

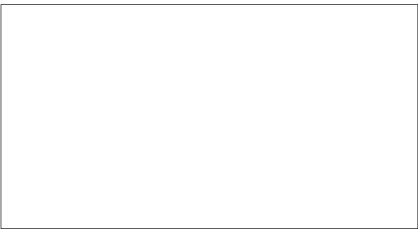
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18 October 1958

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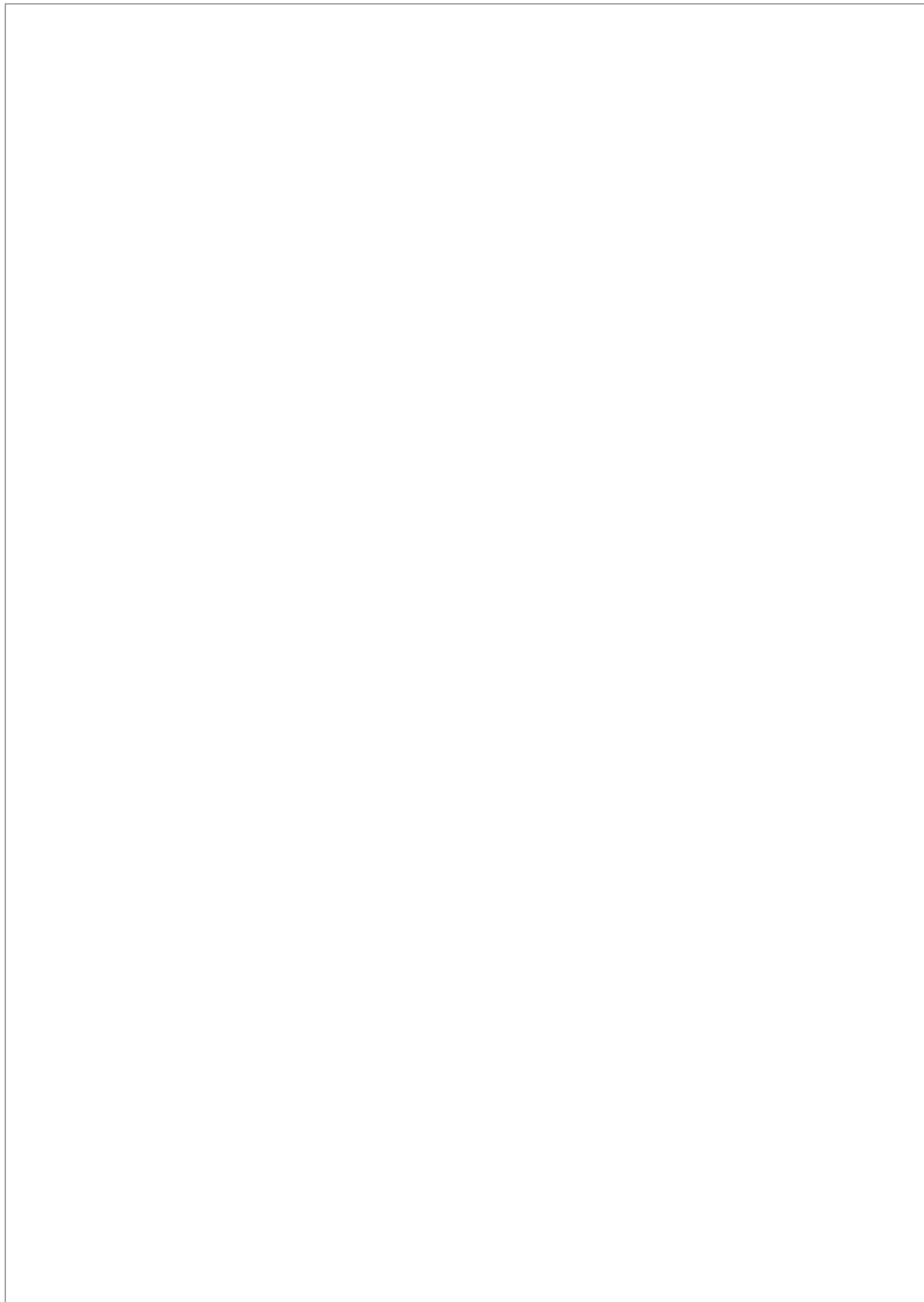
CENTRAL INTELLIGENCE BULLETIN



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18 OCTOBER 1958

I. THE COMMUNIST BLOC

Taiwan Strait - Cease-fire continues; bloc propaganda pointing to "political" means to regain offshore islands and Taiwan.

