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4 February 1959

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4 FEBRUARY 1959

I. THE COMMUNIST BLOC

USSR - Ambassador Thompson cites importance of Mikoyan claim that US aware of shift in balance of power to the bloc.

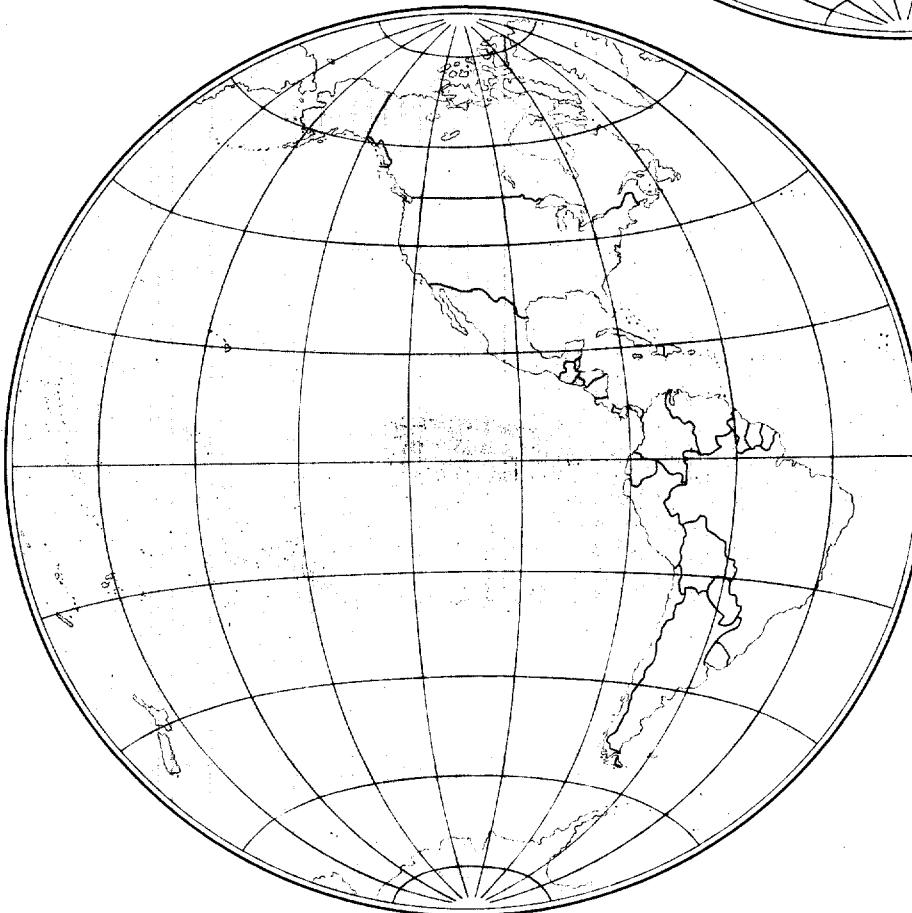
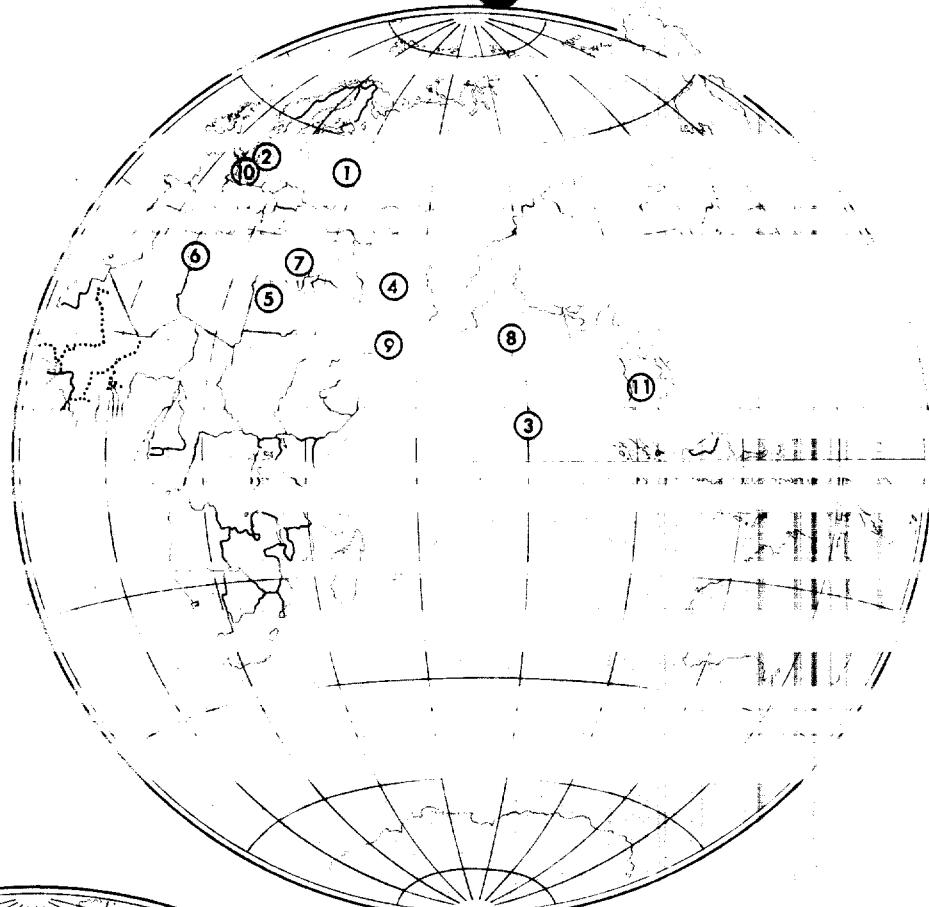
USSR planting contradictory statements on turnover of Berlin access control; latest convoy incident probably premeditated and an attempt to emphasize Western vulnerability.

