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26 November 1958

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CENTRAL

INTELLIGENCE

BULLETIN

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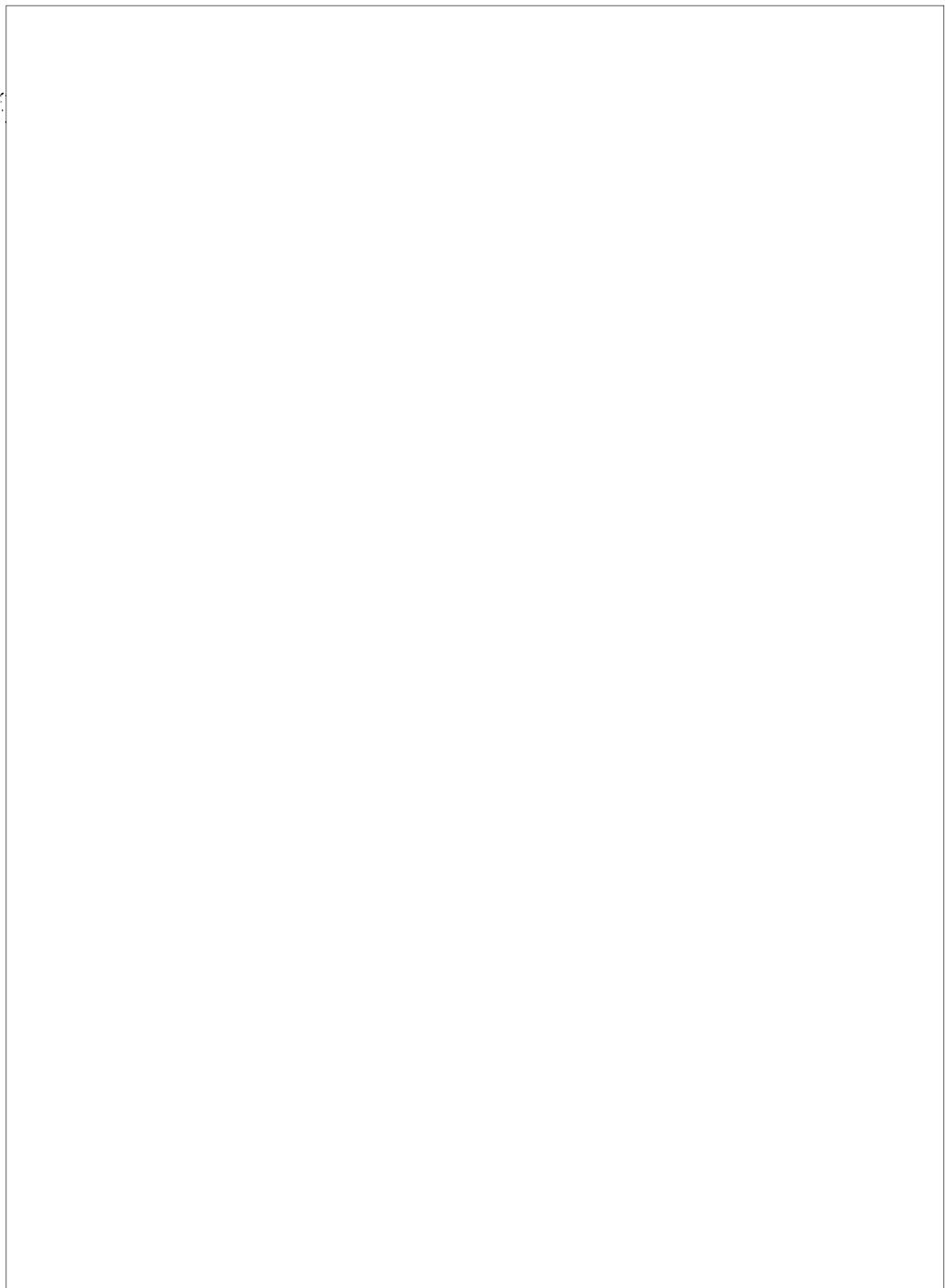
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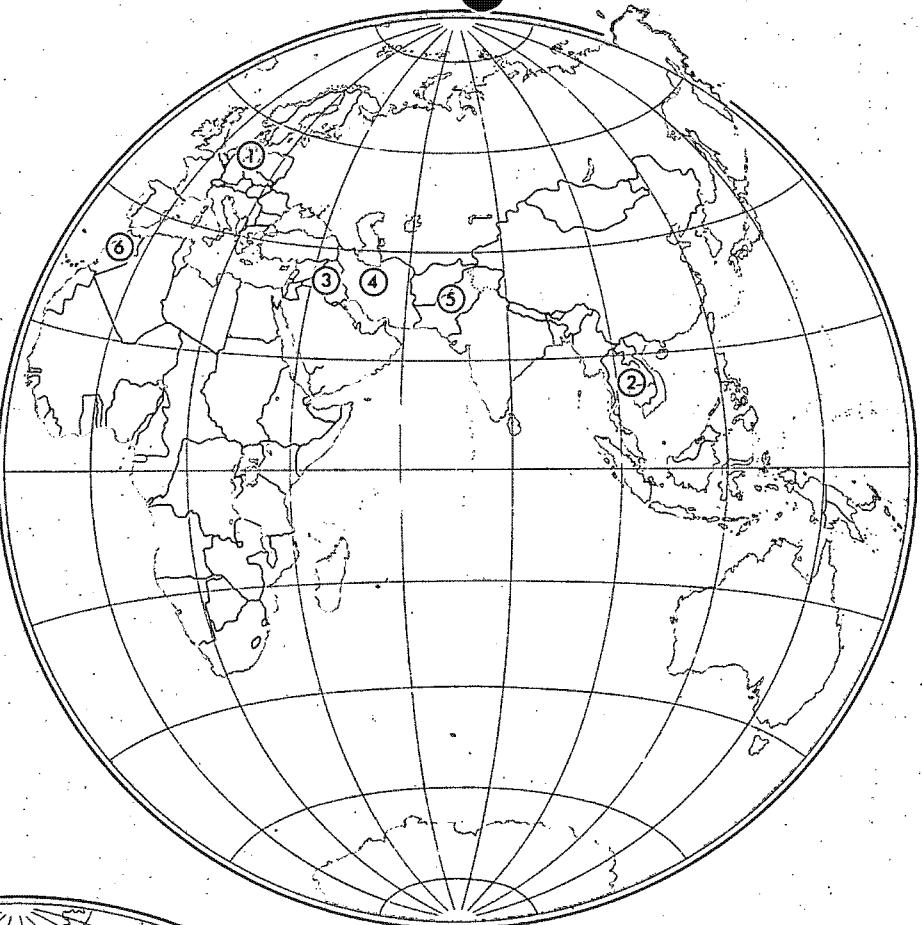
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26 NOVEMBER 1958

