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15 November 1958

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CENTRAL

INTELLIGENCE

BULLETIN



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15 November 1958

I. THE COMMUNIST BLOC

Khrushchev preparing proposals to World War II Allied Powers on status of Berlin.

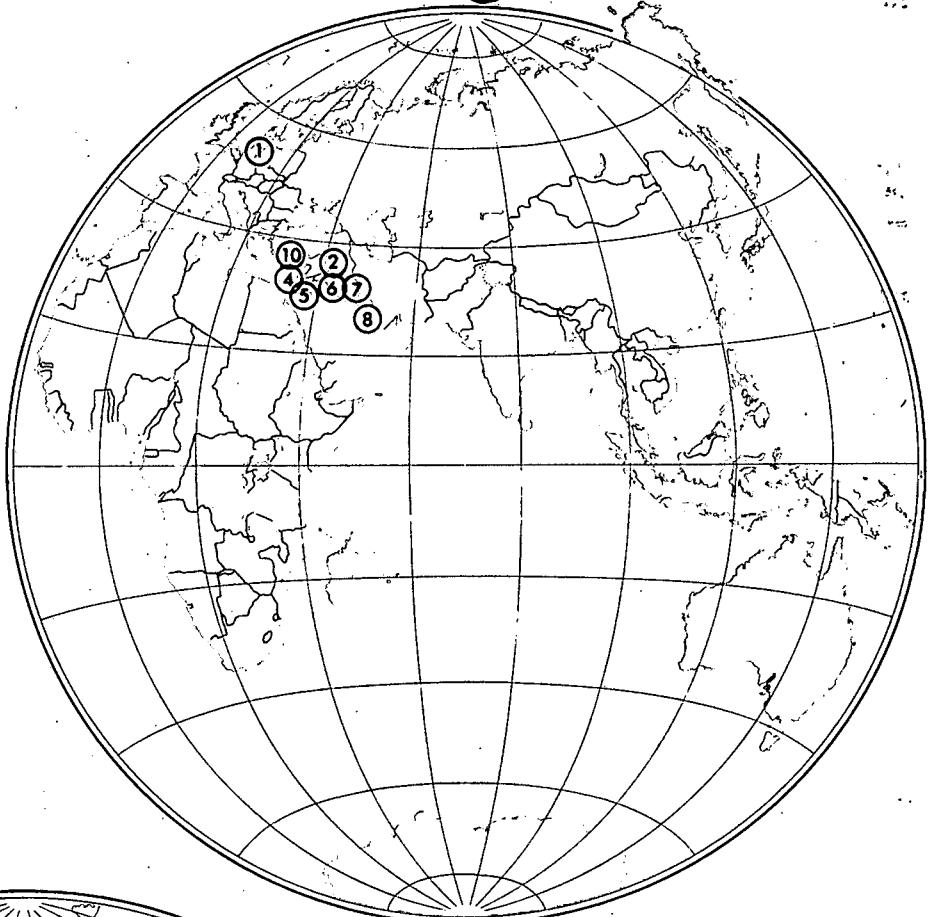
(1)

Soviet official comments on Barzani's mission in Iraq.

(2)

Communist China inquires about possible purchase of 100,000 tons of Chilean copper.

(3)

**II. ASIA-AFRICA**

More severe clashes on Israeli-Syrian border expected.

