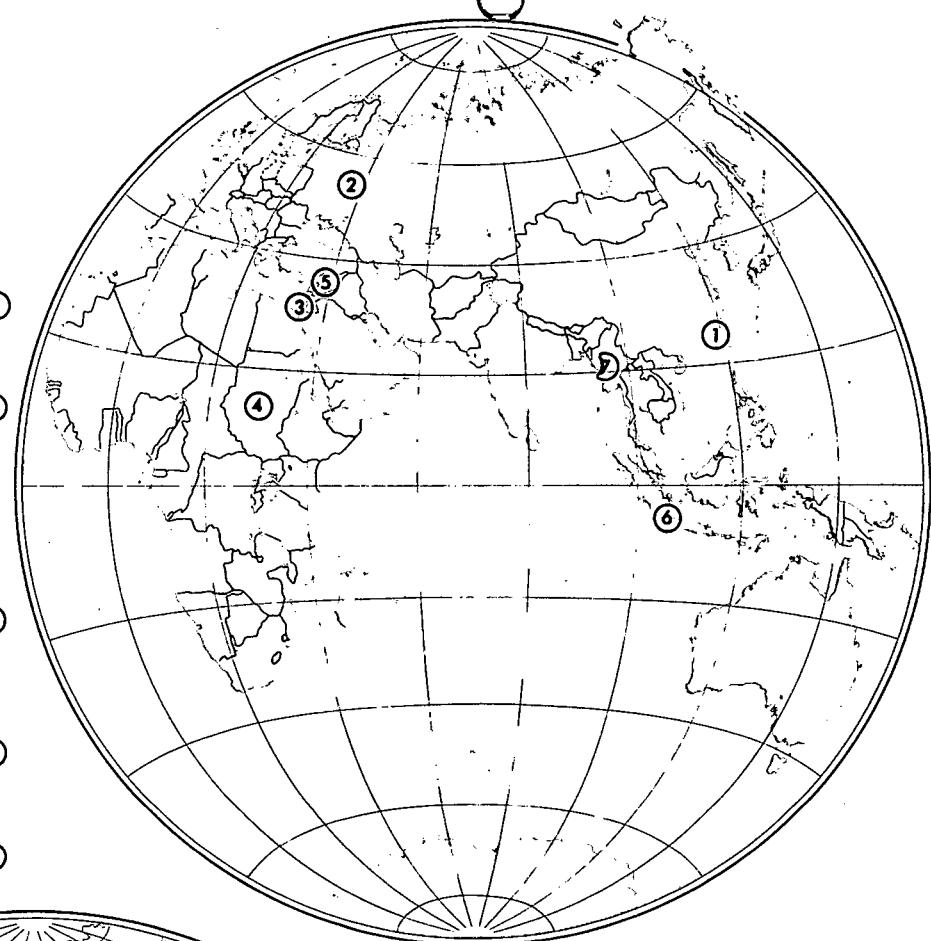
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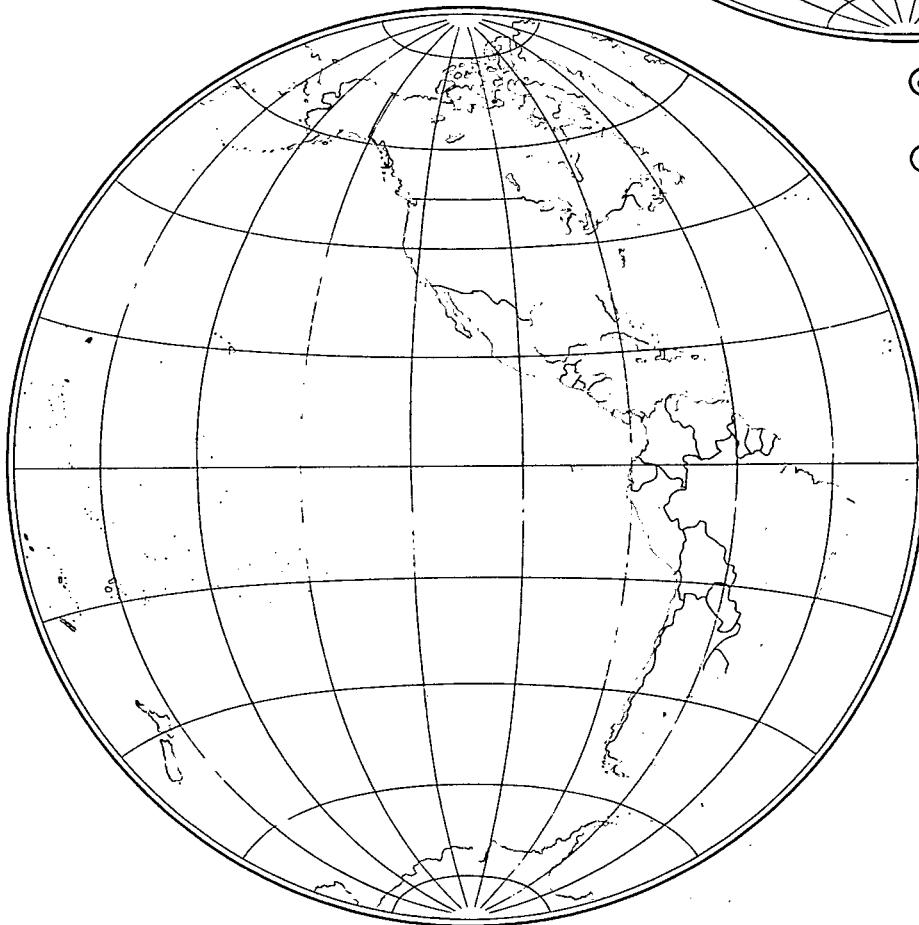
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⑥ Indonesia - First bloc naval equipment delivered.

