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29 September 1958

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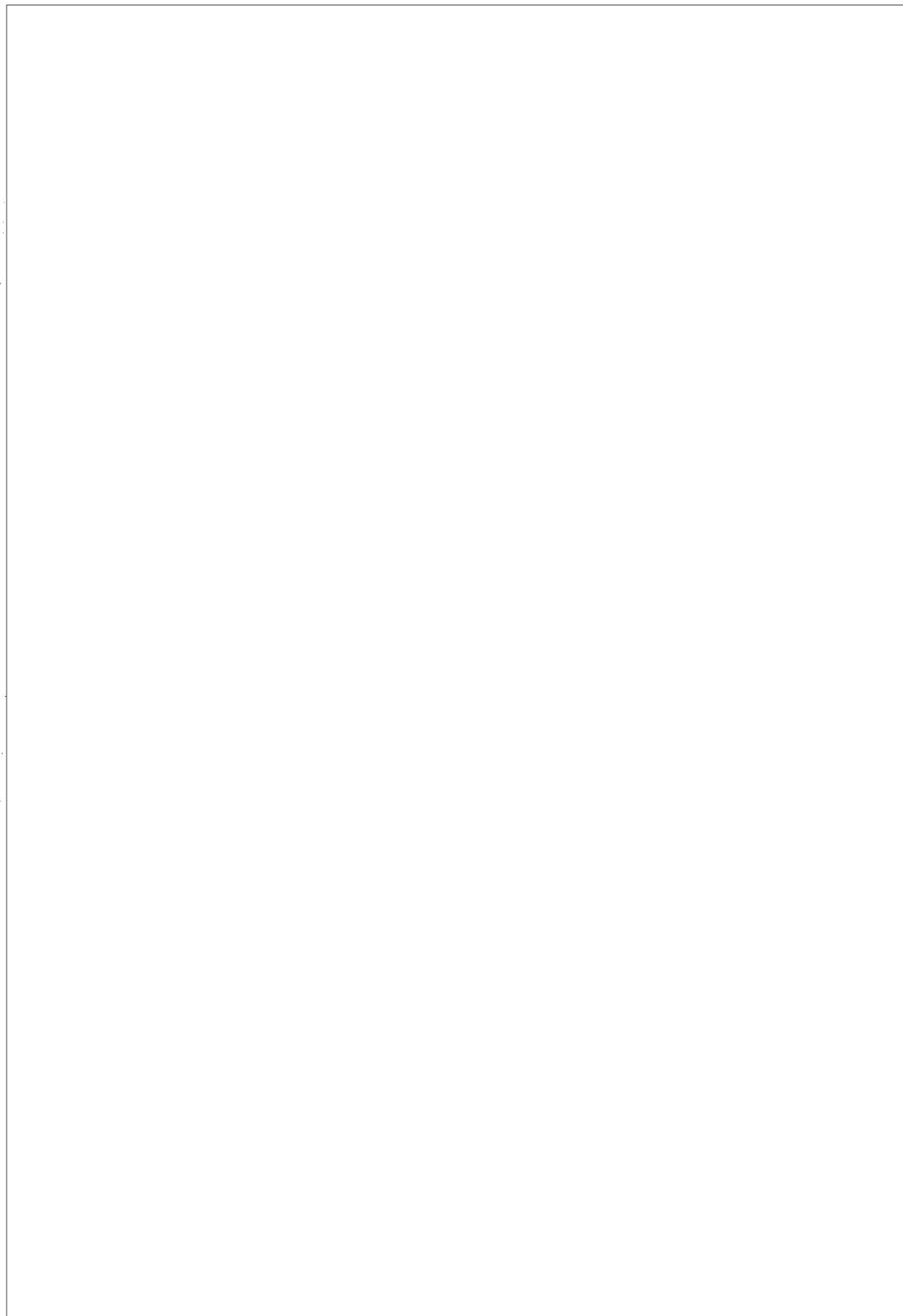
CENTRAL INTELLIGENCE BULLETIN



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29 SEPTEMBER 1958

I. THE COMMUNIST BLOC

USSR takes negative attitude toward UAR request for MIG-19 fighters and TU-16 medium bombers.

