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10 December 1958

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CENTRAL

INTELLIGENCE

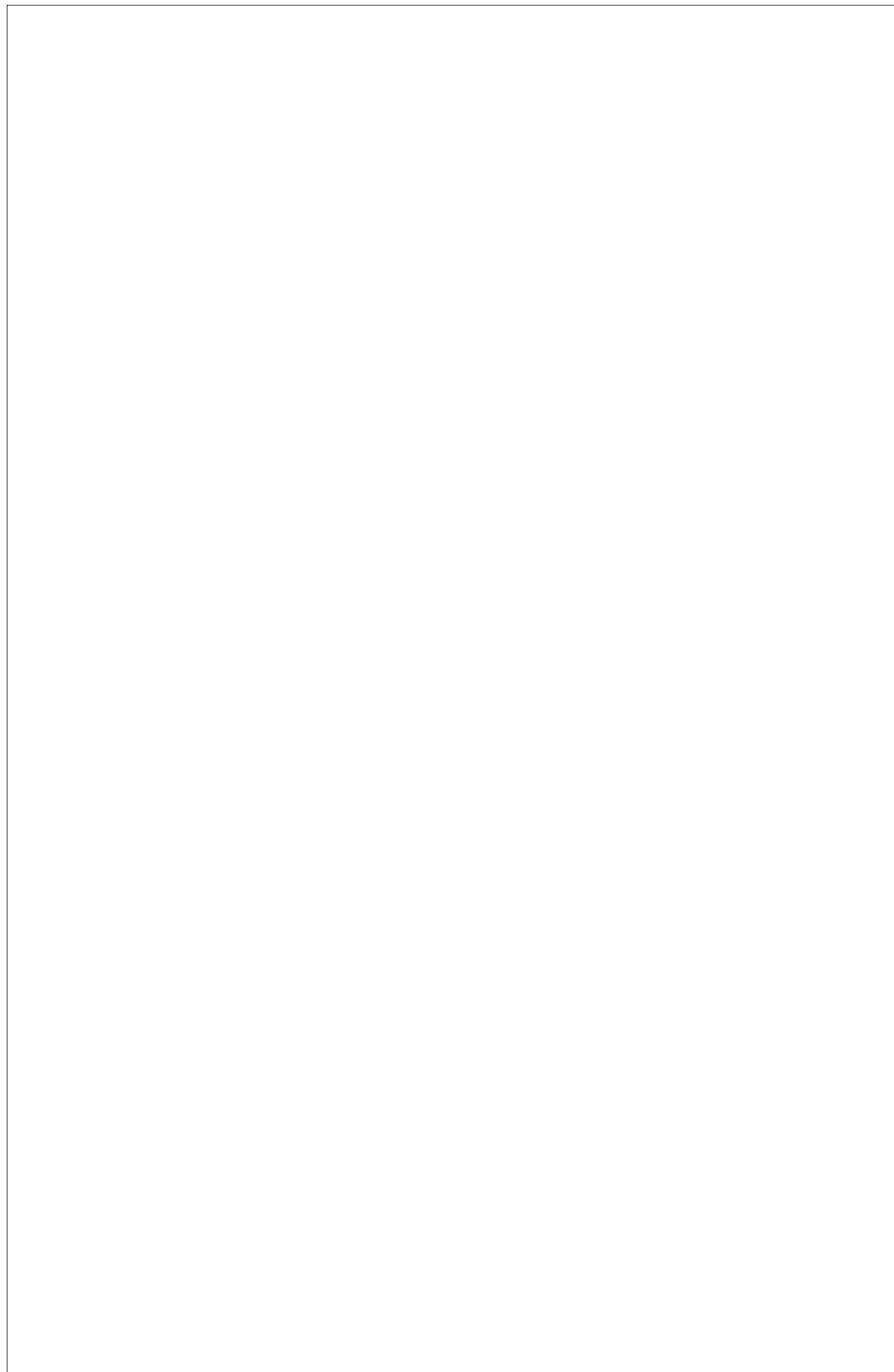
BULLETIN



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10 DECEMBER 1958

I. THE COMMUNIST BLOC

USSR considered likely to shift tactics on Berlin proposals to maintain initiative.

①

II. ASIA-AFRICA

Iraqi regime rounding up disaffected elements and tribal leaders.

