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9 February 1959

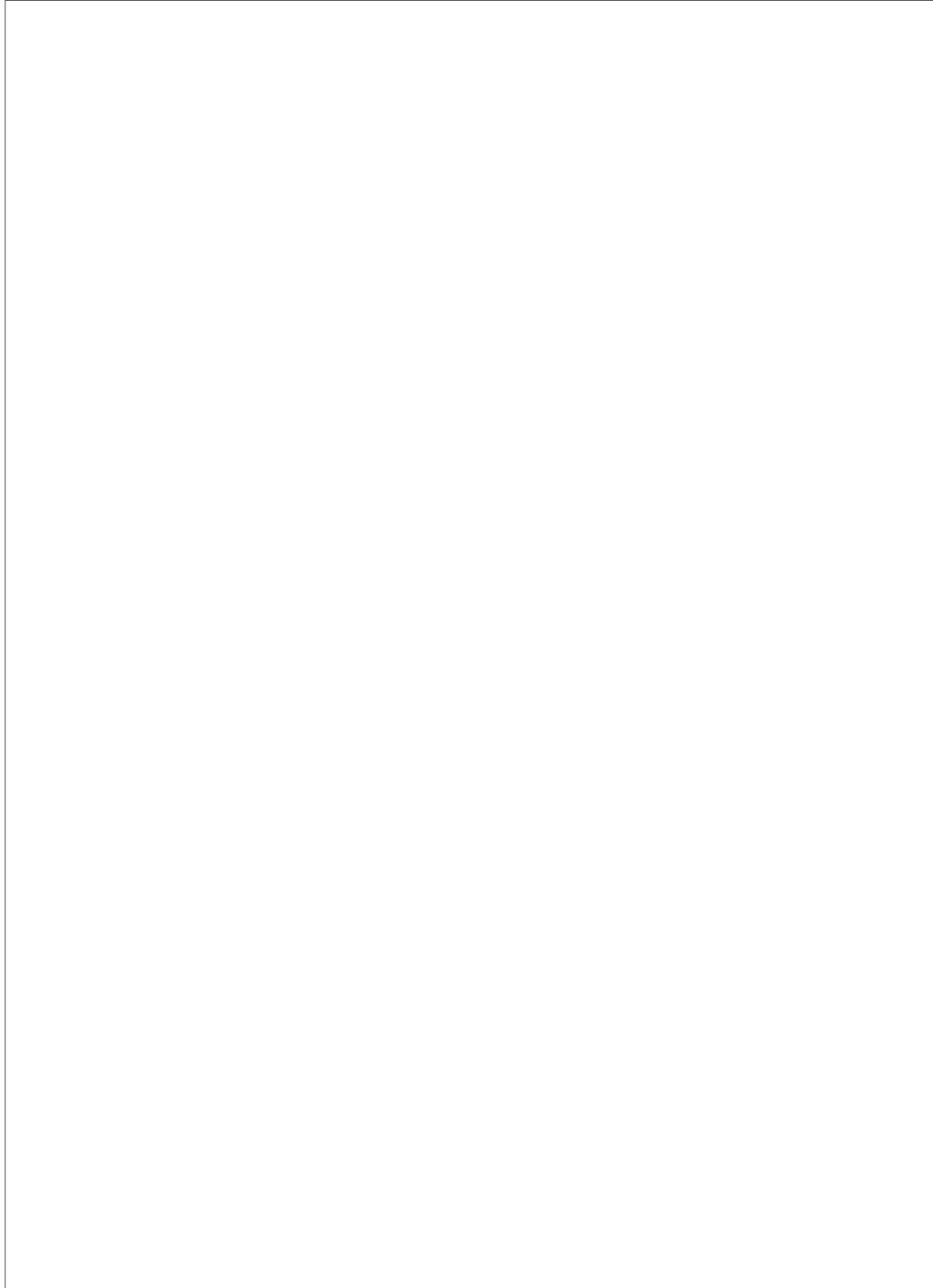
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CENTRAL INTELLIGENCE BULLETIN