Soviet presidium member visiting Cairo meets twice with two ministers of Algerian government-in-exile.

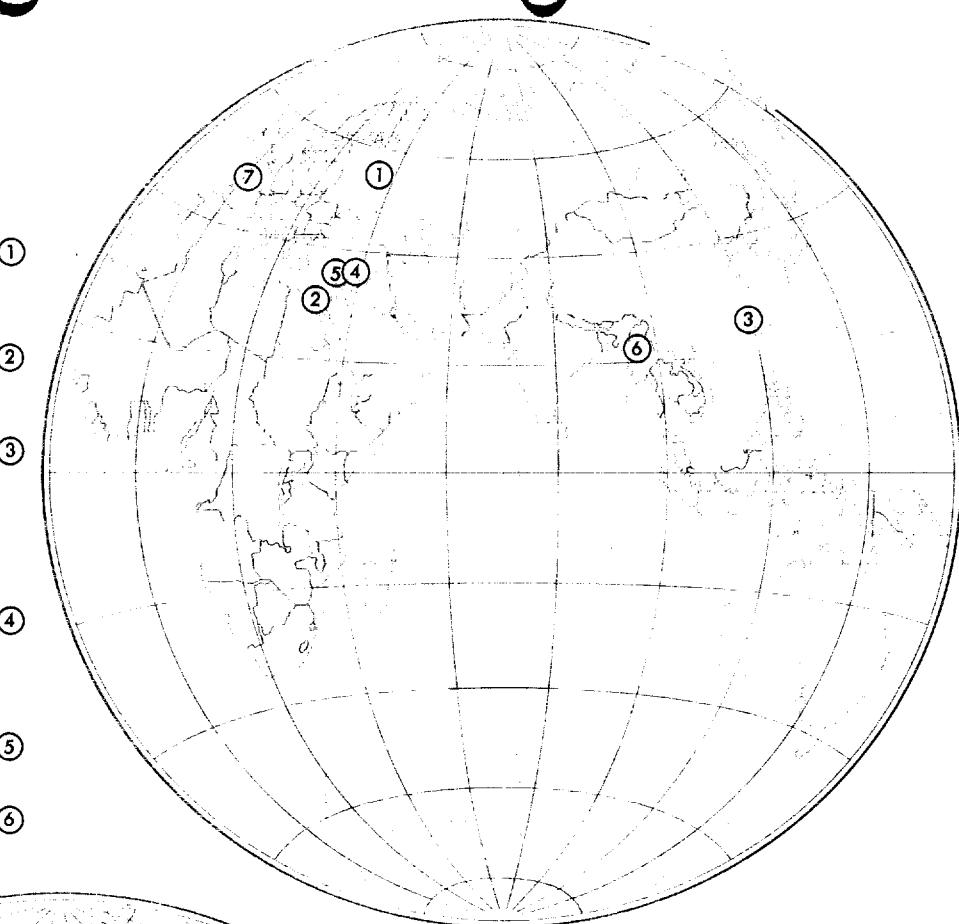
Taiwan Strait - Air photography on 24 September shows some build-up of artillery opposite Matsus.

II. ASIA-AFRICA

Nasir proclaims land reforms in Syria in effort to popularize UAR Government.

