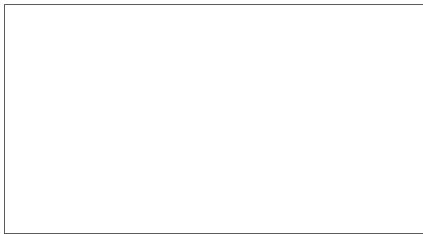


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6 September 1958




Copy No. C 59

CENTRAL

INTELLIGENCE

BULLETIN



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6 SEPTEMBER 1958

I. THE COMMUNIST BLOC

Taiwan Strait - Air and naval activity increase following lull; Mao Tse-tung convenes Supreme State Conference.

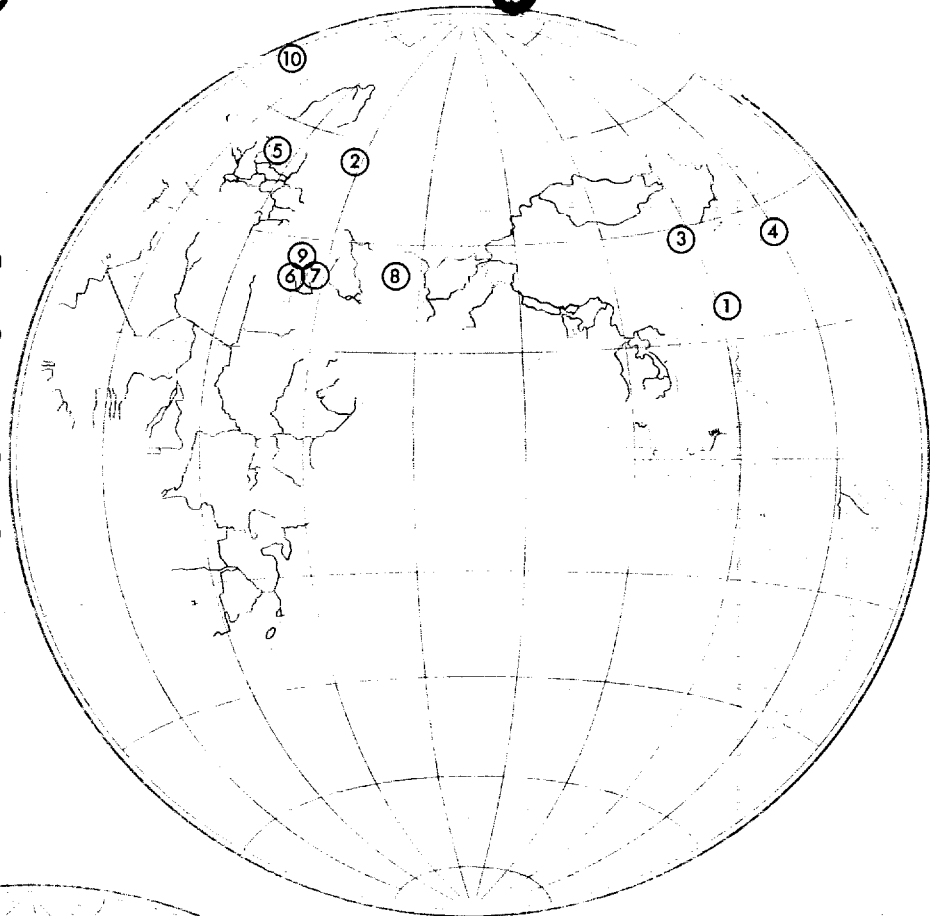
Pravda reiterates strong support for Peiping.

Peiping prepared for "major clash" if "forced by events"; evasive on occupation of offshore islands.

Tokyo - New Soviet ambassador may reopen peace treaty negotiations.

East Germany may adopt stringent controls to stop new high refugee flow.

