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24 November 1958

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CENTRAL

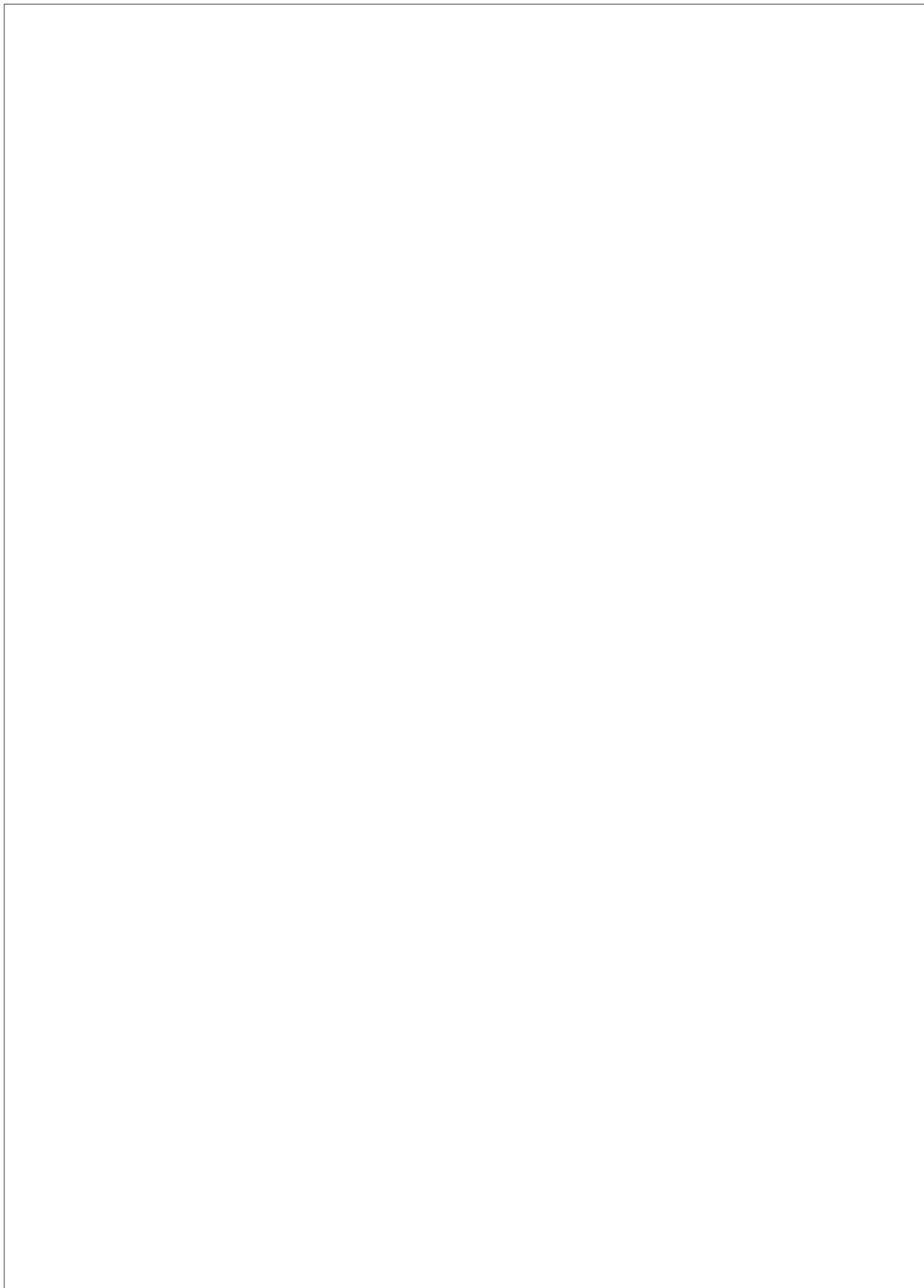
INTELLIGENCE

BULLETIN

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24 NOVEMBER 1958

I. THE COMMUNIST BLOC

West Berlin populace apprehensive.
No new development over week end.



II. ASIA-AFRICA

First shipment of Soviet arms arrives in Iraq.

UAR may delay plot against Qasim.

UAR and Iraq furnishing arms to Omani rebels.

Japanese Prime Minister Kishi suffers domestic setback.