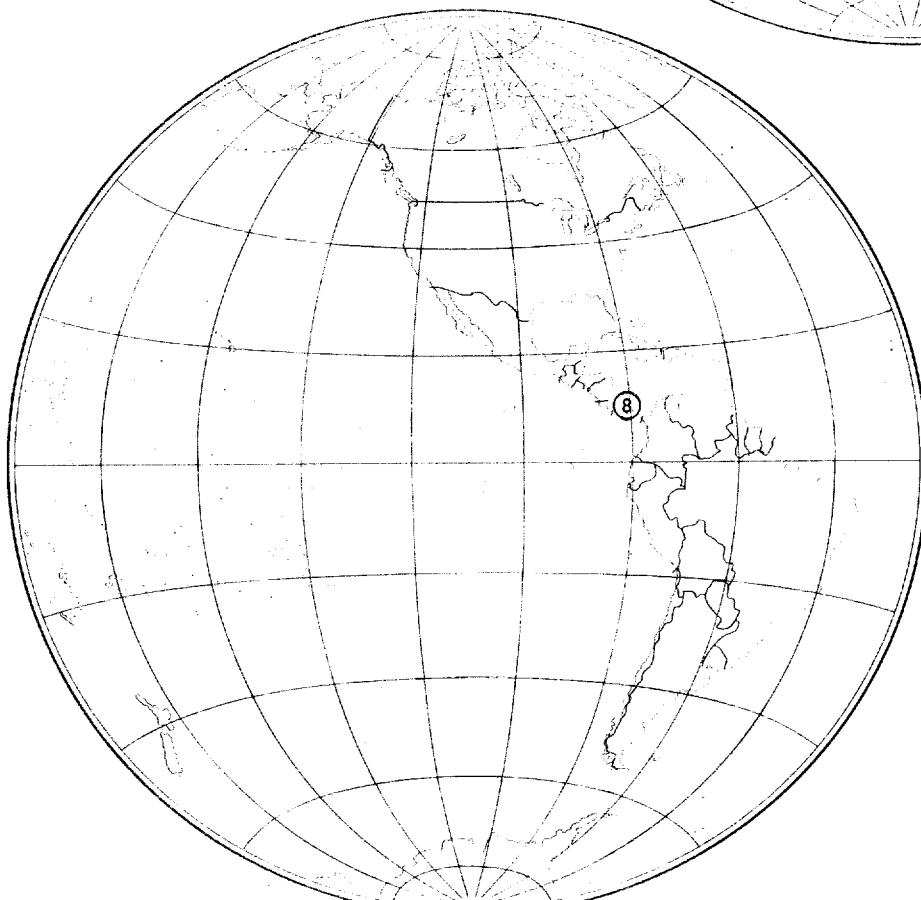
Lebanon - President Shihab plans special session of Parliament this week; will request confidence vote for Karame cabinet.

Burma - Army action greeted with relief by general population.

**III. THE WEST**

⑦ De Gaulle expected to come out against "integration" of Algeria with France in 2 October speech.

⑧ Panama - Attempt to oust President de la Guardia and National Guard commanders reportedly to occur before 1 October.

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CENTRAL INTELLIGENCE BULLETIN

29 September 1958

DAILY BRIEF**I. THE COMMUNIST BLOC***5 RA B*
USSR-UAR:

Cairo in late July requested Moscow for late-model military equipment, including MIG-19 fighters and TU-16 medium bombers. Moscow's refusal may refer to this supplemental request. Moscow consistently has turned down Cairo's requests for types of aircraft which have not yet been released in quantity to China or the satellites. The USSR is continuing to supply Cairo with large quantities of less advanced equipment.

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USSR-Algeria: Heavy Soviet press attention to Moscow's first public high-level contact with leaders of the newly formed Algerian provisional government suggests that the USSR may adopt a firmer pro-Algerian line. Pravda and other Moscow newspapers on 27 September gave heavy play to two "frank and sincere" meetings in the UAR last week between party presidium member N. A. Mukhiddinov, who has become a top Soviet spokesman on Middle Eastern and Arab affairs, and two ministers of the Algerian government in-exile. Mukhiddinov has just returned from a nine-day good-will visit to the UAR.

*Taiwan Strait situation: Air photos of Communist artillery positions on the Peiling Peninsula opposite the Matsu Islands on 24 September show an increase to 153 from about 100 positions two months ago. About half of these positions

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contained guns, and there has been a considerable amount of new activity in road building, construction of shelters, AA positions, and radar facilities.

(Page 1) (Maps)

II. ASIA-AFRICA

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UAR-Syria: Nasir on 27 September promulgated land reform laws on the Egyptian model for the Syrian region and at the same time announced a unified state of emergency law for the UAR reconciling separate emergency laws which had been in effect for several years in the two countries. The new Syrian land reform law is intended to and will probably popularize union with Egypt among the Syrian masses and further weaken the conservative landowning class, which is opposed to union and to the reforms of revolutionary Arab nationalism. Cairo's proclamation of land reforms will also cut the ground from under Syrian Baathist politicians, such as Akram Hawrani, who have long advocated such reforms but have resisted compliance with Nasir's order disbanding political groups.