⑦ Burma - U Nu transfers powers to General Ne Win; Nu to try to limit army's political role.

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CENTRAL INTELLIGENCE BULLETIN

29 October 1958

DAILY BRIEF

I. THE COMMUNIST BLOC

Taiwan Strait situation: A Chinese Communist intermediary in Hong Kong, who previously has transmitted Communist proposals by mail to high Nationalist officials, on 27 October elaborated on proposals designed to achieve the "integration of two governments." In setting forth Peiping's alleged proposals, the intermediary stated that negotiations should lead to an "autonomous status like Tibet" for Taiwan, and that Peiping was willing to consider "any reasonable counterproposal." Nationalist officials who have received letters from this intermediary in the past have insisted to US officials that the overtures have been ignored.

(Page 1) (Map)

USSR: Soviet Deputy Foreign Minister Zorin's 27 October statement at the UN rejecting the US-UK proposal for a one-year suspension of nuclear tests was designed to strengthen the Soviet position in the forthcoming Geneva talks and may indicate that the USSR does not intend to compromise on its demand for an unconditional test ban. Zorin's rejection, however, leaves open the question of whether or not the USSR will continue testing after the talks begin.

it would appear that at least the airborne phase of current test activity over Novaya Zemlya has been terminated.

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II. ASIA-AFRICA

UAR-Israel-Jordan: UAR forces have been placed on alert following Cairo's estimate on 26 October that Israel would probably move into West Jordan following the departure of British troops. Although Cairo advised Damascus on 27 October that Iraq was not to be informed of the UAR's concern, at this time, [redacted]

Baghdad is readying a division headquarters and two brigades for movement into Jordan if Israel seizes the West Bank.

Jordan's King Husayn now plans to leave for his European vacation on the night of 9-10 November.

(Page 4) (Map)

*Sudan: Pro-Western Prime Minister Khalil is again considering his plan for an army-supported coup. Development of such a plan was first reported last July. He now is said to be thinking of acting on or about 10 November, at which time he would install a new cabinet, postpone the reopening of Parliament now scheduled for 17 November, and take measures to control opposition elements. The loyalty of the army and the security of Khalil's plan are uncertain, but he apparently believes that with a "few days" of military support he can form a strengthened civilian government more capable of positive action than his present shaky coalition.

UAR-Kurds: UAR security authorities are increasingly concerned that nationalist agitation among Syria's 250,000 Kurds is being intensified. They believe that Mulla Mustafa Barzani, who recently returned to Iraq from 11 years in the Soviet bloc, will visit Kurdish groups in northeastern Syria and further stimulate nationalist activity. UAR operatives have been ordered to keep a close watch over his activities.

Barzani's recent visit to northern Iraq was followed by bloody rioting between Turkish and Kurdish elements in the city of Kirkuk.

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Indonesia: Indonesia has received its first deliveries
of bloc naval equipment.

four bloc subchasers arrived in mid-October.

