

3.3(h)(2)

~~TOP SECRET~~

3.5(c)

17 March 1958

Copy No. 137

CENTRAL

INTELLIGENCE

BULLETIN



DOCUMENT NO. ....

14

NO CHANGE IN CLASS. X

FILE NUMBER

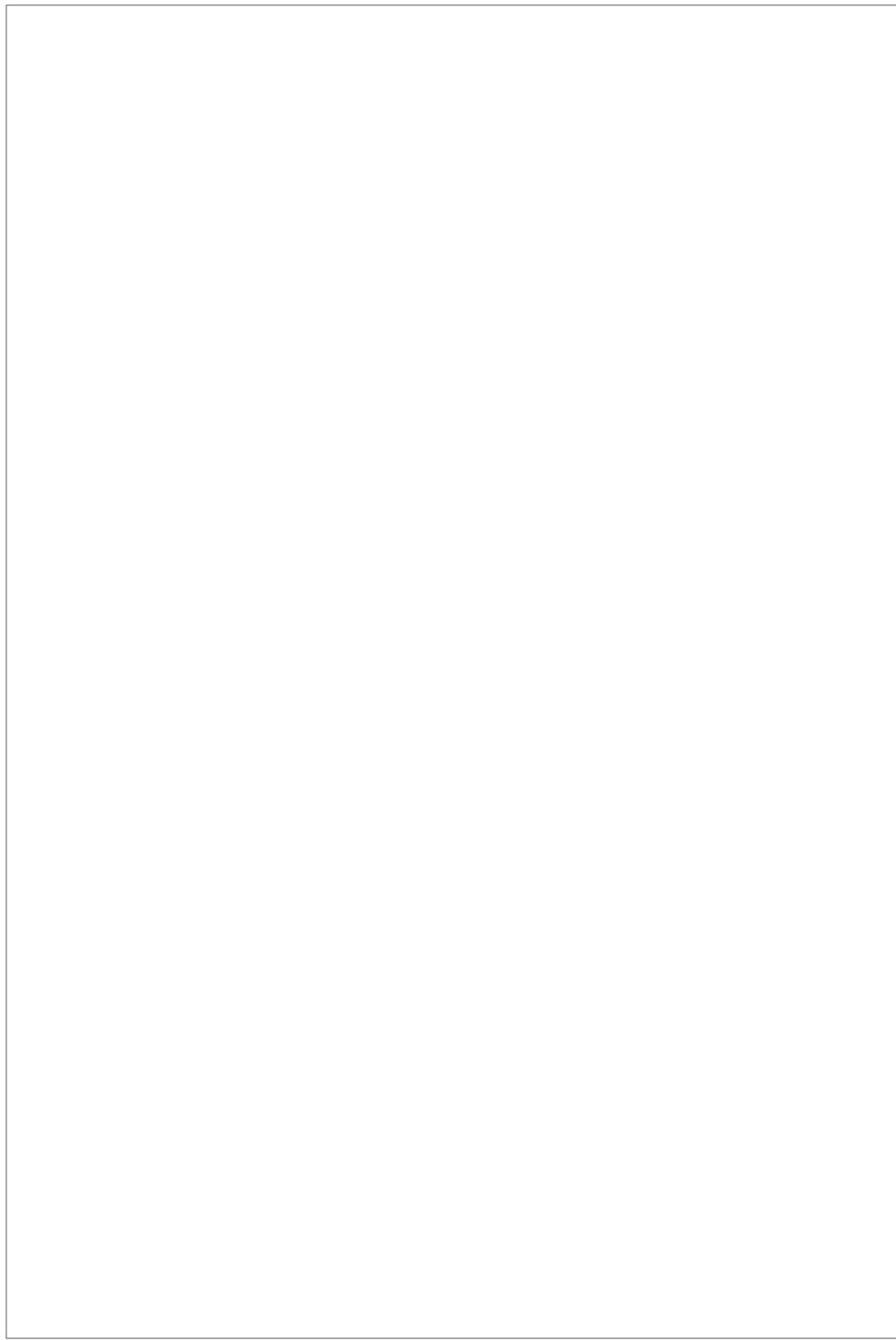
CLASS. CHANGED TO: TS S C

NEXT REVIEW DATE: 2010

AUTH: HR 702

DATE 3/25/80 REVIEWER

~~TOP SECRET~~



~~TOP SECRET~~

17 MARCH 1958

## I. THE COMMUNIST BLOC

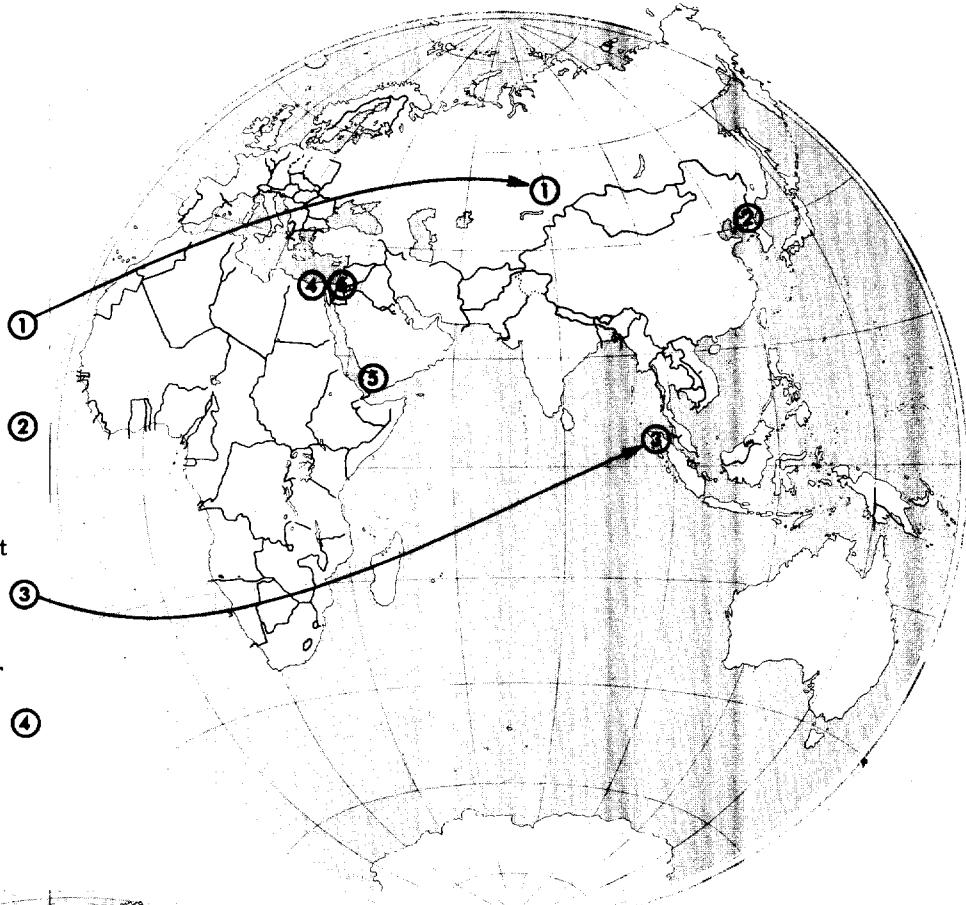
Soviet atomic explosion occurred on  
15 March; [ ]

Chinese Communist withdrawals from  
North Korea probably in progress.  
[ ]

## II. ASIA-AFRICA

Indonesia - Initial success of dissident  
coup against government forces at  
Medan, North Sumatra, reported.

Nasir confidants, citing reports of  
trouble in Saudi Arabia, believe Nasir  
will press home his advantage against  
King Saud.  
[ ]



Egyptians concerned over Yemen, fearing  
Saud may overthrow Imam or Imam  
may overreach himself against Aden.  
[ ]

Palestinian refugees interpret creation  
of Gaza council as first step toward  
restoration of Arab Palestine.  
[ ]

## III. THE WEST

⑦ Iceland premier may be sounding out  
USSR for loan.

⑧ Haiti - Ouster of army chief of staff  
removes immediate threat to president.

~~TOP SECRET~~

~~TOP SECRET~~

# CENTRAL INTELLIGENCE BULLETIN

17 March 1958

## DAILY BRIEF

SURAB

### I. THE COMMUNIST BLOC

no

Soviet nuclear test: The Joint Atomic Energy Intelligence Committee statement of 1730 hours, 15 March:

no

An explosion has been reported by acoustic components of the Atomic Energy Detection System as having occurred at about 0930 GMT (0430 EST) on 15 March 1958, in the vicinity of Semipalatinsk in the USSR.

no

Communist China - Korea: The Chinese Communists have announced that they began withdrawing troops from Korea on 15 March and that six divisions will be pulled out by 30 April.

its subordinate armies, the 21st and 54th, will be the first to leave. A redeployment of North Korean Army units, possibly to fill positions vacated by the Chinese forces, has been indicated