OK
Lebanon: President Shihab expects to call a special session of Parliament this week to give a vote of confidence to the Karame cabinet. He has threatened to dissolve Parliament and call new elections if it refuses approval. Ambassador McClintock believes that Karame will win by a "very narrow margin."

(Page 4)

OK
Burma: General Ne Win's bloodless coup in Burma has brought a sense of relief to the population and most non-Communist leaders, regardless of their factional affiliation. Recently surrendered members of the Communist People's Comrade party have left Rangoon and gone back underground. Ne Win may bring about reconciliation among the political leaders whose feuding split the ruling coalition last June and caused the recent political chaos.

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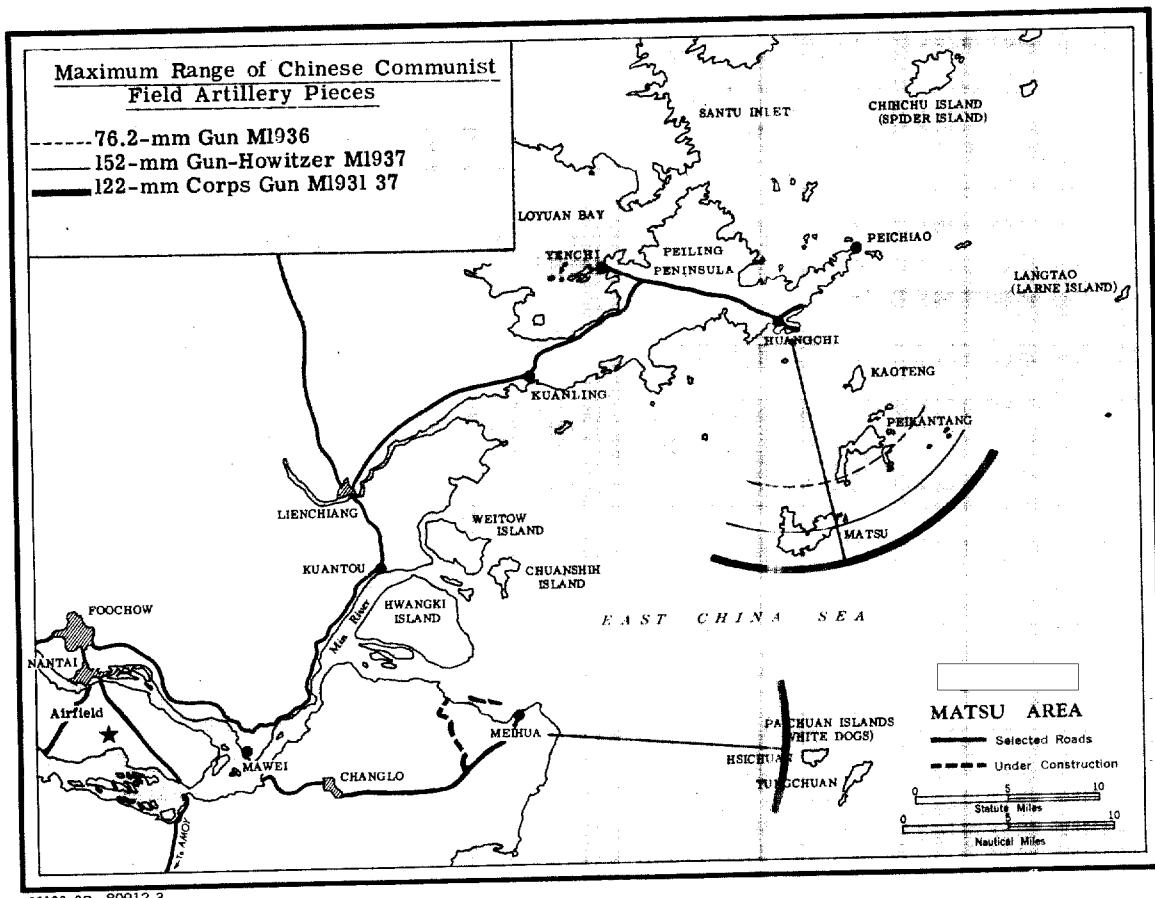
III. THE WEST