In addition, 16 small landing and amphibious craft
(10 LCVP and six amphibious vehicles) are [redacted] said to
have arrived this month along with training personnel. Under
an agreement made earlier this year, Djakarta plans to purchase
\$85,000,000 worth of bloc naval equipment, including three
submarines and four destroyers. [redacted] (Page 6)

OK
Burma: Outgoing Premier U Nu, in two speeches on
the transfer of power to General Ne Win, for the first
time implied his resignation resulted from army influence.
He emphasized the army's pledge to stay in power for only
six months and to keep out of politics. Nu can be expected to
bring further pressures in an effort to restrict the army's
political role. [redacted] (Page 7)

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I. THE COMMUNIST BLOC

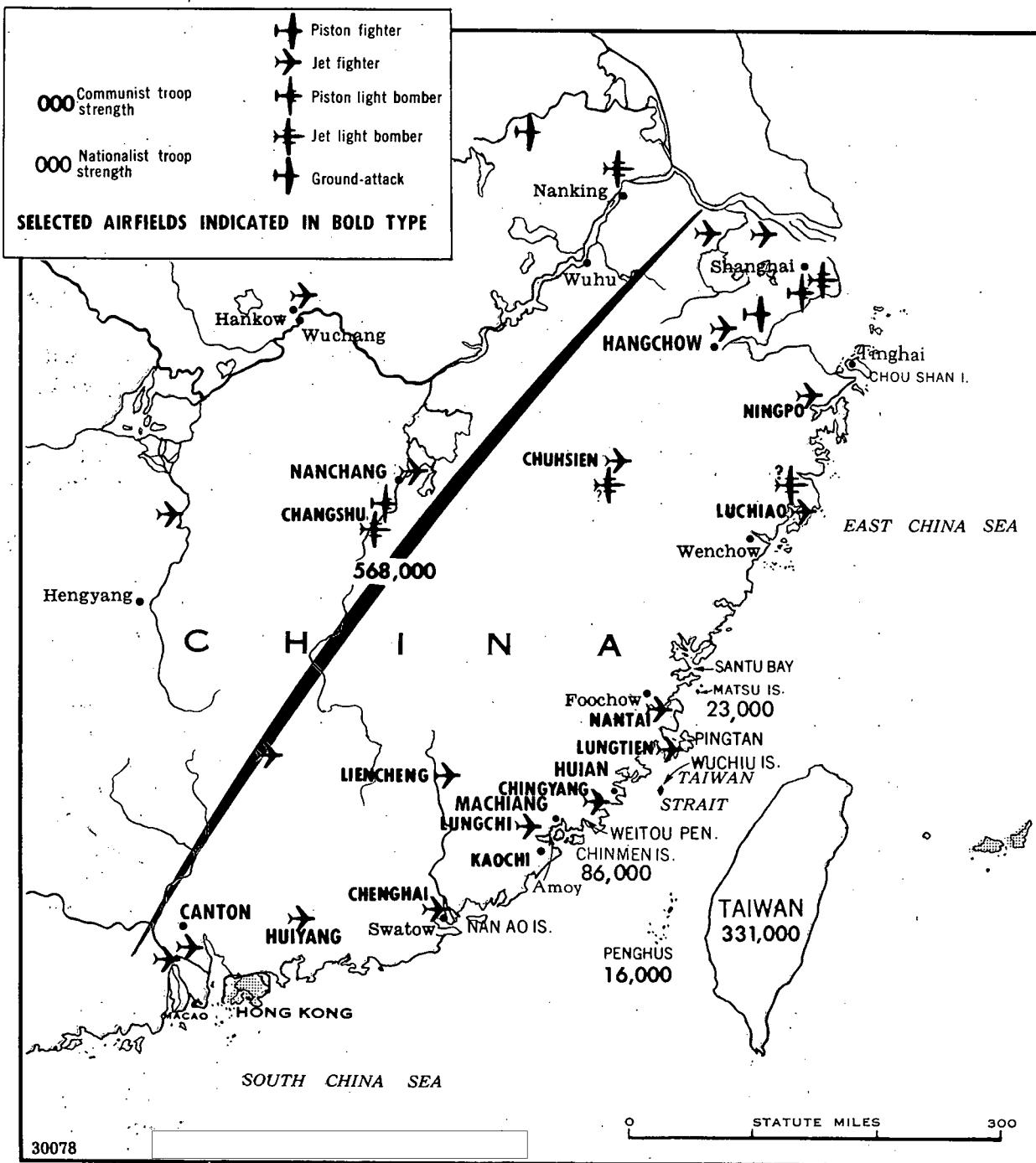
Taiwan Strait Situation

The Chinese Communist intermediary in Hong Kong who predicted the first cease-fire, [redacted] listed Peiping's alleged proposals for negotiations with the Nationalists. These are: (1) Taiwan would be granted an autonomous status like Tibet; (2) Chiang Kai-shek would be allowed to remain in power, but his son--presumably the eldest, Chiang Ching-kuo--would not succeed him; (3) all existing relations with the US would have to be severed and the Mutual Aid Treaty abrogated; (4) no mainland troops would be sent to occupy Taiwan; (5) the Nationalists could choose the place for negotiations; and (6) Nationalist forces would have to be organized and eventually absorbed into the Chinese Communist Army. [redacted] stated that Peiping is willing to consider "any reasonable counterproposal."

[redacted] recent activities, which include the dispatch of letters containing negotiation offers to Nationalist China's foreign minister, appear to be part of Peiping's recently intensified effort to convince Nationalist officials that talks with the Communists can be readily arranged and offer the only hope for the future. There is no indication whether these latest proposals have been transmitted to the Nationalists. Chang Shih-chao, described as a personal representative of Mao Tse-tung, is reported to have arrived in Hong Kong. Chang was in the colony from October 1956 to April 1957 attempting to set up talks between the Communists and Nationalists. [redacted]

The Chinese Communists also apparently are moving to "neutralize" pro-Kuomintang newspapers in Hong Kong. The editor of one Communist-controlled paper told personnel of two non-Communist Chinese newspapers that they should stop working against the Communist cause, inasmuch as the Communists would control Hong Kong "within three years," and their record would endanger their future and possibly their lives. The owner and publisher of the two newspapers was warned that she should either reverse or neutralize her

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editorial policy in order to protect her property interests in