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- ②
- ③
- ④
- ⑤

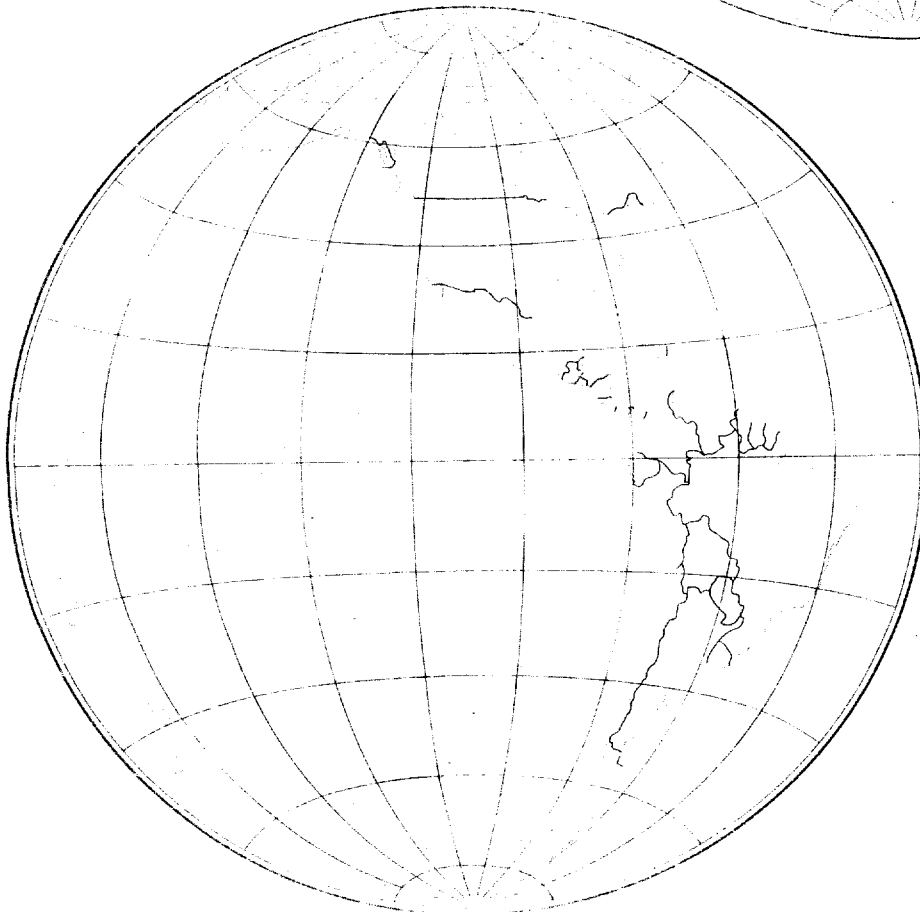


II. ASIA-AFRICA

- ⑥ Arab League's 6 September meeting probably on ambassadorial level, with higher level session later.
- ⑦ Lebanon - PPS elements threaten to attack rebel Druze forces.
- ⑧ Iran - Kurdish and Arab tribes reported planning disturbance.
- ⑨ British officials predict major EOKA campaign of violence about 1 October.

III. THE WEST

- ⑩ Anti-British feeling mounting dangerously in Iceland; may ultimately endanger NATO and US interests there.



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CENTRAL INTELLIGENCE BULLETIN

6 September 1958

DAILY BRIEF

I. THE COMMUNIST BLOC

SRAB

No

*Taiwan Strait situation (information as of 0100 EDT, 6 September): Chinese Communist air and naval activity in the Taiwan Strait area increased on 5 September after a lull of several days probably caused by severe weather conditions. Peiping radio announced that Mao Tse-tung on 5 September convened the 15th Supreme State Conference, a forum for announcing major policy decisions, and reportedly gave an "incisive analysis" of the international situation. The Chinese Nationalists have expressed concern lest the Taiwan Strait situation be raised at the United Nations. [redacted]

[redacted] (Page 1)

OK

USSR: On 5 September Pravda repeated strong expressions of Soviet support for Communist China, but again stopped short of committing the USSR to direct military involvement. Extensive charges of American "provocative" moves and belligerent intentions are apparently intended to increase world-wide apprehension over the prospect of imminent large-scale hostilities and to discredit American policy toward the offshore islands. A reference in the article to "a devastating counterblow" which would put an end to "US imperialist aggression in the Far East," taken together with the promise of "every kind of aid," could be preparing the way for an announcement that the USSR may make advanced weapons available to Peiping. [redacted] (Page 3)

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~~TOP SECRET~~**Communist China:** [redacted]

[redacted] the Chinese Communists will "avoid a major clash with the US if possible" but are "prepared for it if they are forced by events." [redacted]

[redacted] the Communists have adequate "troops, aircraft, and landing craft" on the South China coast, but he "did not give a direct answer" to the question of whether China planned to occupy the offshore islands. He would not hear of any "provisional settlement on the basis of the return of the coastal islands" with subsequent discussion of the Taiwan problem, as this would imply acceptance of the "two Chinas" theory. [redacted]