②

UAR reinforces troops on Syrian-Israeli border. Israelis continue to threaten retaliation.

③

Japan - Kishi continues to face serious factionalism within his party.

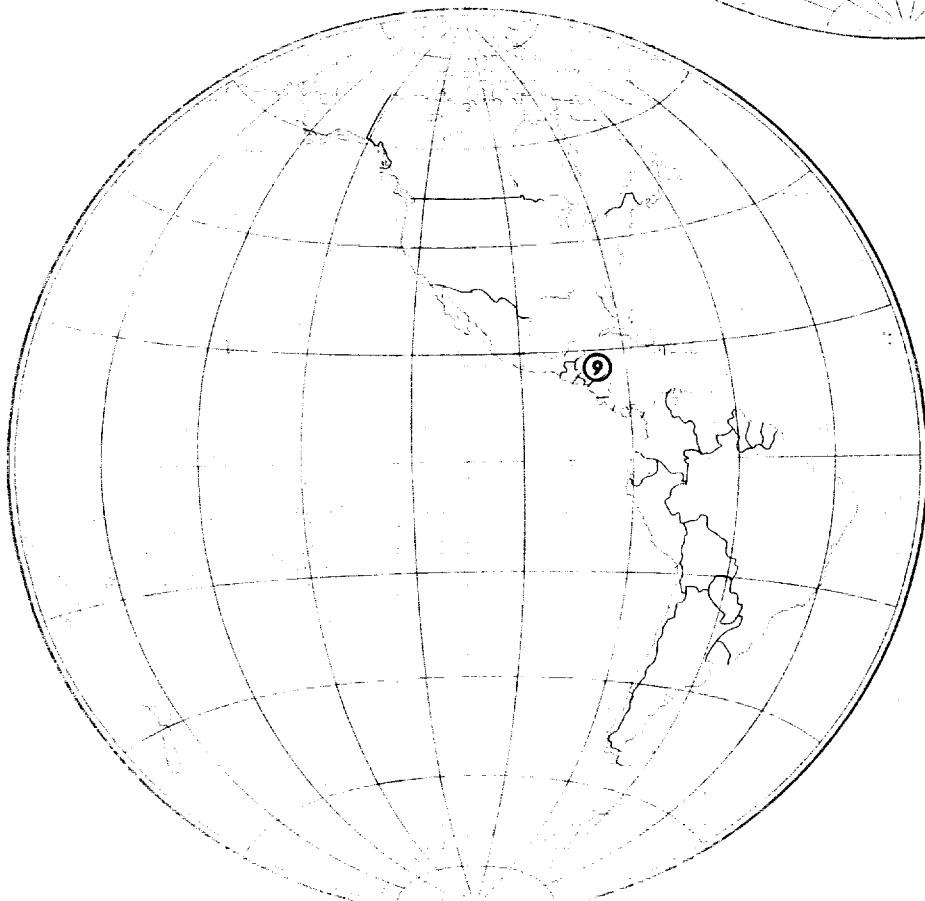
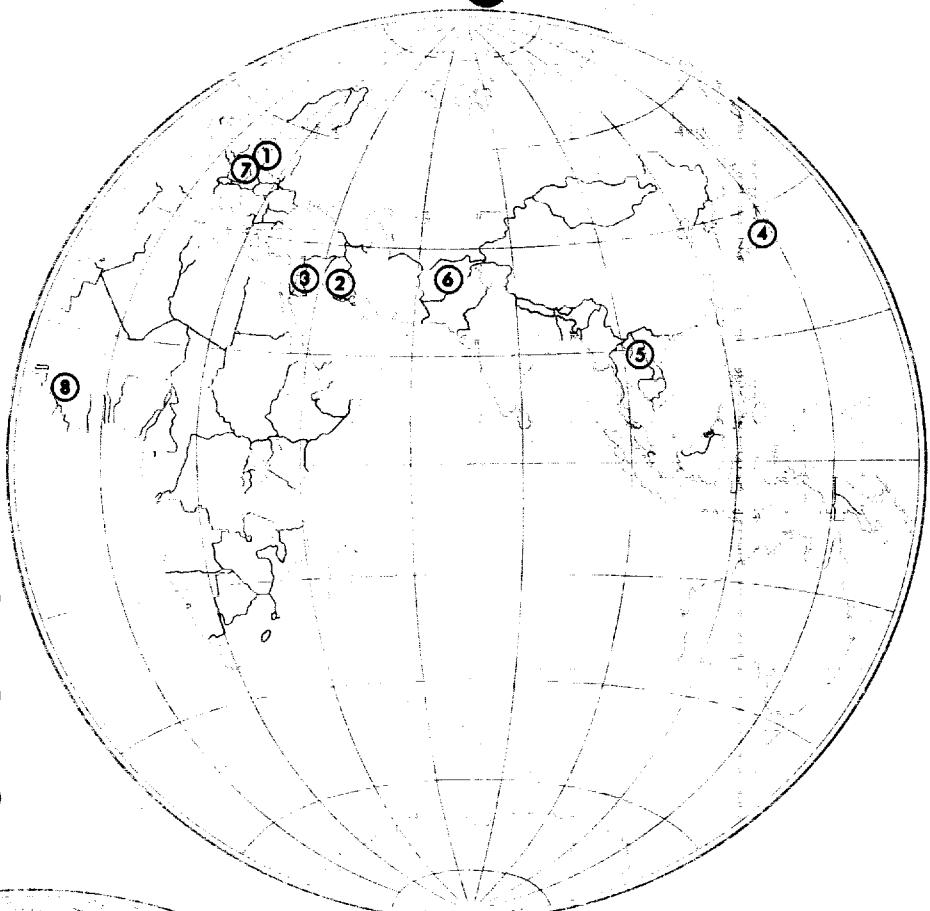
④

