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DOCUMENT NO. 47
NO CHANGE IN CLASS.
 DECLASSIFIED
CLASS. CHANGED TO: T-8-0
NEXT REVIEW DATE: 2010
AUTH: HR 70-2
DATE: 5 JUN 1997 REVIEWER:

26 December 1959

3.3(h)(2)
3.5(c)
Copy No. C 65

CENTRAL INTELLIGENCE BULLETIN

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26 DECEMBER 1959

I. THE COMMUNIST BLOC

Khrushchev finds 27 April "inconvenient" for summit meeting; suggests 21 April or 4 May.

USSR taking neutral public position in Peiping's dispute with Indonesia.

II. ASIA-AFRICA

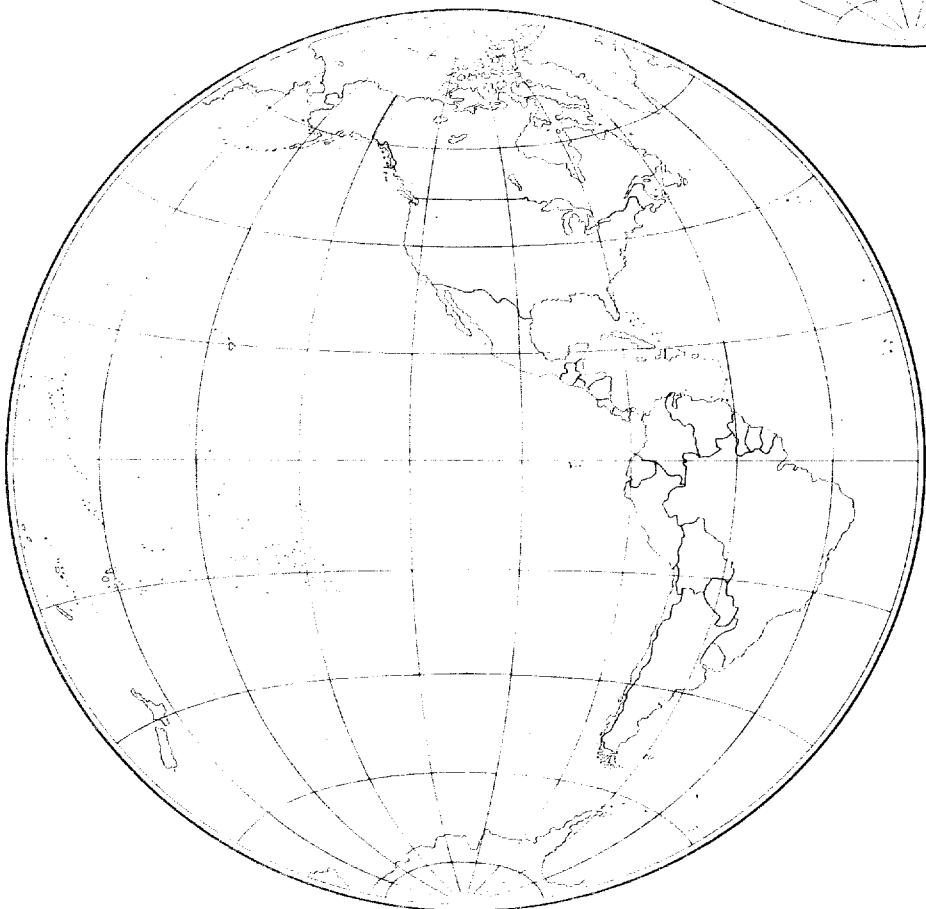
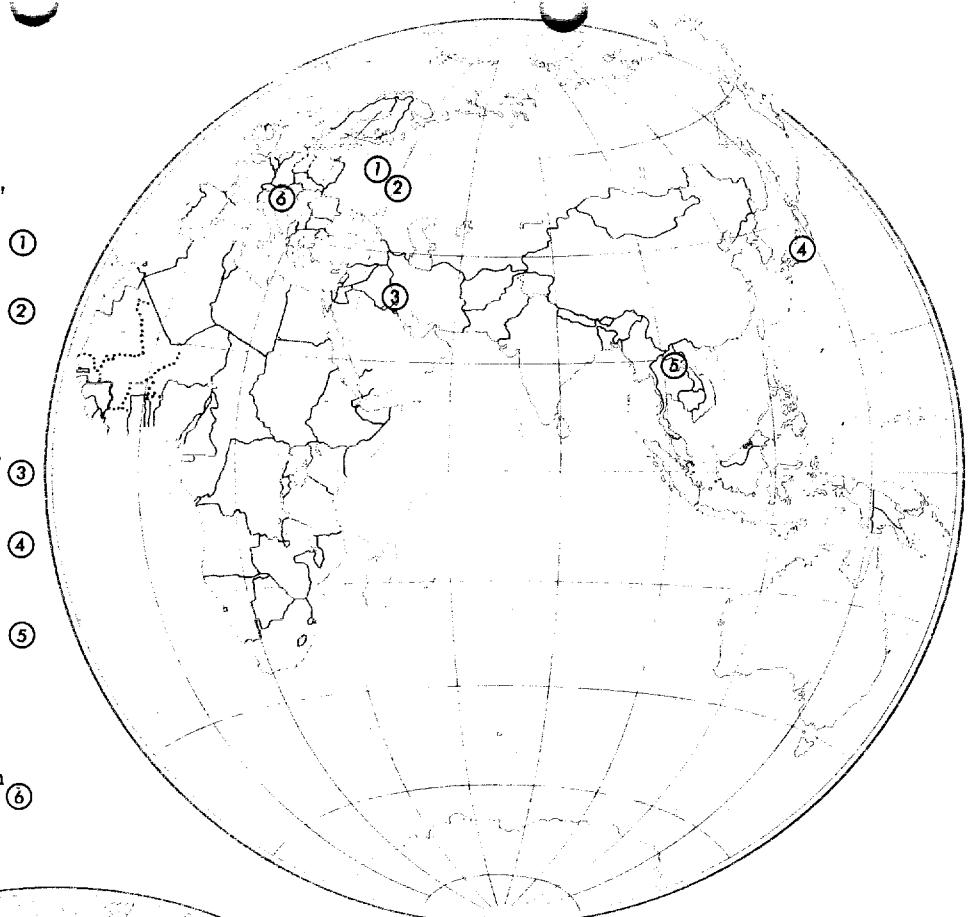
Qasim's belligerent statements intensify friction over Shatt-al-Arab between Iraq, Iran.