Ghana and Guinea announce intent to confederate.

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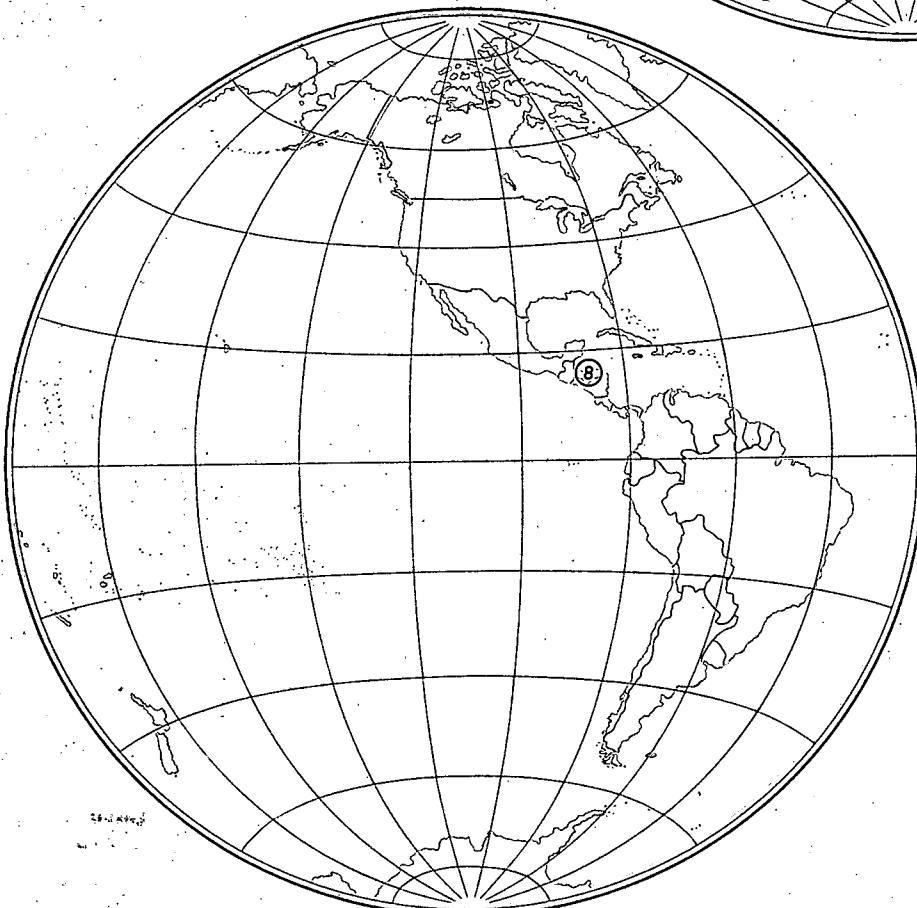
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III. THE WEST

(7) De Gaulle declares Guinea not a French problem.

(8) Honduras - Military reportedly planning coup for 24 November.

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CENTRAL INTELLIGENCE BULLETIN

24 November 1958

DAILY BRIEF

I. THE COMMUNIST BLOC

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*Berlin: No official action on Berlin was taken over the week end by either Moscow or the East Germans. West German Chancellor Adenauer told Ambassador Bruce on 22 November that he considered Khrushchev "a great actor who liked to create suspense and who may be in the process of altering the lines of his original script." [redacted]

[redacted] steps are being taken to move deposits and investments to West Germany. [redacted]

(Page 1)

II. ASIA-AFRICA

No

Iraq-USSR: The first shipment of Soviet military aid to Iraq arrived at the Persian Gulf port of Basra on 19 November 1958. Tanks and other vehicles were unloaded, as well as field and antiaircraft artillery, and ammunition.

No

*Iraq-UAR: The UAR may be hesitating to carry out its part in the plot being arranged by Rashid al-Gaylani against the regime of Prime Minister Qasim. [redacted]

Qasim reportedly left Baghdad secretly for Damascus on 23 November, possibly to meet with President Nasir. In the past, Qasim has stalled on UAR invitations to meet with Nasir. [redacted]

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~~TOP SECRET~~Iraq - Persian Gulf:

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 both Syria and Iraq plan to furnish arms and vehicles to the Omani rebels.

"peace talks" now in progress could be a ruse to gain time for the delivery of the arms.