OK

France-Algeria: The new French constitution received the expected overwhelming approval in the referendum; there were no major incidents in either France or Algeria. De Gaulle may come out unmistakably against "integration" of Algeria with France in his scheduled 2 October speech at Constantine. He plans to announce a sweeping amnesty which would permit rebel leaders to campaign for election to Parliament, and he would hold out the possibility that he will seek to negotiate a broad settlement with the Algerian elected representatives. However, Algerian efforts to make independence a prerequisite to talks would be rejected. [redacted] (Page 8)

OK

Panama: Panama's dangerously unstable political situation may reach a crisis before the National Assembly convenes on 1 October, with attempts to oust President de la Guardia and the National Guard commanders. Opposition politicians, led by Vice President Diaz, hope to achieve this by exploiting student strike activities to create violence. The government is prepared for trouble and may suspend civil liberties. [redacted] (Page 10)



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I. THE COMMUNIST BLOC

Taiwan Strait Situation

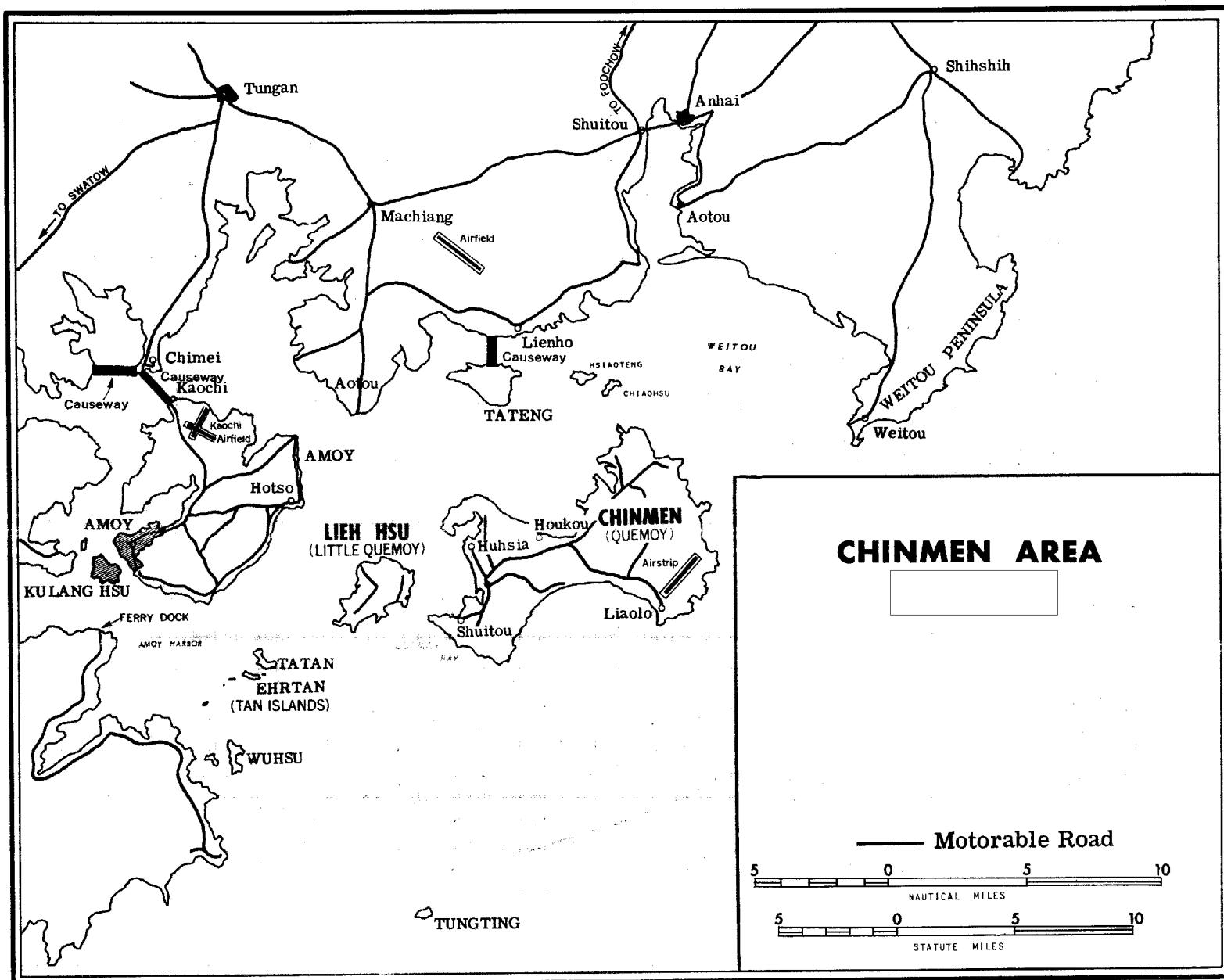
Air photos of Communist artillery positions on the Peiling Peninsula opposite the Matsu Islands on 24 September show an increase to 153 from about 100 positions two months ago. About half of these positions contained guns, and there has been a considerable amount of new activity in road building, construction of shelters, AA positions, and radar facilities. Other photo reconnaissance reports of 24 September showed no significant naval activity in the coastal area, but gave no details.