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9 FEBRUARY 1959

I. THE COMMUNIST BLOC

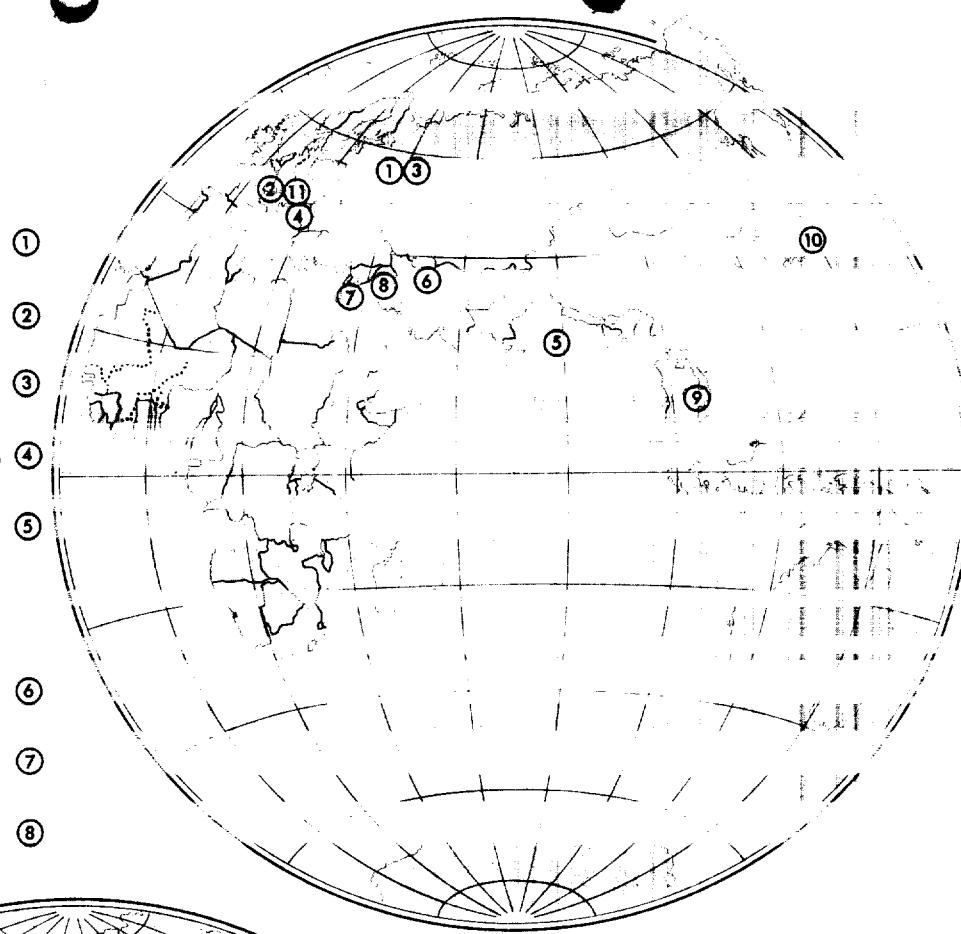
Khrushchev continues to press for summit meeting.

USSR may be preparing to break off Geneva talks.

New Sino-Soviet industrial-aid agreement signed.

Revisions in itinerary of Tito's trip may cause further difficulties with bloc.

