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27 August 1958



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# CENTRAL INTELLIGENCE BULLETIN



REFERENCE: *22-X*  
 AUTHORITY: *2010*  
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27 AUGUST 1958

### I. THE COMMUNIST BLOC

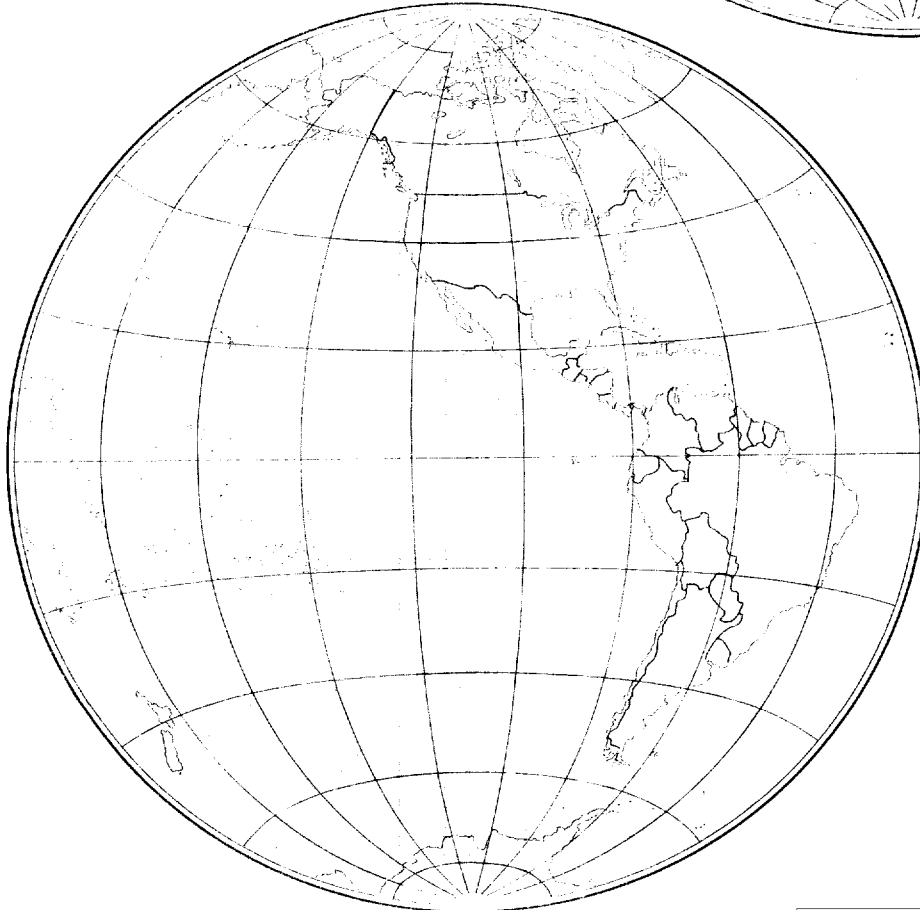
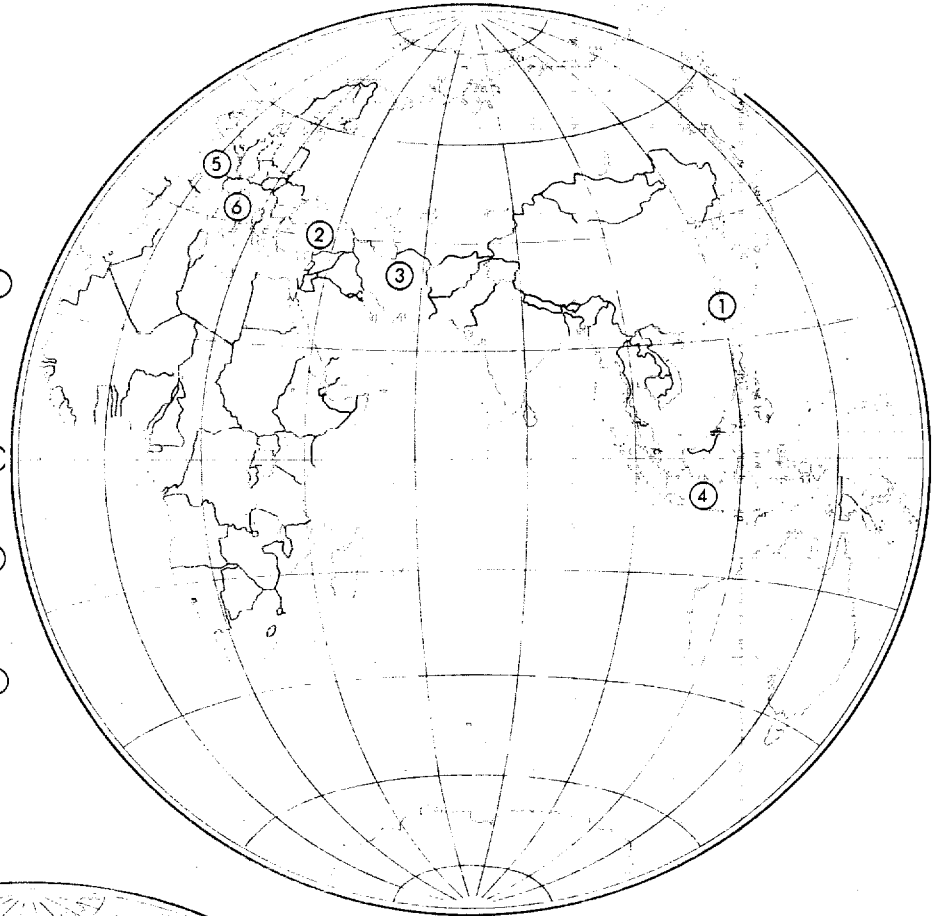
Chinese Communists continue East China air build-up; Quemoy shelled for fifth day.  ①