Both Nationalist and Communist air activity declined on 26 and 27 September. No engagements were reported, although there was one instance on 27 September when Communist fighters flew out over the strait in reaction to a Nationalist flight about 40 miles south of Chinmen. Communist fighters generally have been restricted to the mainland, and it is possible in this case that they were attempting to force or entice the Nationalist flight over the mainland where larger numbers of fighters were conducting the usual defensive patrolling.

There is additional evidence that the Communists have deployed LA-11 (FANG) piston-engine fighters to the Chinmen area for use against Nationalist transport aircraft conducting night air drops. The Nationalists believe there is as much as a squadron of these planes at Chingyang airfield.

The Chinese Nationalist leadership, following a meeting on 26 September, was reported to believe that the position of the Tan Islands is difficult but supportable. The main problem is the water supply. Nationalist eight-inch howitzers were used for the first time on 26 September, firing on targets on the

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Weitou Peninsula. A half hour after they began firing, Communist guns replied with a heavy barrage of almost 5,000 rounds against eastern Chinmen.

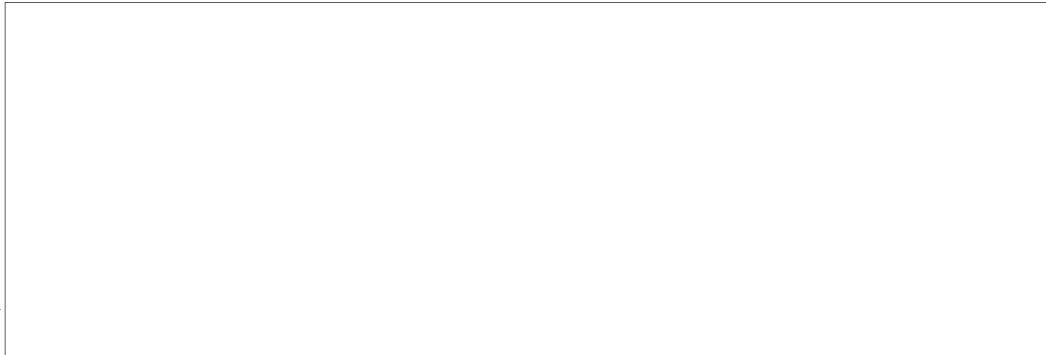
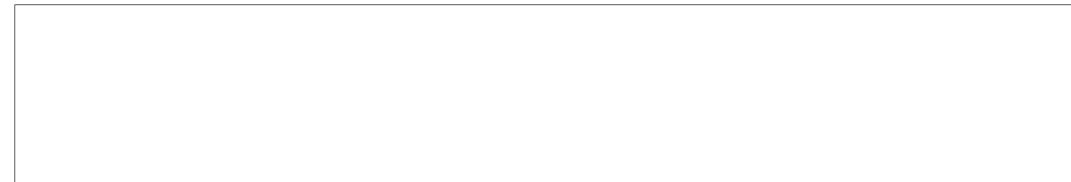
Information obtained from the Joint Commission on Rural Reconstruction, a Sino-American civilian authority which has supervised the development of the Chinmen economy, indicates that civilian food stocks on the island are high following a good harvest this year. The supply is believed to be adequate to support the civilian population through next spring, and it is believed that some food could be diverted to military use without causing undue hardship. [redacted]