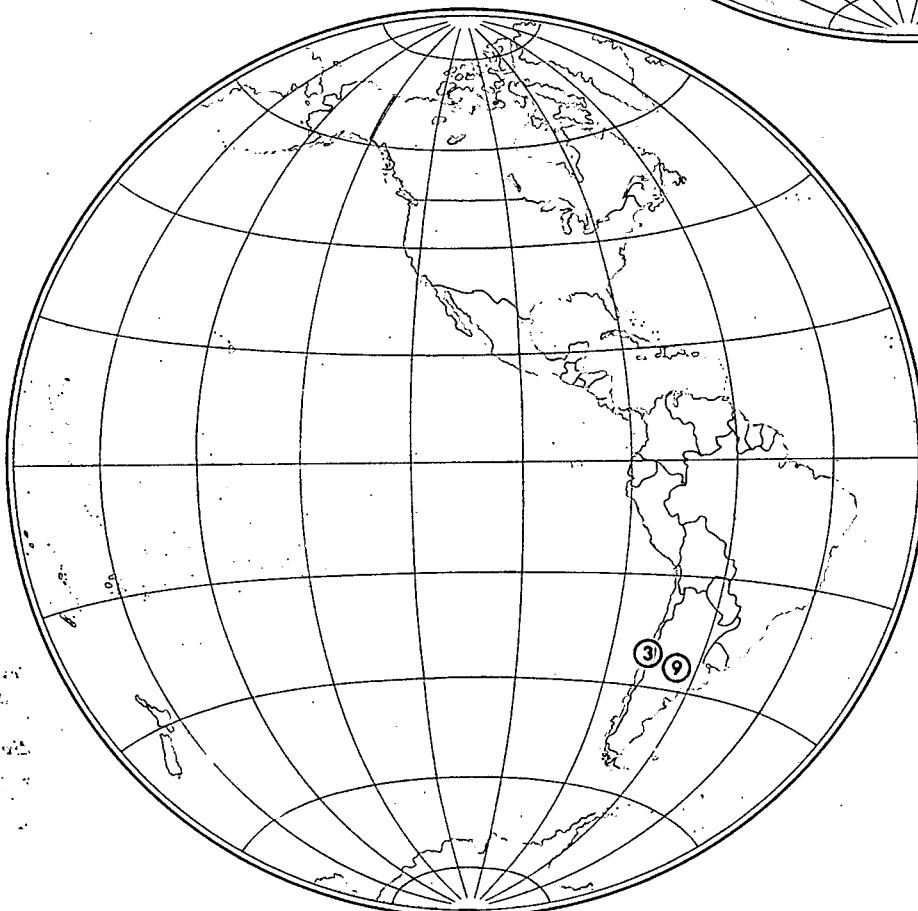
(4)

Jordan - King will not seek UN action on plane incident; to remain in country at least several months.

(5)

Iraq - Foreign consulates to be restricted to Baghdad and Basra.

(6)



Soviet arms shipment to Iraq includes 122-mm. guns. (SECRET PIVOT)

(8) Saudis preparing UN complaint against presence of British-controlled outpost in disputed boundary area.

**III. THE WEST**

(9) Argentina - President's position strengthened by armed forces support, but vice president's refusal to resign poses new threat.

(10) Cyprus - Governor claims "remarkable successes" against EOKA.

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CENTRAL INTELLIGENCE BULLETIN

15 November 1958

DAILY BRIEF

I. THE COMMUNIST BLOC

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* USSR-Berlin: Khrushchev has announced that the USSR is preparing "an appropriate document on the status of Berlin" and will soon make "definite proposals" to the World War II Allied powers. Western rejection of such proposals could serve as a pretext for the USSR to negotiate a "revision" of the status of Berlin with East Germany alone. West European NATO members are urging a prompt and strong show of Western unity on the Berlin issue. [redacted] (Page 1)

Soviet-Kurdish agitation:

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Mullah Mustafa Barzani's "immediate" mission in Iraq is to work for local Kurdish autonomy, but that the long-range plan is to form an independent Kurdish state which would include Kurds living in Turkey, Iran, and Syria as well as Iraq. Both Moscow and the Iraqi Communists, in order not to antagonize Prime Minister Qasim, have played down their past agitation for an independent Kurdistan. [redacted] (Page 3)
(Map)

No

Communist China - Chile: The Chilean consul general in Hong Kong in mid-October reported an inquiry from the Bank of China, acting on instructions from Peiping, about the possibility of purchasing 100,000 tons of Chilean copper. This appears to be primarily a political move designed to formalize commercial contacts with Chile and to gain eventual diplomatic recognition. The amount mentioned, approximately equal to annual Sino-Soviet bloc purchases of copper from the free world,

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is about 20 percent of annual Chilean production. [redacted]
 (Page 4) [redacted]

II. ASIA-AFRICA

Arab-Israeli situation: The American consul general in Jerusalem believes that another Israeli-Syrian border clash, probably more severe than the last, can be expected within the next two weeks. [redacted]