Laos - Premier and army intensify planning for military take-over of government.

⑤

Afghan prime minister expresses concern over US policy toward Pakistan and Iran.

⑥

**III. THE WEST**

- ⑦ Adenauer includes West Berlin mayor in NATO delegation.
- ⑧ De Gaulle agrees to permit France to recognize Guinea.
- ⑨ Honduran military leaders deliver ultimatum to President Villeda.

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10 December 1958

*51 RAB***DAILY BRIEF****I. THE COMMUNIST BLOC**

OK

USSR-Berlin: Ambassador Thompson believes the USSR probably has a number of "fallback positions" on Berlin and is planning further moves over the next six months to maintain its initiative on the problem. The USSR may offer to include East Berlin in a demilitarized free city.

II. ASIA-AFRICA

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Iraq: The Qasim regime is rounding up disaffected elements in Baghdad and shaking up the security services. The chiefs of the national and Baghdad police forces have been replaced, as well as the director of military intelligence. Although these changes and the arrests of four tribal leaders appear to have reduced the likelihood of action by these elements, there is still a possibility that some military leaders may move against Qasim.

Israel-Syria: The UAR First Army has reinforced the Syrian-Israeli border front, possibly with as many as four battalions, and has alerted additional troops following increased Israeli aerial reconnaissance. Other unspecified "precautionary preparations" also have been made.

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Border incidents continue, and Israeli press and diplomatic spokesmen hint strongly that Israel may take "retaliatory" action. The Israeli chief of staff is in Paris; the reasons for his trip are unknown.

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Japan: Prime Minister Kishi is faced with increasingly serious factionalism in the governing Liberal-Democratic party. In an effort to gain greater power in party and governmental affairs, his opponents reportedly have demanded the resignation of the top party executives for their part in the recent parliamentary crisis over strengthening police authority.

(Page 2)

m0
Laos: Army leaders in cooperation with Premier Phoui have intensified planning for a seizure of power by the army. Present plans call for abrogation of the assembly and formation of a provisional government capable of meeting the Communist political and subversive challenge. Previous reports indicated such a move would probably take place in January, but action may be undertaken sooner in view of the reported sense of urgency among those involved.

(Page 3)

m0
Afghanistan: Afghan Prime Minister Daud's recent expressions of strong concern over US military negotiations with Pakistan and Iran and over developments in Pakistan indicate Kabul feels increasingly isolated and may be reassessing its foreign policy. The Afghan Government may feel compelled to draw closer to the USSR, although its first efforts might be to try to secure more support from the West.

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III. THE WEST

61C
West Germany - Berlin: The inclusion of West Berlin Mayor Willy Brandt in the German delegation to the annual NATO ministerial meeting is a conciliatory gesture which Bonn feels is necessary to overcome the coolness between Brandt and Adenauer as a result of the chancellor's campaign speeches in the West Berlin election campaign. Brandt's participation will help restore the appearance of a united front between the West German political parties on the Berlin question.