Peiping issued its 15th and 16th warnings against US "military provocations" on 27 and 28 September. On 28 September, Premier Chou En-lai told a banquet in honor of foreign experts that the Chinese people "do not give up their efforts to find a solution to the disputes between China and the United States through peaceful negotiations." He also said, "If the US imperialists insist on provoking war in order to carry out their aggression on Quemoy and Matsu, the 600,000,000 Chinese people, united as one and with the sympathy and support of the whole camp of socialism and all peace-loving nations and peoples, will definitely bring the US imperialists' aggressive action to final and complete disaster."

Moscow continues to hint at the possibility that it will send Soviet "volunteers" to aid Communist China. Soviet Aviation on 27 September contained "troop indoctrination" material on the Taiwan Strait situation. The American Embassy reports that this material together with the Red Star hint on 25 September of Soviet volunteer pilots comprise the first indications in the Soviet press that Soviet military personnel are being psychologically prepared for possible service in the Far East. [redacted]

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II. ASIA-AFRICA

Lebanese Situation

President Shihab informed American Ambassador McClintock that he expects to call a special session of the Lebanese Parliament to give a vote of confidence to Tripoli rebel leader Rashid Karame's cabinet this week. Shihab has threatened to dissolve the chamber, which is dominated by Chamoun supporters, and call new elections if the cabinet is not approved. Ambassador McClintock believes that Karame will win by a very narrow margin.

The new cabinet is composed of anti-Chamoun elements, including four members of the rebel camp, but only two of these actively fought in the rebellion; all seven ministers opposed Chamoun's pro-Western foreign policy. An eighth member, Charles Helou, who did not oppose this policy, reportedly has withdrawn from the cabinet.

Karame advocates Lebanese subservience to UAR policy. He is a great admirer of Nasir and recently described him as a "superman." Philip Taqla, the new foreign minister, is an opponent of the Eisenhower doctrine and can be expected to advocate a much more neutral foreign policy than his predecessor, Charles Malik. In the technical sense, the cabinet is well-qualified. Only Karame and Taqla are parliamentary deputies.

Shihab appears to have maneuvered Parliament into the position where opposition to the Karame cabinet will face the deputies with the prospect either of losing their seats in rebel-controlled elections, or having the number of seats increased enough to override the present pro-Chamoun majority. Shihab has indicated that he hopes the legislature will grant him decree powers for six months, whereby he could rule through a sympathetic cabinet without the necessity of approval for policies which might be opposed by the present Parliament.

President Shihab told the American ambassador on 26 September that the present commander of the gendarmerie

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"could not be trusted" and would be replaced. The pro-Western gendarmerie commander carried out his duties very ably during the recent rebellion, and his removal will be interpreted as another sign that all members of the government who actively opposed the rebellion will be ousted. His replacement commands very little respect in the country. Shihab appears to be making the same error in policy that contributed to the recent rebellion--the exclusion of an important segment of the populace from public office. Chamoun regards the Karame cabinet as a capitulation to the revolution and can be expected to oppose it.

Syrian Minister of Interior Sarraj recently informed a European diplomat stationed in Damascus that "nothing would stop the association of Lebanon with the UAR" [redacted]
[redacted]
[redacted]

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Burmese Situation

General Ne Win's action on 26 September has brought a sense of relief to the Burmese population and to most non-Communist political leaders, regardless of their factional loyalties. They probably feel that army control will end the disastrous drift toward chaos and civil war. The carefully correct observance of constitutional procedures--30 days notice before Parliament meets and U Nu officially resigns and the six-month limit to General Ne Win's tenure of the premiership--also serve to reassure the public of the continuation of democratic processes. Ne Win's pledge to exclude major political leaders from his cabinet is intended to ensure the prospective government's impartiality.

The members of the People's Comrade party who had surrendered recently are already leaving Rangoon and returning to the jungle. The army, even before the June government crisis, was critical of Nu's generosity to surrendered insurgents and fearful that Communists would use cached arms to renew violence either before or during national elections. Though Ne Win is pledged to continue general government policies, terms for insurgent surrenders are expected to be made much more stringent.

