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17 October 1958

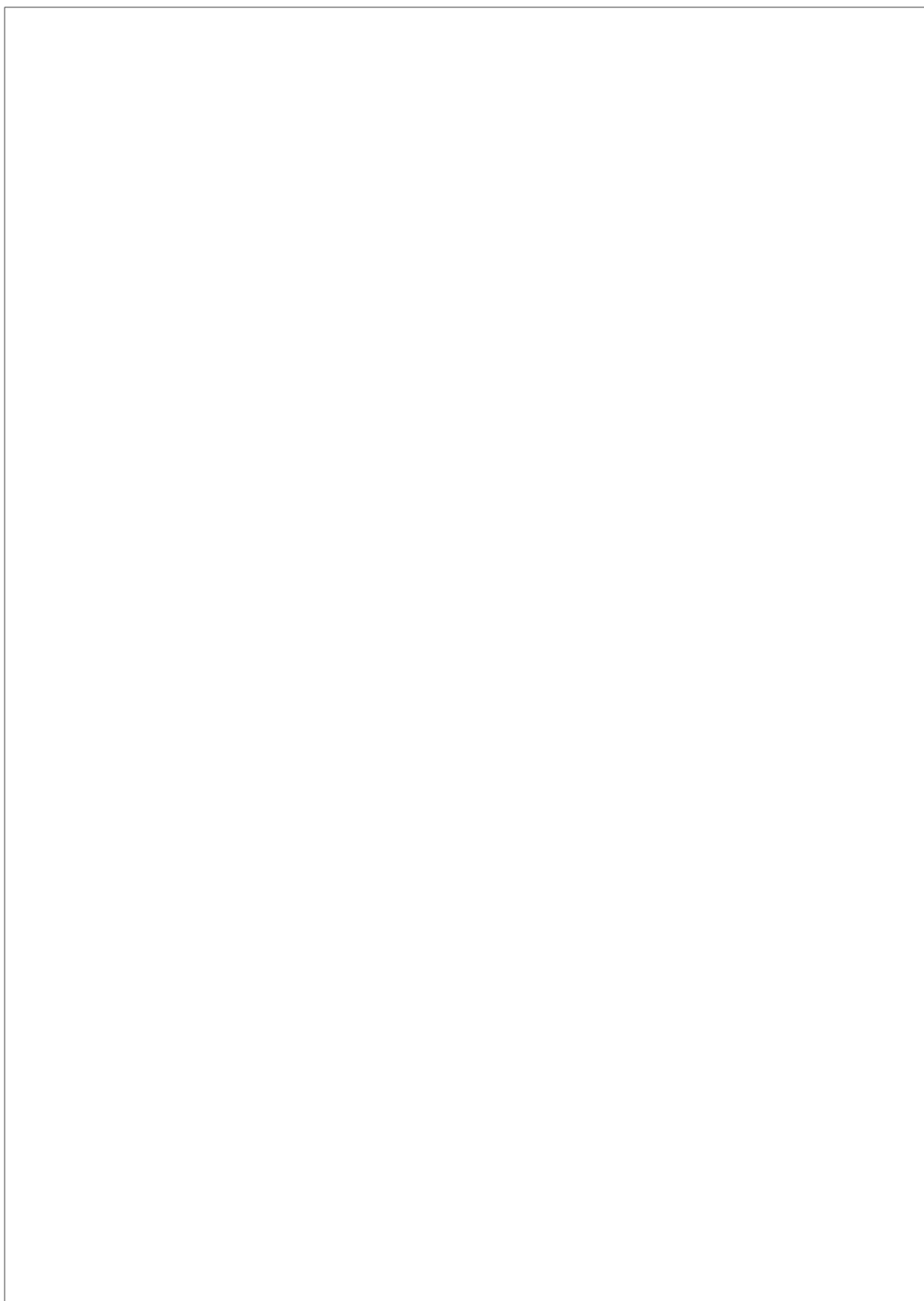
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CENTRAL INTELLIGENCE BULLETIN



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17 OCTOBER 1958

I. THE COMMUNIST BLOC

Moscow planning extensive shake-up of bureaucracy.

