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3.3(h)(2)

3 September 1958

Copy No. C 59

CENTRAL INTELLIGENCE BULLETIN

DOCUMENT NO. *89*
NO CHANGE IN CLASS.

DECLASSIFIED

CLASS. CHANGED TO: TS S C

NEXT REVIEW DATE: *2010*

AUTH: MA 702

DATE: *3/27/80* REVIEW: ~~TOP SECRET~~

Approved for Release: 2020/01/23 C03180497

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Approved for Release: 2020/01/23 C03180497

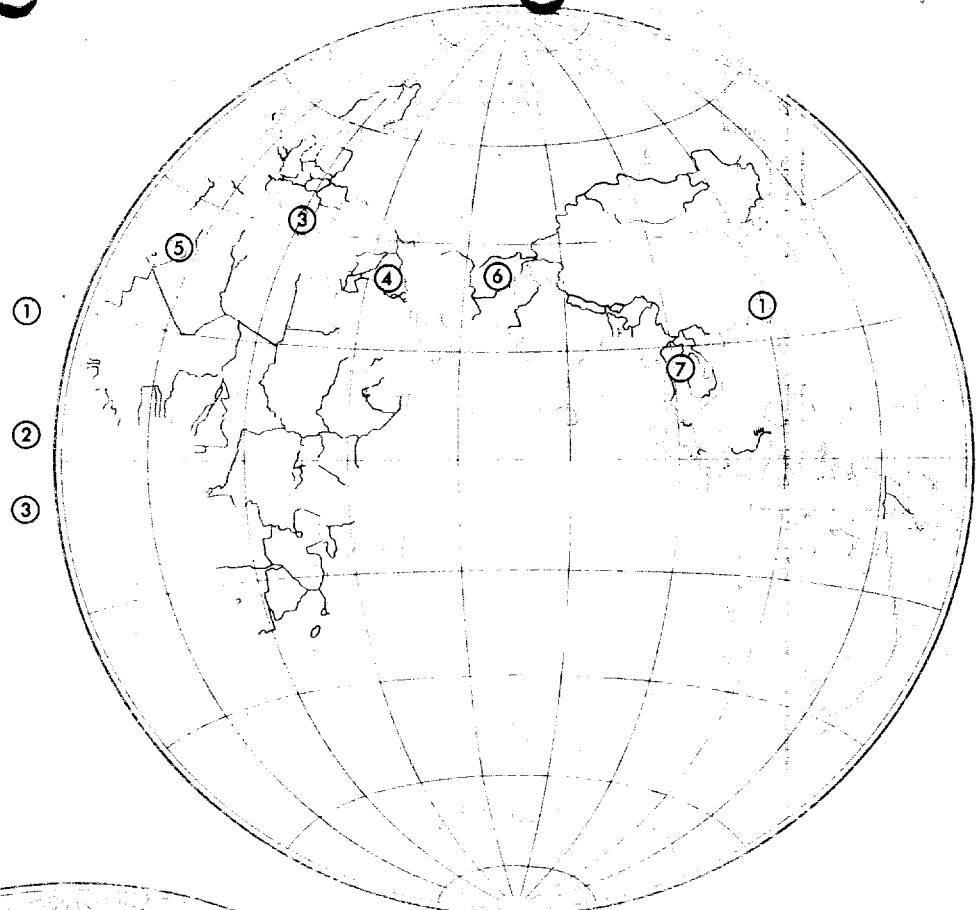
3 SEPTEMBER 1958

I. THE COMMUNIST BLOC

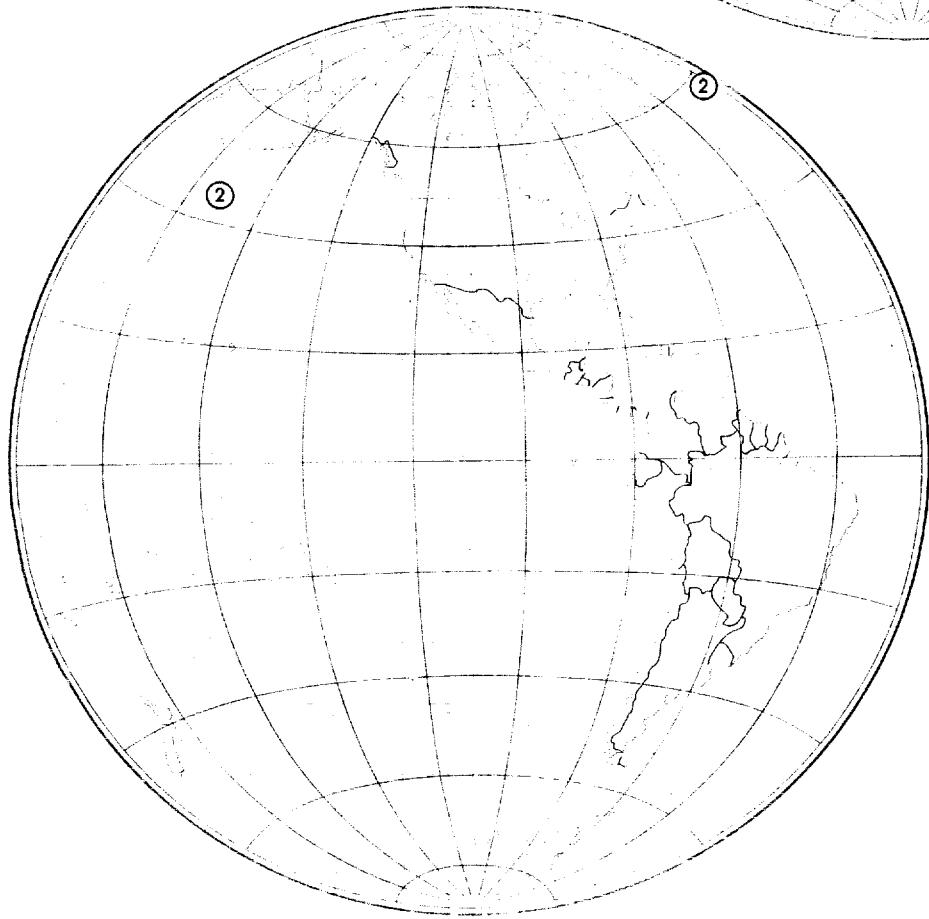
Taiwan Strait - Communist shelling makes resupply of Kinmens difficult; Chinese Communists emphasizing Pravda promise of "moral and material" help.

Soviet submarines remain on patrol in North Atlantic; one possibly in Pacific. [redacted]

Four Soviet submarines arrive at Valona, Albania.



II. ASIA-AFRICA



- ④ Iraq reportedly building case charging US with "sabotage."
- ⑤ Morocco expects first Soviet ambassador within two months.
- ⑥ USSR may have offered Afghanistan long-term credit for civil air program.
- ⑦ Thai premier may soon resign.

CENTRAL INTELLIGENCE BULLETIN

3 September 1958

DAILY BRIEF

I. THE COMMUNIST BLOC

SPLAB
*Taiwan Strait situation (as of 0100 EDT, 3 September): Communist shelling of the Kinmens (Quemoys) continues and is making resupply of the Nationalist bastion difficult.

OK
The Chinese Communists are using Pravda's 31 August statement to imply a Soviet commitment to become militarily involved in the Taiwan Strait situation in the event of US intervention. [] Page 1) (Map)

140
USSR: [] at least one submarine may have been on patrol at an unidentified location in the Pacific since mid-August.

NO
Patrol activity by two groups of Northern Fleet submarines in the North Atlantic - Norwegian Sea area is continuing. These operations have been in progress since mid-July. []

USSR: The four Soviet W-class submarines and a submarine tender which left the Baltic on 16 August arrived in Valona, Albania, on 31 August. A second group of Soviet ships, consisting of several auxiliary vessels, was last reported in the central Mediterranean on 1 September, possibly also bound for Albania. []

II. ASIA-AFRICA

b1C
Iraq: Iraqi army authorities are reported to be building a case charging the United States with organizing "sabotage cells" against Iraq. Charges in the current "treason trials" have linked US "sabotage cells" with the July oil-storage tank fire in Baghdad. The US ambassador believes that an effort is being made to implicate two US Embassy marine guards in this alleged sabotage. The marines were questioned extensively at the time of the fire. [redacted]