Moscow "displeased" by Nasir's efforts to supply arms to Iraq.

USSR to deliver more ships to UAR.

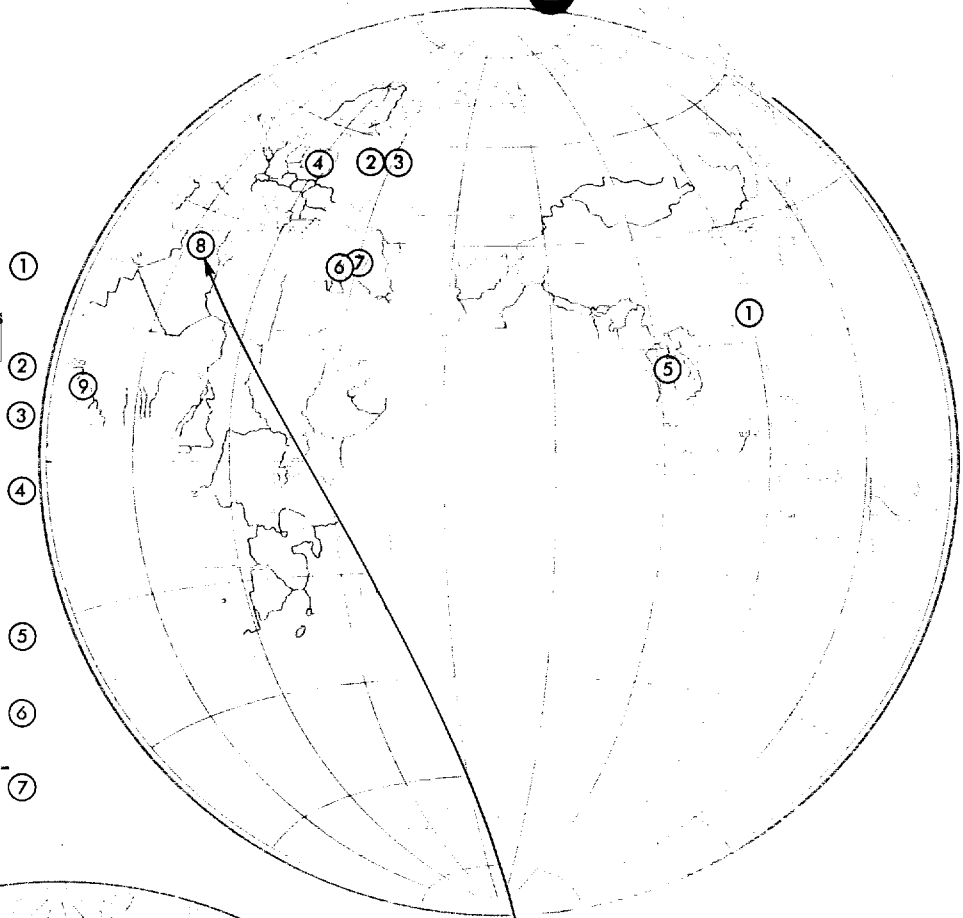
Poland - Gomulka moves closer to the Kremlin's ideological line.

II. ASIA-AFRICA

Thailand - Sarit returning to Bangkok to deal with discord among followers.