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OK

France-Guinea: De Gaulle, who has previously refused to recognize Guinea, has authorized signature of a financial agreement which includes a clause stating that France recognizes the Toure government. This action will remove one of the major obstacles to better French-Guinea relations and may have the effect of countering the trend toward close association between Guinea and Ghana.

(Page 6)

OK

Honduras: Armed forces leaders handed President Villeda an ultimatum on 8 December demanding that he take steps immediately to change his one-party administration to a coalition government and that he promptly force members of his Liberal party to stop their efforts to undermine the position of the armed forces. The President is reported to have accepted the demands in principle. Some of his partisans will be angered by this military intervention in civil government; violence could result.

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I. THE COMMUNIST BLOC

USSR May Offer to Include East Berlin in Free City

Ambassador Thompson believes Moscow probably has further moves and various "fallback positions" on Berlin planned for use over the next six months. Thompson suggests that an offer to include East Berlin in a demilitarized free city might be advanced to make the original Soviet proposal more attractive.

The Soviet leaders probably foresee major advantages from any Western response. Acceptance would require the withdrawal of Western garrisons, and negotiations for a UN-controlled access corridor to Berlin which would amount to a large measure of international recognition of the East German regime. Rejection by the West, in Moscow's view, would greatly strengthen the Soviet position for carrying out the previously announced plans to transfer control over Allied access to West Berlin to the East Germans. The Soviet leaders probably also expect that a negative Western reaction would stimulate fresh demands by opposition parties, particularly in West Germany and Britain, for various disengagement schemes which would lead to the demilitarization and neutralization of a reunified Germany.

Recent hints by Soviet diplomats in Moscow and various European capitals and a speech by East German Premier Grotewohl suggest that the USSR plans further initiatives linking its Berlin proposals to broader German and European questions. [redacted]

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II. ASIA-AFRICA

Kishi Faces Critical Intraparty Struggle in Japan

Factionalism in Japan's ruling Liberal-Democratic party is threatening Prime Minister Kishi's control of both the party and the government.

Faction leaders, attempting to displace the "mainstream" group on which Kishi has been primarily dependent, have demanded that the party's three top officers, other than Kishi, be replaced on the grounds that they were responsible for the recent parliamentary crisis over the police bill. These faction leaders also object to a reported "mainstream" plan to advance the election of the party president from March to January, hoping for time to build up enough strength to force Kishi to bargain with them on appointive party offices.

Kishi himself apparently is not an immediate target of the "anti-mainstream" move, and his re-election as party president seems probable, but the move may have the long-range purpose of working toward his ultimate downfall.

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Coup Plotting in Laos Intensified

Prime Minister Phoui Sananikone is said to be providing political guidance for a group of army leaders who are planning to seize the government and abrogate the assembly. Phoui reportedly believes that no Laotian government can achieve the stability necessary to meet the Communist political and subversive challenge unless the constitution is modified to reduce the power of the legislature. Coup plotting was probably stimulated by the prospect that disgruntled conservative politicians in the assembly would overthrow the government during the January special session. A sense of urgency, however, appears to have developed recently, and an extraconstitutional move might occur earlier.

Coup planners fear opposition might stem from either the pro-Communist left or from elements, especially the police, under the influence of Defense and Interior Minister Katay. However, the relatively greater strength of the army would appear to ensure the initial success of a coup provided top army leaders are in agreement.

The role of the influential crown prince is as yet unclear. Presumably the coup group would request his cooperation in order to preserve some legitimacy.

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Afghan Government May Be Reassessing Its Foreign Policy

The Afghan Government apparently feels increasingly isolated as a result of recent events in the Middle East and may be reassessing its foreign policy. Since the Iraqi coup of 14 July, the Afghan royal family has been nervous about its ability to remain in power.

Prime Minister Daud has expressed strong fears that US military negotiations with Pakistan and Iran are "shattering" the balance of power in the area and causing an economic drain on other countries which must arm themselves. Daud is also apparently worried by the advent of a new military regime in Pakistan. His government is discouraged over prospects of making progress toward an accommodation in its "Pushtoonistan" dispute with Pakistan, which it feels has a vital bearing on its prestige and power within Afghanistan.

