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12 November 1958

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CENTRAL INTELLIGENCE BULLETIN



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12 NOVEMBER 1958

I. THE COMMUNIST BLOC

Khrushchev threatens Western status in Berlin.

Soviet short-range guided-missile unit with atomic capability believed to have been identified in East Germany.

Taiwan Strait - Communists may abolish cease-fire on even days.

II. ASIA-AFRICA

Jordanian King seeking to extract maximum propaganda advantage from air incident over Syria; postpones vacation.

Iran - Intelligence chief tells Shah of alleged Soviet-organized campaign to overthrow regime, but omits mention of internal non-Communist dissatisfaction with ruler.

Tunisia temporarily rejects British and American arms offers because of annoyance over alleged French role.

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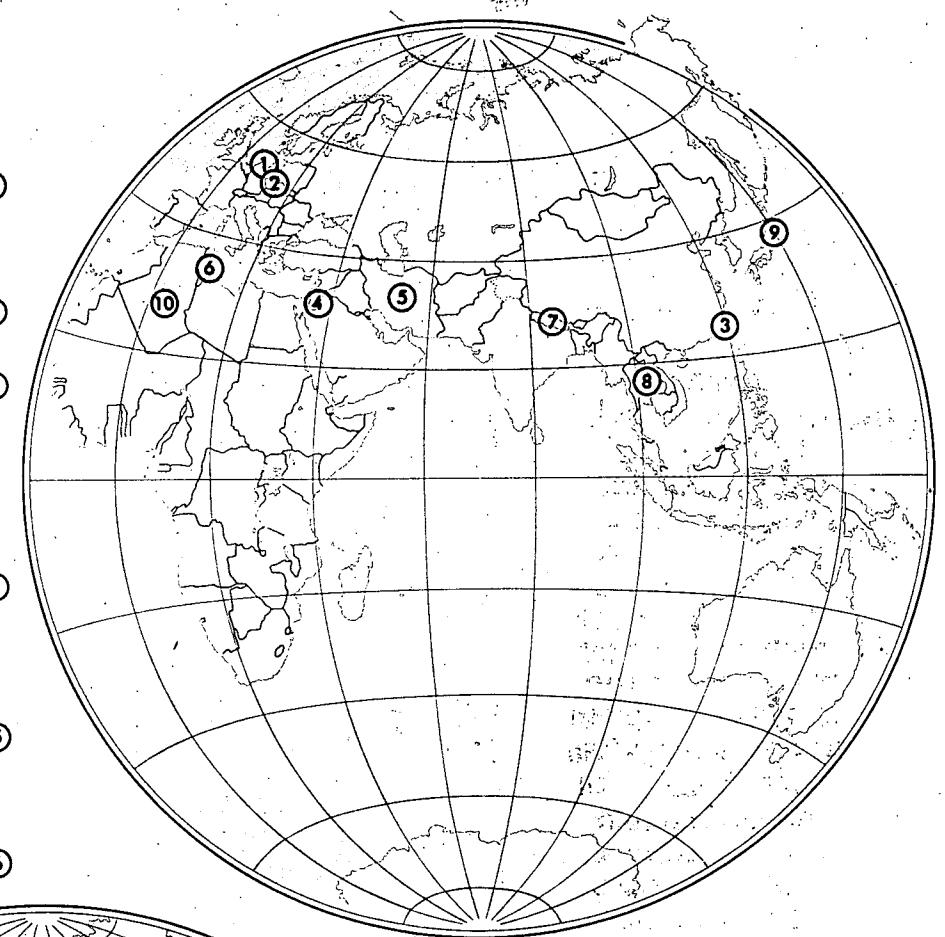
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(7) Nepal - King sets first national elections for next February.

(8) Thailand - Marshal Sarit's possible assumption of premiership unlikely to bring end to maneuvering within ruling group.

(9) Japan - Crisis over police bill may weaken Kishi government.

III. THE WEST

(10) De Gaulle suffers setback in failure of desired candidates to file in Algeria.

(11) Argentina - President imposes state of siege as result of strike by oil workers.

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CENTRAL INTELLIGENCE BULLETIN

12 November 1958

DAILY BRIEF

I. THE COMMUNIST BLOC

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*USSR-Berlin: Khrushchev, speaking in Moscow on 10 November on the occasion of the Soviet-Polish friendship meeting, declared that the USSR will turn over its remaining functions in Berlin under quadripartite agreements to the East German regime. If this action is carried out, the USSR will probably disclaim any responsibility for incidents arising from the presence of the Western powers in Berlin. Khrushchev's statements appear designed to strengthen the appearance of East German sovereignty and thereby undercut forthcoming West German unification proposals and block West German efforts to improve relations with the satellites, particularly Poland. Moscow may seek to exploit the threat of a renewed blockade of Berlin in its campaign to secure Western recognition of East Germany.

