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CENTRAL INTELLIGENCE BULLETIN

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REVIEW

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31 DECEMBER 1958

I. THE COMMUNIST BLOC

Soviet planning chief Kuzmin may be new presidium member.

II. ASIA-AFRICA

Iraq - Power struggle intensifies between pro-UAR elements and Communists whose influence is increasing; Qasim's position remains equivocal.

Iranian Government instructs Washington military attaché to establish close relations with Israeli officials.

Britain indicates willingness to accept any Cyprus solution provided base rights are protected; Greek-Turkish talks get under way.

Japan - Kishi eases political crisis by acceding to demands by dissidents in his own party.

India planning to increase aid to Tibetans resisting Chinese Communist rule.

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⑦ Ceylon - Bandaranaike government's position further weakened by failure to take firm action against strikes.

⑧ Cambodian military figure, Dap Chhuon, asks American support in plan to overthrow Sihanouk regime.

III. THE WEST

⑨ Cuba - Government commander in Santiago may be planning to bargain with rebels. Fighting continues in Las Villas Province.

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CENTRAL INTELLIGENCE BULLETIN

31 December 1958

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

HQ

*USSR: Soviet planning chief Iosif Kuzmin may have been elected to the party presidium at the central committee meeting this month. A TASS broadcast on 27 December included his name in proper alphabetic order among members of the presidium attending a session of the Russian Republic Supreme Soviet. Kuzmin was transferred to the important planning job in May 1957 from a post on the executive staff of the party secretariat, and his election to the presidium would be logical, although there is no other evidence supporting it.

HQ

Watch Committee conclusion--Berlin: The Berlin situation remains potentially dangerous and may develop into a crisis at any time although current Soviet efforts still appear directed primarily toward forcing counter-proposals and negotiations with the West.

TJ

Watch Committee conclusion--Taiwan Strait: There were no significant developments noted during the past week which reflect on Chinese Communist intentions regarding the Taiwan Strait situation.

II. ASIA-AFRICA

No

Watch Committee conclusion--Middle East: A deliberate initiation of large-scale hostilities in the Middle East

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is unlikely in the immediate future. The situation, however, remains precarious throughout the area.

In Iraq, Communist influence and activity, unless checked, continue to pose the threat of eventual Communist control of the government. [redacted]

f10
Iraq: Nasir's attack on Arab Communists has intensified the struggle in Iraq between pro-UAR elements and Communists whose influence is increasingly pervasive. Prime Minister Qasim's position remains equivocal. [redacted]

Army leaders have been meeting in Baghdad, ostensibly to consider promotions, while the bulk of the army's armored equipment has been assembled near the capital. [redacted]

f10
 [redacted]
 [redacted]
 (Page 1)

Cyprus: Greek-Turkish conversations on Cyprus are now getting under way in Ankara. London indicates it will agree to any final settlement devised by Athens and Ankara, providing that the retention of British bases is assured.

No
 Britain's decision to carry out controversial provisions of its plan for interim self-government on the island could complicate the negotiations. [redacted]

(Page 2)

OK
Japan: Prime Minister Kishi has acceded to demands by dissidents in his governing Liberal-Democratic party for more cabinet and party posts and postponement of the election of party president. Kishi's concessions ease the political crisis temporarily, but continued party factionalism and instability are expected to weaken Kishi's leadership further and make his future uncertain. [redacted]

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DAILY BRIEF

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India - Communist China: India apparently plans to increase its covert support of Tibetan resistance activities.

H O

Communist China has already protested Indian activities, and probably will respond to any increased Indian effort by adopting a more unyielding position on border disputes and possibly by sending additional patrols into the disputed areas.

(Page 4) (Map)

OK

Ceylon: The Bandaranaike government's position, seriously weakened by the recent allegations of a coup plot implicating the prime minister, is being further damaged by a series of leftist-led urban strikes beginning on 18 December with which the government has not yet dealt firmly. Political tensions are likely to increase with more strike activity by the left and further consideration of coup plans by rightist elements.

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Cambodia: Dap Chhuon, powerful anti-Communist war lord in western Cambodia, is seeking support from the United States for a plan to overthrow the Sihanouk regime. His plan would also involve support from Thailand and South Vietnam. Chhuon, like several other conservative Cambodian leaders, is alarmed by growing Communist influence in the government.