Taiwan Strait - New delivery of Soviet combat aircraft to Communist China likely.

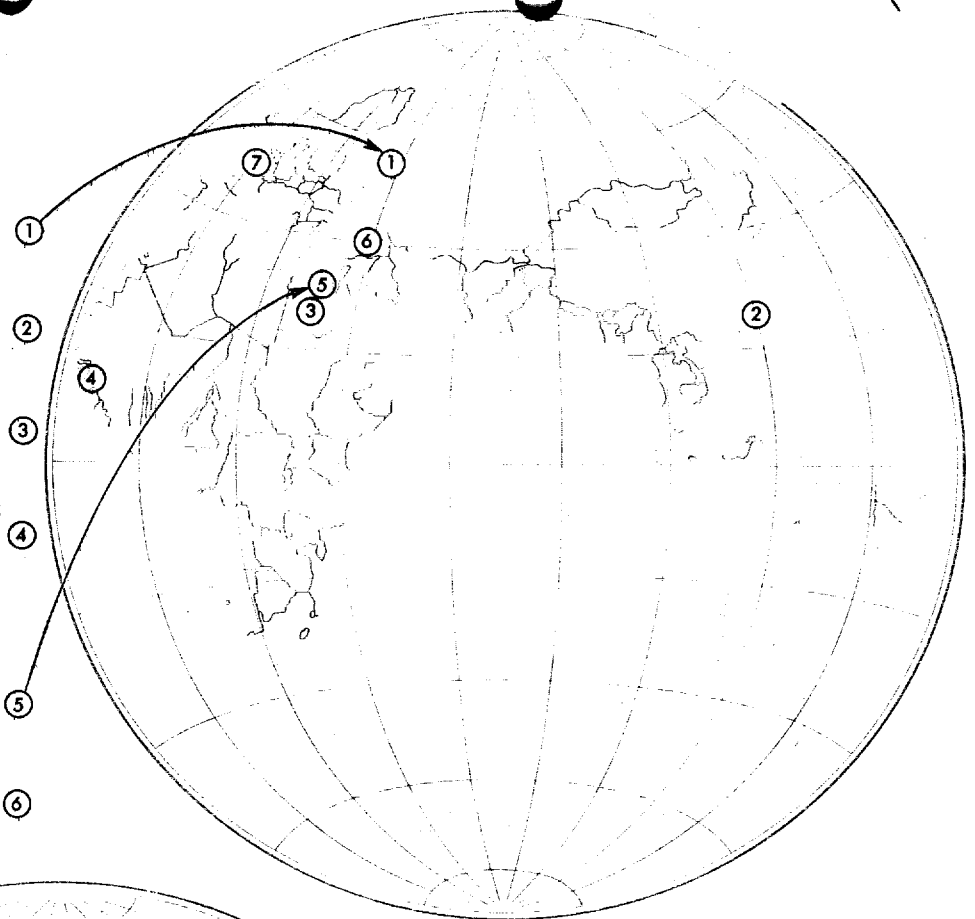
Bloc preparing for cotton purchases in "big deal" with Egypt.

East Germany moves to establish first diplomatic mission in Guinea.