I. THE COMMUNIST BLOC

Communists hope to exploit reported
Western differences over Berlin.



II. ASIA-AFRICA

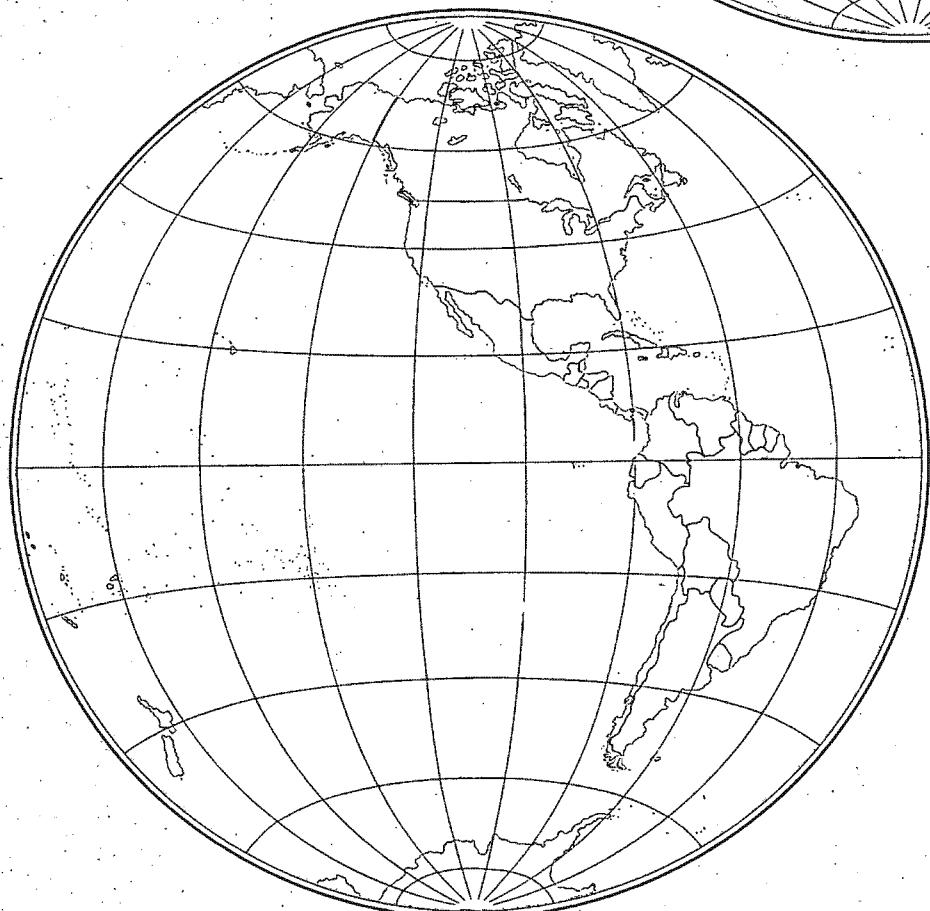
Thailand and Cambodia break rela-
tions; each will probably seek US sup-
port.