[redacted] move of Iraqi forces into Syria in anticipation of an Israeli attack on Jordan will arouse serious concern in Israel. The Israeli chief of staff stated last September that Israel's military position was "not too disastrous" as long as the Iraqi Army remained in Iraq. [redacted]

Jordan: King Husayn is reported to have decided to postpone his vacation at least for several months, and to believe now that it would be unwise for Jordan to ask for UN action against the UAR over the royal plane incident. He has asked the British to obtain Israeli agreement for a plane carrying the Queen Mother to overfly Israel on its way back to Amman from Europe. [redacted]

Iraq: The Iraqi Government has decided to confine all foreign diplomatic and consular establishments to Baghdad and Basra after 30 November, except for an Iranian Consulate at the Shia holy city of Karbala. This would eliminate consular activity, including that of the US, at Kirkuk, which is the center of Kurdish activity and the Iraqi oil industry.

(Page 7)

Iraq-USSR arms: The shipment of Soviet arms which the Iraqi authorities have been awaiting will include at least 18 122-mm. guns, some 37-mm. antiaircraft artillery, and gun prime movers. A Soviet merchant vessel left Nikolaev on 30

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October with a 3,000-ton arms cargo; it is now off the southern coast of Arabia and, if bound for Basra could reach there by 19 November.

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[REDACTED]
Saudi Arabia - UK: Saudi-British relations may be further strained as a result of the reported establishment of a small outpost by the British-controlled Trucial Oman Scouts in the disputed boundary area between Qatar and Saudi Arabia. A Saudi Foreign Ministry official intimated to an American Embassy officer that some kind of retaliatory action was planned.

(Map)

(Page 8)

III. THE WEST

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[REDACTED]
Argentina: President Frondizi's position has been improved by the armed forces' strong endorsement. Labor unrest continues, however, and Frondizi faces a new threat in Vice President Gomez' refusal to resign over charges implicating him in an abortive coup. A trial, as demanded by Gomez, could accentuate already strong dissension within the government party, particularly over petroleum policy.

(Page 10)

HQ
[REDACTED]
Cyprus: Governor Foot claims the security forces have had "remarkable successes" in recent operations against EOKA, and believes that present widely imposed curfews will limit the number and effectiveness of future EOKA attacks. At the UN, all interested parties are striving to line up support for the anticipated debate.

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DAILY BRIEF

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I. THE COMMUNIST BLOC

Berlin Situation

Khrushchev told graduates of Soviet military academies on 14 November that the USSR is preparing "an appropriate document on the status of Berlin" and will soon make "definite proposals" on the subject to the Allied Powers of World War II. He may be laying the groundwork for proposals for quadripartite discussions, possibly even at the summit level. He would seek to use a Western rejection as a pretext for going forward with his announced intention of negotiating a "revision" of the status of Berlin with East Germany alone, handing over to the Ulbricht regime the USSR's remaining functions in the city and on its access routes. Although he asserted: "When we speak of Berlin we do not declare that we will fight against the West," he reiterated his previous threats against aggressors.

Recent statements by East German Premier Grotewohl and politburo member Norden may be intended to stress that, while the USSR does not plan to precipitate an immediate crisis, the West inevitably will have to accept East German rule of Berlin and recognize the Ulbricht regime. Similarly, unofficial Soviet "leaks" in East Berlin and Geneva have emphasized the long-term aspects of the problem. The TASS correspondent in Geneva remarked to a Western newsman that "In power positions we like to probe for soft spots and see what happens... We are not thinking of a blockade!"

Western European NATO members believe the Soviet threat may not be as immediate as it first appeared, but nevertheless urge a prompt and strong show of Western unity. A top French Foreign Ministry official, predicting that Moscow will turn over to the East Germans control of land access to Berlin, recommends a "very firm line." He feels acceptance of East German travel visas would start a process leading to major concessions. The Norwegian Ambassador in Moscow urges a strong stand by the smaller NATO powers as well.