II. ASIA-AFRICA

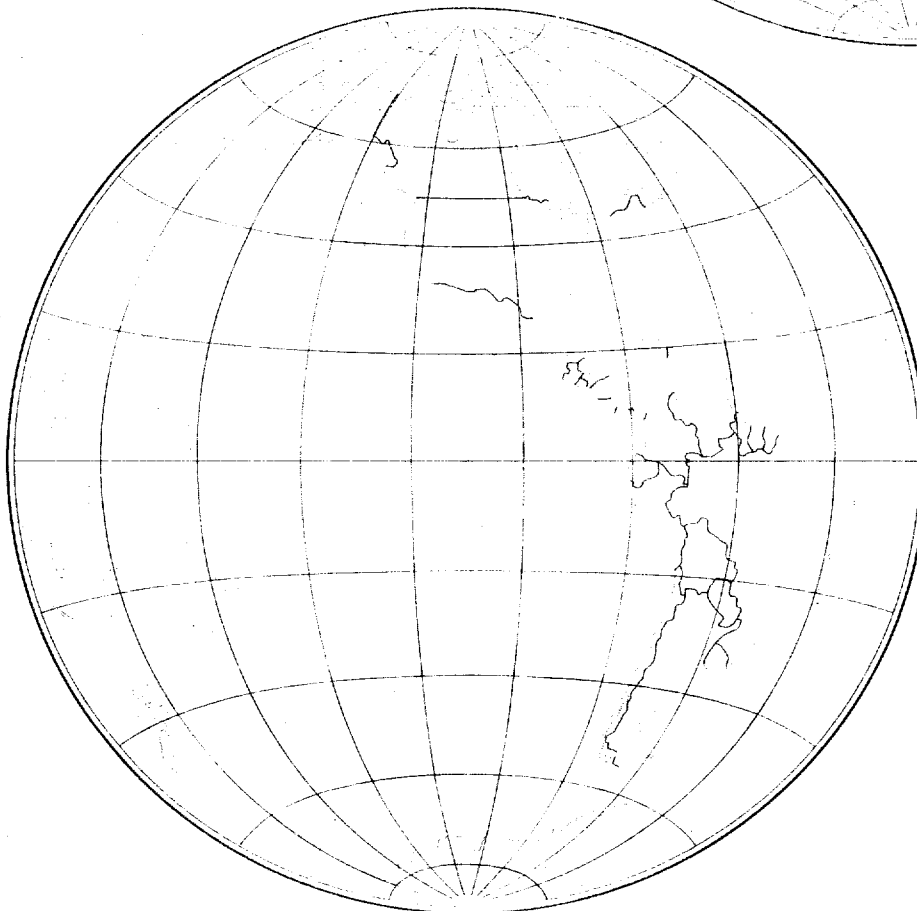
Nasir considering retaliation against British for sale of submarines to Israel.

Trip to East Turkey by top Turkish officials linked to Kurdish security threat.



III. THE WEST

⑦ Paris informs Italy and West Germany of De Gaulle's proposed US-UK-France mechanism to determine common "world" policies.



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CENTRAL INTELLIGENCE BULLETIN

17 October 1958

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

USSR: Soviet leaders are preparing an extensive shake-up of the bureaucracy in order to combat "corruption," [redacted]

OK

[redacted] There have been persistent indications in the Soviet press that financial malpractices have been hampering the industrial reorganization. [redacted]

*Taiwan Strait situation: Nationalist [redacted] preparations [redacted] for possible air delivery of Soviet combat aircraft or some special materiel to China. There were no other significant military activities.

(Page 2)

USSR-Egypt: The Soviet Embassy in Cairo reportedly has requested Egyptian authorities to reserve all surplus cotton pending the imminent conclusion of a "big deal" between Egypt, Communist China, Czechoslovakia, and the USSR. Sino-Soviet bloc purchases during the last year amounted to 60 percent of Egypt's cotton exports. This year, in order to increase the impact of its purchases, the bloc may be preparing to purchase its entire share of the 1958-59 cotton crop at the present time, rather than phase purchases over a 12-month period. Egypt recently increased its arms debt to the bloc by about \$150,000,000, and presumably would welcome assurances of major bloc purchases now. [redacted]

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OK
East Germany - Guinea: Three East German diplomats, headed by the ambassador to Czechoslovakia, arrived in Guinea on 13 October, apparently to establish the first diplomatic mission in the new republic. Guinea so far has been recognized only by African, Arab, and Communist nations. A Communist mission would afford the bloc an opportunity to exploit what appears to be one of the most favorable situations in tropical Africa for penetration activities. (Page 4)

II. ASIA-AFRICA

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UAR - UK: Nasir is reported considering several alternative actions against the UK in retaliation for its recently announced sale of submarines to Israel. He is reported contemplating the prohibition of British overflights of the UAR and trying to persuade Saudi Arabia to make a similar restriction in order to hamper British communications with the Persian Gulf area. Nationalization of the property of the British-owned Shell Oil Company in the UAR may also be under consideration. Other reports suggest he may ask for increased arms shipments from the USSR to "balance" the sale to Israel, although the UAR is seeking new Soviet arms in any case.