No

USSR-Japan: N. T. Fedorenko, the new Soviet ambassador, is expected by Japanese officials to propose reopening of negotiations for a peace treaty upon his arrival in Tokyo on 7 September. Fedorenko apparently accompanied Khrushchev to Peiping in early August when Sino-Soviet tactics toward Japan may have been reviewed. The Japanese Government may sound him out on Soviet willingness to mediate trade and political problems between Japan and Communist China. [redacted] (Page 4)

OK

East Germany: The regime is disturbed over the continued high number of escapes to the West, which last week totaled more than 6,000, and is likely to adopt stricter control measures. Such action, if effective, would remove one of the East German population's major safety valves. [redacted] (Page 5)

No OK

II. ASIA-AFRICA

Arab League meeting: The meeting scheduled for 6 September in Cairo apparently will be attended only by ambassadors of the member states. A meeting of the league foreign ministers, or possibly chiefs of state, may be held later this

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6 Sept 58

DAILY BRIEF

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month. The Lebanese opposition in particular is asking for a postponement until after General Shihab takes office on 24 September. [redacted]

OK
Lebanon: Representatives of pro-Chamoun paramilitary elements of the Syrian Social National party (PPS) have threatened a general action against the rebels. Such a move would probably be opposed at this time by their own high command, but these local elements may attack Druze forces in the region southeast of Beirut, near an area where American forces are located. The present tactic of the PPS, as of other pro-Chamoun groups, is to use the threat of force to deter Shihab from further compromises with the rebels. If Shihab becomes a figurehead for a rebel-dominated government, fighting on a wider scale could occur. [redacted]

[redacted] (Page 6)

OK
Iran: Kurdish tribes in the northwest and Arab tribes in the west, allegedly under Iraqi encouragement, are reported to be restive, and to be planning a disturbance as soon as the fall harvest is completed. Trouble in these tribal areas might encourage other disaffected elements in the country to take action against the regime. [redacted]

[redacted] (Page 8)

NO
Cyprus: British officials on Cyprus predict a major EOKA campaign of violence beginning around 1 October when implementation of the new British plan is scheduled to begin. Such violence would probably be designed to demonstrate the need for UN intervention. Meanwhile the Greek foreign minister has warned Britain that the decision to go ahead with the plan could ultimately result in a Greek-Turkish war and that Greece will fight "with all political means available" to impede application of the plan. [redacted] (Page 9)

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III. THE WEST

OK Iceland-UK: Public feeling against the British is mounting dangerously in Iceland as a result of London's determination to protect its trawlers within Iceland's new 12-mile territorial waters limit. A continued impasse reduces prospects for a compromise and may endanger NATO and US interests in Iceland. [redacted] (Page 10)