The long-contemplated army action apparently was sparked by Home Minister Bo Min Gaung's plan to ensure government party control over the army through the arrest or retirement of top military leaders, including General Ne Win. There seems to have been no prior collusion with Premier Nu's opponents, former deputy premiers Ba Swe and Kyaw Nyein. However, Premier Nu's acquiescence to Ne Win's demand for government control suggests Nu may have recognized that his gamble to maintain parliamentary control through Communist-influenced leftists was failing and that he welcomed reprieve from eventual parliamentary defeat. The coup relieves Ba Swe and Kyaw Nyein of the necessity of voting against US aid to Burma to bring Nu's government down. The general approval given Ne Win's "selection" as incoming premier by newspapers supporting

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both factions of the Anti-Fascist People's Freedom League raises possibilities for reconciliation of the feuding leaders prior to general elections, now projected for April 1959.

Neither the Soviet Union nor Communist China have reacted as yet to the developments and there is no indication that there will be any immediate impact on Moscow's aid programs in Burma. Any sudden change in policy toward Burma would be politically embarrassing for both Moscow and Peiping. Peiping, which has refrained from calling attention to border clashes with the Chinese Nationalist irregulars and Burmese tribal groups, is likely to maintain reserve pending clarification of the new regime's policies. Any Chinese intervention at this time would probably be covert and would be handled through Burma's Communists.

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III. THE WEST

De Gaulle May Advocate Liberal Algerian Policy

During his visit to Algeria scheduled for 2-3 October, French Premier de Gaulle is expected to express himself unmistakably against the integration concept. He plans to announce a sweeping amnesty and his willingness to negotiate eventually with Algerian elected representatives.

In his speech at Constantine on 2 October, De Gaulle probably will state that prison camps will be abolished and a large number of Moslem political prisoners in France and Algeria will be liberated; he may also encourage rebel leaders, including members of the new provisional government, to campaign for election to Parliament.

Definite repudiation of the concept of Algerian "integration" is almost certain to meet strong opposition, and even such a long-time supporter of a liberal solution as Socialist leader and Minister of State Guy Mollet is worried that De Gaulle may be "going too far too fast." French settlers in Algeria, whose doubts about De Gaulle's intentions have until now been held in check by fear of a large "no" vote in the referendum and by army pressure, may attempt to revive the extremist demonstrations of last spring, with or without army support.

De Gaulle has been tightening his control over the top command of the army and may be willing to risk military insubordination in Algeria in order to take advantage of a highly favorable political situation. With a strong electoral mandate behind him from the 28 September referendum and full powers to govern until the new institutions are set up in early 1959, De Gaulle is in a unique position to take and to carry out unpopular decisions.

De Gaulle's intentions may be revised, however, in view of Algerian Provisional Premier Fehrat Abbas' 26 September offer to "negotiate independence" with France, for

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De Gaulle's office has already announced that making Algerian independence a prerequisite to talks would mean French rejection.

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Unstable Panamanian Political Situation

Agitation against President de la Guardia and the National Guard by numerous Panamanian student and political groups is threatening to get out of control and may lead to violence similar to that which threatened the government last May. Students are already on strike and are planning to call for a general strike to bring pressure on the National Assembly to demilitarize the guard, Panama's only armed force. The assembly is scheduled to convene on 1 October. Opposition politicians, led by disaffected Vice President Diaz, evidently hope to use student actions as the basis for a coup, which may occur before the assembly meets.

Some student groups are aware they may be exploited and are determined to avoid violence, which they fear might provide the government an excuse to justify repressive measures. However, these moderates do not control all students, and resentment against the oligarchy, represented by the administration and the guard commanders, is part of chronic and widespread political and economic unrest in Panama. Competent observers feel that minority agitators are determined and capable of causing violence in the near future.

The government has denied that it plans to suspend constitutional guarantees of civil liberties but is making strenuous preparations to combat opposition wherever it may break out. The American Embassy feels that discoveries of additional arms caches like those uncovered in past weeks might lead to a suspension of guarantees.

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