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23 August 1958

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CENTRAL

INTELLIGENCE

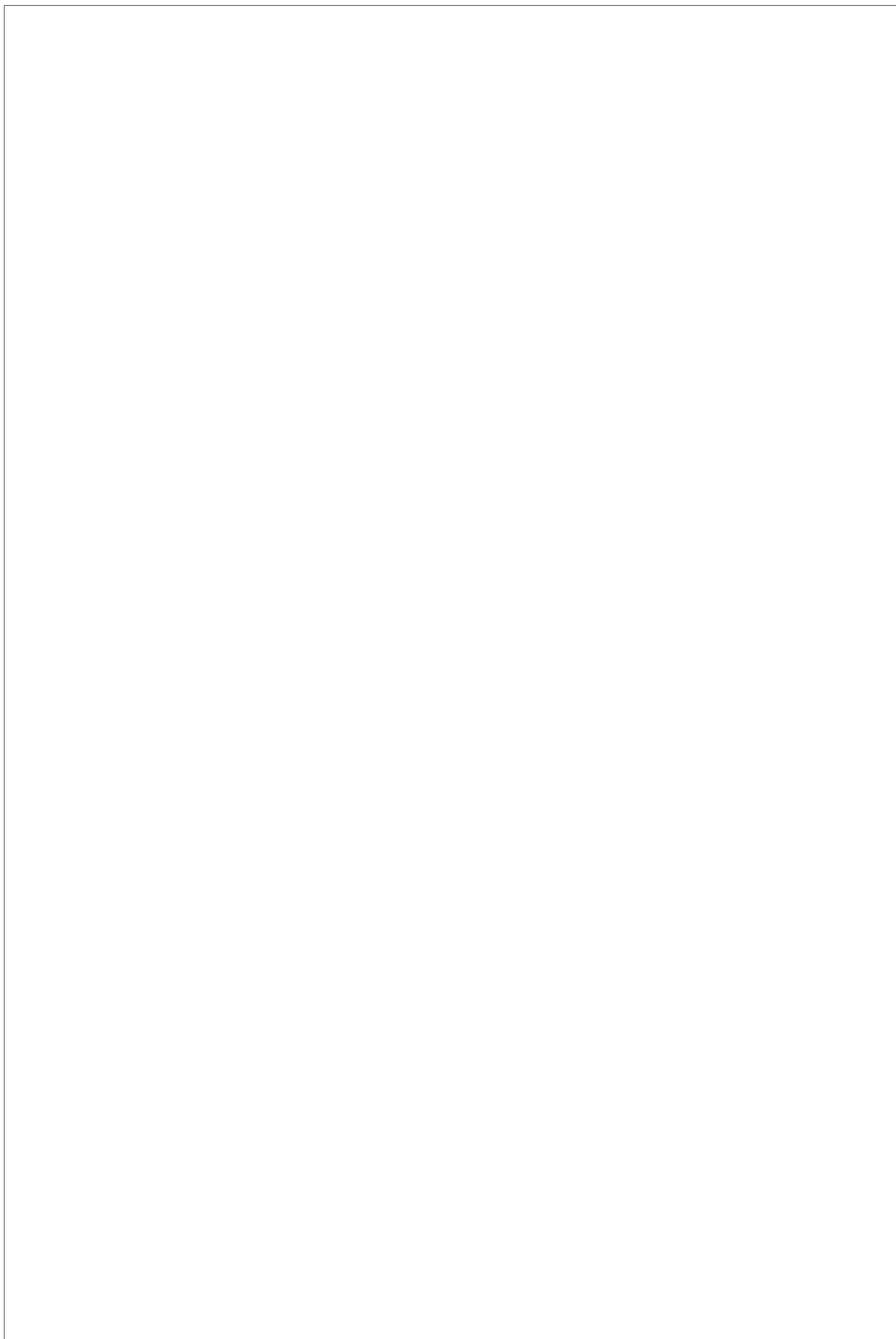
BULLETIN



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23 AUGUST 1958

I. THE COMMUNIST BLOC

Chinese Communist jet light bombers fly from Nanking to South China, where no bombers are presently based. ①