(Page 4) (Map)

OK
Japan: Prime Minister Kishi, in the face of intense public criticism and increased factionalism within his own party, has yielded to public pressure and Socialist demands that the bill to strengthen police powers be shelved. This development, which is a blow to Kishi's prestige, could jeopardize his re-election as the Liberal-Democratic party's president in March 1959 and may affect the upper-house election scheduled for early June.

(Page 6)

U 12
Ghana-Guinea: On 23 November, the prime ministers of Ghana and Guinea declared their intention to join in a "united republic" designed to be the nucleus of a future federation of West Africa. This announcement may be intended in part to influence developments at the forthcoming Accra conference of African political parties. The union will probably be a loose association of the two diverse states, giving each a wide measure of autonomy with general coordination of defense and foreign policies.

(Page 7) (Map)

III. THE WEST

NO
Guinea-France: Prior to the Accra announcement, De Gaulle is reliably reported to have refused a personal appeal from the high commissioner for French West Africa for a change in France's attitude toward Guinea. De Gaulle is quoted as stating that he "did not give a damn about Guinea," that it was no longer a French problem, and that France would not recognize the country.

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Honduras: The year-old contest for dominance between the civil government and military leaders may be reaching a showdown. A group of military leaders, with the tacit support of the defense minister, is [redacted] planning the arrest and exile of two cabinet members and other prominent government leaders on 24 November. President Villeda Morales would then be told to accept this action or be ousted. [redacted] (Page 10)

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I. THE COMMUNIST BLOC

Berlin Situation

The adverse economic effects of the present crisis are becoming more noticeable in West Berlin. City officials feel that there is more anxiety and loss of confidence among wealthy business circles than at the time of the 1948 blockade or at the outbreak of the Korean war. While there has been no panic buying, bank withdrawals for the past week have exceeded deposits. At the outbreak of the Korean war, such excess withdrawals lasted only three days.

[redacted] reports of drops in industrial orders and postponement of deliveries to West Berlin for fear of nonpayment. The Berlin stock market declined 10 percent over the past week.

[redacted] a Soviet-German military commission which met in East Berlin on 21 November may have dealt with details of a Soviet turnover of control over access routes to the East Germans and that no subsequent high-level meeting on this matter will take place. These officials feel, therefore, that the actual turnover might come about much sooner than previously anticipated.

[redacted] a wave of optimism has swept supporters of SED First Secretary Ulbricht because Khrushchev is at long last supporting the East German leader's views on changing the status of Berlin.

West German Foreign Minister Brentano feels that after the East Germans assume control they will proceed cautiously, with no changes in checking procedures. He believes, however, that in about six weeks they would require all travelers to and from Berlin to obtain East German approval, which would have

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the effect of sealing off Berlin and "choking it economically and politically to the point of collapse."

West German Chancellor Adenauer told Ambassador Bruce on 22 November that he considered Khrushchev "a great actor who liked to create suspense and who may be in the process of altering the lines of his original script." Referring to his conversation with Soviet Ambassador Smirnov, the chancellor said it had been "unpleasant and unproductive," especially since Smirnov was evidently under surveillance by a staff member who noted his every utterance.