(Page 2)

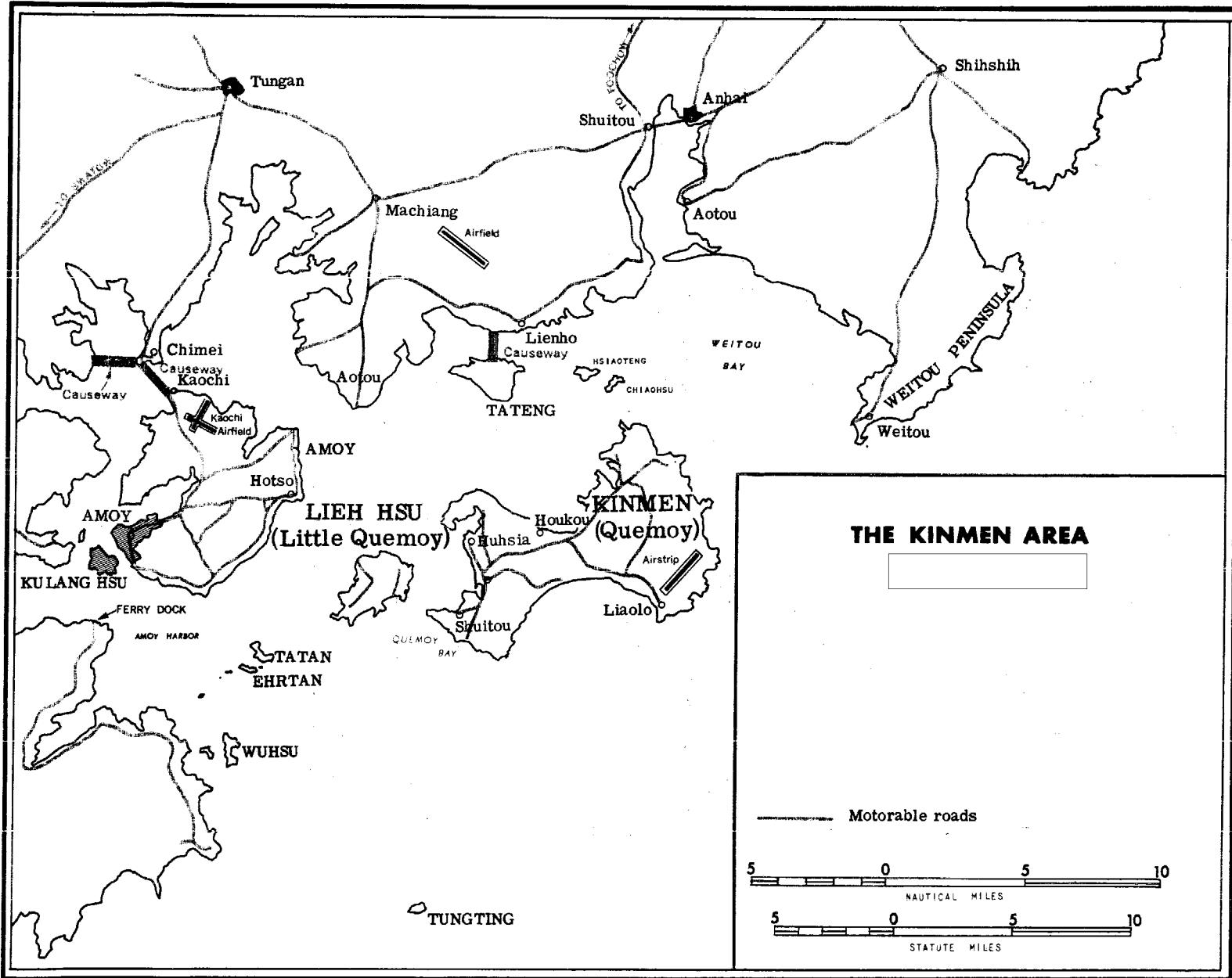
b1C
Morocco-USSR: The Moroccan Foreign Ministry expects a Soviet ambassador to arrive in Rabat within two months. The dispatch of a Moroccan ambassador to Moscow may occur somewhat later. [redacted] (Page 3)

b1C
Afghanistan-USSR: The USSR may have offered Afghanistan a long-term credit to finance the entire cost of a civil air development program, including low cost modern aircraft, Soviet crews, and airports to be built at any location desired. The president of the Afghan Air Authority has described the offer, apparently to influence the US to expand its civil air program in the country. [redacted]