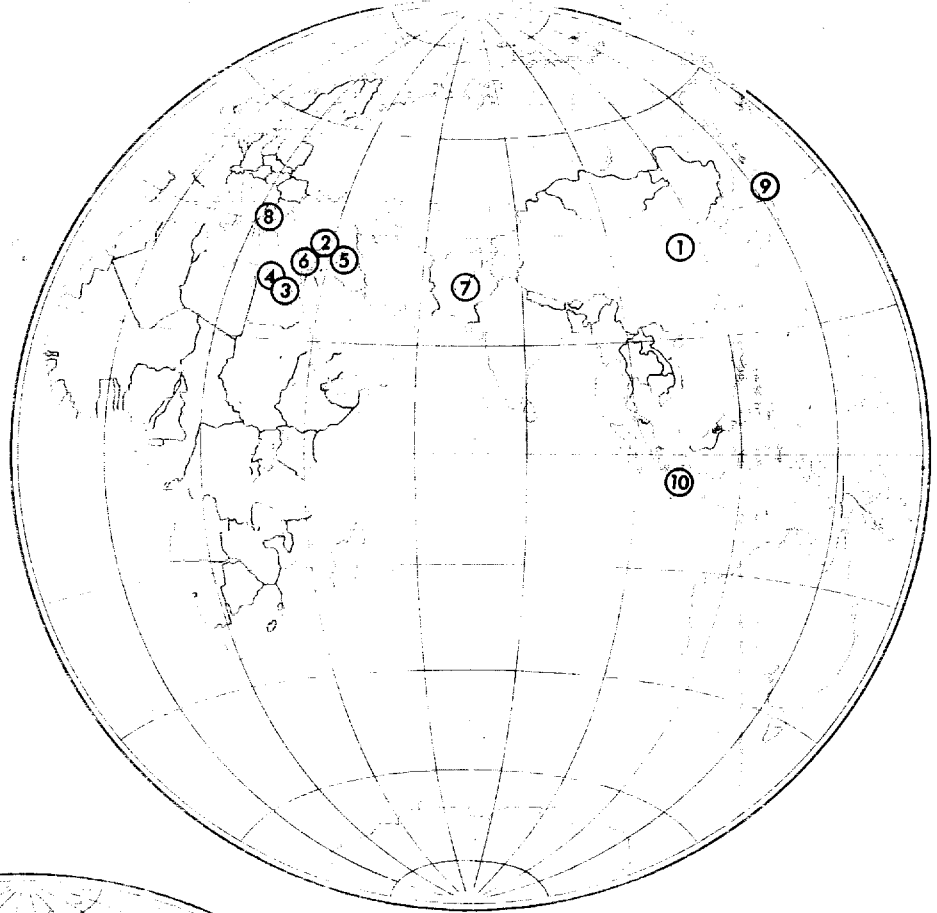
USSR delivers MIG-17's and other arms to Syria. UAR now seeks MIG-19's to offset Israeli acquisition of French Vautours. ②