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II. ASIA-AFRICA

Anti-Regime Plot in Iraq

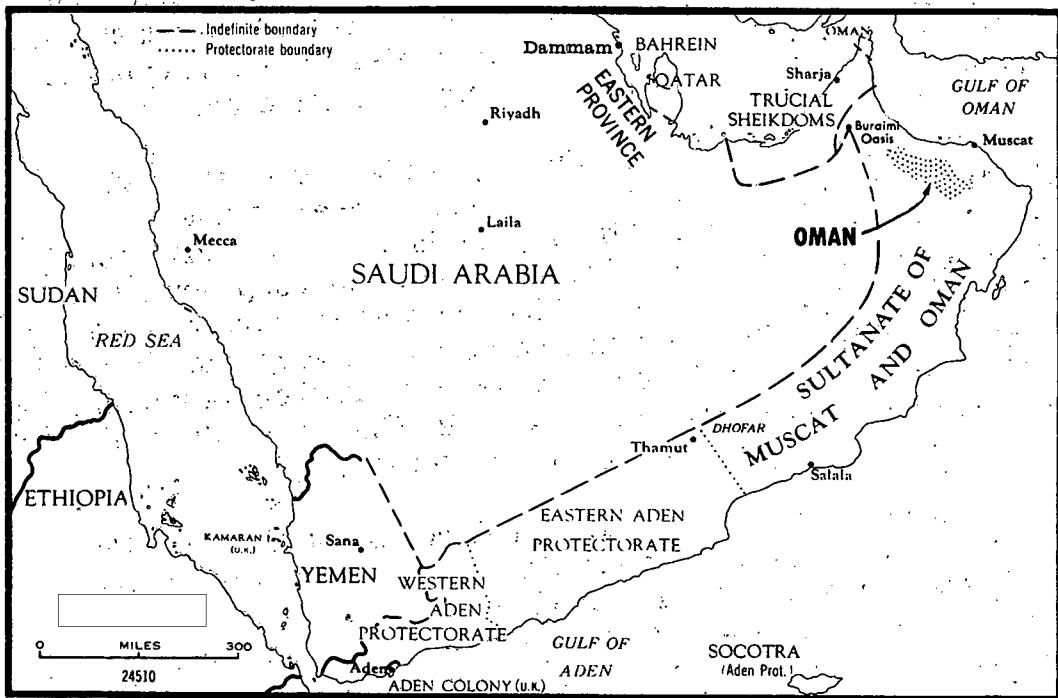
The UAR may be hesitating to support Rashid al-Gaylani's plot against Iraqi Prime Minister Qasim, possibly because it fears that Gaylani's plans have been compromised.

Several groups, such as the Gaylani faction or the divisional commanders, may make common cause against Qasim's leftward trend and the increasingly chaotic conditions existing in Iraq. However, the success of any coup would ultimately depend on the attitude of the army and not on the extent of UAR support. The divisional commanders very likely would move toward closer relations with Nasir, but short of union. Although advocating union with the UAR, Gaylani would likely be restrained by religious and ethnic factors.

A large portion of the Iraqi populace has little desire to become a part of Nasir's predominately Sunni Arab UAR--the Kurds fear absorption in a predominately Arab state, while Iraq's 4,000,000 Shia Arabs, almost two thirds of the population, have long been disturbed at the prospect of Sunni Arab domination.

Qasim's secret departure from Baghdad for Damascus on 23 November may presage a secret meeting with Nasir. It may be related to the possibility of Qasim's knowledge of Gaylani's plot.

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UAR and Iraq Cooperate to Undermine British-backed Sheiks in Persian Gulf

Since the Iraqi revolution in July, the Baghdad government has cooperated with UAR authorities in efforts to undermine the conservative British-protected regimes in the Persian Gulf sheikdoms, several of which are important producers of oil for Western Europe.

[redacted] the UAR has become increasingly active in supporting nationalist groups in Kuwait, Bahrein, and Qatar. In Oman, where the rebellion against the British-backed Sultan of Muscat is entering its second winter, most assistance to the rebels has been provided by the Saudi Government. [redacted]

[redacted] both UAR authorities in Syria and the Iraqi Government plan to initiate deliveries of arms, and apparently some vehicles, to the Omanis. The arms are to be delivered to Omani representatives at the Iraqi port of Basra for movement, presumably via the area's extensive smuggling facilities, to the rebel-held mountain redoubt in Oman.

Several weeks ago a rebel emissary approached Muscat authorities with an offer to discuss a settlement. Although the period of subsequent negotiations is believed to have been accompanied by a suspension of British air attacks on rebel-held areas, London is aware that the rebels are using the peace talks in order to gain time for additional aid to arrive. Omani spokesmen in Cairo have declared that Omani leaders could accept peace only on the basis of evacuation of British troops from Oman and recognition of Omani independence by the Sultan of Muscat.

Harassment of Kuwait, which has thus far refrained from joining the Arab League, is reflected in the Iraqi Government's suspension of food exports to Kuwait on 17 November because of criticism of the Iraqi regime in a Kuwait weekly newspaper. This action took place despite Iraqi Premier Qasim's recent

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assurances to the Ruler of Kuwait that food deliveries to his country would be maintained..