### II. ASIA-AFRICA

Turkish willingness to cooperate in British interim plan for Cyprus increases pressure on Greek Government. ②

Iran - Regime's efforts to explain away recent arrests have not allayed unrest. ③

Indonesian dissidents considering threat to Americans in effort to raise money. Djakarta government bans Chinese Nationalist party. ④



### III. THE WEST

- ⑤ French security officials estimate some 80,000 active Algerian rebels available to carry on terrorism in metropolitan France.
- ⑥ Italy plans to try to promote direct Israeli-UAR negotiations.

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## CENTRAL INTELLIGENCE BULLETIN

27 August 1958

## DAILY BRIEF

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## I. THE COMMUNIST BLOC

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\*Taiwan Strait Situation (as of 0100, 27 August): The Chinese Communists continue to augment their jet fighter strength in East China. There are some indications that additional ground forces have moved into the Taiwan Strait area, but they are unconfirmed.

The bombardment of the Chinmen (Quemoy) Islands continued into the fifth day.  (Page 2) (Map)

## II. ASIA-AFRICA

*OK*

Cyprus: Turkish acceptance of the interim British plan for Cyprus will increase Athens' feeling of isolation on this issue and will intensify pressure on the Karamanlis government. Ankara continues to regard partition as the ultimate solution to the problem.

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*OK*

Iran: The recent alleged conspiracy against the regime has been written off publicly by a government spokesman

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as a frame-up for undisclosed "special reasons." While this episode may have been a clumsy attempt by one of the security chiefs to destroy another, unrest and anxiety continue. Popular criticism of the regime is increasing, and reports of further plotting within the army persist.

[redacted] (Page 5)

OK  
Indonesia: The dissidents, who now are seriously in need of funds, are considering threats of economic sabotage and kidnaping of Americans as a means of acquiring money. The Djakarta government, apparently in retaliation for Chinese Nationalist aid to the dissidents, has banned the Kuomintang party and organizations in Indonesia, a move which will permit a further increase in the already dominant Communist influence in the Chinese community. However, the decree is aimed at all parties with foreign ties and could be used against the Communist party.