(Page 4)

b1K
Thailand: There are indications that Premier Thanom has become disaffected with his role as Marshal Sarit's "front man" and may soon resign. Sarit would find it difficult to select a reliable replacement for Thanom and might be forced to assume the premiership himself, even though he apparently remains in precarious health.

[redacted] (Page 5)



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I. THE COMMUNIST BLOC

Taiwan Strait Situation (as of 0100 EDT, 3 September)

Chinese Communist artillery shelling of the Kinmen (Quemoy) Island group continues but is less intensive than last week. The Kinmen Defense Command reports that Communist motor torpedo boats are operating from Amoy to Wuhsu, south of the Tan Islands, thus placing them in a better position to interdict resupply of Kinmen. A Nationalist convoy from the Pescadores reportedly was turned back on 1 September by torpedo boats without unloading 370 troops heading for the Kinmen bastion.

The Nationalists apparently are reluctant to use their full naval resources in an attempt to resupply the Kinmens. Destroyers have not been used to protect resupply vessels, and counterbattery fire has not been fully employed against the Communist guns interdicting the Kinmen airstrip and landing beach. Communist fire has made it difficult to land aircraft at night, and resupply ships are off-loaded into smaller craft out of range of shore-based artillery.

Soviet commentaries have reiterated Pravda's 31 August pledge for moral and material support to the Chinese Communists, and, while concentrating on blaming the United States for tension in the area, have warned again that present hostilities could spread to other localities. The Chinese Communists are using the Pravda statement to imply a Soviet commitment to become militarily involved in the Taiwan Strait situation in the event of US intervention. Peiping newspapers on 1 September devoted whole pages to the Soviet assurance. One headline, paraphrasing Pravda's warning, said, "to threaten China means to threaten the Soviet Union." The Bulgarian radio on 31 August stated that the Chinese people have the "right" to unite all their lands and declared that the "small offshore islands, Taiwan, and the Pescadores will be liberated" in the near future.


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II. ASIA-AFRICA

Iraqi Military Charges US Formed "Sabotage Cells"

Iraqi authorities are going to considerable lengths to implicate "imperialists," especially the United States, in the current "treason trials" of leading military figures in the former regime. "Conspiracy against Syria" has been the main theme of these trials. Army authorities are reported to be building up charges that the United States organized "cells" for sabotage in Syria and Iraq, and they seek to implicate two US marines of the embassy guard detail with the recent tank fire in Baghdad.

As was the case in the Syrian "conspiracy" trials last year, hearsay evidence is being accepted as valid and suspicions are treated as fact. Although the inquiry board investigating the fire had reached the conclusion that it was an accident, the board's deliberations were suspended at the suggestion of the military that sabotage was involved. The two marines, who were arrested while viewing the fire, will probably be called for testimony and the occasion used to whip up more anti-American feeling.

Several factions within the present Iraqi regime could make capital from this anti-Western propaganda campaign. Extremist nationalist officers such as Vice Premier Arif may be utilizing the trials to foment further hatred of the West, while other elements, not anti-Western in themselves, could use such a campaign to divert attention from the inadequacies of the new regime. [redacted]

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Soviet Ambassador Expected in Morocco Soon

The Moroccan Government expects a Soviet ambassador to arrive in Rabat within two months and may send an ambassador to Moscow somewhat later, according to a Foreign Ministry official. The Moroccan official implied that the question of a diplomatic exchange--which the government decided on in principle last June--was initiated by the Soviet delegation which came to Morocco on 8 August, ostensibly for trade purposes.