II. ASIA-AFRICA

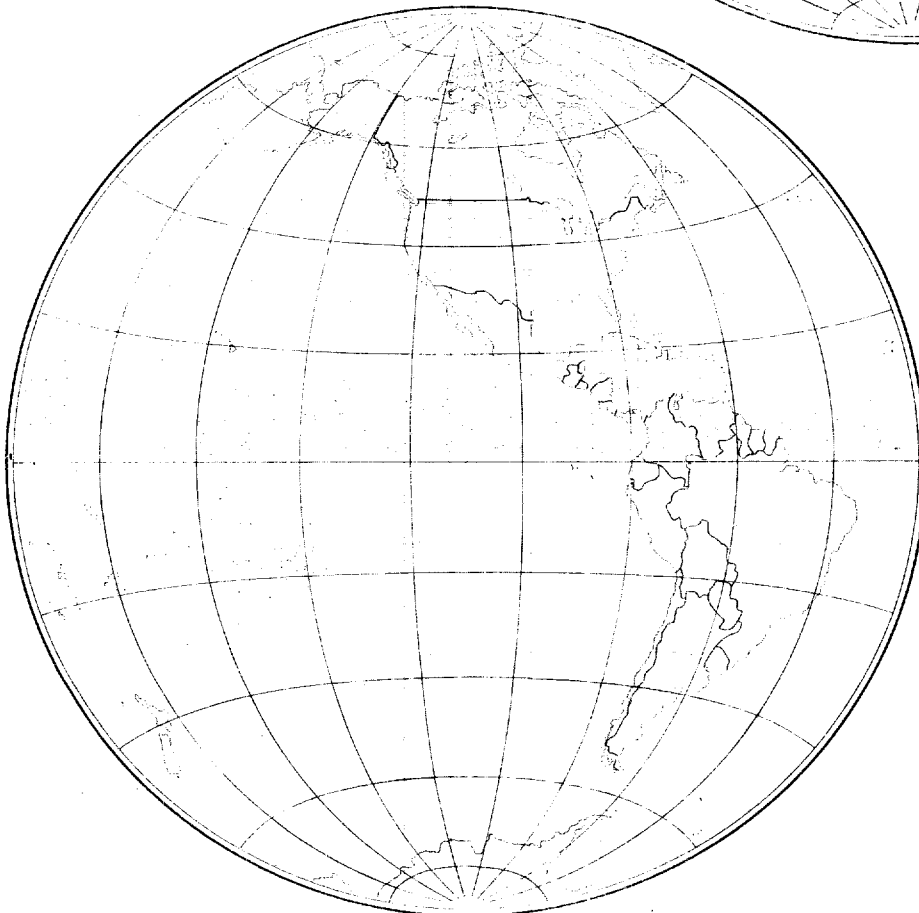
Nasir may exploit emphasis on Arab League agreement in United Nations to further his reported plans for revived pro-UAR Arab League. ③

Egyptian source characterizes Sudan as Nasir's next target. No timetable indicated, and action now would run counter to present UAR pose of moderation. ④

Iraqi regime now permitting more open anti-Western statements and activities. ⑤



- ⑥ Israel continues military preparations.
- ⑦ Pakistan prime minister's 21 August speech invites Iraq to quit Baghdad Pact.
- ⑧ There are an increasing number of signs that Greek Government may resign over Cyprus issue.
- ⑨ Japan plans to extend \$20,000,000 credit to Burma.
- ⑩ Indonesian dissidents hampered by defections and ammunition shortage.

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~~TOP SECRET~~ [redacted]

CENTRAL INTELLIGENCE BULLETIN

23 August 1958

DAILY BRIEF

I. THE COMMUNIST BLOC

SRAB

No

Communist China: At least five IL-28 jet light bombers-- and possibly as many as five flights--subordinate to the Chinese Communist 8th Air Division flew on 22 August from their base in Nanking to Chingchiang, located about 55 miles south of Nanchang in East China. This may be the beginning of a deployment of IL-28 jet light bombers to South China where no bomber aircraft are presently based. [redacted]

[redacted] (Map) (Page 1)

No

Soviet arms for UAR: During the past six weeks, four to five Soviet vessels have delivered to Latakia military equipment including 55 to 60 T-54 medium tanks and more than 150 artillery pieces, including antitank weapons. On 20 August a ship offloaded 18 large crates at Latakia. This delivery and earlier sightings of crates suggest that the USSR has delivered a squadron of MIG-17 all-weather jet fighters. [redacted]

[redacted] the UAR, aware that the Israelis have new French Vautour twin-jet aircraft, apparently has decided to try to obtain MIG-19 jet fighters from the Soviet bloc.