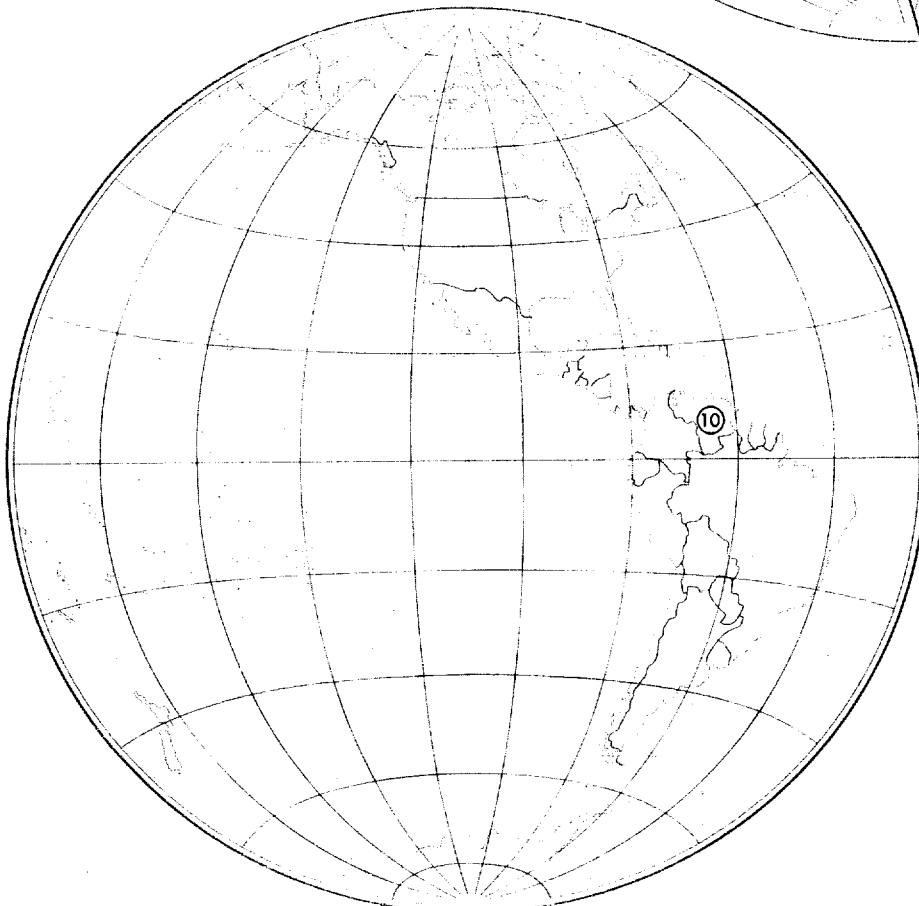
Lebanon - Current mood of political reconciliation unlikely to continue long.

Nasir's land reform program encountering resistance in Syria.



III. THE WEST

- ⑧ France - Early cease-fire expected in Algeria.
- ⑨ De Gaulle to postpone recognition of Guinea for several months.
- ⑩ Military coup may be attempted in Venezuela on 19 October.



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CENTRAL INTELLIGENCE BULLETIN

18 October 1958

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

OK

Taiwan Strait situation: As the cease-fire is maintained, both Chinese Communist and Soviet propagandist commentaries are pointing to "political work" and "peaceful liberation" to regain the offshore islands and Taiwan. [redacted]
(Page 1)

NO

USSR-Iraq: Soviet officials have expressed their "displeasure" to the UAR Embassy in Moscow over Cairo's efforts to supply arms to Iraq, [redacted]
Negotiations presumably are now under way for direct purchase of Soviet arms by the four-man Iraqi military mission which arrived in Moscow earlier this month. Training and supply of the Iraqi military is likely to be a key issue in the competition for influence in Baghdad now taking place between Moscow and Cairo. [redacted] (Page 3)

NO

USSR-UAR: During the past three years, the Soviet Union has supplied two destroyers, six submarines, six mine sweepers, and at least forty motor torpedo boats to the UAR. An additional three submarines and three destroyers will reportedly be delivered by January, and some 25 other ships, including mine sweepers and transports, during 1959. The new deliveries presumably will include the two submarines and two mine sweepers known to have been ready in late August for delivery to Syria. [redacted] (Page 4)

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Poland: In an unusually confident speech to the Polish party central committee's 12th plenum on 15 October, Gomulka appears to have adopted a position closer to the Kremlin's on certain questions. He declared both the "revisionist" and "dogmatic" (Natolin) wings of the party have been brought under control and that the party has emerged from 1957's "confusion of internal differences" and now is fully capable of carrying on the "building of socialism." In publicly scheduling the oft-postponed third party congress for next March--after that of the CPSU in January--Gomulka has apparently acted in part out of deference to the USSR and in part out of a desire to be able to tailor policies and actions of his own congress to those of the USSR's congress. [redacted]