Japan--Kishi plans to explore "two Chinas" problem during US visit in January.

Laos--Reformist group postpones coup but still hopes to force early ouster of premier.

III. THE WEST

Austrian official feels negotiations with Italy over treatment of minority in Italian Tirol will break down next month.



CENTRAL INTELLIGENCE BULLETIN

26 December 1959

DAILY BRIEF

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I. THE COMMUNIST BLOC

***USSR-Summit:** Khrushchev has seized on the conflict of dates between a summit meeting, opening on 27 April, proposed by the West, and the May Day celebrations in Moscow for a gesture intended as a polite demonstration of the USSR's great-power status. In his letter of 25 December he observed that 27 April is "unfortunately inconvenient for the Soviet Government" and suggested 21 April and 4 May as alternate dates. His failure to mention any point concerning the conference except its place and date suggests that he is seeking a firm Western commitment on these before raising more difficult issues.

USSR-China: As in the case of the Sino-Indian border dispute, the Soviet Union is not supporting China in another international problem. Soviet press treatment of Indonesian actions against Overseas Chinese in Indonesia and of resulting Chinese protests has been minimal and, on the whole, neutral. This has contrasted sharply with the extensive and strongly anti-Indonesian campaign in the Chinese press. The Chinese would undoubtedly welcome some public Soviet support, but Moscow's position was made clear in Djakarta last month by Soviet Ambassador Volkov's plea to Indonesian Foreign Minister Subandrio to "please keep me out of it."

II. ASIA-AFRICA

Iraq-Iran: Relations between Iraq and Iran are likely to become even more abrasive following two belligerent speeches on 21 and 23 December by Iraqi Prime Minister Qasim, who in effect called on the Iranian people to revolt against the Shah's regime. Qasim said Iraq would take its complaints of Iranian

border violations to the United Nations and would accept arbitration, but would "crush" any aggressor. Qasim's speeches dovetail with the Soviet propaganda barrage against the Shah in portraying the Iranian Government as an instrument of "the foreigner" and "the imperialist."