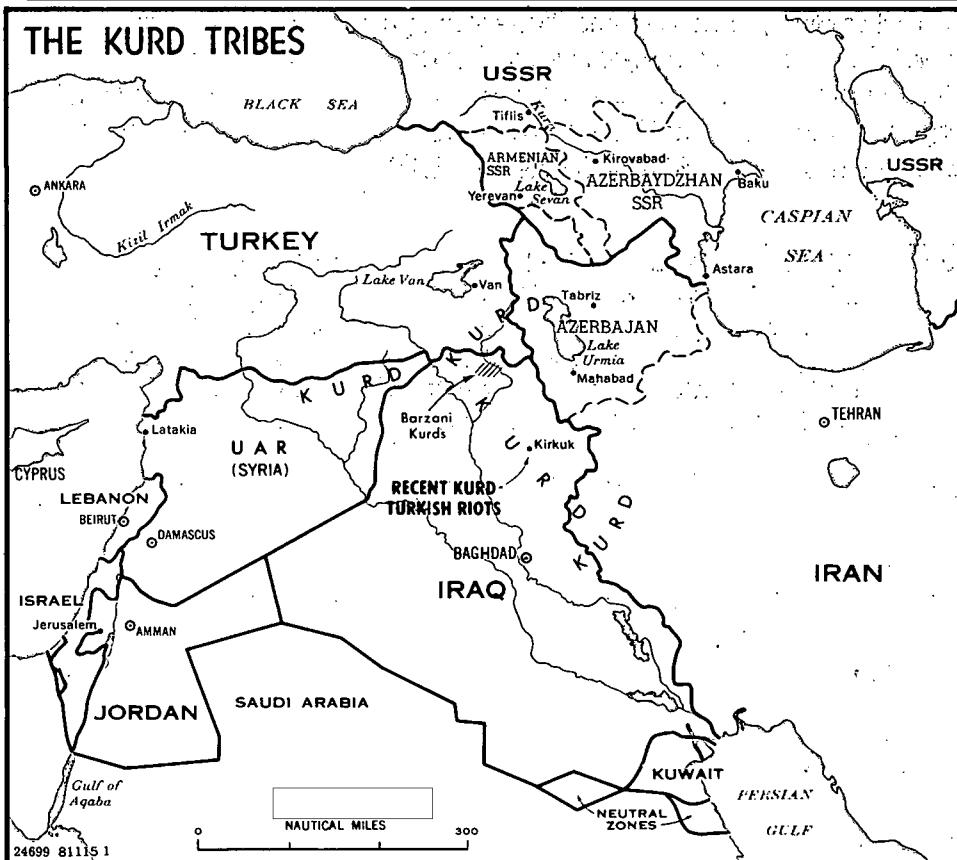
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He has expressed the opinion, in a report to his Foreign Ministry, that if Western powers cannot unite on defense of Berlin, then Norway cannot expect to be defended.

West German Chancellor Adenauer shares the view of his ambassador in Moscow that Khrushchev's move is primarily intended to strengthen his own standing at the January party congress. West Berlin officials, however, feel that Moscow has coordinated with East Germany a planned strategy against the Western position in Berlin, and see the greatest danger in a succession of "small harassments," no one of which would be considered worth a strong reaction but which would have the cumulative effect of "strangulation." [redacted]

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~~SECRET~~Soviet-Kurdish Agitation

[redacted]

diplomatic Tehran on 10 November. He said Mullah Mustafa Barzani's "immediate" mission in Iraq is to work for Kurdish autonomy, but that the long-range plan is to incorporate Kurds living in Iran, Turkey, Syria, and Iraq into an independent Kurdish state.

Moscow has used agitation for an independent Kurdish state against the Turkish and Iranian governments intermittently since World War II. Since the 14 July Iraqi coup, however, the USSR has emphasized Kurdish-Arab friendship and the rights of Kurds as a national minority but has denied that it plans to press for creation of a Kurdish republic.

Both the Syrian and Iraqi Communist parties have sharply increased their efforts among Kurdish groups,

[redacted] Moscow probably believes that Kurdish desires for autonomy can be used to heighten domestic unrest in Turkey and Iran and, if conducted discreetly, to increase Soviet influence in Syria and Iraq without provoking either Nasir or Qasim.