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II. ASIA-AFRICA

140
Thailand: Marshal Sarit, leader of the ruling Thai military group, is flying to Bangkok from London, to deal with discord among his followers. Premier Thanom doubted his ability to handle the situation, and is said to have urgently requested Sarit's return. General Prapat, the ambitious interior minister, is believed to be the principal troublemaker. [redacted]

[redacted] (Page 6)

Lebanon: While civil life in Lebanon will probably return to normal with the vote of confidence given the Karami government, basic problems remain unresolved. It is doubtful that the mood of political reconciliation will continue long. [redacted]

140
Syria: UAR authorities are disturbed over passive resistance to Nasir's recently announced land reform law in Syria. Many landlords are refusing to pay their debts to banks and to work their holdings. Further social and political disruption can be expected as Nasir presses his land reform program. [redacted]

[redacted] (Page 7)

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DAILY BRIEF

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III. THE WEST

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France-Algeria: Negotiations between Paris and the Algerian rebel National Liberation Front (FLN) are progressing and point to an early announcement of a cease-fire agreement. For five weeks, representatives of De Gaulle and the top FLN leadership have been in contact through several separate channels with a view to a cease-fire and subsequent FLN participation in the French National Assembly elections scheduled for 30 November in Algeria. [redacted] (Page 8)

France-Guinea: De Gaulle has decided to postpone recognition of Guinea for at least two or three months, during which time priority will be given to building up the new French Community. Although the French premier is said to be neutral on recognition of Guinea by other powers, some of his advisers who favor a tough line can be expected to continue trying to influence him to consider such recognition an act unfriendly to France. [redacted]

OK
Venezuela: The Venezuelan military may attempt a coup on 19 October, although any attempt is likely to be defeated. Military unrest apparently is a reaction to a recent "deal" between the leftist but non-Communist Democratic Action party and Admiral Wolfgang Larrazabal, junta chief and leading presidential candidate. [redacted] (Page 9)

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DAILY BRIEF

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I. THE COMMUNIST BLOC

Taiwan Strait Situation

The Chinese Communists appear to be adding a new feature to their propaganda which will, for the first time during the current situation, stress the "peaceful liberation" of the offshore islands. A Peoples' Daily commentator on 17 October called for "political work" among "compatriots" on Taiwan, the Penghus, Chinmen, and Matsu to help them "unite" with 650,000,000 Chinese on the mainland to recover Chinmen and Matsu as well as Taiwan. In commenting on Peiping's extension of the "cease-fire in the Far East," a Soviet domestic broadcast of 16 October declared that public opinion regarded the extension as another manifestation of Communist China's desire "to achieve the liberation of the Chinese islands by peaceful means."

Peiping delivered its "34th serious warning" on 17 October, alleging intrusion by two US warships into the territorial waters of the Pingtan and Matsu area.

A Chinese Nationalist spokesman has asserted that the Nationalist blockade of Amoy was abandoned in mid-July prior to commencement of the Communist bombardment of Chinmen. This appears to represent a modification of the stated Nationalist "port closure" policy of all China mainland ports, which has not been enforced against non-Communist shipping, however, for at least a year. The purpose of the announcement appears to be to demonstrate that the offshore islands are not a threat to the economy of Communist China and that Nationalist withdrawal from the islands would be of no economic advantage to the Communists.

Since 8 August, 14 radar tracks of apparent Communist high-altitude flights over the mainland have been recorded in the Taiwan Strait area--13 reported by the Chinese Nationalists and one by a US destroyer. One track reflected

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an altitude of 58,000 feet, six between 60,000 and 65,000 feet, and seven between 70,000 and 75,000 feet. The number of aircraft reportedly involved in each instance varied from one to eight. Plotted ground speeds ranged from 300 to 600 knots, with an average of 400 knots. These radar plots have coincided with low-grade unconfirmed reports that **FARMER (MIG-19)** fighters and other more advanced Soviet jet fighters have been brought into East China. The movement of more advanced fighter types into East China would be a logical development in an effort to reduce the lopsided aerial combat score achieved by the Nationalists, but insufficient evidence is available to make any positive identification.

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Soviet-UAR Friction Over Iraq

[redacted] Soviet of-
ficials had expressed their "displeasure" to Cairo's principal
arms negotiator in Moscow over Egyptian offers of arms
to Iraq, is the clearest indication to date of Soviet-UAR rivalry
to supply equipment and training assistance to Iraq. This
is likely to be a key issue in the competition now under way
between Moscow and Cairo for political influence in that
country.