Iraq - Some Iraqi Army elements ap-
parently join UAR-supported plot
against Qasim.

Shah of Iran disturbed over relations
with USSR.

Pakistan - Ayub pressing reforms.

Moroccan Government crisis comes
to head as prime minister resigns.

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CENTRAL INTELLIGENCE BULLETIN

26 November 1958

DAILY BRIEF

I. THE COMMUNIST BLOC

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Berlin: Statements by East German leaders indicate that the Communists hope to exploit reported Western differences over Berlin, particularly what the Communists may believe to be British willingness to deal with East Germany on access to the city.

Instructions to East German party officials bear out Ulbricht's statement on 25 November that a Soviet proposal will be delivered in a few days.

(Page 1)

Watch Committee conclusion--Berlin, Taiwan: Recent Soviet and East German statements and actions continue the present Communist campaign regarding Berlin which will probably entail Soviet transfer of access controls to the East Germans and may involve intensified harassment of Allied traffic to Berlin. Although this harassment is not likely to be carried to the point of risking war, serious incidents may occur.

The Chinese Communists are likely to continue military action against the offshore islands to the degree deemed necessary to demonstrate their initiative in this situation.

II. ASIA-AFRICA

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Thailand-Cambodia: In the breakdown in Thai-Cambodian relations, both sides can be expected to press for US support. Thai leaders are considering a series of actions which would exacerbate relations and might lead to border incidents.

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PD
Iraq: Some Iraqi Army elements appear involved in Rashid al-Gaylani's plans to overthrow the Qasim regime with UAR support. [redacted] they plan to "hold a plebiscite on union with the UAR after the way has been prepared." Further consultations are scheduled for 10 December. [redacted] (Page 4)

Watch Committee conclusion--Middle East: A deliberate initiation of open hostilities in the Middle East is unlikely in the immediate future, although the situation remains unstable throughout the area. In Iraq, there is evidence of active UAR support for an antiregime plot by anti-Communist pro-UAR elements. A coup by army officers, alarmed at the extent of Communist influence in the Qasim regime, is also possible. Qasim is in danger of becoming even more dependent on Communist support in the intensifying power struggle.

[redacted]

PD
Iran: The Shah appears to be genuinely disturbed over his relations with the USSR. His stiff attitude toward recent Soviet approaches has resulted in Moscow's cancellation of border discussions and indications that the USSR will not purchase the usual amounts of Iranian rice. The Shah apparently is worried over Iran's continuing inability to meet its defense needs. [redacted] (Page 5)

OK
Pakistan: The scope and urgency of many reform measures being introduced by President Ayub's military regime, with the ready cooperation of the civil service, suggest a determination to fulfill "clean-up" promises with a minimum of delay. Few of the measures have been extended to East Pakistan, where the regime is experiencing special difficulties.

[redacted] (Page 6)

Morocco: The resignation on 25 November of Premier Balafrej, following that of Vice Premier Bouabid last week, brings to a head the long-pending governmental crisis. The dominant Istiqlal party, particularly the left wing represented

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by Bouabid, is trying to curtail the prerogatives of the King, especially his direct control over the Royal Moroccan Army and the country's Security Police. The King, on the other hand, is maneuvering to prevent Istiqlal from acquiring a monopoly over all political activity and desires to install a more representative government.

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DAILY BRIEF

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I. THE COMMUNIST BLOC

Berlin Situation

The USSR's delay in delivering its note on Berlin to the Western powers may reflect a desire for time to consider means of exploiting any Western differences over the Berlin problem. East German party boss Ulbricht asserted in his interview with a British journalist on 25 November that no changes would occur in the status of Berlin until the Soviet note had been delivered, and declared: "I think I can assure that it will be here before the end of the week."

Some of Ulbricht's statements in his interview on 25 November suggest that the Communists are particularly hopeful of exploiting what they believe to be British willingness to deal with East Germany on matters of access. Similarly, reiteration by East German officials of an intention not to interfere with normal life in West Berlin is clearly intended to appeal to West German Socialist and business circles which favor political negotiations with the Ulbricht regime.