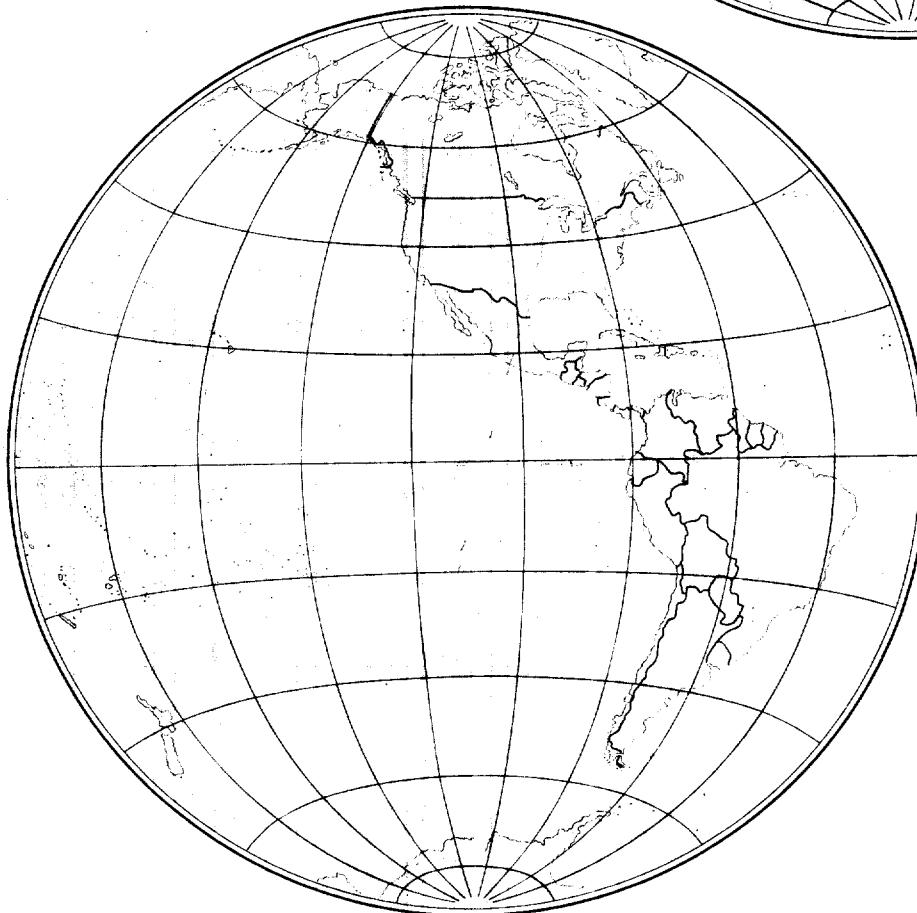
Soviet President Voroshilov to visit India in late February.

**II. ASIA-AFRICA**

Iran-USSR - Shah decides to sign bilateral agreement with US, but continues negotiations with USSR.

Jordan - New conspiracy reported against King Husayn.

New Iraqi cabinet appears more leftist oriented.



- ⑨ Cambodian general postpones move against Sihanouk.
- ⑩ Japan - Faction of Kishi's party may attempt to unseat him by opposing revision of US-Japan security treaty.

III. THE WEST

- ⑪ Austrian cabinet rejects ban on July World Youth Festival.

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CENTRAL INTELLIGENCE BULLETIN

9 February 1959

DAILY BRIEF

I. THE COMMUNIST BLOC

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USSR: Khrushchev told the West German ambassador on 4 February that East-West talks at the foreign-minister level would be unproductive and that he prefers a heads-of-government meeting where basic decisions would be taken which the foreign ministers could subsequently implement. In a talk with the Swiss ambassador on the same day, Khrushchev indicated preference for talks without a formal agenda. His speeches to the party congress stressed the "positive reaction" throughout the world to the 1955 Geneva summit meeting and made it clear that the USSR will continue its efforts to convene another heads-of-government conference.

NO FURTHER DISSEMINATION)

OK

Geneva talks: Soviet pressure on the United States and Britain for an unequivocal response to the USSR's demands for a permanent test-cessation agreement suggests that Moscow is preparing the record in anticipation of an early break-off. The Soviet delegate said on 6 February that the talks are deadlocked and warned that the delegates may part "in a few days" without being able to submit reports to their government because the Western powers have failed to present their full position.