[redacted] (Page 6)

### III. THE WEST

NO  
France: The coordinated Algerian National Liberation Front (FLN) sabotage and terrorist attacks throughout France may signal the opening of a campaign designed to encourage massive abstention of Algerians in the 28 September constitutional referendum and to undermine French confidence in De Gaulle's cautious approach to the Algerian problem. French security officials estimated active male FLN members in France at 80,000 earlier this year, the bulk in the Paris region but a substantial number around Marseilles, where sabotage of petroleum installations has been particularly successful.

[redacted] (Page 7)

(Map)

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DAILY BRIEF

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Italy-Israel-Egypt: Prime Minister Fanfani plans to promote negotiations between Israel and Egypt. The Israelis would probably welcome direct negotiations with the UAR because this would imply recognition by the Arabs. Nasir is unlikely to consider such negotiations at this time.

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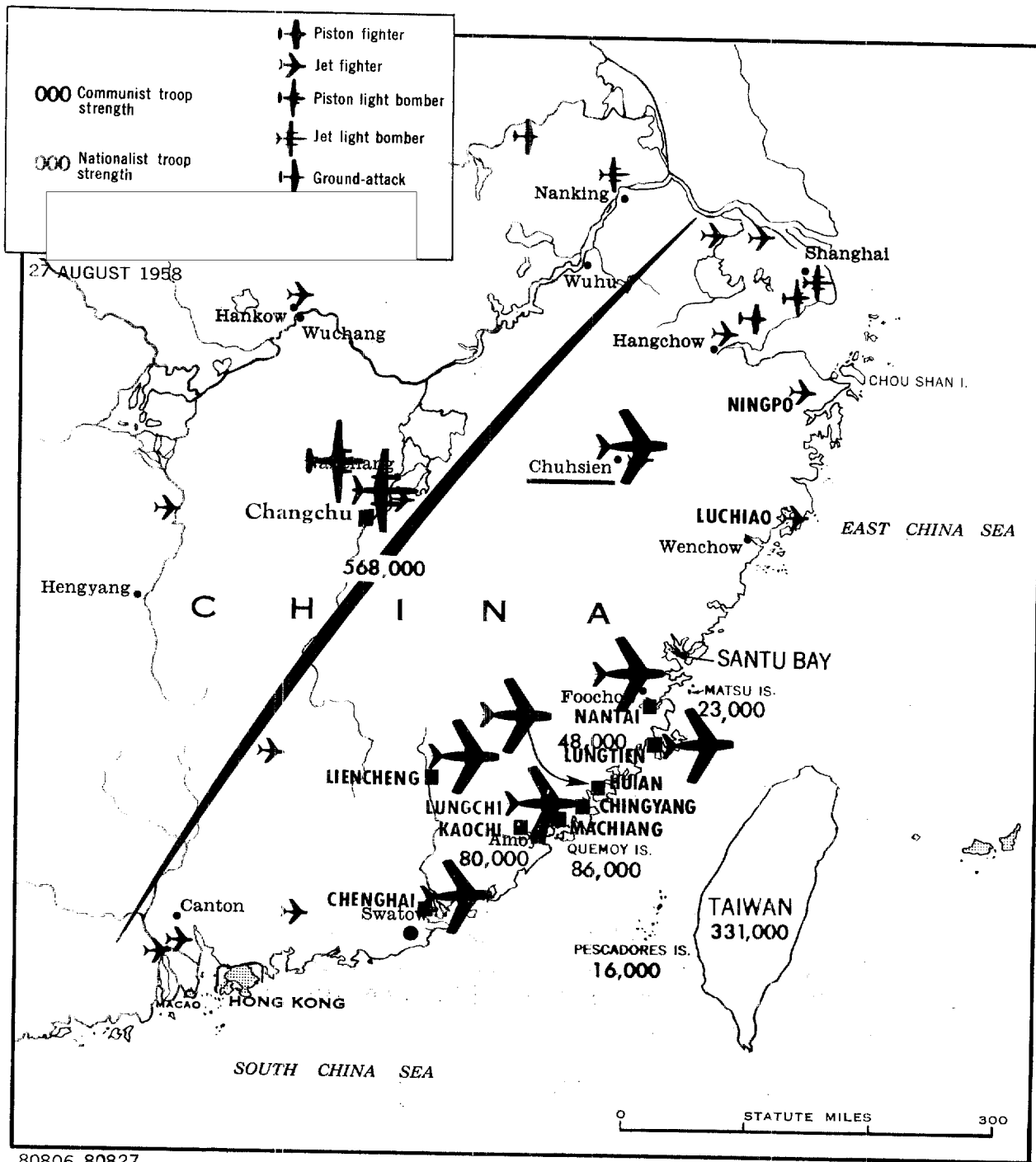
DAILY BRIEF