the event of a Communist take-over.

Chinese Nationalist Foreign Minister Huang Shao-ku,

indicated general satisfaction with the talks between Secretary Dulles and Chiang Kai-shek. During the present crisis Huang consistently has shown greater satisfaction with US policy than Chinese Nationalist military leaders, who frequently have expressed dissatisfaction.

A high-ranking Nationalist officer has indicated that military circles on Taiwan were disappointed with the outcome of the Dulles-Chiang talks. He said top Nationalist military leaders believed that any war with the Chinese Communists would be non-nuclear and that Nationalist China should have strong conventional forces with maximum firepower.

although there would be much grumbling and loss of morale if Chiang Kai-shek agreed to reduce Nationalist forces, the military leaders would accept Chiang's decisions.

The rotation and probable realignment of Communist jet fighter units in the Taiwan Strait area which began several weeks ago is continuing. At least 20 jet fighters flew into the Foochow area, possibly to Nantai airfield, from the north on 28 October.

At least four TU-2 piston light bombers flew on 27 October from Shantung Province south to an airfield believed to be in the Wuhu area west of Shanghai. The aircraft are subordinate to the 5th Independent Air Regiment, which has about 40 TU-2's. A transport accompanied the flight, suggesting the unit may be permanently deploying to the Wuhu area.

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Moscow Rejects US-UK One-year Suspension Proposal

Soviet Deputy Foreign Minister Zorin's categorical rejection of the US-UK proposal for a one-year suspension of nuclear tests, in a statement which again reserves the right to match the number of Western tests since 31 March, may indicate that the USSR will not compromise on its demands for an unconditional test ban in the forthcoming Geneva talks. The Soviet leaders are probably convinced that the West will reject any formula for an unconditional test ban. Therefore, Moscow, confident that the US and UK can be made to bear the blame, is preparing the way for further tests after a breakdown of the talks on this issue.

It does not appear that the USSR intends to continue testing during the talks.

[redacted] a number of aircraft associated with the recent tests were scheduled to leave Olenya airfield on 26-27 October, suggesting termination of airborne test operations in the Novaya Zemlya area for the present. The area remains closed to navigation "until further notice,"

[redacted] This may indicate that one or more tactical naval tests will be conducted in the area before 31 October.

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II. ASIA-AFRICA

The Arab-Israeli Situation

UAR forces have been placed on alert following Cairo's warning on 26 October that Israel would probably move into West Jordan following the departure of British troops.