[redacted] (Page 2)

II. ASIA-AFRICA

No

Middle East resolution: Nasir probably believes that the Arab-sponsored resolution serves his long-range interests. He may feel that the governments of Lebanon and Jordan will

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come under his influence in due course and that a show of moderation and a desire to cooperate with Hammarskjold at this time are the most effective tactics for obtaining the withdrawal of British and American forces from the area and increasing Arab prestige. The resolution's emphasis on agreements reached within the context of the Arab League may be consistent with reported UAR plans for a revival of the League as a pro-Nasir alliance. [redacted]

No

*UAR-Sudan: Nasir is reported to have stated on 19 August that the Sudan will be the UAR's next target and has ordered preparations for a press campaign against Khalil's government. He did not indicate any timetable for action. Nasir has a strong personal animosity toward Khalil, but the launching of an aggressive propaganda campaign at this time--in addition to the UAR's present subversive program--would run counter to the overt line of moderation which the UAR has recently assumed. [redacted]

OK

Iraq: The Baghdad regime, now less apprehensive of Western military intervention, is permitting more open expression of anti-Western--particularly anti-American--sentiments which it had earlier tried to curb. While the present leaders with some exceptions appear to be relatively moderate, competition among factions may lead to still greater emphasis on anti-Western themes and possibly to early consideration of such moves as oil nationalization. [redacted]
(Page 3)

No

Israel-UAR: The Israeli Army appears to be continuing its military preparations for any trouble arising out of the situation in Jordan. There are indications that armor is being concentrated near Beersheba in southwestern Israel. The UAR has complained publicly this week that Israeli patrols had crossed its frontier in this area. [redacted]
[redacted]

23 Aug 58

DAILY BRIEF

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OK
Pakistan: Prime Minister Noon's statement on 21 August that "we do not want Iraq to stay with us in the Baghdad Pact," may have been designed to encourage Iraq to make a formal break. Pakistani leaders have long believed that Iraq's involvement in Arab affairs created problems for the other Baghdad Pact members and that closer cooperation would be possible without Iraq. [redacted] (Page 4)

OK
Greece: There are an increasing number of indications that the Karamanlis government may resign over failure to settle the Cyprus controversy. Any successor government, while basically pro-Western, might feel compelled to adopt a more neutralist policy. [redacted] (Page 5)

OK
Japan-Burma: Japan intends to grant a \$20,000,000 credit to Burma as part of a campaign to expand economic ties with free Asian countries. This loan will offer competition to the bloc economic offensive in Burma; the USSR has granted credits of \$37,000,000. Tokyo has already extended a \$50,000,000 credit to India and is studying similar action for Ceylon and Pakistan. [redacted] (Page 6)