(Page 1)

OK

USSR - Communist China: Premiers Khrushchev and Chou En-lai on 7 February signed an agreement under which the Soviet Union will supply China with 78 heavy industrial enterprises worth five billion rubles (\$1.25 billion at the official rate), according to a press report. The Chinese will pay for these projects with commodity exports, just as they are paying for at least 156 "aid" projects the Soviet Union is already helping them build. Although considerations of military aid and political support are cause enough for the recent Chinese backdown on ideological claims, Moscow may have used the economic-assistance issue as another lever to hasten Peiping's retreat.

(Page 3)

OK

Yugoslavia-USSR: Tito's recent extension of his impending visit to the UAR later this month and the inclusion of Greece in his itinerary will probably cause a further intensification of his current dispute with the bloc. He probably will be in Damascus on 21 February for the celebration of the first anniversary of the founding of the UAR. A display of unity between Tito and Nasir on this occasion will strengthen Moscow's belief that Tito is promoting current differences between Cairo and Moscow. The USSR also is likely to be concerned about possible discussions during the Yugoslav leader's visit to Athens on ways to strengthen the Balkan Pact. (Page 4)

No

USSR-India: [The previously postponed visit of Soviet President Voroshilov to India has been announced by Moscow for late February. The trip apparently will not include a visit to Nepal returning King Mahendra's June 1958 visit to the USSR, despite reported recent Soviet pressure on the Nepal Government for such a visit. While the Soviet head of state's visit to India will be largely for ceremonial purposes, the USSR will probably attempt to use the visit to reap propaganda gains from Soviet aid programs such as the Bhilai steel plant which was formally opened on 4 February.]

No

Iran-USSR: [Iranian Court Minister Ala' has advised Ambassador Wailes that the Shah, who is also informing the British, now has decided to sign the bilateral defense agreement with the US. Ala also stated that the Shah had seen a Soviet delegation and that the USSR had agreed to proceed with a nonaggression pact on Iran's original terms, provided Iran did not sign the US agreement. These terms reportedly provide that the Soviet Union cease hostile propaganda against Iran and that Iran not permit foreign bases on its territory. According to Ala, the Shah told the Soviet delegation he would consider their offer. The Shah feels the Soviet Union would not go ahead with the pact if Iran signed the US agreement, but Ala indicated that Iran would like to conclude both agreements. Ambassador Wailes told Ala he]

9 Feb 59

DAILY BRIEF

ii

~~TOP SECRET~~

[redacted] was authorized to sign the bilateral defense agreement provided Iran did not conclude the Soviet nonaggression pact, but he agreed to submit this question to Washington.

Jordan:

No [redacted]
new conspiracy among anti-monarchical Jordanian Army officers aimed at assassinating King Husayn and Crown Prince Muhammad prior to the King's departure on a visit to the Far East and the US in early March. Husayn maintains that the plot is supported by UAR Interior Minister Sarraj and by ultra-nationalist Jordanian political groups. The planned absence from the country of both the King and Premier Rifai will be conducive to further plotting and instability.

[redacted] (Page 5)

120
*Iraq: The new cabinet announced on 7 February appears to be a shift to the left, with the exclusion of all civilian political leaders who could be termed anti-Qasim nationalists. Little is known of the political leanings of the four newly appointed army officers; two may be Qasim supporters. None of the new ministers appear to be personalities who would be inclined to make a serious attempt to restrain increasing Communist influence. The ministries of guidance and development are now filled by extreme leftists.

The UAR ambassador has implied that Qasim, by his appointments, has blocked possibilities of a coup by removing key military leaders from direct command.

[redacted] (Page 6)

No
Cambodia: Cambodian General Dap Chhuon has made a last-minute decision to postpone a move against the Sihanouk government which had been planned for about 8-10 February, Chhuon recently had indicated that while he might temporarily defer action, he felt the time was ripe for a showdown with Sihanouk over the latter's soft position on Communism. The postponement may have been occasioned by Thailand's rejection of an urgent appeal for support. The delay may also enable Chhuon to develop effective liaison with South Vietnamese plotters against Sihanouk.