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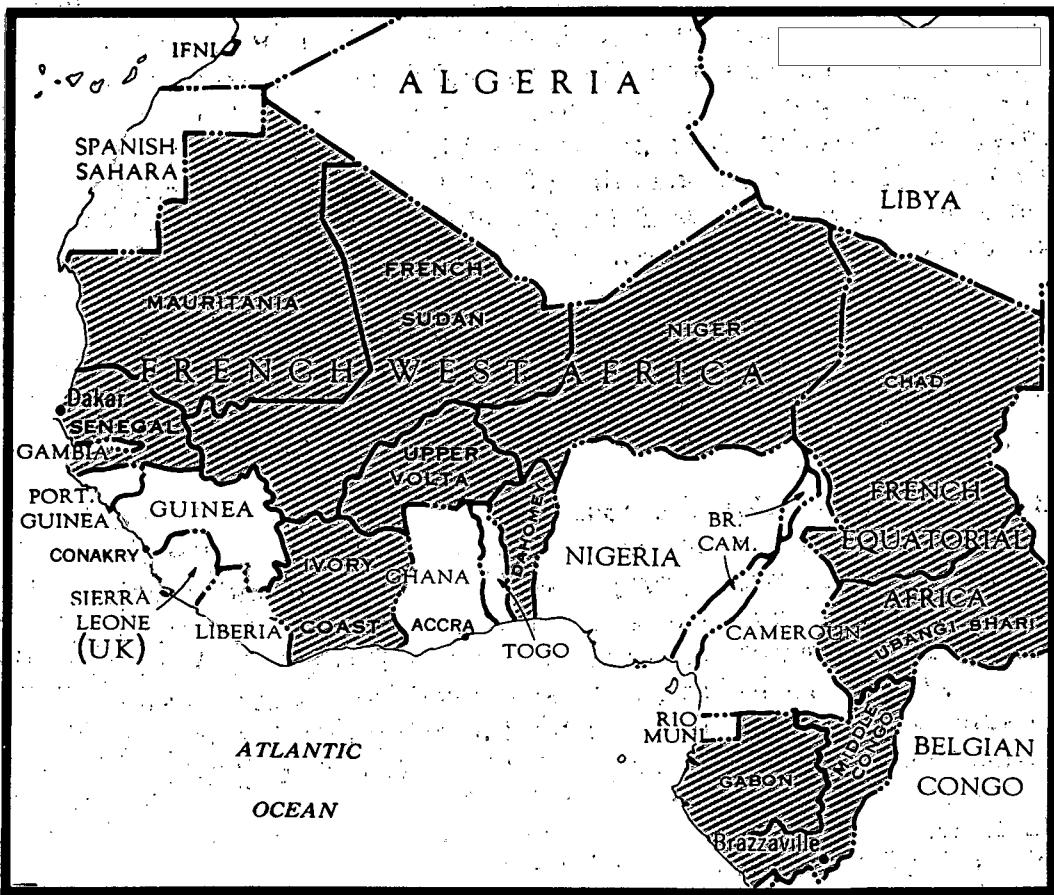
Kishi Moves to Placate Socialists in Parliamentary Crisis

Japanese Prime Minister Kishi, under severe public criticism for attempting to force Diet passage of the controversial bill to strengthen police powers, has surrendered, at least temporarily, to a Socialist demand that the bill be shelved. Kishi's submission will cause serious dissatisfaction among important elements of his own party and could seriously jeopardize his future control of the government and ruling conservative party.

The future of the police bill remains uncertain, but Kishi probably will seek Socialist agreement to an amended version, possibly to be considered at the regular Diet session in December. He will also attempt to restore unity within his own party.

However, Ichiro Kono, strong man of the former Hatoyama government and still a major conservative leader, has attempted to perpetuate conservative party discord in order to undermine Kishi's leadership and thus enhance his own power. The tenuous conservative unity which has prevailed since Kishi took office early in 1957 appears to have been shattered in this crisis and may result in a challenge to Kishi for the party presidency and government control in the spring of 1959.

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Ghana and Guinea Plan to Form "United Republic"

Premiers Nkrumah of Ghana and Toure of Guinea announced on 23 November at Accra that they have agreed to join their two states into a "united republic" which would become the nucleus of a future federation of West Africa. The agreement is subject to ratification by both legislatures, but this should pose no obstacle in view of the overwhelming control wielded by both prime ministers. Actually, the "united republic" will probably resemble an association with coordinated defense and foreign policies but autonomy for each state in internal affairs.