(Page 1)

no

Indonesia: Anti-Djakarta military elements in the Medan area of North Sumatra apparently have achieved an initial success in their coup attempt against the central government command

i

~~TOP SECRET~~

*No*

there. The Medan radio has announced an agreement between the local air force commander and the dissident forces that Medan airfield will no longer be used by aircraft "for the purpose of civil war." [redacted] (Page 2)  
 (Map)

*No*

Nasir vs Saud: Cairo has received unconfirmed reports of trouble in Saudi Arabia which, although based on rumor, will probably reinforce Nasir's apparent belief that he has Saud on the run. Nasir has rebuffed the Imam of Yemen's suggestion that a reconciliation with Saud should be effected, and Cairo is making a strong formal protest against an anti-Egyptian broadcast by the Saudi radio. [redacted]

Col. Sarraj is reported to have said Nasir intends to press home his advantage and "take over" Saudi Arabia.

*No*

Yemen: An unusually high degree of apprehension and confusion apparently exists in Yemeni Government circles, partly because of the Saud-Nasir split and partly because of lack of coordination between the Imam and Crown Prince Badr. The Imam's complaints to King Saud of Saudi interference in Yemen have been vehemently denied by Saud, but at the same time Egyptian representatives in Yemen fear that a Saudi-provoked crisis is imminent. An Egyptian emissary is being sent to try to "explain" the situation to the Imam. [redacted] (Page 4)

*No*

Gaza Strip: Celebrations accompanying the announcement of 15 March that a new Gaza legislative council has been established indicate a popular belief among the refugees that this is the first step toward a rebirth of Arab Palestine. Fedayeen terrorists are reported being organized in the strip to cross Israel for operations in Jordan, and Nasir may visit the strip in person in the near future. These developments could in turn produce new border incidents with Israel which would involve the UNEF troops in Gaza, as well as a possible outbreak of antigovernment agitation in West Jordan.

17 Mar 58

DAILY BRIEF

ii

~~TOP SECRET~~ [redacted]

### III. THE WEST

*OK*

Iceland: Prime Minister Jonasson appears to be sounding out the USSR regarding a loan. Jonasson's coalition of Progressives, Social Democrats, and the Communist-front Labor Alliance, which is under increasing political strain, is seeking to continue its ambitious economic development program without resorting to currency devaluation and other drastic measures. [redacted] (Page 5)

*OK*

Haiti: President Duvalier's ouster of Army Chief of Staff Kebreau, who had been the real power behind the government even after Duvalier's inauguration last October, removes an anti-US influence and the chief immediate threat to the President's own position. Duvalier's purge of pro-Kebreau officers may leave him vulnerable to plotting by the political opposition. [redacted] (Page 6)

17 Mar 58

DAILY BRIEF

iii

~~TOP SECRET~~ [redacted]