9 Feb 59

DAILY BRIEF

iii

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OK

Japan: The Yoshida-Ikeda faction of the ruling Liberal-Democratic party is threatening to oppose revision of the US-Japan security treaty as the only issue available on which to unseat Prime Minister Kishi. The faction, which is pro-US, claims that as many as 67 votes might be cast against the treaty --enough to block ratification if Socialist opposition is unanimous in the event it is signed by April as desired by the government. The threat, designed to prevent Kishi from scoring a political victory, was passed to a US official in an apparent effort to encourage a postponement of the treaty's revision.

[Page 8]

III. THE WEST

OK

Austria: A concerted effort by official and nonofficial Austrian elements to persuade the cabinet to ban the Communist-front World Youth Festival scheduled for Vienna in late July has apparently failed. Since there is strong public opposition to the festival and since it is being actively boycotted by all non-Communist youth groups, there is a growing possibility of extensive disturbances during the festival.

(Page 9)

9 Feb 59

DAILY BRIEF

iv

~~TOP SECRET~~

I. THE COMMUNIST BLOC

USSR Preparing Record for Possible Breakoff at Geneva

The Soviet Foreign Ministry statement on 8 February demanding an unequivocal Anglo-American response to Moscow's insistence on a permanent unconditional test-cessation agreement, in combination with recent Soviet moves at Geneva, suggests that Moscow is preparing the record in anticipation of an early breakoff of negotiations. The statement's detailed criticisms of the Western position on the key issues of duration of the treaty and voting procedures in the control commission were designed to present the USSR's stand in the most favorable light.

On 6 February chief Soviet delegate Tsarapkin said the conference was deadlocked and warned that the delegates may part "in a few days" without being able to submit a report to their governments because the Western powers have failed to present their full position. Tsarapkin criticized the "piecemeal" methods used by the United States and Britain in introducing their draft articles.

Other recent Soviet statements also suggest that the USSR is preparing its position for a breakoff. On 22 January Moscow charged officially that failure to reach agreement on the duration question was not only blocking progress of the negotiations but was making the talks "senseless." On 30 January, after introducing a draft article which would give veto rights to the three nuclear powers on the control commission, Tsarapkin criticized the US and Britain for withholding their "long-promised" proposal on duration. Then, in an unusual move which suggested preparation for a showdown, he summarized for the record the USSR's over-all position at the talks. Tsarapkin charged on 5 February that a recent State Department press release criticizing Soviet insistence on veto rights had distorted the Soviet position and had prepared the ground for a conference break.

On the same day, Khrushchev warned in his final speech to the 21st party congress that the USSR would "never agree" to allowing

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the Western powers, under cover of inspection to violate the sovereignty of the USSR. He charged that the United States and Britain apparently intend to "drag things out" at Geneva while they prepare public opinion for disruption of the negotiations.

As a final move before a breakoff, the Soviet delegate may propose that the nuclear-test issue be discussed at any future high-level East-West conference. [redacted]

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Soviet Union and Communist China Sign New Economic Agreement

Premiers Khrushchev and Chou En-lai on 7 February signed an agreement under which the Soviet Union will supply China with 78 heavy industrial enterprises worth five billion rubles (\$1.25 billion at the official rate, which overvalues the ruble). These enterprises will include chemical, coal, oil, and metallurgical plants as well as electric-power plants.

China will pay for these projects with exports, just as it is paying for at least 156 "aid" projects--worth more than \$2 billion--the Soviet Union is already helping to construct. Most of the original projects are either finished or under construction, and Peiping and Moscow probably agree that China's economy is ready for another large injection of Soviet assistance to further its Second Five-Year Plan (1958-62).