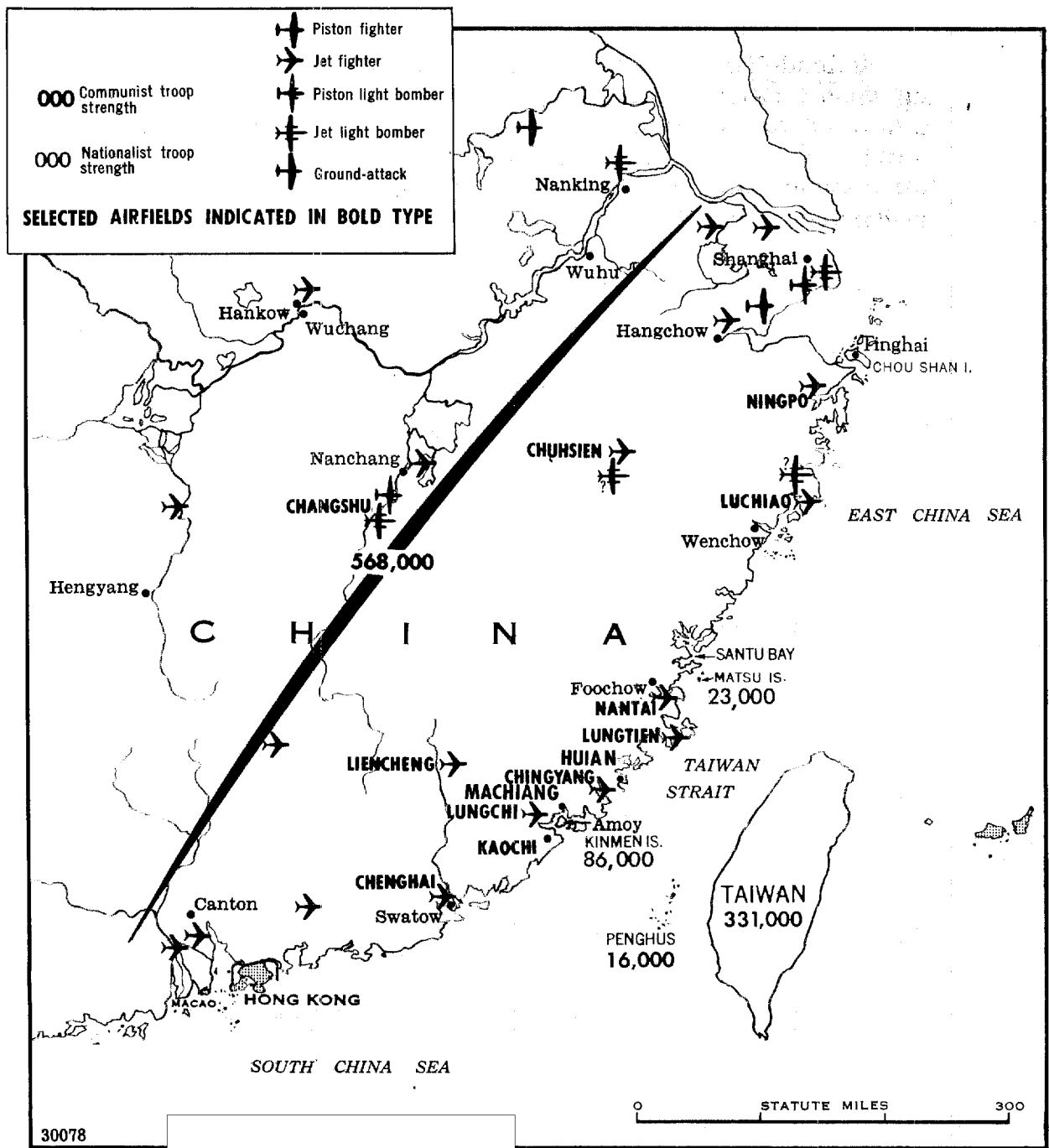
6 Sept 58

DAILY BRIEF

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I. THE COMMUNIST BLOC

Taiwan Strait Situation (as of 0100 EDT, 6 September)

Chinese Communist air and naval activity in the Taiwan Strait area increased on 5 September after a lull of several days probably caused by severe weather conditions. The air activity, however, is still well below the level noted shortly after the occupation of the coastal airfields. Operations by Communist torpedo boats and patrol vessels in the Santu Bay area have continued at a high level since 4 September.

With the return of good weather, a resumption of Chinese Nationalist reconnaissance flights over the mainland coast, and Communist air operations near the offshore islands, additional and more frequent clashes can be expected.

Peiping radio states that Mao Tse-tung convened the 15th Supreme State Conference in Peiping on 5 September. This is a forum, the sole purpose of which is to announce major policy decisions.
the conference agenda did not refer specifically to the Taiwan Strait, but Mao is credited with giving an "incisive analysis" of the domestic and international situation.

Chinese Nationalist Foreign Minister Huang has expressed concern that the Taiwan Strait situation may be raised at the United Nations. Even a condemnatory resolution regarding Communist actions would not be welcome in Taipei since it would raise the "two Chinas" issue.

Another reflection in Taipei of the offshore island crisis has been a rise of approximately 25 percent in the blackmarket rate for United States dollars between 30 August and 3 September. This is the first indication of popular concern over the military situation.

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~~TOP SECRET~~ [redacted]

Chiang Kai-shek allegedly has stressed that South Korea should attack North Korea in the event of an armed conflict in the Taiwan Strait. Seoul appears anxious to exploit the situation, but apparently has made no moves to date to actively assist the Nationalists. [redacted]

[redacted]

[redacted]

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~~CONFIDENTIAL~~

Pravda Repeats Warning on Taiwan Strait Issue

Pravda on 5 September again expressed support for Communist China in the Taiwan Strait crisis, stating that "the Soviet people will extend to. . . the Chinese people every kind of aid." The article, signed by the authoritative "Observer," asserted that the Soviet Union "cannot remain inactive" in the face of events on the "territory of its brave ally," and warned that the USSR "will not quietly watch US military preparations in the Pacific." It concluded with a warning that the US "cannot count on the retaliatory blow restricting itself to the area of the offshore islands and the Taiwan Strait," but "will receive such a devastating counterblow that an end will be put to US imperialist aggression in the Far East."