[redacted] ordered up telegrams of support for the Shah in his stand toward Iraq, and particularly instructed officials in the Iran-Iraq border area to have residents there ask the Shah's permission to "chastise" Qasim and "put him in his place."

[redacted] Iranian regular and anti-aircraft artillery reinforcements meanwhile have arrived in the Khorramshahr area.

*On 23 December, Iraqi military forces along the Shatt-al-Arab were put in a "state of warning" and directed to conduct reconnaissance along the river.

Japan: Prime Minister Kishi intends to raise the "two Chinas" problem with President Eisenhower during his trip to the US in January to sign the revised security treaty,

[redacted]. Kishi feels that Japan must give more attention to the question of its relations with Peiping and that a new approach is called for.

[redacted] Japan is currently seeking to ascertain official and unofficial attitudes on this problem in a number of countries throughout the world. The government apparently expects to be under increased domestic pressure to bring about an adjustment in its relations with Peiping as international tensions ease.

Laos. The young reformist group--the Committee for the Defense of National Interests--has apparently delayed the coup, which it had planned for 26 December, in order to give Premier Phoui further time to resign. Beginning 26 December, the army plans to ignore the Phoui government's orders, presumably on the ground that it is no longer legal because of the expiration of the National Assembly's mandate on 25 December. The reformists hope this will force Phoui to step down, but if he fails to do

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DAILY BRIEF

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[So within three days, the army is said to plan "more direct action." The reason given for postponing the coup is the group's belief that Phoui would attempt to counter it and their desire to avoid bloodshed. Another possible reason is King Savang's apparent failure as yet to give a clear call for Phoui's ouster.]

III. THE WEST

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Austria-Italy: A high-ranking official in the Austrian Foreign Ministry believes Austria will break off negotiations with Italy over the German-speaking population of the South Tirol soon after the expected resumption of these talks around 8 January. Should this occur, disturbances in the area seem increasingly likely. However, the official thinks an Italian offer to refer the issue to the International Court of Justice would be immediately accepted by Austria, which finds it politically difficult to take such an initiative itself.

*In Rome, Foreign Minister Pella is now said to favor an appeal to the court, but rightist supporters of the Segni government are reported still blocking the move.]

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I. THE COMMUNIST BLOC**II. ASIA-AFRICA****III. THE WEST****Threatened Break in Austrian-Italian Negotiations Over South Tirol**

A threatened break in the Austrian-Italian talks on the status of the German-speaking minority in the Italian South Tirol seems likely to aggravate the increasing friction between Vienna and Rome over this issue. A high-ranking official of the Austrian Foreign Ministry indicated to Ambassador Matthews on 22 December his belief that his government will terminate the talks soon after their anticipated resumption around 8 January. His reason for expecting a rupture is Rome's refusal to negotiate further with Austrian State Secretary Gschnitzer, who has recently made inflammatory statements on the subject.

A break in the talks, unaccompanied by an agreement to refer the issue to some international forum, could trigger violence in the area. Austrian officials have long contended that the situation is "explosive," and the Italian ambassador in Vienna has seemed recently to share their concern. Although he doubts any large quantities of arms are being smuggled into the area, he sees a great danger of isolated acts of terrorism which would require repressive Italian action.

Vienna apparently continues to hope for American mediation, but failing that, seems bent on preparing to raise the issue in the UN General Assembly. The foreign ministry considers it politically impossible for Austria to refer the dispute to the International Court of Justice (ICJ) in view of Vienna's past opposition to such a move and the uncertainty as to the outcome. According to the foreign ministry source, Vienna would, however, accept such an initiative from Rome.

Rome has in the past few days seemed increasingly disturbed over the situation and has instructed its ambassador to

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remain in Vienna throughout the holiday period. A foreign ministry official told an American Embassy representative on 24 December that both ministry officials and Foreign Minister Pella believe Italy should propose ICJ consideration of outstanding issues, but that rightist supporters of the Scorni government are still blocking such a move.] ([redacted]) [redacted]

[redacted]

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The Under Secretary of State

The Under Secretary of State for Economic Affairs

The Deputy Under Secretary for Political Affairs

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Commandant, United States Marine Corps

The Director, The Joint Staff

Chief of Staff, United States Army

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Director of Naval Intelligence, Department of Navy

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