Moscow, whose virtually unqualified support for Nasir's
leadership of Arab nationalism facilitated the rapid rise of
Soviet influence in the Middle East, has identified itself in
Iraq with pro-Qasim forces opposed to Cairo's domination
and to early union with the UAR. The Iraqi Communist
party, strengthened by the release from jail and the return
from exile of many of its most able members, has taken a
leading role in opposing Iraqi-UAR union and has been in-
volved in a number of street clashes recently with pro-Nasir
elements. The USSR's willingness to pursue a policy in Iraq
which apparently runs counter to Nasir's interests suggests
that Moscow will take advantage of every opportunity to
extend its influence over the entire Arab national liberation
movement.

After the 14 July coup, Moscow promptly extended
diplomatic and propaganda support to the new Iraqi regime.
Moscow probably will make arms available to Iraq on the
favorable terms granted earlier to the UAR. A Soviet-
Iraqi trade agreement was signed recently in Baghdad, and
the bloc is developing economic, political, and cultural ties
with Iraq. [redacted]

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USSR to Supply Additional Naval Vessels to the UAR

The USSR reportedly plans to deliver to the UAR in the next few months three submarines, three destroyers, and about 25 other naval vessels, including mine sweepers and transports. The submarines are to be delivered to the Syrian port of Latakia by the end of 1958, and the UAR is to take delivery of the destroyers, presumably at Alexandria, by the end of January 1959. Although these quantities have not been verified [redacted] intercepted Egyptian messages show that two submarines and two mine sweepers, contracted for by the Syrian Region, were ready for delivery in late August.

The arrival of these Soviet vessels would increase UAR holdings of bloc naval craft to nine submarines, five destroyers, and more than seventy auxiliary vessels, including at least eight mine sweepers and forty motor torpedo boats. The purchase of this additional naval equipment, estimated to cost \$100,000,000, would raise total UAR arms purchases from the Soviet bloc since 1955 to more than \$600,000,000.

[redacted]
Cairo is continuing to press the Soviet Union to approve a UAR request for three IL-18 four-engine turboprop transports, as well as some TU-104 jet transports. Negotiations between the Soviet Union and the UAR for passenger aircraft have been in progress since early 1958. The UAR delegation which concluded a civil air agreement in Moscow in early September, also discussed procurement of transport aircraft for commercial use. [redacted]
[redacted]

~~TOP SECRET~~ [redacted]

Gomulka Speech to the Polish Party Plenum

In his opening speech to the Polish party central committee's 12th plenum on 15 October, Party First Secretary Gomulka adopted a position which will be more to the Kremlin's liking than his attitude in the past on questions of ideology and internal party control. Gomulka reaffirmed Moscow's thesis that revisionism is a greater danger than dogmatism in contrast to his stand when he first came to power that dogmatism was the greater problem. He probably hopes thereby to assure the success of his forthcoming "friendship" visit to the USSR.

The fact that the oft-postponed third party congress, which Gomulka admitted had been delayed because of internal party conditions, now has been publicly scheduled for next March indicates Gomulka's confidence that he has more than adequate control over the party. He asserted that the party has already emerged from the "confusion of internal differences" and now is ideologically consolidated, stronger organizationally and politically, and fully capable of carrying forward the task of "building socialism." The date of the congress will permit Gomulka to tailor the policies and actions of his congress to those of the USSR's congress which will be held in January.

Gomulka made it clear that the party's main efforts now would be directed toward the "complete liquidation" of the revisionistic tendencies still to be found in universities, among scientists, in the theater and the cinema, and among writers, though this would not be accomplished by Stalinist-type measures.

Gomulka's speech indicates that he will soon attempt to put more effective personnel in the party's grass-roots apparatus and make it more responsive to control from Warsaw. In this connection, he drew particular attention to the political activities of the clergy in rural areas as a special problem to be overcome by local party organizations.

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II. ASIA-AFRICA

Continuing Discord in Ruling Thai Military Group

Marshal Sarit, the leader of the ruling Thai military group, is flying to Bangkok from London amid persistent reports of serious discord among his principal followers.