Although considerations of military aid and political support give sufficient cause for the Chinese backdown on ideological claims, Moscow may have used the issue of economic aid as another lever to hasten Peiping's retreat. The Chinese Communists have recently been effusive in their praise of the USSR as a model for economic development, and on 6 February Foreign Minister Chen Yi said that Soviet technical specialists brought valuable "political" as well as economic and scientific knowledge at a time when they were badly needed at home to help with the Soviet Seven-Year Plan. [redacted]

[redacted]

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Tito's Middle East Tour to Add Fuel to Bloc-Yugoslav Dispute

The decision to extend considerably Tito's forthcoming visit to the UAR late this month and to add Greece to his itinerary will probably result in a further intensification of his current dispute with the bloc. Tito will probably be Nasir's guest at the 21 February celebrations in Damascus on the first anniversary of the founding of the UAR. Such a show of unity at this time is likely to cause more concern in Moscow than was the case last summer when the two met in Yugoslavia on the eve of the Iraqi revolution. The Soviet Union has charged that Tito has been instrumental in promoting current differences between Cairo and Moscow.

Tito's visit to Greece in March is cited as being unofficial, but the present rapport between Belgrade and Athens makes official talks likely. Should the current talks between the Greeks and Turks on the subject of Cyprus prove successful, the Balkan Pact will probably be discussed during Tito's stay in Greece. Athens has recently indicated a desire to strengthen the pact--which Khrushchev attacked in his speech to the 21st party congress--if the Cyprus issue is settled. The Yugoslavs have repeatedly expressed a desire to get the pact "back on the track"--to them it is an important manifestation of active coexistence--and they should be receptive to any Greek initiative.

Belgrade has responded sharply to attacks on Yugoslavia in Khrushchev's closing speech and in the Soviet party congress resolution, calling them "rude interference in the internal affairs of Yugoslavia." Moreover, Soviet presidium member Mukhittdinov's criticism of Belgrade's policy of friendship with Afro-Asian countries was labeled by a Yugoslav Foreign Secretariat spokesman as "uncalled-for and impermissible interference with Yugoslav foreign relations." The Yugoslav ambassador in Moscow told Ambassador Thompson on 5 February that it now was clear the dispute "had never been ideological, but was a question of Yugoslav independence."

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II. ASIA-AFRICA

King Husayn Reports New Plot Against Jordanian Monarchy

[Jordanian security forces have uncovered a new conspiracy of antimonarchic army officers and politicians, according to King Husayn. The plot, reportedly to be supported by UAR Interior Minister Sarraj, contemplates the assassination of King Husayn, Crown Prince Muhammad, the king's uncle Sharif Nasir, and the head of the royal secretariat Bajat Talhuni, prior to the King's departure in early March on a trip to the Far East and the United States. Jordanian authorities obtained information that the coup would be attempted at the end of this month or early in March, following the opening of the new 100-kilowatt radio station in Amman.]

[Principal army elements in the plot are said to be artillery, infantry, and engineer officers; the civilian members are associated with the Baathists. Arab nationalists, and other radical groups. [The infantry troops involved reportedly include elements of the brigade on the Syrian border.

[The planned absence from the country of both the King and Premier Rifai will be conducive to further plotting and instability. Additionally, UAR concern over the hostile trend in Iraq may well increase the urgency of attempts to install a pro-UAR government in Amman.]

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The New Iraqi Cabinet

The composition of the new Iraqi cabinet announced on 7 February indicates the political balance in that country has shifted further to the left. The civilian faction of the former cabinet, which had opposed further Communist inroads in Iraq and had followed a pro-Nasir policy--short of union with the UAR--has been excluded.

Two critical posts now are held by extreme leftists: the Guidance Ministry (propaganda) has been given to Hasan Jamil, a member of Kamil Chadirchi's leftist National Democratic party; the Development Ministry has gone to Talaat ash-Shaybani, an American-educated economist who reportedly has placed Communists in government jobs assiduously since 1955. These men join the pro-Soviet minister of economy, Ibrahim Kubbah, and extreme leftist Minister of Finance Muhammad Hadid in the cabinet. The Foreign Affairs post has been taken over by "liberal opportunist" Hashim Jawwad, who has been chief of the Iraqi delegation to the United Nations since the revolution last July.