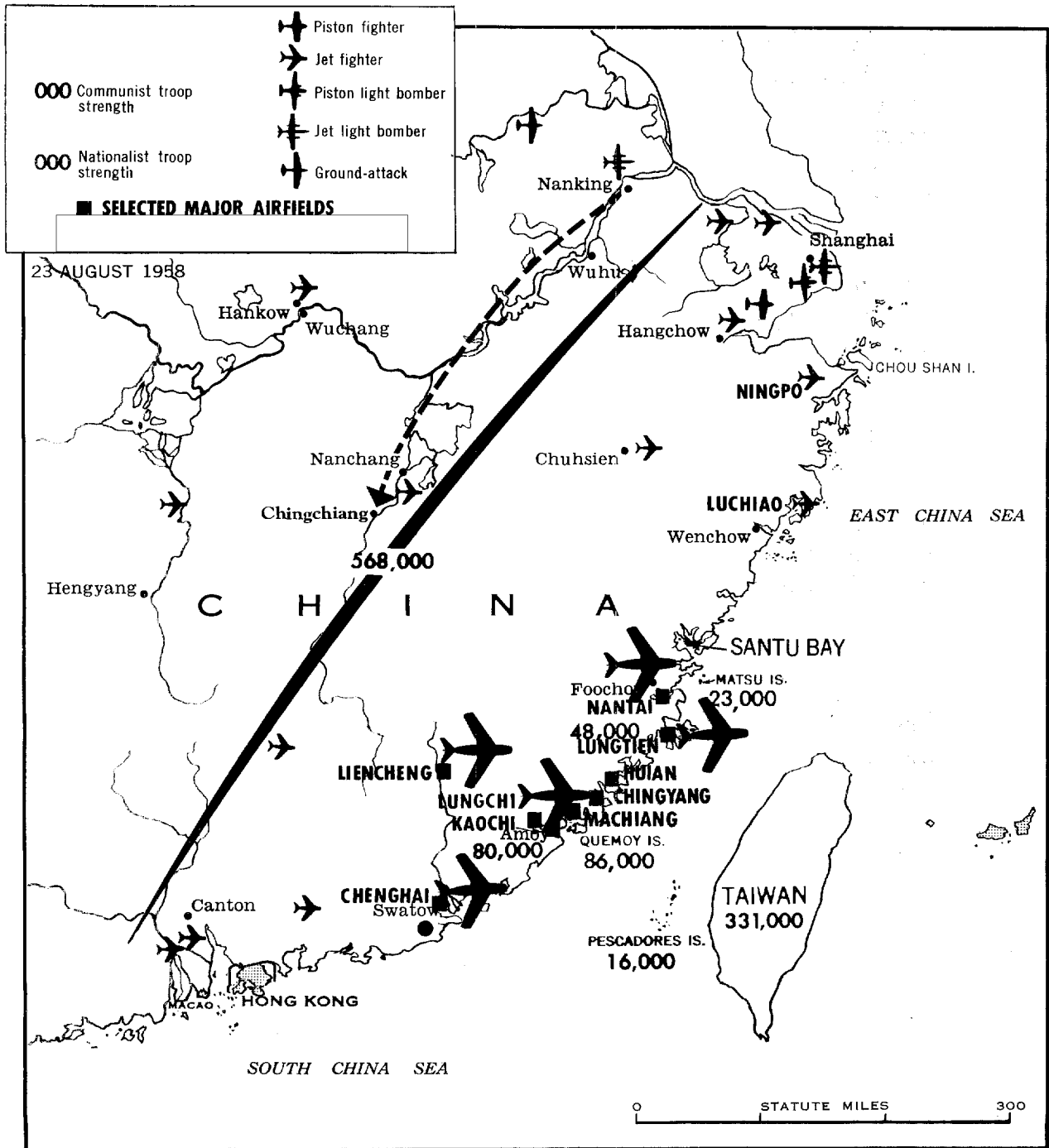
OK
Indonesia: Dissident troop defections apparently are proving a significant factor in the government's progress in subduing the insurgents in North Celebes. In North Sumatra, the dissidents' shortage of ammunition, following intensive action earlier this month, has forced at least a temporary cessation of guerrilla activities there. [redacted] (Page 7)

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I. THE COMMUNIST BLOC

Chinese Communist Military Situation

At least five IL-28 jet light bombers subordinate to the Nanking-based Chinese Communist 8th Air Division flew on 22 August from their base to Chingchiang, located about 55 miles south of Nanchang in East China, [redacted]

[redacted] These bombers could have been flight leaders for five flights of IL-28's.

These planes may operate from Chingchiang, which is about the same distance from the Taiwan Strait as Shanghai, up to this time the southernmost jet bomber base in Communist China. However, if the 8th Air Division--equipped with about 90 IL-28's--is being deployed to South China, Communist offensive capabilities in the Taiwan Strait area would be greatly increased. [redacted]

[redacted] contacts between Shanghai-based naval bombers and tactical controllers who may be in Southeast China.

Numerous unconfirmed reports indicate that Communist ground forces in East China are being reinforced. Although these reports may be exaggerated, it is probable that additional troops are being moved in.

Since 16 August, the number of Chinese Communist naval patrol craft operating in the Amoy and Santu Bay areas has about tripled, and the level of naval communications in East China has been above normal since 13 August. This activity, together with the movement of four naval vessels now tentatively identified as motor torpedo boats into Santu Bay on 17 August, suggests preparations for interdiction operations against the offshore islands.

On the night of 21-22 August, Chinese Nationalist aircraft overflew Anhwei, Chekiang, and Kiangsu Provinces on the China mainland, dropping leaflets and "relief parcels" containing rice, towels, needles, and thread. The Nationalists have carried out many missions of this type in the past, but this is the first since the Communist occupation of the coastal airfields. The Nationalist Air Force says that all aircraft returned safely despite Chinese Communist interception attempts.