If Kabul's anxieties continue, it may consider that it has no alternative but to accept Soviet support in maintaining its position. It might accordingly accept an enlarged Soviet military training program and emphasize its long-standing defense agreement with the USSR.

Daud, however, resented Voroshilov's attacks against the West during his state visit in early October, and his government resisted Soviet suggestions of a pact with the UAR. Aware of Soviet interference in the internal affairs of Hungary, Yugoslavia, and Finland, the Afghans have appeared cautious about drawing closer to the USSR. Apprehension about possible Soviet pressure may make Kabul particularly sensitive to real or imagined dangers of isolation from the free world.

Kabul therefore may first maneuver to secure Western pressure on the new Pakistani regime to adopt a more conciliatory position on Pushtoonistan, and it may want Western assurances that Pakistan and Iran are not to be further strengthened at the expense of Afghan security. The Afghans are also likely to seek to speed up American economic assistance programs.

III. THE WEST

West Berlin Mayor to Participate in NATO Meeting

The inclusion of West Berlin's Mayor Willy Brandt in the German delegation to the 16 December NATO meeting in Paris is a conciliatory gesture by Bonn to offset the bitterness over Chancellor Adenauer's campaign speeches in Berlin. Since Brandt's Social Democratic party (SPD) won an absolute majority, it could exclude Adenauer's Christian Democratic Union (CDU) from the city government.

Brandt's presence at the NATO meeting, as well as his visit to Bonn this week, may do something to restore the SPD's cooperation with Foreign Minister Brentano, who urged Brandt's inclusion.

Bonn leaders may feel that Brandt's presence in the German delegation will tend to refute press reports of growing discord between Brandt and Bonn over the Berlin question. They may also believe that Brandt's participation may influence him to go along with whatever conclusions are reached in the NATO discussions on Berlin.

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France-Guinea Accord Authorized by Paris

De Gaulle has authorized signature of a monetary agreement with Guinea which includes a clause stating that France recognizes the government of Premier Sekou Toure. The French negotiator of the agreement says it provides for Guinea's continuing membership in the franc zone and for creation in Guinea of an exchange office, a treasury, a state bank of issue, and a national currency. Texts of a cultural accord and a technical assistance agreement are also reported ready for signature.

French approval of these measures is a reversal of the policy followed by Paris since Guinea chose independence by rejecting De Gaulle's new constitution. It removes one of the major obstacles to better relations between Guinea and France, and also to regularization of future contacts between Guinea and the French African territories which have elected to participate in the new French Community.

France probably intended its abstention in the 9 December vote on Guinea's UN admission to show that, despite the new agreement, French support for former territories which choose independence will be less complete than for those which stay with the French Community.

Toure now may be less disposed to push for the close association with Ghana which he and Ghana's Prime Minister Nkrumah projected on 23 November. He has had some indication that he might be less than an equal partner in a Guinea-Ghana association, and may have developed second thoughts about becoming involved with Britain through Ghana's Commonwealth ties.

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Honduran Armed Forces Hand Ultimatum to President

Leaders of the armed forces on 8 December gave Honduran President Villeda a letter which, while respectful in tone, is in effect an ultimatum. The document "requests" the President to form immediately a "government of national conciliation" including the opposition Nationalist and Reformist parties. Other demands call for the immediate cessation of partisan efforts to undermine the position of the armed forces, immediate action against exiles in Honduras plotting against neighboring governments, and civil government cooperation with the military in a campaign against Communism.

The military leaders, chiefly concerned over attempts by members of the governing Liberal party to undermine the autonomous status of the armed forces, in recent weeks have been considering a coup. Their present action is apparently a compromise decided on after their failure to receive encouragement for a coup from the US Government.

President Villeda [redacted]

[redacted] agreed to all the "suggestions," and he announced at a 9 December press conference that he would restudy the composition of his cabinet later this month. The President will be seriously weakened unless he is able to find a way to save face while complying with the military demands. The most immediate danger, however, will come from the reaction of the more hotheaded Liberals, who will undoubtedly be angered by the military intervention in civil government and feel provoked to violent action.

[redacted]

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~~CONFIDENTIAL~~**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

The Secretary of Defense

The Deputy Secretary of Defense

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Chairman, The Joint Chiefs of Staff

Commandant, United States Marine Corps

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

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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