Little is known of the political leanings of the four additional army officers appointed. Two appear to be Qasim supporters, while another, Education Minister Muhi ad-Din Abd al-Hamid, commander of the Fourth Division, has been removed from effective military command. Qasim has retained the Defense Ministry portfolio.

Minister of Social Affairs Brig. Abd al-Wahhab Amin, former military attaché in Cairo and recently director of the prime minister's office, was believed by the Egyptians to be pro-UAR, and they had hoped that he would be a restraining influence on Qasim, [redacted] The status of Communist Salim Fakhri, Director General of Radio in the previous cabinet, is unknown.

According to Sadiq Shanshal, former minister of guidance, the ministers dropped from the cabinet are said to be planning to "undertake the organization and preparation of the nationalists." They evidently plan to withdraw from the all-party National Front

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and form an anti-Communist bloc. This group probably will not be effective in barring further Communist inroads, however, and it may find itself charged with "antistate activities."

The UAR's reaction to the new cabinet has been a press campaign in Damascus alleging that a large rebellion movement has begun in the Iraqi Army. Certain army commanders are said to be disobeying Qasim's orders and preparing for a showdown, but there is no substantiation to these reports.

The UAR ambassador in Baghdad stated that Qasim has "killed two birds with one stone; he has satisfied the Communists by giving an obvious leftist aspect to the cabinet and has pleased the military by picking two of the best officers." Qasim's "elevation" of the divisional commander to an insignificant cabinet post may have been intended to placate the military and forestall a coup attempt.

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[Redacted]

Intraparty Opponents Threaten to Attack Kishi on US-Japan Security Treaty Revision

[In a new move to unseat Japanese Prime Minister Kishi, Liberal-Democratic party dissidents led by former prime minister Shigeru Yoshida and ex - finance minister Hayato Ikeda are threatening to block ratification of any revision in the US-Japan security treaty,

[The dissidents allege that as many as 67 votes may be cast against the treaty--enough in combination with unanimous Socialist opposition to block Diet ratification--if it is signed this spring as presently planned by the Kishi government.]

[The dissidents, who also took part in a movement against Kishi last month, want the United States to delay the entire question of a treaty revision, intimating that the US may obtain more favorable terms if it cooperates in delaying, thus not jeopardizing its security position. They fear that a successful revision would give Kishi a political victory and make his leadership invulnerable at least until the spring of 1960.]

[The dissidents are studying the draft revision for possible points on which to subject Kishi to public criticism. Presumably, they will seek public support for including the Bonin and Ryukyu Islands in the new treaty area as a step toward reversion of the islands to Japan. The group favors giving the US a free hand in bringing nuclear weapons to Japan, but it is doubtful that the Japanese public would endorse this position.]

[Redacted]

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III. THE WEST

Austrian Cabinet Declines Bid to Ban Communist-Front World Youth Festival

A concerted effort to persuade the Austrian Government to withdraw its permission for the Communist-front World Youth Festival to convene in Vienna next July apparently has failed.

[redacted] only Minister of Education Drimmel favored a ban on the festival when it was discussed at a cabinet meeting on 3 February, and further government consideration is unlikely. The only remaining possibility of preventing the Vienna meeting is to maneuver the preparatory committee itself into withdrawing.

It seems certain that the festival, which is expected to draw some 30,000 participants, will raise embarrassing problems for Austrian neutrality. There is strong public opposition to the meeting, and all of Austria's non-Communist youth groups are committed to countermeasures of one kind or another. Outside support for these groups and the large refugee population resident in Austria pose the danger of demonstrations and disturbances.

Chancellor Raab and other Austrian leaders who decided last year in favor of authorizing the festival were influenced both by monetary considerations and by the belief that exposure of Communist participants to Western influences would be desirable. The authorization was also in keeping with the appeasement tendencies evident in Vienna's foreign policy last year, however, and the government may fear that a ban at this late hour might provoke a sharp Soviet reaction. [redacted]

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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

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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

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