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Turkey: Top Turkish police and defense officials are making a special trip to the eastern provinces and border areas, probably to check on Kurdish nationalist activity in the area. Soviet, UAR, and Iraqi propaganda has recently stressed Kurdish nationalist aspirations in broadcasts to Kurdish areas. The Turks have expressed concern over the potential security threat posed by the more than 1,500,000 Kurds concentrated in eastern Turkey. (Page 5)

17 Oct 58

DAILY BRIEF

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III. THE WEST

France: [REDACTED]

No De Gaulle believes NATO does not completely fulfill the security needs of the Western world and France in particular, and has in addition proposed establishing a French-British-American organization to arrive at "common" world policies, including the use of nuclear weapons. De Gaulle, on 17 September, had sent a memorandum to this effect to President Eisenhower and Prime Minister Macmillan. Apparently, De Gaulle is attempting to "sell" this idea to West Germany as well as Italy on the basis that such a new organization would assure a continental voice in major Western decisions. Both powers have urged full Western consultations on all major world issues but object to France's efforts to make itself the European spokesman. [REDACTED]

[REDACTED] (Page 6)

17 Oct 58

DAILY BRIEF

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I. THE COMMUNIST BLOC

Impending Shake-up of Soviet Bureaucracy Reported

The Soviet party leadership is preparing a severe shake-up of the bureaucracy, [REDACTED]

[REDACTED] Financial malpractices and featherbedding, which are recognized as impediments to the industrial reorganization, have been the targets of a recent press campaign. Pravda has complained that the proliferation of bureaucratic staffs is defeating one of the stated purposes of the industrial reorganization--to reduce administrative overhead.

The malpractices of local officials have apparently caused serious concern at high party levels and seem to have put a brake on plans to increase the powers of regional administrators. One report suggests that recent rumors that party presidium member Furtseva is in political difficulties arise from her having been involved with a losing faction in a dispute over the financial powers of regional officials.

Khrushchev will want to put his state machine in the best possible shape for the 21st party congress in January, when he will launch what he has termed an "astounding" economic program. [REDACTED]

[REDACTED]

~~SECRET~~

~~TOP SECRET~~ []Taiwan Strait Situation

[] requested regular and frequent weather reports from a chain of Manchurian airfields between Chita and Peiping. The airfields named are along the flight route previously used for ferry flights of bombers delivered to Communist China from the USSR. []

"Reports should be made at ten-minute intervals from 0500 to 1700," presumably meaning on 17 October. The route specified, the frequency of weather reporting requested, and the number of airfields involved all suggest preparations for a ferry flight of fighter or light-bomber aircraft. A lesser possibility is an air delivery of special materiel.

The Chinese Nationalists report that large numbers of personnel and vehicles have been observed recently around Communist artillery positions opposite Chinmen. Artillery fire, which the Nationalists believe was for training purposes, has been heard from the mainland. Jet fighters from three coastal airfields in the strait area also were noted on 15 October practicing search and attack tactics.

Peiping issued its "33rd serious warning" on 16 October, alleging intrusions by two US warships into the Pingtan and Matsu islands area and one air intrusion near Ta Wan Island, off Macao. This is the first warning involving an intrusion near the Portuguese colony and follows by one day a similar warning concerning an island near Hong Kong.

An article in the latest issue of Red Flag, biweekly theoretical journal of the Chinese Communist party's central committee, stresses the role of the current crisis in the strait area as a spur to further productive and organizational efforts by the Chinese people. The article comments that "the American aggressors act the bully" because Communist China has too little iron and steel, too little machinery, too little food, and is poorly organized. This article may herald the beginning of a major campaign to exploit the strait situation as a further incentive to production and other domestic goals.