## I. THE COMMUNIST BLOC

### Chinese Begin Troop Withdrawal From North Korea

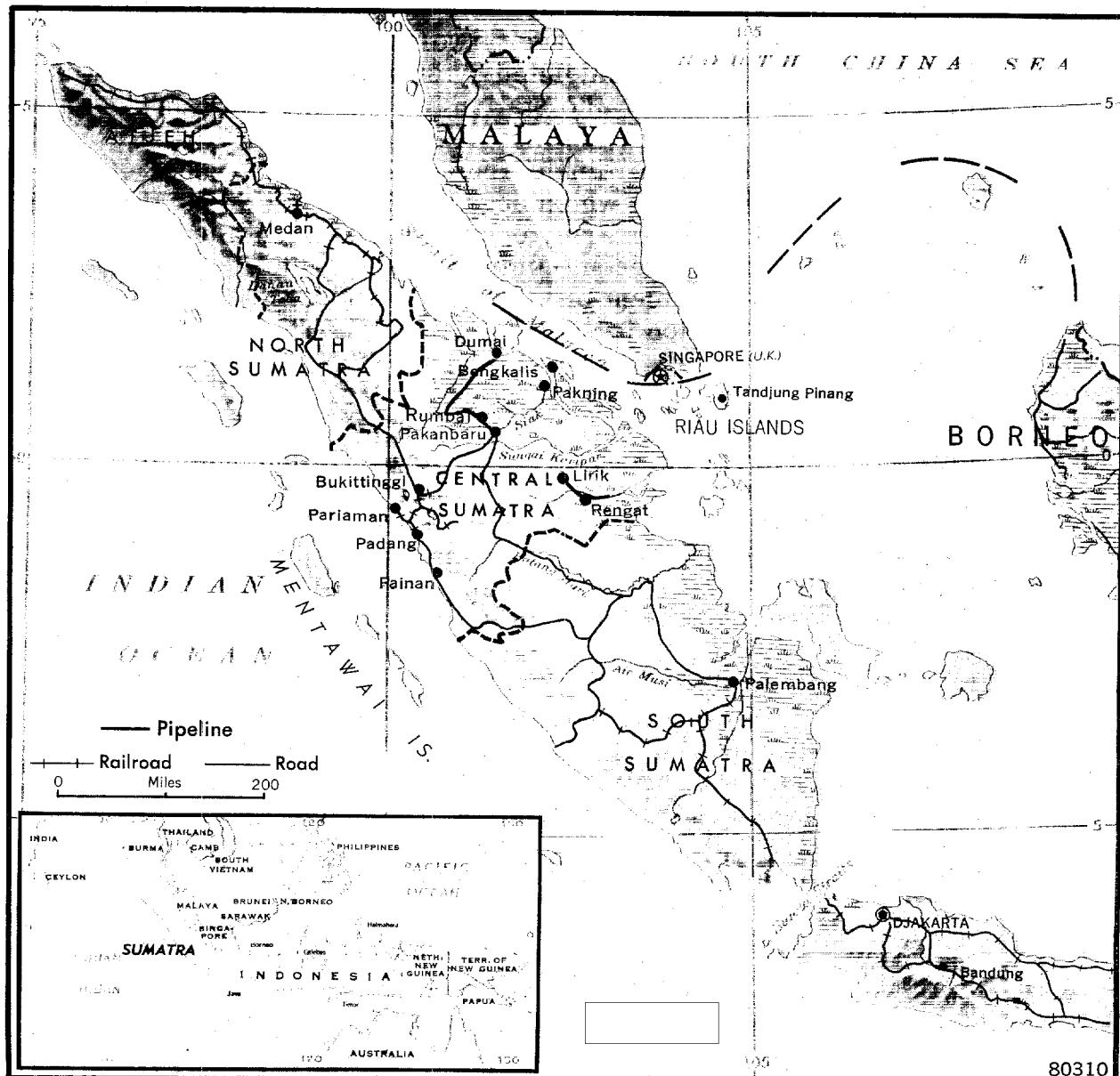
Less than a month after the joint Sino-Korean announcement declaring that all Chinese Communist troops in Korea would be withdrawn by the end of 1958, the first group began departing on 15 March. The withdrawal of the approximately 300,000 Chinese troops--five armies--is to be carried out in three stages. The first stage, involving six divisions--80,000 troops--is to be completed by 30 April.

[redacted] this headquarters element and its two subordinate armies, the 21st and the 54th, may constitute the group which began withdrawing on 15 March. Neither the 21st nor 54th army occupies a position along the Demilitarized Zone.

The withdrawal of the Chinese "volunteers" will reduce Communist troop strength in Korea by about 50 percent. Despite this reduction in manpower, however, Communist military capabilities in Korea will not be substantially affected. The North Korean Army is superior to the South Korean Army in firepower and heavy weapons capability; in addition, North Korea possesses an air force of 450 jet fighters and 75 jet light bombers compared to South Korea's poorly equipped air force of only 80 jet fighters in tactical units.

Chinese Communist troops deployed in Manchuria, only 250 miles from the Demilitarized Zone, are in a position to reinforce the North Korean Army in a few days. In addition to the units now in Korea, which may be redeployed to Manchuria in the withdrawal, Communist China is able to move into Korea an additional 250,000 troops now located in North and Northeast China.

~~TOP SECRET~~

~~SECRET~~

## II. ASIA-AFRICA

### Indonesia

Dissident military elements in North Sumatra are creating fresh problems for Djakarta, whose limited resources are probably already taxed by efforts against the Central Sumatran and North Celebes revolutionary movements. The city of Medan, which has been the major stronghold of the central government on Sumatra, is at least temporarily in anti-Djakarta hands, and these dissidents can be expected to attempt to widen their area of control.

With the neutralization of the Medan airfield, Djakarta is denied an important air base for operations against the Central Sumatran revolutionary government. The airfield is reliably described as damaged, probably beyond use, by mortar fire. In addition, a joint communiqué of the dissident commander and the air base commander, broadcast by the Medan radio on 16 March, announced that the airfield would hereafter "not be used for the landing of airplanes for the purpose of civil war."