[redacted]

[redacted]

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Soviet Arms Shipments to Syria

A Soviet vessel offloaded 18 large crates at Latakia on 20 August, [redacted] These crates and those which have been sighted earlier probably contain the squadron of MIG-17 all-weather jet fighters scheduled for shipment to Syria in July. The UAR arms purchasing mission in Moscow informed Damascus in June that the UAR officers being trained on these aircraft in the USSR would have completed their courses by the end of July.

[redacted] the UAR, aware that the Israelis have new French Vautour twin-jet aircraft, apparently has decided to try to obtain MIG-19 jet fighters as well from the Soviet bloc. Four to five shiploads of Soviet military equipment, probably including 55 to 60 T-54 medium tanks, have been delivered to Latakia in the past six weeks. Since the USSR resumed major arms shipments to Syria in July, more than 150 artillery pieces--possibly including radar-controlled 57-mm. and 100-mm. anti-aircraft guns--have been delivered to Latakia. These arms, along with large quantities of small arms and ammunition, were contracted for by the Syrians under an agreement concluded on 20 February 1958.

In addition, several Soviet vessels transported numerous motor vehicles and other equipment to the Syrian region during this six-week period. A recent British report claims that JS-3 heavy tanks were offloaded at Latakia early in August, but the report does not specify whether these tanks were supplied by the Egyptian region or the Soviet Union.

[redacted]

[redacted]

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II. ASIA-AFRICA

Iraqi Regime Moving Toward More Anti-American Policy

Although Iraqi Prime Minister Qasim and certain other ministers have given repeated assurances of friendship toward the US, the government is relaxing curbs on anti-Western--particularly anti-American--actions.

Among the disquieting signs of this trend are the rabble-rousing speeches of Vice Premier Arif, who harps on the "evils of imperialism"; the emphasis on "imperialist plotting against Syria" in the current "treason trials" for former military leaders; an attempt to "nationalize" the American Mission Hospital at Amara; and a refusal to allow reopening of the USIS and Military Advisory Assistance Group offices and interference with the work of Point IV technicians. Other irritants are restrictions on diplomatic pouches and diplomatic visas as well as on the communications and movements of the American consul at Kirkuk.

Public hostility toward Americans has been reflected in the spitting on and stoning of embassy officers, a rash of Iraqi student withdrawals from "imperialist" Point IV scholarships, and charges that Point IV has been used to organize "anti-Communist cells" for carrying out sabotage. Iraqi friends of Americans are afraid to be seen talking with them in public. Western contractors are experiencing labor troubles on the large development projects and some have intimated that they will accept no more new contracts, a move which might induce the Iraqis to look to the Soviet bloc for technical help.

Should the current Baathist-Communist struggle or other factional fights for influence assume wider proportions, individual members of the regime may feel compelled to voice increasingly anti-Western propaganda lines in order to retain their positions. It is likely that demands for denunciation of the Baghdad Pact and for "nationalization" of the nation's oil will be favorite themes, as well as the opening up of development contracts to the Soviet bloc.

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Pakistani Prime Minister Calls for Iraq to Leave Baghdad Pact

Pakistani Prime Minister Noon said in a speech on 21 August that Iraq should leave the Baghdad Pact, that Pakistan believes Arab unity under the leadership of Nasir would lead to greater Islamic unity, and that Pakistan would be willing to enter a federation with Iran and Afghanistan. In contrast to his 8 March speech in which he threatened to leave all defense pacts if Western support for Pakistan on the Kashmir issue was not forthcoming, the recent speech was not anti-Western and explicitly defended the concept of collective security arrangements.

While Noon's statement may have been timed to impress public opinion prior to elections, Pakistani leaders have long believed that Iraq's involvement in Arab affairs created problems for the other Baghdad Pact members and that closer cooperation would be possible without Iraq. Pakistani leaders are unlikely, however, to approve his remarks on Arab unity because of their distrust of Nasir and his willingness to cooperate with the USSR. While recognizing that an accommodation with Arab nationalism is necessary, they probably hope that Arab unity will take the form of a loose federation rather than a united state.