Turkey, Iran, the UAR, and Iraq all have shown concern over the increase of Kurdish political activity, particularly because of the overtones of separatism.

[redacted]
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~~TOP SECRET~~Peiping Considering Large Purchase of Chilean Copper

Communist China has expressed an interest, [redacted]

[redacted] in purchasing 100,000 tons of Chilean copper worth over \$60,000,000. This approach appears to be a political move designed primarily to formalize commercial contacts with Chile. The Chilean consul also was invited to go to Peiping at any time to "consider proposals for increased trade." The Chinese Communists probably believe that any willingness displayed by Chile to trade with Peiping on a large scale would set a precedent for other Latin American countries.

Peiping not only has a shortage of foreign exchange but is conducting a highly publicized drive to mine and produce its own copper far in excess of its needs by 1959. If a contract is concluded, Peiping probably would be buying for the entire Sino-Soviet bloc, which normally imports about 100,000 tons of free-world copper annually. Peiping acted similarly in arranging a rubber deal with Ceylon in 1952.

Chile, which earns about 65 percent of its foreign exchange from copper exports, is confronted by a precarious economic situation, largely caused by the drastic decline in the price of copper since 1956. The 100,000 tons sought by Peiping--equal to about 20 percent of Chile's annual production--would provide a market for Chile's production above normal contractual commitments for at least three years.

The new conservative regime of President Alessandri is anti-Communist in orientation, but may not be able to reject such a proposal because of the economic outlook and the strength of Communist and leftist Socialist opposition groups. Peiping was apparently unsuccessful, however, in its recent attempt to purchase 10,000 tons of Chilean copper wire.

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The Chilean Government now intends to grant visas to Sino-Soviet cultural missions, apparently in order to neutralize anticipated leftist attacks.

No Latin American country has diplomatic relations with Communist China. Peiping, however, has contracted to import during 1958 a total of about \$45,000,000 worth of goods from Latin America, largely wheat, sugar, and fertilizer. Communist China exports only negligible quantities of raw materials to this area.

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II. ASIA-AFRICA

Arab-Israeli Situation

The possible early movement of Iraqi forces into Syria, in

anticipation of a possible Israeli attack on West Jordan, is likely to increase Israel's concern for its military position

[redacted] Israeli Army Chief of Staff Laskov said in September that, although the advancing encirclement of Israel by pro-Nasir forces had made the problem of Israel's security more difficult, the situation was "not too disastrous" as long as the Iraqi Army did not leave Iraq. Laskov added that unification of Egyptian and Syrian forces under a single command had been the "most dangerous" threat to Israel thus far. Coordinated military planning and preparation for combined operations by the UAR and Iraq will be regarded by the Israelis as a further step toward command unification.

Iraqi forces are being held ready for movement [redacted]

[redacted] into positions in southern Syria from which they can move either into Jordan or against the Israeli border in the area where a clash occurred on 6 November. Israel has officially notified the UN Truce Supervision Organization that the cultivation of disputed lands in the demilitarized zone, which touched off that incident, will be resumed in the "near future." This almost certainly would again draw retaliatory fire from Syria.

The US consul general in Jerusalem expects another clash, considerably more severe than the last, within the next two weeks. The Israelis have strengthened the Bailey bridge across the Jordan River outlet of Lake Hula so that it now can support at least the heaviest equipment they are known to have. Reinforcement of the bridge appears to violate terms of the General Armistice Agreement, thereby providing an additional source of irritation to the Syrians. [redacted]

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~~CONFIDENTIAL~~Iraq Restricts Consular and Diplomatic Missions

The Iraqi Foreign Ministry notified foreign diplomatic missions on 11 November that they must close their consulates in all Iraqi cities except Baghdad and Basra by the end of November. An exception was made for the Iranian Consulate in the Shia Moslem holy city of Karbala. The government may fear that foreign activities outside these cities would arouse the local population against the government.