Tito warns uncommitted Asian nations against Moscow and Peiping.

II. ASIA-AFRICA

Iran at point of breaking off negotiations with USSR.

Nasir continues activities against Iraqi regime and Arab Communists; Qasim bickering with pro-Communist aides.



⑥ Tunisia to claim prospective Algerian oil area.

⑦ Greece and Turkey to continue efforts to solve Cyprus issues.

⑧ India - Election of Nehru's daughter as Congress party president provides no solution for party's problems.

⑨ Omani rebels dispersed by British and Muscati forces.

III. THE WEST

⑩ Bonn advises UK of its review of relations with USSR.

LATE ITEM

⑪ Cambodia and Thailand agree to resume diplomatic relations.

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CENTRAL INTELLIGENCE BULLETIN

4 February 1959

DAILY BRIEF

I. THE COMMUNIST BLOC

SIRAB

OK

USSR: Ambassador Thompson underlines the importance of Mikoyan's thesis in his speech to the party congress that the improved atmosphere in Soviet-American relations stems from awareness of American leaders and public that the balance of power is shifting to the Soviet bloc. Mikoyan suggests that the United States is becoming reconciled to the status quo, especially in Eastern Europe, and that the US may seek to avoid a showdown on Berlin.

OK

USSR-Berlin: Soviet detention of a US truck convoy from Berlin at the checkpoint on the East - West German frontier is the first incident involving Soviet detention of a US military truck convoy since 14 November when one was held near Berlin. At that time, US officials in Berlin believed it was a deliberate probe of US reactions. The present incident also appears to be premeditated. It was probably designed to point up the vulnerability of Western access as Secretary Dulles begins talks with Western allies on the Berlin and German issues. The USSR has been planting contradictory statements through diplomatic and press channels in an effort to confuse the West concerning the time and circumstances under which access controls will be turned over to the East Germans.

(Page 3)

HQ

Yugoslavia: Tito's unprecedented statement to Ceylonese officials that "only American power prevents world domination by Moscow" may have been in reaction to increasingly aggressive bloc policies. He displayed considerable apprehension regarding Peiping's efforts among the uncommitted Asian nations and warned them against too close relations with Moscow.

and Peiping. While Belgrade is likely to become more sympathetic to Western positions, it will continue to give full support only to uncommitted states.

II. ASIA-AFRICA

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***Iran-USSR:** The Shah and his top advisers, having second thoughts on the benefits of a Soviet-Iranian nonaggression pact, are trying to disengage themselves. