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25 October 1958

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CENTRAL

INTELLIGENCE

BULLETIN



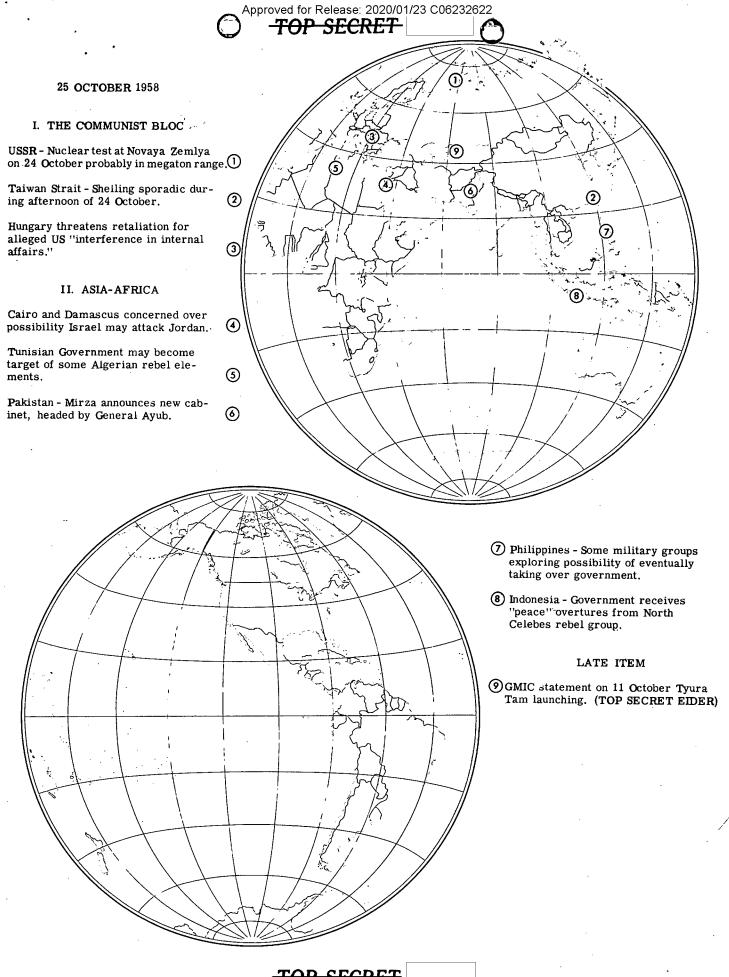
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CENTRAL INTELLIGENCE BULLETIN

25 October 1958

DAILY BRIEF

I. THE COMMUNIST BLOC

Soviet nuclear test: The Joint Atomic Energy Intelligence Committee made the following announcement at 1530 hours on 24 October:

"The Atomic Energy Detection System has reported that an explosion occurred at 0803 GMT on 24 October in the vicinity of Novava Zemlya.

*Comment: This is the 15th explosion detected since 30 September, when the USSR resumed nuclear testing in the Novaya Zemlya area, and the seventh with a yield greater than one megaton.

Taiwan Strait situation: Communist artillery fired more than 900 rounds during the first two hours of the bombardment which resumed at 1100 (Taipei time) on 24 October, but firing during the afternoon was described as sporadic.

(Page 1) (Map)

Hungary: Hungary is threatening to take retaliatory action against the US Government because of "contemptuous acts in Hungary and in international organizations" by US officials. The most recent threats followed US actions on behalf of the Vatican in the Mindszenty case and official American statements on the second anniversary of the Hungarian revolution. The Hungarian deputy foreign minister hinted earlier this month that the US Legation in Budapest might be asked to reduce its staff.

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II. ASIA-AFRICA

UAR: The press and officials in Cairo and Damascus profess to be concerned that Israel, supported by Britain and France, is "plotting" to attack Jordan following the departure of the British forces from that country. While the UAR probably is genuinely apprehensive that developments in Jordan, at least partly inspired by UAR propaganda and clandestine activity, may in fact lead to Israeli action, Cairo seems even more anxious at the moment to use this apprehension to justify any new arms deal with the Soviet bloc. Israel's repeated warnings that action might have to be taken if events in Jordan developed unfavorably for Israeli interests are also worrying UN circles at this time. (Page 4)

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Algeria-Tunisia: The regime of Tunisian President Bourguiba may become a target of frustrated and confused Algerian rebel elements operating from Tunisia. These elements are said to be siding "completely" with Nasir in the UAR-Tunisian dispute and to be ready to act against Tunisia. While there is no evidence that such drastic action is imminent, the inadequately equipped Tunisian security forces by themselves would probably be unable to suppress a hostile move by any substantial number of the reported 10,000 rebel troops located in or near Tunisia.

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*Pakistan: President Mirza on 24 October announced the formation of a new cabinet composed of four army officers and eight civilian specialists. General Ayub was named prime minister in addition to his duties as chief administrator of martial law, which continues in effect. Indications of an eventual rift between Mirza and Ayub, who has emerged as the dominant figure, are growing.

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DAILY BRIEF

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Philippines: Certain military groups have been exploring the possibility of an eventual take-over from the Garcia regime. These talks, which appear to have been given impetus by recent governmental changes in Pakistan and Burma, have most likely not reached a serious stage. If conditions in the Philippines continue their slow deterioration, however, the climate for a coup attempt might ultimately be created.

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Indonesia: The Djakarta government has received overtures for a peace settlement from the North Celebes rebel group, according to Foreign Minister Subandrio. Although the central government will refuse formal negotiations, it apparently is willing to make covert contact.

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LATE ITEM

GMIC Statement of 24 October 1958: Supplemental Statement on the 11 October 1958 Tyura Tam Activity--

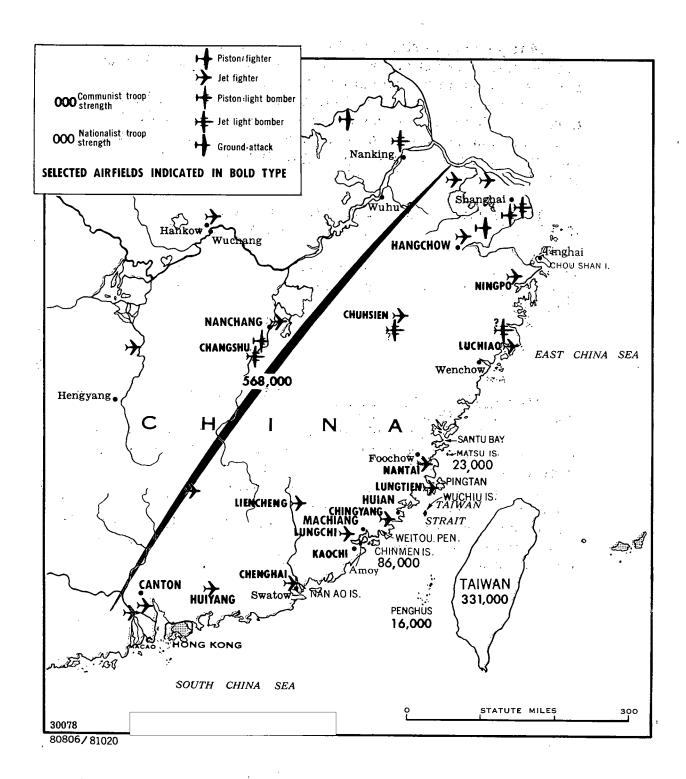
1. On 11 October 1958 the Guided Missile Intelligence Committee (GMIC) reported the probable launch of a space vehicle from Tyura Tam at 1740 EDT that date.

2. Information which has become available since 11 October has tended to establish that the operation failed to achieve its intended purpose. there is insufficient evidence to judge the operation as being successful or unsuccessful.

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I. THE COMMUNIST BLOC

Taiwan Strait Situation

Communist artillery fired more than 900 rounds against the Chinmens during the first two hours of the bombardment which resumed at 1100 Taipei time on 24 October after a 23-hour lull. The initial firing, which was directed against all of the islands in the Chinmen group, was described as "moderately harassing"; later in the afternoon the firing was described as "sporadic." Nationalist guns returned the fire.
nists are continuing to rotate jet fighter units in the coastal area. About 32 jet fighters, possibly a regiment, flew from Swatow's Chenghai airfield to Canton on 23 October.
Several TU-2 piston light bombers, possibly subordinate to the 23rd Air Division, were operating in the Huiyang area on 23 October, A total of three TU-2's of the Chenghsien-based 23rd Air Division flew to Changsha on 6 and 14 October, but TU-2's were not detected in flight to the Huiyang area from Changsha. In view of the small number of aircraft involved-three to five-no particular significance can be attached to this move.

There is evidence that the Chinese Nationalists may be planning to resume night propaganda airdrops over the China mainland. Taipei Radio reported on 24 October that the Taiwan tobacco and rice monopoly bureau has prepared 100,000 packs of cigarettes for airdrop, each of which will contain a safeconduct pass to "freedom."

In commenting on the Dulles-Chiang communiqué, the official Kuomintang newspaper Central Daily News asserts that the only way to deal with the Chinese Communists "is by means of force." The paper also says that the Nationalist campaign to recover the China mainland "seeks to couple a war in the Taiwan Strait area with a revolution on the mainland." It is not be be

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"a defensive war limited only to the defense of Quemoy and Matsu." Another Kuomintang newspaper, the Hsin Sheng Pao, says that the only effective measure the Nationalists can adopt is an "offensive attack against the aggressors."

These comments, which appear to contradict the spirit and possibly also the letter of the communiqué, probably were intended to offset any public impression that the government had weakened in its resolve to recover the China mainland. It is possible that the word has been quietly passed through party circles that the communiqué represents an accommodation to American opinion rather than á shift of Nationalist policy.

The initial Soviet reaction to the communiqué characterizes the statement as a clear expression of "American intentions to continue its policy of blunt interference in the internal affairs of China." According to one widely broadcast Soviet commentary, the purpose of the visit was to "increase tensions" in the area and pave the way for "further provocations" against the Peiping regime. The broadcast also assailed American propaganda for "falsely" claiming that the secretary intended to persuade the Nationalist Government to adopt a "moderate course, especially toward the offshore islands of Quemoy and Matsu."

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Hungary Threatens Retaliation Against United States

The Kadar regime on both 22 and 23 October threatened undefined retaliatory action against the United States for "contemptuous acts in Hungary and in international organizations" by American officials. These threats were made in connection with a Vatican request, presented to Hungary by the American chargé in Budapest, that Cardinal Mindszenty be allowed to attend the Sacred College of Cardinals now convening in Rome. Hungary abruptly rejected the request, characterizing this as another US intervention in Hungary's internal affairs, which "compels" it "to follow this matter with increasing attention."

In answer to a speech by Ambassador Lodge commemorating the second anniversary of the Hungarian revolution, the Hungarian permanent representative in the UN charged the United States with attempting to "undermine the peaceful life of the people and the state order of Hungary," and he threatened that if the attempts continue, his government "will find the appropriate ways and means of giving a commensurate reply."

The Hungarians' current bellicose attitude is consistent with the violent anti-American campaign which has been waged within Hungary for the past two months, admittedly in preparation for a counterattack against Western arguments when the Hungarian question comes up for debate in the current UN General Assembly session. The Hungarian Government hinted on 2 October at possible action against the American Legation in Budapest. An immediate break in relations is unlikely, but, according to the American chargé in Budapest, the possibility of an eventual break cannot be ruled out. This possibility has added significance, since any break in relations would presumably leave the cardinal, whom the regime considers a convicted criminal and unpunished "counterrevolutionary," at the regime's mercy.

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II. ASIA-AFRICA

UAR Concern Over Possible Israeli Move Against Jordan

The current campaign of the UAR, denouncing what it judges to be a military build-up of Israel by France and Britain, appears in part intended to justify UAR arms negotiations with the Soviet Union, actually begun prior to the Israeli purchases in the West. At the same time, however, the Arabs appear genuinely suspicious that Britain and France are preparing to support an Israeli move into Jordan if trouble should break out following the departure of British troops.

The Egyptians may also be attempting to maneuver the United States and other UN powers into preventing any Israeli military move against Jordan, while the UAR proceeds to work for establishment of a pro-UAR regime there.

Recent Israeli efforts to purchase arms abroad have resulted in a British agreement to sell 200 armored halftracks and about 30 miscellaneous service and maintenance vehicles from surplus stocks. Between 11 and 20 October, three Israeli ships unloaded between 65 and 75 half-tracks and 20 to 30 one-and-one-half-ton trucks at Haifa. The origin of these shipments is unknown. Israel has recently purchased recoilless rifles from the United States, and two submarines and possibly 55 medium tanks from Britain. Israel has also sought arms, particularly combat aircraft, from France, although the results of this effort are unknown. Israel, however, has recently purchased three more French Nortlas aircraft suitable for transporting paratroops. Israel now has at least six of these transports, in addition to 16 C-47's. In the event of an attack on West Jordan, Israel would probably commit elements of its parachute brigade to seize the Allenby Bridge over the Jordan River, thereby gaining control of the most important line of communication between Transjordan and the West Bank.

UAR-Soviet arms negotiations seem to have gone forward without any close relation to Israeli requisitions; UAR Vice President Amir's mission to Moscow this week was almost

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Algerian Rebel Troops Displaying Increased Hostility Toward Bourguiba

Elements of the 10,000 Algerian rebel troops reported operating from Tunisia have reportedly become increasingly hostile toward President Bourguiba in recent weeks.
these elements side "completely" with Nasir in his dispute with Tunisia, are receptive to Cairo radio's claims that Bourguiba is holding back the Algerian independence movement, and are prepared to take over Tunisia at any time.
Heightened rebel suspicion of Bourguibaespecially as to his dealings with France
Responsible American journalists who had contact with rebel troops in July and again in September encountered widespread contempt for Bourguiba and much criticism of his "pro-French views."
Top level rebel political and military leaders, who clashed publicly with Bourguiba last summer over an oil pipeline concession he granted to a French company, have not recently evinced any serious dissatisfaction with the Tunisian President. These leaders, however, now may be losing control of some of their front line fighters who are reported confused and frustrated over recent developments with respect to the Algerian situation.
Drastic action by Algerian rebels against the Bourguiba regime does not appear imminent. Should an attempt be made, however, by a significant number of the rebel forces deployed in or near Tunisia, the inadequately equipped Tunisian security forces by themselves would probably be unable to suppress it.

Pakistan

President Mirza on 24 October announced the formation of a cabinet to deal with the new Pakistani regime's major administrative and economic problems. Army commander Ayub was named prime minister. The cabinet includes three other army generals and eight non-political civilian experts. Mansur Qadir, a little-known lawyer from Lahore, was appointed foreign minister. The constitution has not been restored; martial law continues.

This move, following the reorganization of old ministries and the reassignment of senior civil servants ordered on 19 October, should help fill the policy vacuum which has hindered the operation of government departments since the take-over on 7 October. Implementation of the reforms promised by Mirza and Ayub has been slowed by administrative confusion and lack of direction. Civil servants have been afraid to act without instructions from the martial-law authorities, who apparently have not been certain how to direct them.