On 27 October, GHQ Cairo ordered the Air Force and Naval Headquarters to establish communications contact with GHQ every two hours night and day. Later the same day all ground units in northern Egypt were ordered to make contact with GHQ every half hour day and night. On the same day the American Army attaché in Cairo, reconnoitering army installations in the pyramid area west of the city, noted that military vehicles had been dispersed and camouflaged and that antiaircraft guns had been moved to their firing positions.

the Egyptian parachute brigade was placed on full alert on the evening of 27 October.

military outposts in Latakia Province were instructed to maintain hourly contact with headquarters.

On 27 October, Cairo also instructed Damascus to postpone informing Iraqi military authorities of UAR concern over Israeli intentions. The UAR jet fighter squadron in Iraq was not to be returned to Syria unless there was "actual aggression."

Baghdad is readying a task force, consisting of a division headquarters, an infantry brigade, and an armored brigade for movement into Jordan if Israel attacks the West Bank.

Israeli aerial reconnaissance of West Jordan south of Jerusalem and a probe by an Israeli patrol south of Hebron.

The semiofficial Cairo newspaper Al Gumhuriya on 28 October, charging Israel with preparing to seize West Jordan

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now that the British are leaving, declared "whatever their differences, all Arab states would come to rescue Jordan if Israel... seized a single inch of Arab territory."

Jordan's King Husayn now plans to leave Jordan on the night of 9-10 November by air for his vacation in Europe. Crown Prince Muhammad left Jordan for Switzerland on 26 October,

An American Embassy source in Tel Aviv has reported that during the last week the Israelis have been working under cover of darkness on what appear to be improvements and strengthened approaches to the Bailey bridge over the old outlet to Lake Hula in the "demilitarized zone" on the Israeli-Syrian border. Tank revetments are reported to have been constructed in the vicinity of the bridge.

The Soviet Union has resumed propaganda attacks on Israel. Pravda, citing "feverish" Western efforts to arm Israel on 28 October, accused the West once more of preparing new "adventures" in the Middle East to be spearheaded by Israel.

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Indonesian Navy Receives Bloc Equipment

Communist bloc naval equipment which was contracted for last March began arriving in Indonesian waters in mid-October. Four subchasers, escorted by two ocean-going tugs and a tender, apparently rendezvoused with elements of the Indonesian Navy in Seleh Bay off Sumbawa Island east of Java. ~~The vessels possibly were being delivered from South China.~~ In addition, 16 small landing and amphibious craft ~~are reportedly reported to have arrived~~ this month along with some 40 bloc training personnel.

several Indonesian naval officers had left the Djakarta area and had carefully explained they would be undergoing 90 days of amphibious training at Surabaya, Indonesia's principal naval base. Their absence is presumed related to the arrival of the bloc vessels and possibly to future arrivals.

An Indonesian-Polish agreement signed last March provided for the purchase of four destroyers, three submarines, and eight subchasers, each with full armament and ammunition. The cost of this equipment, based on previous bloc arms deals with underdeveloped countries, is approximately \$85,000,000. The Indonesian Government has allotted the navy \$100,000,000 for the purchase of vessels and equipment.

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U Nu Concerned That Burmese Army May Turn Political

Former Premier Nu, in his recent public statements about the transfer of power to General Ne Win on 28 October, has taken pains to remind the army of its pledges to stay in power for only six months and to keep out of politics. On 26 October, in an address to his faction of the coalition which formerly governed Burma, Nu also for the first time implied that he had been under army duress last month when he decided to step aside in favor of Ne Win.

Nu's pointed remarks regarding the army reflect two concerns which are probably uppermost in his mind. He is undoubtedly disturbed over indications that some of the "political colonels" under Ne Win may try to sell the general on the necessity of remaining in power for longer than the promised six-month period. One of them in fact is reported to have hinted as much to Nu himself. Secondly, he probably fears, perhaps with more justification, that the army--or at least the "political colonels"--will intervene on the side of his opponents, Ba Swe and Kyaw Nyein, in the coming national election campaign.

Now denied the government patronage which had previously given him a decided advantage over his rivals, Nu must rely primarily on his own national prestige in his efforts to lead his faction to victory in April. His only real chance of winning is to force the army and Ne Win to practice the strict political impartiality which they profess. He can therefore be expected during the coming months to exert whatever pressures he can to achieve this purpose.

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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

The Counselor

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The Department of Defense

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The Deputy Secretary of Defense

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Commandant, United States Marine Corps

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Chief of Staff, United States Army

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Assistant to Secretary of Defense for Special Operations

Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of the Army

Director of Naval Intelligence, Department of the Navy

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Atomic Energy Commission

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National Security Agency

The Director

National Indications Center

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