Since the conclusion of the second Moroccan-Soviet trade agreement in April, Soviet trade personnel have worked hard to expand trade, apparently for political reasons. They have offered to purchase surplus stocks of Moroccan sardines and vegetable fiber and to sell jeep-type vehicles at very low prices.

Tunisia--which agreed in June to coordinate its foreign policy with that of Morocco--probably will also exchange diplomatic representatives with the USSR. President Bourguiba announced on 6 July that he contemplated such action before the end of the year, and on 29 August expressed to the American ambassador his confidence that the Tunisian Government could control the subversive activities of a Soviet mission. He doubted, however, that Morocco was equally able.

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USSR Offers Civil Air Development Program to Afghanistan

The USSR has offered Afghanistan a long-term credit to finance the entire cost of a civil air development program, according to Abdul Hakimi, president of the Afghan Air Authority. The offer reportedly includes low-cost modern aircraft with Soviet crews, airports built at any location desired by Afghanistan, and training of Afghan personnel. Hakimi said no final decision has been made by Kabul. The USSR earlier had offered Afghanistan IL-18 turboprop aircraft.

While Hakimi may have embellished the terms, Moscow probably has made Kabul an offer along these lines. Such an offer would be attractive to the Afghan Government, particularly as it would not require Kabul to contribute local currency or goods toward the cost of the program. The result, however, would be an uneconomical air transport system which would be a drain on the Afghan economy, and while Kabul earlier approved projects financed by foreign credits without undue concern for their economic justification, in recent months it has adopted a policy of not accepting further foreign loans. Kabul probably would be reluctant to accept a loan-financed Soviet air program since there is an American program, largely grant-financed, already under way in the country. The Afghan Government is apparently using the reported Soviet offer to induce the United States to speed up and expand its civil air program.

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Thai Premier Reported Considering Resigning

[redacted] Premier Thanom, increasingly dissatisfied with his role as Marshal Sarit's "front man," may soon resign. Thanom is said to be critical of Sarit's tolerance of corrupt practices in the government and of visits to the bloc by Thai assemblymen.

Sarit, who is currently vacationing in the United Kingdom, is almost certainly aware of Thanom's disaffection and may be sufficiently concerned to cut short his vacation. While aware of Thanom's inadequacies as premier, Sarit will probably exert strong pressure on him to remain in office. Sarit would be reluctant to accept the most obvious successor to Thanom, the ambitious Interior Minister Prapat, because the added power and prestige might enable Prapat to challenge Sarit's own authority. Should Thanom resign, therefore, Sarit might feel compelled to assume the premiership himself. [redacted]

While Thanom's performance as premier has been lackluster, Prapat has been a vigorous interior minister and has lost few opportunities to keep himself in the lime-light. Most recently he has taken the lead in advocating a hard line toward Cambodia, a position well calculated to appeal to Thai nationalist sentiment and to exploit undoubtedly uneasiness in Thailand over the Taiwan Strait crisis and Cambodia's recognition of Communist China. [redacted]

[redacted]

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[redacted]

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THE PRESIDENT

The Vice President

Executive Offices of the White House

Special Assistant for National Security Affairs

Scientific Adviser to the President

Director of the Budget

Office of Defense and Civilian Mobilization

Special Assistant for Security Operations Coordination

Board of Consultants on Foreign Intelligence Activities

Special Assistant for Foreign Economic Policy

Special Adviser to the President

The Treasury Department

The Secretary of the Treasury

The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Economic Affairs

The Deputy Under Secretary for Political Affairs

The Deputy Under Secretary for Administration

The Counselor

Director, International Cooperation Administration

The Director of Intelligence and Research

The Department of Defense

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The Deputy Secretary of Defense

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The Secretary of the Navy

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The Director, The Joint Staff

Chief of Staff, United States Army

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Assistant to Secretary of Defense for Special Operations

Deputy Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of the Army

Director of Naval Intelligence, Department of the Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

Supreme Allied Commander, Europe

Commander in Chief, Pacific

The Department of the Interior

The Secretary of the Interior

Federal Bureau of Investigation

The Director

Atomic Energy Commission

The Chairman

National Security Agency

The Director

National Indications Center

The Director

United States Information Agency

The Director

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