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## I. THE COMMUNIST BLOC

### Taiwan Strait Situation (as of 0100 EDT, 27 August):

The Chinese Communists continue to build up their jet fighter strength in East China. At least 26 "fighter-type" aircraft were scheduled to fly from North China to Chuhsien airfield (about 200 miles north of Foochow) on 24 August. These aircraft may be deploying south to airfields in the Taiwan Strait area because at least one fighter division is already based at Chuhsien. Prior to this move, the number of jet fighters deployed to airfields opposite Taiwan had reached about 200.



Communist artillery batteries continued the bombardment of the Chinmen (Quemoy) Islands into 27 August, the fifth consecutive day. The airfield on Chinmen appeared to be a primary target.



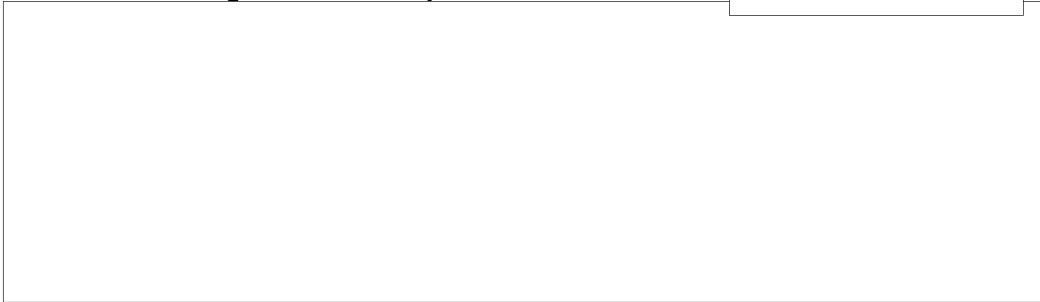
The Chinese Communists continue publicly to portray their position as a defensive one, limited only to "retaliatory" action. In contrast to the situation during the major shelling of Chinmen in 1954, there have been no contrived victory meetings in which support was pledged for liberation of Taiwan and the offshore islands.

Both Moscow and Peiping news media have avoided any direct comment on Secretary Dulles' 23 August warning,

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choosing instead to quote foreign press stories which picture the United States as the aggressor. Communist radio and press have carried a minimum number of reports on only the 23 and 24 August artillery bombardments. [redacted]



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## II. ASIA-AFRICA

Turks Accept British Plan for Cyprus

Turkey's 25 August acceptance of the modified British plan for Cyprus was made virtually certain by Greek rejection of the plan on 19 August. Turkish Cypriots, following Ankara's lead, can be expected to accept the plan and assist the British in implementing its provisions.

In announcing Turkish acceptance, Foreign Minister Zorlu emphasized that Ankara accepts the plan as an interim arrangement but continues to believe that partition of Cyprus is the only final solution to the problem. Zorlu specifically noted that Britain had again confirmed Colonial Secretary Lennox-Boyd's promise on 19 December 1956 that in the event self-determination was eventually granted to Cyprus, equal rights of self-determination would be given to both communities.