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The Chinese Nationalists are preparing to relieve their 10th Infantry Division on Chinmen with the 33rd Infantry Division, now on Taiwan. The rotation was previously scheduled and was not a result of the bombardment, which was particularly intensive in the 10th Division's sector. [REDACTED]

[REDACTED]

[REDACTED]

~~TOP SECRET~~ [REDACTED]

East Germany May Establish Diplomatic Mission in Guinea

Three East German diplomats, headed by Georg Stibi, ambassador to Czechoslovakia, arrived in Guinea on 13 October, according to the French high commissioner. East Germany, not yet recognized by any nonbloc country except Yugoslavia, may have sent these officials to negotiate the establishment of a diplomatic mission in Guinea, hoping thereby to open the way to recognition from other Asian-African states.

Guinea has several advantages as a center for bloc penetration of West Africa. Premier Sekou Toure, a Marxist, presumably has no ideological objections to Communism, although his past labor and political activities in association with Communists appear to have increased his awareness of the practical dangers of close cooperation. In addition, Guinea, with inexperienced administrators and inadequate security forces, would probably be unable to combat internal Communist subversion or impede bloc contacts with other West African nationalists.

Sekou Toure is beginning to show signs of irritation over the acquiescence of Western nations in French requests for a delay in recognition until economic and political negotiations between Paris and Conakry can be completed. These negotiations may take several months. The Asian-African bloc may soon bring the question of Guinea's status before the UN by proposing that it be admitted as a member.

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II. ASIA-AFRICA

Turkey

Top Turkish police and defense officials left Ankara on 15 October on a special mission to the eastern provinces and border areas. The group was made up of the director general of the Turkish National Police, the minister of defense, a representative of the Turkish National Security Service, and a Foreign Ministry representative. Two days prior to the trip the director general of the National Police had a long interview with President Celal Bayar.

The trip may be related to protective measures against possible subversion by the Kurdish minority, which consists of approximately 1,500,000 persons and is located in areas adjacent to Iraq, Iran, and Syria. Previously Ankara has denied the existence of a Kurdish problem in Turkey, but propaganda attempts by the USSR and Iraq to appeal to Kurdish nationalism have caused the Turks to acknowledge to US and Iranian officials the danger of unrest among the Kurds.

Discussions between Turkish and Iranian security officials concerning Kurdish problems have begun on a regular basis under the aegis of the Baghdad Pact, and the Turkish National Police is preparing a report on the Kurdish situation for a high government official. Recently Akis, an influential Turkish magazine, ran an article commenting on the danger inherent in the establishment of a Kurdistan which would embrace parts of Iran, Iraq, and Turkey.

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III. THE WEST

De Gaulle says NATO Fails to Fulfill Western Security Needs

Premier de Gaulle believes that "NATO no longer fulfills the security needs of the Western world in general and France in particular," [redacted] He has proposed that an additional French-British-American organization be established, "through which the three might arrive at common positions on security problems of world magnitude" and strategic plans with reference to the possible use of nuclear weapons. On 17 September, De Gaulle had sent a memorandum to this effect to President Eisenhower and Prime Minister Macmillan.

[redacted] De Gaulle's proposal resulted from the premier's "anxiety" lest one of the powers with world responsibilities make decisions or take direct action outside NATO without consulting France, "thus endangering French interests and positions."

[redacted] De Gaulle is not seeking a formal mechanism. He indicated, however, that should the plan not be accepted there was a "strong possibility" that France would reduce its current role in NATO and develop a more nationalistic policy.

De Gaulle, who has expressed considerable irritation over some Anglo-American actions and attitudes, is apparently trying to "sell" his proposal to West Germany and Italy as a means of assuring a continental voice in major Western decisions. Both powers have urged full Western consultation on all major world issues; they have objected to France's efforts to make itself the spokesman for Western Europe. Both West Germany and Italy have shown particular concern that France will obtain a predominant political position through the acquisition of a nuclear-weapons capability. [redacted]

~~TOP SECRET~~ [redacted]

~~CONFIDENTIAL~~

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The Vice President

Executive Offices of the White House

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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