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MAD

Soviet missiles in East Germany: Analysis of photographs of one of two unusual Soviet military freight trains observed in East Germany in mid-October indicates that a guided-missile unit equipped with the surface-to-surface 100-nautical-mile missile (SCUD) may be present in East Germany. Each of the two trains carried large crated objects, the dimensions of which correspond almost exactly to the SCUD. The USSR has the capability of providing this missile with an atomic warhead.

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*Taiwan Strait situation: There has been no substantial change in the Chinese Communist military situation in the strait area. On 11 November, however, a Communist loud-speaker broadcast from Amoy Island said: "The cease-fire on even days is hereby abolished; shelling is possible any day." Naval activity has continued at a high level, particularly in East China waters. At least three landing ships have moved south from Shanghai to Santu Bay since 6 November, the largest number of landing ships detected in the Matsu area at one time in this situation.

(Page 3) (Map)

II. ASIA-AFRICA

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Jordan-UAR: King Husayn is seeking to extract the maximum progapanda advantage from the incident on 10 November involving his personal aircraft with UAR jet fighters over Syria. Husayn apparently intends to use the incident to postpone his vacation, to whip up patriotic sentiment favorable to him in Jordan, and also to bring about a more active United Nations effort to "police" UAR activities aimed against him. UAR authorities have denied that Jordan had obtained a clearance for the King's flight, although a dry-run flight from Amman to Cyprus was made via Syria last week, and they assert that the MIG's which intercepted the royal plane were merely to "escort" it to the Jordanian border rather than to "attack" it as Husayn has claimed.

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OK

Iran: The chief of Iran's intelligence service has reported to the Shah on a Communist-sponsored subversive campaign designed to overthrow the regime. The campaign was said to be organized by the USSR but to depend on support from the UAR and Iraq as well as Iranian Communists. While this report may overstate the present dangers to the regime, the situation in Iran is showing no marked improvement. Moreover, the report does not refer to the significant non-Communist internal dissatisfaction with the Shah.

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Tunisia: Tunisian officials have temporarily rejected arms offered by the United States and Britain because of press reports that France approved the sale of these weapons. The Tunisian defense secretary expressed acute annoyance, implying that arms were supplied because Tunisia opposed the UAR. He proposed that discussions be reopened later.

OK
Nepal: The King has announced that national elections will be held on 18 February 1959. Notice of these elections, which will be the first to be held in Nepal, will lead to increased activity by all political parties, including the Communists. Should political agitation seriously threaten the interests of the King, he is likely to postpone the elections.

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*Thailand: Marshal Sarit apparently has decided to assume the premiership in a provisional cabinet which is to be announced in a few days. His decision is said to have come after former Premier Thanom refused to serve as a figurehead premier with Sarit ruling from behind the scenes. In view of his poor health, however, Sarit is likely to give a fitful performance as premier. Maneuvering within the ruling military, which has been a threat to Sarit's primacy, is likely to continue.

OK
Japan: The parliamentary crisis precipitated by Prime Minister Kishi's handling of the controversial bill to strengthen the powers of the Japanese police is resulting in renewed factionalism among his supporters. Should the Socialists' boycott of the Diet and their mass-demonstration tactics force Kishi to retreat, his diminished prestige and loss of firm party backing would encourage pro-Communist and leftist organizations to increase extremist activity.

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III. THE WEST

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France-Algeria: The failure of pro-nationalist Moslem and liberal European candidates to file for the 28-30 November

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elections of 67 Algerian deputies to the French National Assembly is a serious setback for De Gaulle. Such candidates were discouraged from filing by the French Army, despite De Gaulle's order that it abstain from politics. Rebel threats also served to deter the Moslems. As the result of a last-minute filing, all 18 electoral districts now have candidates; however, most of these are French rightist settlers and Moslem collaborators.

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OK
*Argentina: President Frondizi on 11 November imposed a state of siege to suppress the ten-day-old petroleum workers' strike whose leaders are demanding that the government cancel its contracts and cease negotiations with American firms to develop Argentine petroleum. Frondizi described the strike as part of a subversive plan worked out by the Peronistas, under Peron's order, and the Communists. Several hundred agitators have been arrested. (Page 12)

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Taiwan Strait Situation

A Chinese Communist loudspeaker broadcast from Amoy Island on 11 November said: "The cease-fire on even days is hereby abolished. Shelling is possible any day." The broadcast implies a change in the Communist Defense Minister's 25 October order which had limited fire on even days to areas other than the beaches and landing strip on Chinmen, but there has been no official statement or comment from Peiping. Since the Defense Minister's order there has been little or no shelling on even days.

Three Chinese Communist ships, identified [redacted] as landing-ship type vessels, and an unidentified ship moved south from the Shanghai area to Santu Bay on 6 and 7 November and were still there on 10 November. Before moving south, these four landing vessels together with another vessel participated in an operation of undetermined nature off the Yangtze estuary on 4 November.