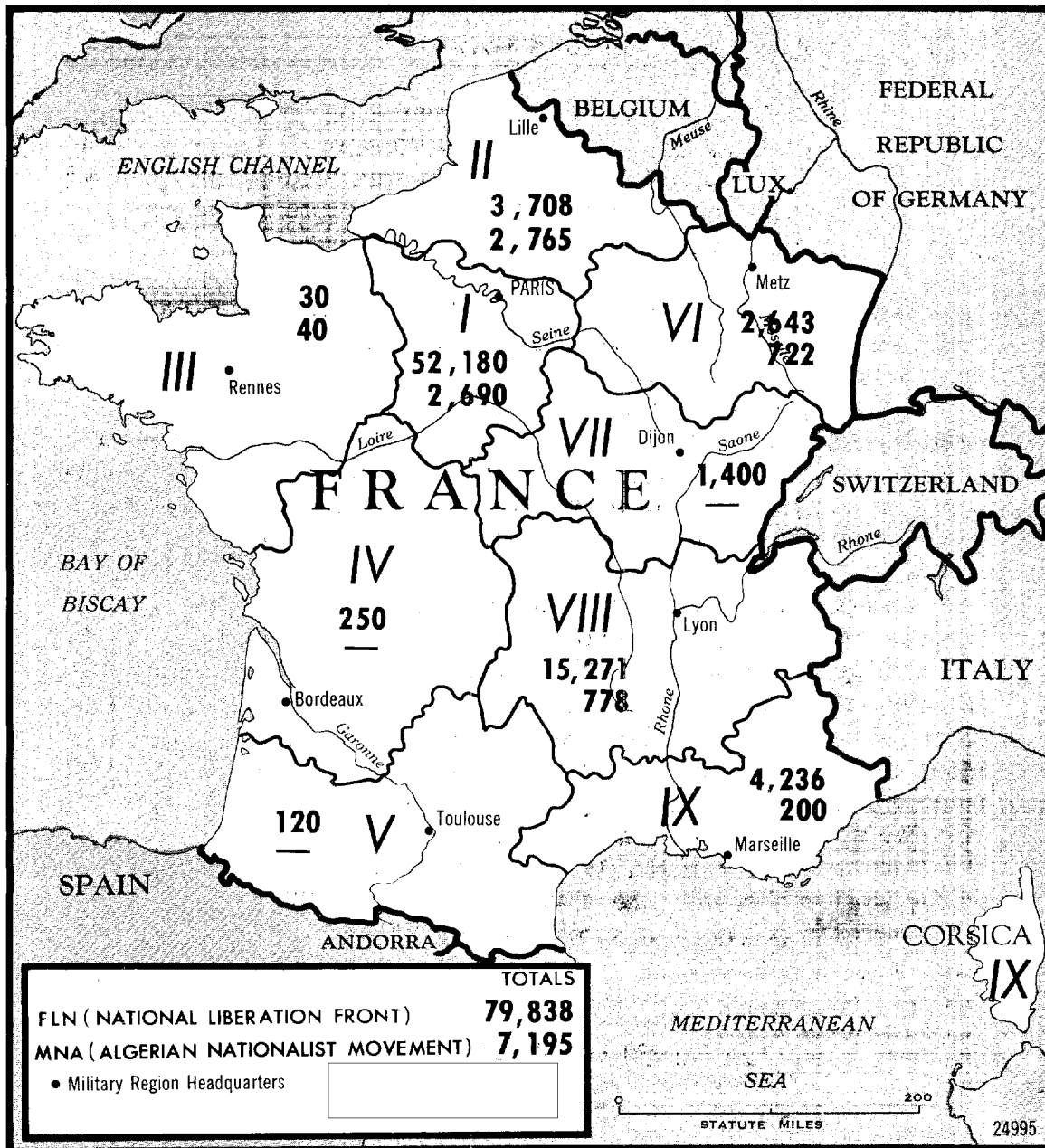
Ankara's acceptance of the plan will probably preclude further concessions by London to meet Greek objections. Athens had expected the Turkish move, which will be greeted in Greece with new charges of Anglo-Turkish collusion against the Greek Cypriots. The Greek Government and Archbishop Makarios will now concentrate efforts on gaining acceptance of a favorable resolution on Cypriot self-determination at the next regular session of the United Nations General Assembly. If the large majority of NATO members again votes against Athens in the United Nations, there will be heavy pressure in Greece for a foreign policy less closely associated with the West.