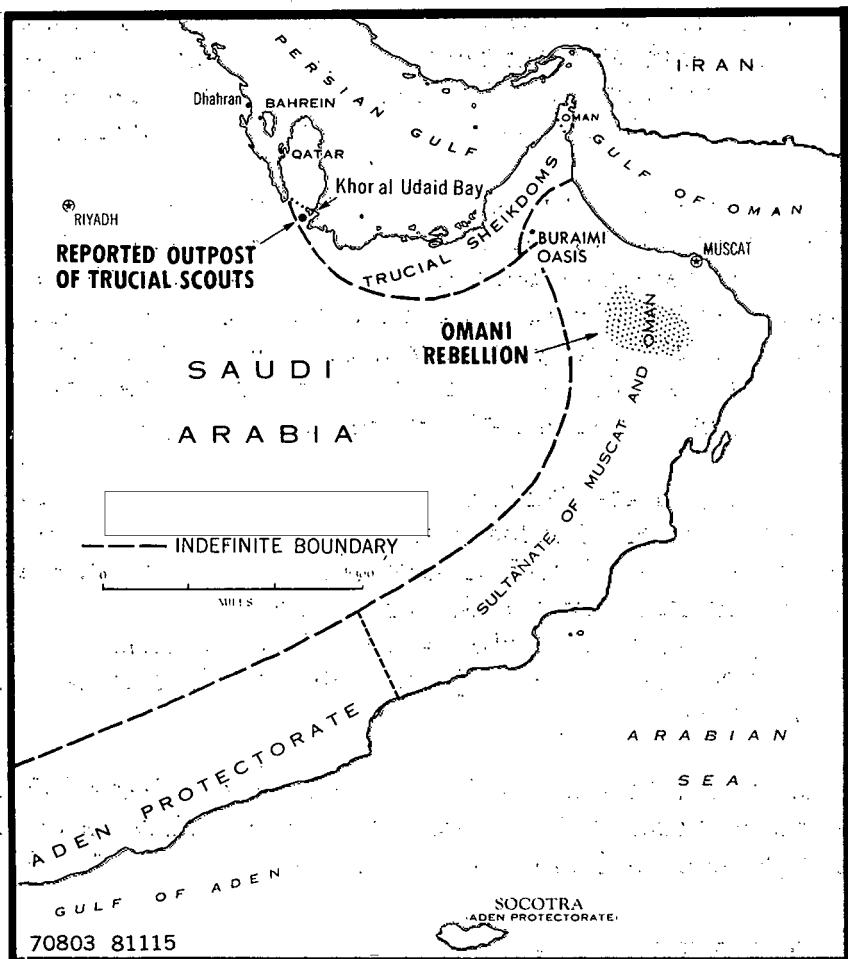
The closing of the United States Consulate at Kirkuk, in the center of Kurdish activity and the Iraqi oil industry, would eliminate an important source of information on affairs in northern Iraq. Aside from the US Consulate, other consulates affected by the order are the British Consulate General at Kirkuk and a vice consulate at Mosul, and those of Turkey at Mosul and of Iran at Sulaymaniyah.

Closing of the Turkish Consulate at Mosul will increase Turkey's concern for the Turkish minority of 75,000, located primarily in Mosul and Kirkuk, and may affect Turkey's conciliatory attitude toward the Qasim regime. Turkey has protested against the 25 October disorders in Kirkuk, claiming that soldiers and officers joined with Kurdish rioters in attacking Turks.

Iranian interests lie in southern Iraq, where 200,000 Iranian citizens reside. Iran also has a religious interest in Iraq's 4,000,000 Shia Moslems. [redacted]

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New Saudi-British Tension Possible

Saudi-British relations--long exacerbated by Riyadh's support of the Omani rebels--may become further strained by Saudi annoyance over the reported establishment of a small military outpost by the British-officered Trucial Oman Scouts on territory claimed by Saudi Arabia at the head of the Khor al-Udaid, a small bay at the eastern base of the Qatar Peninsula. Desert tribesmen, who first reported the outpost at the Al-Udaid well in July, said it was manned by an all-native force, equipped with several vehicles, which was conducting reconnaissance patrols into the surrounding desert.

The Saudis have not raised the issue internationally until very recently, when a Saudi Foreign Ministry officer in conversation with an American Embassy official unofficially referred to the British "occupation" of Khor al-Udaid, and intimated that retaliatory action was planned against "this British military violation of Saudi territory."