It is reliably reported that the military group is now split into two major factions, probably centering around Premier Thanom and Interior Minister Prapat, contesting certain key appointments in the cabinet and the military command structure. Thanom is also allegedly being pressed by his backers to force a showdown on the issue of corruption in the military group. Any drive to limit corruption would be aimed primarily at Prapat, since he and some of his followers are among the worst offenders.

The two disputing factions seem about equal in terms of military strength, with the Thanom group apparently controlling the armored units and the Prapat group the bulk of the infantry units in the Bangkok area. Their approximate parity in terms of power minimizes the possibility of a surprise coup d'etat. Prapat, however, has shown a tendency to take ill-considered actions,

Sarit is likely to side with the Thanom faction when he returns and, while he is probably neither able nor willing to remove Prapat completely from the scene, he may try to reduce Prapat's substantial political and economic empire. He may also attempt to limit the influence of the elected members of the National Assembly. Sarit is known to have been considering a plan to alter the Constitution to reduce the military's dependence on the votes of the elected assemblymen, who have become increasingly obstreperous and demanding in recent months.

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Resistance to Land Reform Law Disturbs Syrian Officials

Passive resistance by Syrian landlords to the confiscatory agricultural land reform law decreed by Nasir [redacted] is disturbing officials, [redacted]

Under the decree, all landholdings in excess of 198 acres of irrigated or 741 acres of unirrigated land will be taken over by the state in exchange for nonnegotiable 40-year bonds at 1.5 percent interest.

Resident landlords in the Jazirah dry-farming region of northeast Syria are said to be abandoning their property, and many throughout the country have ceased cultivating the land.

A number of landlords are refusing to pay their bank debts, apparently because they believe these debts will in any case be deducted from compensation for their lost properties. The landlords' attitude is affecting the planting of next year's spring wheat crop.

The regime ultimately plans to transform large private properties into collective farms. At this point, peasant resistance will probably be added to the distress of the large landholders. Anticipation of resistance may have stimulated Nasir's promulgation of a new state-of-emergency law and the extensive reshuffling of local government and security personnel [redacted]

[redacted]

III. THE WEST

French-Algerian Negotiations Appear to Be Progressing Satisfactorily

The French Government has been contacting top leaders of the Algerian rebel National Liberation Front (FLN) since early September in an attempt to arrange a cease-fire and subsequent FLN participation in the 30 November elections. Recent conciliatory statements on both sides and De Gaulle's latest moves against the settler extremists in Algeria seem to indicate that the negotiations have progressed satisfactorily. Speculation is growing that a cease-fire agreement may be publicly announced before the beginning of the electoral campaign.

[redacted] the rebels now are willing to settle for a French commitment to allow the Algerians eventually to determine their own fate. [redacted]

[redacted] the rebels were thinking of participating in the November elections by supporting "neutral" Moslems with the idea of using them at a later date.

De Gaulle, who has declared he wants a representative cross section of Algerian opinion to emerge from the elections, is using this pre-electoral period to encourage Moslem leaders to cooperate with his plans. The leader of the FLN's rival organization, the Algerian National Movement (MNA), has been led to expect a call shortly from a representative of the French Government. [redacted]

Meanwhile, in a move possibly related to the future implementation of a cease-fire agreement, the rebel provisional government reorganized its "armed forces command" as of 1 October. [redacted]

[redacted] military activities inside Algeria now are under the jurisdiction of two "general staffs" which, together with two "border commands" and "training services," are "under the complete control" of the rebels' deputy premier and armed forces minister, Krim Belkacem. [redacted]

[redacted]
~~TOP SECRET~~ [redacted]

Venezuelan Military Reported Planning Coup

The Venezuelan military will attempt a coup on 19 October, [redacted] the leftist, non-Communist Democratic Action party (AD). The AD reportedly made a deal recently which would give it significant representation in a post-election government under Admiral Wolfgang Larrazabal, the odds-on favorite in the Venezuelan presidential election which is to be held between 23 November and 7 December. The military has previously threatened to take over the government rather than permit an administration dominated by the AD party. [redacted] the military would not insist on the total exclusion of AD from any share in the new government.

The AD apparently is prepared to combat any new coup attempt. The Communists and other political parties would be likely to join AD, and a coup effort, although unsuccessful, might thus provoke widespread and violent rioting. [redacted]

[redacted]

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The Deputy Under Secretary for Political Affairs

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