Radio Bukittinggi, in Central Sumatra, has quoted the Medan group as demanding that President Sukarno order a cessation of all military operations against Central Sumatra and North Celebes. Sukarno was also called on to take "positive steps" to negotiate a peaceful settlement there.

The amount, if any, of material assistance the Medan dissidents can extend to Central Sumatra remains to be determined. Their action, however, could encourage other wavering areas to declare some measure of support for the dissidents and might result in some lessening of the military threat against Central Sumatra. The Padang dissidents claim to have obtained plans of army chief Nasution to divert troops scheduled for use in Central Sumatra to Medan.

Meanwhile, the Central Sumatran regime has issued its strongest condemnation of Sukarno to date, branding him a war criminal who should be hanged.

~~SECRET~~

### The Nasir-Saud Dispute

A recent reported statement by Col. Sarraj, to the effect that Nasir will now move to "take over" Saudi Arabia and suggesting that the United Arab Republic might nationalize oil fields and refineries is probably indicative of the present state of mind of Nasir's high-level followers, although not necessarily of the Egyptian leader's actual plans. Nasir, who seems to make his tactical moves according to his sense of the developing situation rather than on the basis of a predetermined plan, is likely to be encouraged to continue his present campaign, however, by rumors of trouble in Saudi Arabia which are being reported in volume by the Egyptian Embassy in Jidda.

The Egyptians have heard, for example, that Saud is "entrenched" in his palace in Riyadh surrounded by tanks, that 40 Saudi princes have been arrested and Crown Prince Faysal confined to his house, and that a Saudi family council has decided that either Saud should abdicate or Faysal and his supporters resign from their offices. These reports are wholly unconfirmed, but they reflect the uncertainties of the atmosphere and the extra security precautions being taken in Saudi Arabia at this time.

Nasir's unyielding attitude toward Saud is indicated by Nasir's rejection of a plea from the Imam of Yemen urging him to "remedy" differences with the King. A similar plea to Nasir has been made by a representative of the Omani rebels, who, like the Yemenis, fear the pressure Saud can still exert on them.

In line with this attitude, the Egyptian chargé in Jidda was instructed on 15 March to deliver a strong protest against an announcement by Mecca radio that demonstrators were besieging the Egyptian Embassy there. Cairo claims this broadcast was an incitement, and that the Saudis will be responsible for "all the consequences."

~~TOP SECRET~~

## Developments in Yemen

Cairo on 15 March passed to Egyptian officials in Syria information from the Yemeni capital of Sana that the situation there is "approaching a crisis" because "the reactionaries, the Saudis, and their well-meaning helpers have reacted in the worst possible way," presumably to the announcement of Yemen's affiliation with Egypt and Syria. [redacted] Sana noted that the Saudi minister to Yemen was flying to see the Imam, who is in his alternate capital of Taiz. It urged the Cairo authorities to contact Yemeni Crown Prince Badr, now in Cairo, to "discuss the plot against him and against the union."

The Egyptian alarm may be the result of measures the local Yemeni authorities took, possibly without the Imam's approval, after the Saudi Embassy had complained about alleged Egyptian-inspired demonstrations in Sana. On his side, King Saud [redacted]

[redacted] swore "by the mightiest marvels of Allah and his lofty attributes" that he had not intervened in Yemen as the Imam had complained. [redacted] Saud might act against the Imam if the latter started a propaganda campaign like that launched against Saud by Nasir.

[redacted] Crown Prince Badr's main concern is not King Saud's actions, but that the Imam, who he says looks at "the local picture alone," will embroil the new union with the British by attempting to blow up the Aden oil refinery. Badr is particularly alarmed over this possibility because, according to him, Yemen's Soviet bloc arms are all stored in the desert near Hodeide, Yemen's principal seaport, and could easily be destroyed by a British air raid.

The basis of Badr's concern are [redacted] Imam asking that Egypt send quickly 50 time bombs for a "major action" against Aden and that the Egyptians send two "cruisers" to patrol the Aden Strait. The Imam earlier also told Badr to point out to Nasir "in a nice way" that Nasir has not mentioned Yemen's claims to the Aden Protectorate "in a single utterance in his ardent and zealous speeches."