Interior boundaries in thinly populated southeastern Arabia have never been established and have been the subject of recurrent disputes between Britain and the Saudi Government. Britain claims the Persian Gulf coast south of the Qatar Peninsula for the Sheikdom of Abu Dhabi, most important of the Trucial States. Although oil prospecting parties have operated in the disputed area, the new outpost is probably not directly connected with the search for oil. Recent increased Saudi aid to the rebels in Oman, some of

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which presumably moved overland from the Eastern Province of Saudi Arabia, may have induced the British to increase their check points in frontier areas. The British believe that since the situation in Saudi Arabia is deteriorating, there is no point in making concessions at this time in order to reach a border settlement, and have therefore ceased earlier efforts to re-establish diplomatic relations broken in 1956. The outpost at Khor al-Udai may, therefore, reflect merely a move to back up the territorial claim of Abu Dhabi because of the uncompromising Saudi attitude.

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III. THE WEST

Argentine President Temporarily Strengthened

Argentine President Frondizi's position has been strengthened by the support of the armed forces. The military reportedly made their support for his 11 November declaration of a state of siege dependent on a crackdown on Peronista and Communist activities. Frondizi, [redacted] told [redacted] he would resign if bloodshed resulted from military action against the oil strikers in Mendoza.

Labor unrest continues, however, and Frondizi faces a threat in the refusal of Vice President Gomez to resign over charges implicating him in an abortive coup. The trial Gomez is demanding could accentuate already strong dissension in the administration party (UCRI) by subjecting to public discussion various government policies, especially those on petroleum and labor. On the night of 14 November, according to the press, Gomez was forced to flee his quarters when Frondizi supporters broke in. Police authorities reportedly have refused Gomez' request for protection.

The UCRI national committee expelled Gomez from the party on 14 November and is continuing efforts to persuade him that a trial to prove his innocence would be exploited by the opposition parties. A leader of the [redacted] opposition [redacted] for example, has stated that the Mendoza oil workers--still on strike--were right in demanding that Frondizi cancel the government's oil development contracts with foreign firms.

The nationwide strike by petroleum workers has been postponed until 17 November, and a general strike by Peronista unions is scheduled for 20 November. The Mendoza strikers, fearing that a military government may take over, are reportedly considering ending the strike if the government will agree to give them strike pay. [redacted]

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~~SECRET~~Cyprus

Recent British security force operations against EOKA are meeting with success, according to Cyprus Governor Foot, who cited the discovery of arms and ammunition caches and the capture of several local EOKA leaders. Foot is particularly hopeful that the recent imposition of large-scale curfews will reduce the flurry of attacks which have caused the deaths of 10 British civilians and 15 servicemen since 1 October.

The British recently emphasized their determination to eliminate terrorism on Cyprus by arming British civilians and discharging some 4,000 Greek Cypriots employed by the armed forces. While the issuance of arms will probably do little more than give a psychological boost to the morale of the civilians affected, the release of the Greek Cypriots may have a long-range effect on the Cyprus dispute. Curfews and an EOKA-enforced boycott of British goods have already seriously affected the once-flourishing Cypriot economy, and this latest British move will add a further blow.

While it is doubtful that any Greek Cypriot spokesman will denounce EOKA terrorism at this time, continued and increasing economic pressures on the Greek Cypriot community will give added weight to emerging sentiment within that community for an end to violence.

At the UN, where the Cyprus issue is expected to come before the Political Committee of the General Assembly on 24 November, Greece will concentrate on securing passage of a resolution supporting independence for Cyprus. Foreign Minister Averoff has repeated that both the Greek Government and Archbishop Makarios are prepared to accept guarantees granting protection to the Turkish minority and prohibiting union of the island with Greece. Athens apparently hopes to

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secure the backing of the UN for guaranteed independence before giving further thought to the holding of an international conference on the Cyprus issue, as proposed at NATO meetings in October.

Meanwhile, Britain is seeking US support for a UN resolution calling on the disputing members to work toward ending violence on Cyprus and to agree to hold a conference to discuss both interim and final solutions to the dispute.

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