General Ayub, who will continue to function as chief martiallaw administrator and army commander, will head the ministries of defense and Kashmir affairs besides serving as prime minister. His prominent position, along with the presence of the other top army officers in the cabinet, suggests the Pakistani Army will play a dominant role in civil affairs even after martial law is lifted.

Indications of an eventual rift between Mirza and Ayub are growing. Each appears to be trying to top the other in statements to the press. Mirza is reported increasingly worried over his ability to control the more powerful Ayub, and already may be considering ways of eventually removing him from government leadership. As long as Ayub's prestige with the people and his support among the armed services remains intact, however, Mirza is not likely to risk a move against him. Ayub, who has emerged as the dominant figure in the regime, is more likely to try to oust Mirza if the President fails to cooperate or attempts to undermine Ayub's position.

Military in Philippines May Be Considering Eventual Action Against President Garcia

Certain military elements in the Philippines appear to be continuing exploratory discussions of a coup to unseat President Garcia's regime. The army chief of staff, according to one source, was approached about such an effort, but is said to have refused. Another report alleges that Vice President Macapagal has been confidentially informed of a "planned build-up" leading to a military coup, possibly to be led by Defense Secretary Vargas.

The Philippines director of intelligence, in assessing the situation, is said to believe now that a well-planned coup could succeed. He speculates that the recent take-overs in Burma and Pakistan, executed under the anti-Communist banner, might provide a good excuse for similar action in the Philippines. In this connection, he noted a consistent build-up of Defense Secretary Vargas as a strong anti-Communist.

These reports are similar to earlier ones of dissatisfaction among military elements. Their vagueness suggests
that in any event discussions along these lines probably have
not reached a serious stage. There is, however, considerable
disgruntlement in the Philippines over both economic and
political conditions, abetted by the marked failure of Garcia
to excite popular enthusiasm. Criticism of corruption and
maladministration has grown in recent months, and the
continued slow deterioration eventually could provide the
necessary motivation for an anti-Garcia move.

Celebes Dissident Leaders Reported Making Peace Approach

Foreign Minister Subandrio told the American ambassador that the central government has received a communication from North Celebes dissidents led by Colonels Kawilarang and Warouw indicating that they are ready to accept Indonesia's present constitution. The message implied that the dissidents are convinced that the central government is meeting their demands by taking anti-Communist measures and steps toward solving regional financial problems.

Subandrio said the government would not negotiate with the rebels, but he did not rule out the possiblity of reaching a covert understanding. He said the North Celebes rebellion would be easier to solve than the one in Sumatra, since the former had less popular support.

Periodic peace feelers from various dissident spokesmen as well as the central government have been reported, particularly since the fall of major towns in North Celebes last August. As described by Subandrio, the Kawilarang-Warouw approach is a more moderate dissident position than any previously expressed. Any follow-through, however, would probably depend on government terms for treatment of dissident leaders.

When and if a settlement is arranged, it is likely to be piecemeal as the dissidents become less hopeful of the success of their revolt and more factionalized. Colonels Kawilarang and Warouw may not be acting for all leaders in North Celebes and are even less likely to be speaking for Sumatran dissidents. Kawilarang, former military attaché in Washington, holds no post in the rebel regime, having refused the position of commander in chief for North Celebes. Warouw is acting premier of the rebel regime.

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Special Assistant for National Security Affairs

Scientific Adviser to the President

Director of the Budget

Office of Defense and Civilian Mobilization

Special Assistant for Security Operations Coordination

Board of Consultants on Foreign Intelligence Activities

Special Assistant for Foreign Economic Policy

Special Adviser to the President

The Treasury Department

The Secretary of the Treasury

The Department of State

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

Director, International Cooperation Administration

The Director of Intelligence and Research

The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

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Assistant Chief of Staff for Intelligence, Department of the Army

Director of Naval Intelligence, Department of the Navy

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