Noon's offer to federate with Iran and Afghanistan may heighten Afghan suspicions of Pakistani intentions, as the Afghan leaders have already stated that they are not interested in such a federation. His remarks on Islamic unity may cause increased apprehensions in India, which has supported Arab nationalism but is fearful of the emergence of a pan-Islamic bloc..

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Greek Government May Resign Over Cyprus Dispute

Extreme pessimism regarding recent and anticipated future developments in the Cyprus controversy has been voiced by pro-Western Greek government leaders, and the cabinet has discussed resigning. Prime Minister Karamanlis has earlier said that he would have to resign if adverse developments in the Cyprus dispute continued.

Greek frustration over Cyprus reached a new high with London's 15 August announcement that it intended to begin implementation of a modified version of the British seven-year "Partnership" Plan for Cyprus. Provision for Turkish representation in the proposed Cyprus government and the general acceptance of "organic partition" between the two communities on the island made the plan unacceptable to Greek Cypriot Archbishop Makarios. His immediate rejection of the plan made eventual rejection by Athens a certainty.

The Cyprus issue is only one of many factors in a growing estrangement between Greece and the West which may lead Greece to dissociate itself--possibly even withdraw--from NATO. Large segments of the public and the government believe that Greece has been abandoned by the US in the Cyprus controversy and that Washington discriminates in favor of Turkey politically, economically, and militarily. In addition, cordial relations between Greece and the UAR have resulted in widespread condemnation in Greece of recent Western moves in the Middle East.

If the present government resigns, it will probably be followed by a weaker coalition of non-Communist parties--possibly under conservative leader Panagiotis Kanellopoulos. It is doubtful, however, that such a government could do more than its predecessor to reach a settlement of the Cyprus issue, particularly if Makarios refused to acquiesce in such moves.

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Japan Approves Economic Credit for Burma

The Japanese Government on 22 August approved a Burmese request for a \$20,000,000 credit to be used for purchasing Japanese products, probably machinery and other industrial products. The credit would be in addition to reparations payments to Burma and is part of a Japanese campaign to expand its own economic ties and counter Communist bloc penetration in the area.

Japan thus far has extended a \$50,000,000 credit to India and is studying similar action on requests from Ceylon and Pakistan. The credit to Burma would tend to counter a Sino-Soviet bloc economic offensive in which Peiping has offered a \$4,200,000 loan for construction of a textile plant and Moscow has extended \$37,400,000 in credits. The United States has lent \$42,300,000 to Burma.

Tokyo, fearful of Communist China's call for a boycott of Japanese products by Overseas Chinese residents in Southeast Asia and by price reductions of up to 20 percent on competitive Chinese products, is anxious to expedite measures for orienting Asian trade toward Japan. As one means of achieving this, Foreign Minister Fujiyama will ask for US assistance in establishing a multinational development fund for South and Southeast Asia when he visits Washington on 11 and 12 September for discussions of problems in American-Japanese relations.

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Indonesian Dissidents Suffering Losses

The surrender of three battalions of dissident troops at Tomohon has "broken the back" of the dissident movement in North Celebes, [redacted]

[redacted] Djakarta army headquarters is now optimistic over the chances of a quick settlement with the North Celebes dissidents [redacted]

[redacted]

[redacted] he defection of the sector commander at Tomohon, their last major stronghold, caused its fall to central government troops on 16 August. [redacted]

[redacted]

In North Sumatra, the dissidents [redacted] have suspended operations on 18 August because of a shortage of ammunition. They probably nearly expended their slim stocks of ammunition during their intensive campaign of hit-and-run attacks against government posts during the first half of the month. Despite supply difficulties, the North Sumatra dissidents have succeeded in denying to the central government all but a few major towns. [redacted]

[redacted]

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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

The Chairman, The Joint Chiefs of Staff

Commandant, United States Marine Corps

The Director, The Joint Staff

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

Deputy Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of the Army

Director of Naval Intelligence, Department of the Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

Supreme Allied Commander, Europe

Commander in Chief, Pacific

The Department of the Interior

The Secretary of the Interior

Federal Bureau of Investigation

The Director

Atomic Energy Commission

The Chairman

National Security Agency

The Director

National Indications Center

The Director

United States Information Agency

The Director

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