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III. THE WEST

H O

Cuba: While fighting continues around the capital of Las Villas Province, the rebel forces besieging Santiago in Oriente Province are being reinforced by other rebel columns. General Cantillo, government commander in Oriente, has pulled outlying garrisons back to Santiago; his apparent refusal to engage the rebels suggests that he may be planning to bargain with them.

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I. THE COMMUNIST BLOC

No Back-up Material.

II. ASIA-AFRICA

Iran Seeking Closer Relations With Israel

Iran and Israel apparently are working on an informal agreement to exchange information. The problems and uncertainties relating to the new regime in Iraq have created a situation where close collaboration could be of mutual benefit. Israel and Turkey have also established closer ties.

Iranian relations with Israel have been quietly improving over a period of several years. Diplomatic relations have not been established primarily because of Iran's desire not to irritate the Arabs, but Israel has been purchasing Iranian oil, Iranians have visited Israel as official guests, Iranian newspaper articles favorable to Israel have appeared, and in early 1958 Iran requested Switzerland to protect Iranian interests in Israel. An official Israeli trade representative, whose instructions probably go beyond the mere conduct of commercial relations, has resided in Tehran for over a year.

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British Foreign Office Views on Cyprus Settlement

London will probably accept any plan for a final Cyprus settlement devised by Athens and Ankara in the conversations on guaranteed independence getting under way in Ankara. The parties have already agreed to convene a tripartite conference with Britain if these talks succeed in reducing their differences. Final agreement will depend largely on the ability of the Greek and Turkish foreign ministers to convince their respective governments of the desirability of making concessions.

A British Foreign Office official said on 29 December that he believed the British cabinet would accept any plan agreed to by Athens and Ankara provided certain requirements are met. The most crucial point--retention of British bases--has already been assured by both Greece and Turkey, and provisions to guard against a Communist take-over would presumably be included in any plan.

The Foreign Office official stated that in January London intends to promulgate controversial provisions of its interim self-government plan for the island, particularly establishment of separate Turkish municipal governments. This action could antagonize the Greeks enough to jeopardize the talks. However, London's recent conciliatory gestures--public modification of its stand on partition and commutation of eight death sentences--suggest, that it may delay implementation as long as agreement appears possible.

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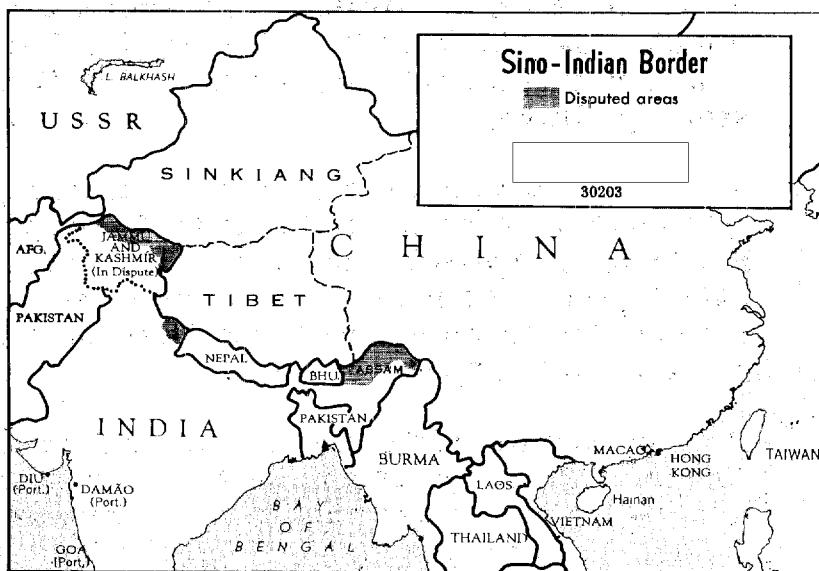
Kishi Surrenders to Party Dissidents

Japanese Prime Minister Kishi, in an attempt to avoid a rupture in his governing Liberal-Democratic party and the possible fall of his government, has yielded to demands for a major reshuffle of cabinet and party posts which will give party dissidents greater power in governmental and party affairs. He has also agreed to postpone the party's presidential election. Although this will give the dissidents more time to strengthen their organization, Kishi's re-election still seems probable.