The tone of Pravda's latest warning is considerably harsher than the 31 August article and the 3 September Izvestia statement which made reference to the Sino-Soviet alliance. Like the earlier statements, however, it stops short of committing the Soviet Union to direct military involvement in the event of a clash between American and Chinese Communist forces.

Much of the article is devoted to a recitation of US moves--including American references to the availability of atomic weapons--which Pravda interprets as "part of a plan for large-scale military provocations" against Communist China and other Asian countries. Soviet leaders probably expect that charges of American provocations, when coupled with their own expression of support of the Chinese Communists, will considerably increase world-wide apprehension over the prospect of imminent large-scale hostilities.

While the Soviet warnings are in part designed to inhibit US military counteraction, Moscow and Peiping are apparently seeking to convert tensions in the area into a major international issue which could be exploited politically. They may hope to bring about high-level negotiations--possibly with Chinese Communist participation--or to set the stage for a full-scale debate in the forthcoming session of the UN General Assembly on US policy toward Taiwan and the offshore islands, and the Chinese representation question.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~Moscow May Renew Peace Treaty Bid to Japan

N. T. Fedorenko, the new Soviet ambassador to Japan and one of the Kremlin's top experts on China and the Far East, is expected by the Japanese Foreign Ministry to propose reopening of negotiations for a peace treaty upon his arrival in Tokyo on 7 September. Fedorenko, a former deputy foreign minister, apparently accompanied Khrushchev to Peiping in late August, at which time Sino-Soviet policies toward Japan may have been reviewed and coordinated.

The Japanese do not expect that Fedorenko's terms would be acceptable. Soviet officials now visiting Japan have given no sign that Moscow will relax demands that Tokyo relinquish its claims to the southern Kurils. The chief of the USSR's Gosplan fisheries department, A. A. Ishkov, said in Tokyo on 28 August that conclusion of a peace treaty "comes first." When prodded by Foreign Minister Fujiyama in regard to a Soviet guarantee of nonseizure for Japanese fishing boats, Ishkov declared the issue was "inseparable" from the territorial problem and peace treaty. Tokyo is opposed to making safe-fishing guarantees contingent on a peace treaty. The Japanese Government may, however, sound out Fedorenko on Soviet willingness to mediate trade and political problems between Japan and Communist China.

Moscow's new team at the Tokyo embassy will be exceptionally strong. The minister-counselor, S. P. Suzdalev, is a former ambassador to North Korea, who previously served in Japan for six years, in Washington for two years, and was a delegate to the 1954 Geneva Conference on Indochina.

~~CONFIDENTIAL~~

~~SECRET~~East Germany Concerned Over Increasing Escapes to West

The East German regime is becomingly increasingly concerned over the rising numbers fleeing to the West. The number of refugees reached the highest point since April 1956 during the week ending 2 September, with a total of more than 6,100, and Berlin authorities expect the rate will soon reach 1,000 per day. Pankow is particularly distressed at the large number of intellectuals and technicians leaving the country, as well as the continued drain of youths of military age, totaling 10,000 so far this year. More than 75 percent of escapes now are through West Berlin, because of successful East German measures to seal off the zonal borders between East and West Germany. Pankow appears to be trying to cut down on flights to West Berlin by controlling movement between East Germany and Berlin. A ban on rail travel from stations within 50 kilometers of the city has been put into effect, and travelers reportedly must now secure written permission from local police to travel to Berlin.

East German party boss Walter Ulbricht is reported to have interrupted his vacation to confer with Moscow leaders on further measures to cope with the situation, [redacted]

[redacted] Ulbricht himself favors harshness but may find the Kremlin unwilling to sanction extreme measures which would violate the four-power status of Berlin.

The possibility of escaping to the West has hitherto acted as an important safety valve for release of the widespread popular discontent in East Germany. Some East German party circles may still believe that dissident elements should be allowed to leave rather than remain as potential troublemakers.

[redacted]

[redacted]

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II. ASIA-AFRICA

Pro-Chamoun Militants Threaten New Fighting in Lebanon

Military leaders of the pro-Chamoun Syrian Social National party (PPS) in the mountains ten miles southeast of Beirut have informed local US military authorities that they intend to attack Kamal Jumblatt's rebel Druze forces soon. Jumblatt, who has been building up his forces in an area near American positions in the mountains, is said to expect further fighting after Shihab assumes the presidency.