Nasir has refused to send naval aid to the Imam, but has agreed that a high-level Egyptian emissary will go to Yemen to "explain the situation" to the Imam and to persuade him to give Badr an opportunity to exercise more authority. [redacted]

~~TOP SECRET~~

### III. THE WEST

#### Icelandic Request for Soviet Loan Reported

Icelandic Prime Minister Jonasson [redacted]

[redacted] asked on 11 March for loan negotiations with the USSR and to have received a reply from the Soviet Embassy in Reykjavik the next day proposing an early discussion in Moscow with East German representatives present. The East German reference suggests that the talks would center on the USSR's offer of June 1957 to finance Iceland's \$3,250,000 purchase of East German fishing vessels. Only last month Iceland requested hard currency from the Soviet Union to be used in part payment for the vessels.

The negotiations might, however, have a much wider scope. Last year the USSR offered economic assistance worth \$25,000,000, but Iceland obtained \$7,000,000 from the United States and West Germany and did not pursue the Soviet offer.

Jonasson's coalition of Progressives, Social Democrats, and the Communist-front Labor Alliance is engaged in an ambitious development program and without further foreign aid will have to take severe economic measures, including a drastic currency devaluation. The government agreed when it accepted Western aid last fall that such reforms were necessary, but the Labor Alliance has been unwilling to accept devaluation, and Jonasson fears to risk the fall of his cabinet. The gains registered by the opposition Conservatives in the January municipal elections showed public opinion to be running against his government. [redacted]

~~SECRET~~

### The Changed Political Outlook in Haiti

The unexpected ouster on 12 March of Haitian Army Chief of Staff Kebreau, who had long been plotting against President Duvalier, eliminated the most immediate threat to the government and should,

[redacted] enable Duvalier to exercise his authority as head of the government for the first time. Kebreau, who was the real power behind the Haitian Government even after Duvalier was inaugurated last October, had been largely responsible for the deterioration of Haiti's relations with the United States and had hindered Duvalier's efforts to improve them.

The army has made no effort to resist Kebreau's ouster, but Duvalier's subsequent purge of pro-Kebreau officers has been described [redacted] as having weakened and disorganized the army, which has traditionally been the most powerful element in Haitian politics. Although Brig. Gen. Maurice Flambert, the new chief of staff, is a strong supporter of Duvalier, the extent of the President's influence in the army is open to question.

With the army threatened by possible disunity and lacking a strong leader, Duvalier may now be more vulnerable to antigovernment plotting by the political opposition. Despite his recent efforts to curry favor with opposition leaders, there is no indication he has achieved a working agreement with them. The President's ineffectiveness in dealing with Haiti's economic and social problems has resulted in a loss of support from his own followers as well as a decline in his prestige and popularity. Unless Duvalier can show himself a stronger and more effective leader than he has in the past, there may be a resurgence of political instability. [redacted]

~~SECRET~~

~~TOP SECRET~~

# CENTRAL INTELLIGENCE BULLETIN

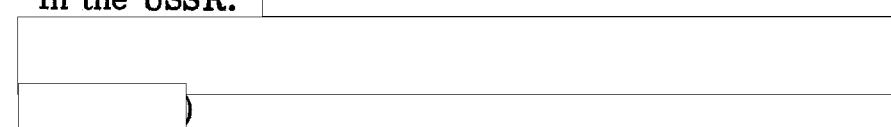
17 March 1958

## DAILY BRIEF

### I. THE COMMUNIST BLOC

Soviet nuclear test: The Joint Atomic Energy Intelligence Committee statement of 1730 hours, 15 March:

An explosion has been reported by acoustic components of the Atomic Energy Detection System as having occurred at about 0930 GMT (0430 EST) on 15 March 1958, in the vicinity of Semipalatinsk in the USSR.



Communist China - Korea: The Chinese Communists have announced that they began withdrawing troops from Korea on 15 March and that six divisions will be pulled out by 30 April. (CONFIDENTIAL) The silence since 8 February of the radio terminal serving the Chinese Communist 20th Army Group in Korea may indicate that its subordinate armies, the 21st and 54th, will be the first to leave. A redeployment of North Korean Army units, possibly to fill positions vacated by the Chinese forces, has been indicated



(Page 1)

Yemen: An unusually high degree of apprehension and confusion apparently exists in Yemeni Government circles, partly because of the Saud-Nasir split and partly because of lack of coordination between the Imam and Crown Prince Badr. The Imam's complaints to King Saud of Saudi interference in Yemen have been vehemently denied by Saud, but at the same time Egyptian representatives in Yemen fear that a Saudi-provoked crisis is imminent. An Egyptian emissary is being sent to try to "explain" the situation to the Imam.

(Page 4)

~~TOP SECRET~~