  
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# ALGERIAN TERRORISTS IN FRANCE

(FRENCH OFFICIAL ESTIMATES BY MILITARY REGION AS OF MARCH 1958)



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### Iranian Government Discounts Arrests

The Iranian Government, in an effort to discount recent reports of a conspiracy against the government, has announced over the radio that rumors of mass arrests of important persons in Tehran are false. It admits, however, that gendarmerie Colonel Ordubadi was arrested on 12 August, held for 11 days, and then released with apologies allegedly because he was the victim of a frame-up. The government claims that two low-level persons have been arrested, and have confessed to placing in Ordubadi's home, without his knowledge, a mimeograph machine used to produce papers calling for the establishment of a republic. Some high government figures probably were involved.

The arrests and rumors of arrests are part of the tension in Iran associated with the yearly celebration on 19 August of the overthrow of Prime Minister Mossadeq in 1953. Nonofficial Iranian circles had expected the day would be marked by disorder and possibly by an attempt at a coup. Speculation, especially among the poorer classes, centered on the name of Commander of the Army Major General Hossein Ariana as planning a coup.

The government made every effort during the celebration to stimulate public demonstrations of loyalty, and paid groups to engage in them. The public appeared to enjoy the entertainment provided, but the day was not successful as a demonstration of popular enthusiasm for the regime.

While the tensions seem to be easing now, open criticism of the regime, especially among the poorer classes, continues and the underlying conditions of potential instability remain. Forty-five junior officers have been reported to have formed a secret organization to support any movement to establish a republic.

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~~SECRET~~Indonesia

The Indonesian dissidents, who are reported in a "desperate financial plight," are said to be considering threats of economic sabotage and kidnaping against Americans in Sumatra and Celebes as a means of acquiring funds. Approximately 500 Americans, not counting dependents, are in Sumatra employed by rubber and oil interests. The dissidents attacked a large American rubber estate in North Sumatra three times during July and August, each time with greater severity, and have threatened various foreign interests with extortion. American interests in Celebes are largely limited to Christian missions which have so far had no significant difficulty with the dissidents.

The Chinese Nationalist Government, as of 18 August, was continuing limited air support to the North Celebes dissidents but was considering stopping its program in the near future, partly because of the rebels' inability to make payments on their mounting debt. Chinese Nationalist officials feel the rebels, with the loss on 15 August of Tomohon, their last major population center in North Celebes, will soon lose the capability to arrange for air drops.

The Djakarta government, apparently in retaliation for Chinese Nationalist aid to the North Celebes dissidents, has banned the Kuomintang party and organizations in Indonesia. The ban, which had been anticipated since last spring when measures were begun against Nationalist-oriented businessmen and newspapers, will permit increased influence by the already dominant Communists in the large Chinese community. The decree is worded to cover political parties with foreign ties, and could eventually be used against the Indonesian Communist party.

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## III. THE WEST

General Algerian Sabotage-Terror Campaign in France Possible

The coordinated sabotage and terrorist attacks conducted by the Algerian National Liberation Front (FLN) throughout France this week may signal the opening of a general campaign designed both to encourage massive abstention of Algerians in the 28 September constitutional referendum and to undermine French confidence in De Gaulle's cautious approach to the Algerian problem.

Main targets of the FLN sabotage effort of 24-25 August were petroleum installations in about 20 localities, but several attacks on police resemble the coordinated assaults last spring which caused serious unrest among Paris police, who were then the primary targets. Although French security officials estimated privately in March, after discovery of substantial arms caches, that the FLN was capable of launching a general wave of terrorism in metropolitan France, the likelihood of such a development was apparently discounted. One factor may have been the continued feuding between the FLN and the smaller rival Algerian Nationalist Movement (MNA). Early this month the government publicized the "smashing" of the "largest of the remaining FLN networks."

The French estimated, as of March, a total male FLN membership in France of approximately 80,000 and a total MNA membership of approximately 7,000, drawn from an estimated total of 328,000 male Moslems in France.

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