These concessions will ease the current political crisis and remove the immediate threat to Kishi's position as prime minister. His prestige and power, however, have been further reduced by this retreat. In November he submitted to Socialist terms for ending the parliamentary crisis over the bill to strengthen police powers.

The success of the current dissident movement will encourage similar moves against Kishi in the future. He probably will be forced into additional compromises which will further erode his power, limit the effectiveness of his government, and possibly shorten his tenure as prime minister.

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India Apparently to Increase Support for Tibetan Resistance Movement

India apparently plans to increase its covert financial support to refugee Tibetan resistance leaders based in India. [redacted]

[redacted] the Indian Government now fully realizes that Communist China's actions in Tibet pose a serious threat to India and that it is considering ways to help the Tibetans. [redacted]

[redacted] approach the United States for assistance, [redacted] the Indian Government would present no obstacles to such a move.

India's attitude toward Peiping has cooled considerably during the past year because of China's procrastination on settlement of the Tibetan-Indian boundaries, its continued publication of maps showing parts of India as Chinese territory, and its attacks on Yugoslavia and endorsement of the Hungarian executions. While New Delhi is reluctant to damage its relations with Peiping, it has allowed Tibetan resistance leaders to carry on political activities in India despite two Communist protests in 1958, and growing concern over Peiping's intentions suggests that India will expand its efforts to limit Chinese power in Tibet. Prime Minister Nehru made his first official visit to Bhutan in September to emphasize his concern with Chinese activity along India's northern border.

Should Peiping learn of Indian financial aid to the Tibetan rebels, it would probably not make a public protest because of its desire to maintain a semblance of friendly relations as called for by the Bandung Conference, but it would almost certainly take an even harder line toward New Delhi. This could be manifested by refusal to discuss border demarcation, by more aggressive patrolling into disputed areas claimed by India, and by increasing efforts to expand Chinese influence in Nepal and Bhutan. [redacted]

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Labor Unrest Growing in Ceylon

The Bandaranaike government's position, already seriously weakened by the recent allegations of a conservative coup plot implicating the prime minister, is being further damaged by a series of leftist-led urban strikes with which the government has not yet dealt firmly. While Bandaranaike's 30 December decision to take personal charge of the strike negotiations and place Governor General Goonetilleke in charge of the port situation indicates an awareness of the need to halt the wave of strikes, the government does not appear to have a well conceived policy to replace its recent wavering tactics in dealing with the unions. If the strike situation is not brought under control by the government, the Trotskyite Lanka Sama Samaj party (LSSP)--which is behind most of the strikes--may expand the work stoppages, although fear of alienating the public is likely to cause it to stop short of a general strike. The economic confusion and increased political tension caused by the strikes may stimulate further consideration by rightist elements of plans for an eventual coup.

The agitation began on 18 December with a strike by about 3,000 LSSP-led port workers who were subsequently joined by a Communist port union. The government's willingness to yield to the strikers' demands apparently encouraged other unions, and strikes have spread to petroleum and bank employees and are threatened by employees of Colombo's principal business firms and of the island's nationalized bus line. Such strikes will further disrupt Ceylon's important foreign trade activities and cause increased inflationary pressures. [redacted]

[redacted]

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Coup Planning Against Sihanouk Government

Brigadier General Chhuon Mochulpic (Dap Chhuon), military governor of Siem Reap Province in western Cambodia, is seeking US support for a plan to oust Crown Prince Sihanouk from power and replace his neutralist regime with a strongly anti-Communist government. He hopes for additional support from South Vietnam and Thailand in the form of menacing military demonstrations on Cambodia's borders. Chhuon, who controls the palace guard in Phnom Penh in addition to three battalions in the field, believes if such a pretext were furnished he could stage a coup.

Dap Chhuon has long been critical of Sihanouk's accommodation with the Sino-Soviet bloc but has hoped the policy would change. He now feels that Cambodia's domestic situation is deteriorating rapidly because of increasing Communist influence in the government. His alarm is shared by other conservative Cambodian leaders, but as yet there apparently has been no effective coalescence of internal opposition to Sihanouk.

Dap Chhuon's aims would almost certainly draw sympathetic response from the Thai and Vietnamese governments, both of which are convinced that Sihanouk is a menace and must be removed. However, any move against the Phnom Penh regime--unless quickly consummated--would run the risk that Sihanouk would ask for Chinese Communist military intervention on his behalf.

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