[REDACTED]

[REDACTED] Some PPS members fear that after General Shihab's inauguration as president, the Lebanese Army will fall under the command of persons desiring to eradicate the PPS as Syria did. Although local PPS units may take action against Jumblatt's forces, even before Shihab becomes president, it is doubtful that party leaders would countenance action on a wider scale until they are convinced that Shihab has become a figurehead for a rebel-dominated government.

President Chamoun, who has stated that he too expects fighting to be renewed when American forces leave Lebanon, does not expect General Shihab to back progovernment groups.

[REDACTED]

The belief that Shihab has reached an accommodation with the rebels under which rebel leader Rashid Karame will become prime minister is becoming general in Lebanon. Karame already is reported to be considering his cabinet appointees

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and sounding out politicians for various posts, [redacted]

[redacted] Such reports will add considerably to the alarm of progovernment elements and give them further incentive to take matters into their own hands rather than permit establishment of a rebel-dominated government.

[redacted]

[redacted]

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~~SECRET~~Kurdish and Arab Tribes Plan Disturbances in Iran

Kurdish tribes in northwest Iran are reported to be planning disturbances with support from the new regime in Iraq as soon as the fall harvesting is completed. The nature and objective of their plan of action is as yet unknown but the timing suggests they may be preparing for a long struggle.

Iran, Turkey, and the former Iraqi monarchy have often expressed concern that their sizable Kurdish minorities would begin a coordinated campaign with foreign assistance to achieve their long-standing aspiration for an independent state. Several factors, however, have been holding Kurdish ambitions in check. Many Kurds have been disillusioned with past outside exploitation of their cause; some have become prosperous and are reluctant to endanger their economic status.

Therefore, if the 500,000 Iranian Kurds cause disturbances this fall, they will probably be striving for limited objectives such as better treatment by the government and increased economic benefits. The delicate balance of political forces in Iran, however, is such that a Kurdish revolt coupled with an uprising of dissatisfied Arab tribes could, by keeping many of Iran's security forces occupied, give civilian and military plotters in Tehran the opportunity and the encouragement to stage a coup d'etat.

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~~SECRET~~Cyprus

British and Greek officials alike believe that the renewed EOKA violence on Cyprus will culminate in a major campaign of terrorism about 1 October, when London intends to begin implementation of its new plan for government of the island's Greek and Turkish communities. Greek Foreign Minister Averoff predicts that the arrival, scheduled about that date, of a Turkish representative to confer with Governor Foot on implementation of the new plan "will be the signal for general revolt." Averoff said Greece will first warn NATO of possible consequences of the new plan and will then use every available "political" means to prevent its being carried out. He warned that EOKA attacks may be aimed at the Turkish representative, a move which could ignite intercommunal rioting on Cyprus and eventually lead to a Greco-Turkish war.

Permission for the return of Archbishop Makarios to Cyprus during September presumably will be discussed during Governor Foot's current visit to London. While the British Government has repeatedly stated that Makarios could return only after a period of peace on Cyprus, London might grant permission as a result of the rapidly deteriorating situation, in a last-minute attempt to prevent a complete breakdown of order on the island. It is by no means certain, however, that Makarios would return to Cyprus at this time if granted permission. His recent statements reveal a hardening of his attitude toward the British and indicate that he intends to concentrate on securing a UN-sponsored solution to the Cyprus controversy at the next session of the General Assembly.

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III. THE WEST

British-Icelandic Fisheries Dispute

Anti-British feeling is mounting dangerously in Iceland as a result of Britain's continued protection of its trawlers within Iceland's unilaterally proclaimed 12-mile limit. Parliament has reconvened, and the trade unions organized a large demonstration against the British on 4 September. Earlier this week the Municipal Council of Reykjavik demanded the recall of Iceland's ambassador to London.

The inflamed state of public opinion has made it more difficult for NATO officials to work out a compromise. The Icelandic Government will not agree to any proposal which does not amount to recognition of the new demarcation. A continuation of "incidents" could induce Iceland to raise in NAC itself the question of British "aggression." If Iceland fails to receive support in NAC and the impasse continues, resentment could easily shift to the US-manned NATO base at Keflavik. Iceland might also raise the whole matter at the UN General Assembly.

London hopes that by defending its rights while seeking to resume talks, it may induce Iceland to accept some formula not involving British recognition of the 12-mile limit. Britain is worried about the practical problems of fishing under naval protection and the larger threat to its strategic position in the North Atlantic. At the moment, however, London is primarily concerned over setting a dangerous precedent for fishing-limit extension by the Faeroes and by Norway.

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