West German and West Berlin

officials continue to take a strong stand against any Western dealings with East Germans. West Berlin's Mayor Willy Brandt, who had reluctantly agreed that acceptance of GDR officials was

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the best alternative for the Western powers, now has reversed his position, apparently as a result of pressure from West German Foreign Minister Brentano.

[redacted] whom they encountered during their tours are still confident that the West intends to stay in Berlin, but are unanimously frank in warning that if the West shows "weakness," pro-Western elements in East Germany will join in the cry of "Ami go home!" [redacted]

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II. ASIA-AFRICA

Thai-Cambodian Relations

The suspension of diplomatic relations between Thailand and Cambodia derives from chronic frictions between the two countries. The present crisis was precipitated by Cambodia's notification on 24 November that it would "temporarily suspend" its representation in Bangkok as of 1 December. Cambodia apparently was reacting to the antagonistic attitude Thailand adopted after the Sihanouk government recognized Communist China last July. Sihanouk may in fact feel that Thailand is actively supporting Cambodian elements hostile to his rule.

The Thai Government reacted sharply to Cambodia's announcement, and Marshal Sarit made a quick trip of inspection to the border. The government has also initiated various counteractions such as strengthening police patrols along the already closed frontier. This could lead to serious border incidents. More important, however, is the possibility that the United States may be pressed with demands for support from both parties, as happened recently in a border dispute between Cambodia and South Vietnam. In that case, Cambodia, dissatisfied with the US response, appealed to Communist China for support after charging that South Vietnam's "aggressive" attitude was backed by Western powers.

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The Iraqi Situation

Rashid Ali al-Gaylani's plotting to overthrow the Qasim regime with the cooperation of dissident army elements continues, but no decision regarding the timing of the coup has been reached.

The Iraqi internal situation appears to be heading for a crisis in the near future. The friction between Communist and Baathist elements might lead to an open clash at the instigation of dissident elements; this may force factions within the army to take sides. Should the army become pinned down in maintaining security in Baghdad and other urban centers, dissatisfied tribal and Kurdish elements might revolt as a result of incitement by anti-Qasim agitators. Likewise, senior army officers, perhaps supported by pro-UAR junior officers, might launch their own coup to oust Qasim and stop the leftward drift. [redacted]
this group already has warned Qasim to reverse the pro-Communist trend within the next two weeks or face ouster.

The small Communist party, a new factor in Iraqi affairs, has highly capable leadership and is [redacted] working assiduously to infiltrate the civilian apparatus of the government with the objective of dominating the political scene. Up to the present there is no indication that the party has made any effort to infiltrate the army. [redacted]

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Shah of Iran Disturbed Over His Relations With USSR

The Shah of Iran has informed the American ambassador that he may be unable to continue the firm stand he has been taking against continued pressures from the Soviet Union unless he obtains additional military and economic assistance from the US. He stated that Soviet Ambassador Pegov had unexpectedly returned to Tehran with the intention of presenting him on 26 November with what the Soviet Embassy called a "very interesting proposition."

The Shah is particularly concerned over what he considers Iran's lack of sufficient military strength to protect itself against external aggression, and has emphasized possible danger from Afghanistan's Soviet-equipped forces. In addition, he is disturbed by the USSR's recent canceling of border discussions and refusal to buy the usual amounts of Iranian rice.

While the Shah is probably sincere in his concern over Iran's defenses, he may be emphasizing his country's military and economic deficiencies to American officials to prepare the ground for his annual request for direct monetary aid to assist in solving Iran's forthcoming budgetary problems.

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The flurry of administration announcements from Karachi during the past week indicates that President Ayub's military regime is making an active effort to implement its promises of political and economic reform with a minimum of bureaucratic delay. It has consolidated its control of the government and withdrawn the army from most local martial-law administration.

Among reforms being implemented is an extensive delegation of administrative authority to government units below the provincial level, a move probably designed to forestall renewed demands for provincial autonomy along linguistic lines. Economic planning has been accelerated and a number of fiscal measures introduced, including stringent regulations requiring payment of back income taxes and declaration of private financial assets. The planning commission, on President Ayub's direction, called consultative conferences on 24 November to formulate short-term programs to rehabilitate Pakistan's economy, while the second five-year plan is being drawn up. A land reform commission is preparing recommendations on maximum and minimum land holdings, which apparently are stimulating landlords to consider united action to protect their interests.

The majority of measures implemented so far have been limited to West Pakistan. The regime faces harder problems in East Pakistan, and probably will proceed more cautiously in this area, where dissatisfaction with the new administration is already reported to be growing.

It is not yet clear to what extent Ayub and the group of army officers assisting him are actually formulating these measures. The nature of the measures suggests that they originate with the civilian experts in the presidential cabinet or with the top civil servants. This would be in line with the military leaders' apparent inclination to rely heavily on the civilian administration.

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