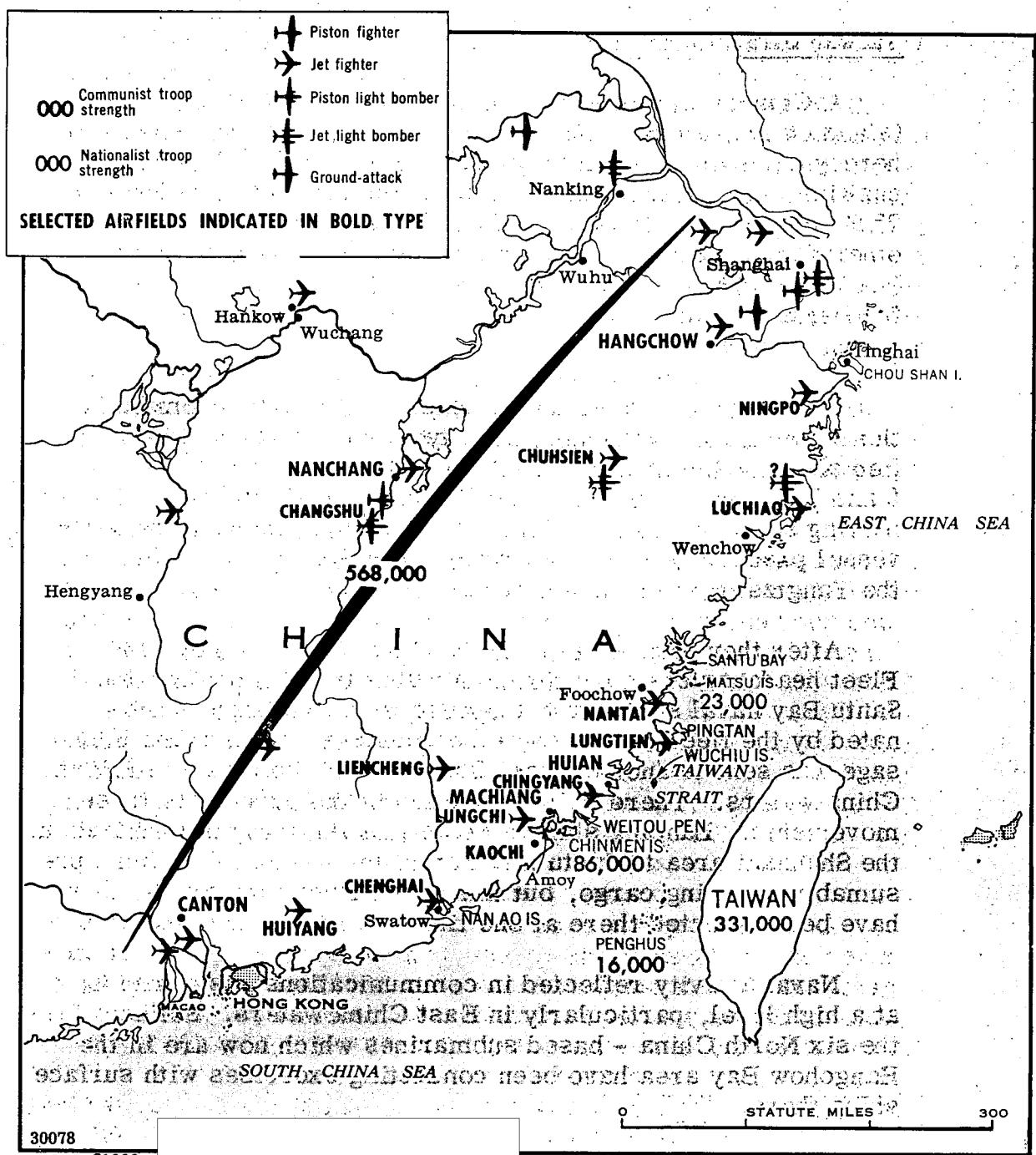
[redacted]
[redacted] There is no indication of the purpose of these movements. Landing ships have been making regular runs from the Shanghai area to Santu Bay during the present situation, presumably carrying cargo, but this is the first time that so many have been detected there at one time.

Naval activity [redacted] has continued at a high level, particularly in East China waters. Some of the six North China - based submarines which now are in the Hangchow Bay area have been conducting exercises with surface ships there.

There has been no change in the situation of Chinese Communist air and ground forces in the strait area.

A correspondent of Peiping's official news agency in late October told a Western journalist in East Berlin, who may be

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known to the Communists as a channel of information to Western governments, that the shelling of Chinmen was primarily designed to create an atmosphere that would lead to the "surrender" of the island. The correspondent added that Peiping believes it is impossible to "liberate" Chinmen through peaceful evolutionary means and that force must be used as an extension of the revolution on the mainland. He also said that the Chinese Communists desired to avoid any US involvement that might result in the internationalization of the Taiwan issue with "United Nations involvement." Strict orders, he said, have been given Communist forces in the Chinmen area to avoid shelling American ships.

Peiping's official news agency has announced that the "exhibition on the use of Sidewinder guided missiles by the Taiwan Kuomintang Air Force at the instigation of the US aggressors" ended on 10 November.

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