Separated by 350 miles of French territory, the two nations lack common cultural and political traditions, tribal kinship, and close economic ties. The leaders are natural rivals for West African nationalist leadership. Furthermore, international problems may be posed by Ghana's Commonwealth membership and Guinea's former status in the French Union, as well as Accra's participation in the sterling area and Conakry's position in the franc zone.

African nationalists--scheduled to assemble at a conference in Accra from 5 to 12 December--show increasing interest in regional federations, and Nkrumah may gain considerable influence by an association with Guinea at this time. The premiers envisage a wide African federation which would embrace all of the "West African bulge" and parts of equatorial Africa. However, several of the leaders of potential member states such as President Tubman of Liberia, Houphouet-Boigny of the Ivory Coast, and Premier Awolowo of the Western Region of Nigeria previously have indicated opposition to an Nkrumah-dominated federation.

At this time, Sekou Toure, who has received little encouragement from Western nations, is most eager for diplomatic help from Ghana, particularly in getting Guinea into the United Nations. He also hopes for economic aid from Ghana to stabilize the economy of his country, which is being severely affected by the massive French withdrawal of personnel and assistance. Ghana reportedly has agreed to grant a loan of \$28,000,000. [redacted]

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III. THE WEST

French Policy Toward Guinea

French Premier de Gaulle is reliably reported to have rebuffed an insistent appeal from his high commissioner for French West Africa concerning a change in France's attitude toward Guinea. De Gaulle said that Guinea is "no longer a French problem" and that he personally "did not give a damn about Guinea." High Commissioner Messmer, recently summoned to Paris, was told there would be no French Government representatives in Guinea after 30 November except those connected with the Treasury. De Gaulle's statements were made prior to the announcement on 23 November of a union of Guinea and Ghana.

On the point of recent US and British recognition of Guinea, De Gaulle was quoted as saying the two Western powers could "do as they pleased," but he sharply criticized London's action as "typical British policy of continuing to play France off against others, particularly in colonial areas." He plans to do nothing about admission of Guinea to the UN at this session.

Messmer also gathered the impression that De Gaulle was adamant on not letting Sekou Toure, Guinea's premier, "divert" him from the problems of Algeria and French-German relations. Although this attitude is consistent with De Gaulle's habit of concentrating on a very few major problems and ignoring "details," he also seems still to be influenced by Minister of Overseas France Cornut-Gentille and Minister of State Hounhouet-Boigny, both bitter enemies of Toure.

The West may lose a good deal in West Africa through France's default, in the opinion of the American consul general at Dakar. Toure's government at Conakry--inexperienced and already almost overwhelmed by the burdens of office--may not be able to maintain internal stability and economic production without French aid. Furthermore, the weakening of Western influence caused by Paris' unfriendly attitude and by the wholesale

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departure of French advisers and technicians will provide an opportunity for the Communist and neutralist nations. These states scored a considerable propaganda advantage by their prompt recognition of the new state in early October, and Guinea recently signed an economic and cultural agreement with East Germany. A Czech economic delegation is currently in Conakry to study local conditions.

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Honduran Military-Civilian Clash May Be Imminent

A group of Honduran armed forces leaders plans to arrest and exile at least three leading members of the civil government on 24 November and force President Ramon Villeda Morales either to accept this action or be ousted, according to a reliable informant of the American Embassy. Minister of Defense Molina is said to be aware of the plot and to condone it. The civilian leaders slated for exile include Foreign Minister Alvarado Puerto, Minister of Communications and Public Works Roberto Martinez, and President of Congress Modesto Rodas--all of them leading members of the governing Liberal party who have aroused the ire of the military for their efforts to weaken the armed forces' powerful and constitutionally established position of autonomy in the government.

Drastic military action at this time could provoke serious counteraction by groups of armed Liberals. Though the Liberal party and President Villeda have suffered a steady erosion in their popular support during the past year, they still have wide backing and have demonstrated their ability to mobilize crowds of supporters quickly and effectively. There are persistent rumors that armed workers' battalions have been organized under cover of the Ministry of Public Works.

The armed forces governed Honduras directly for 14 months until last December. Only after securing their autonomous status did they agree to permit restoration of constitutional government. There have been persistent rumors in recent weeks that they are seriously considering resuming direct control of the government. Opposition parties, weak and badly divided, have been trying to fan the distrust between civil and military leaders. [redacted]

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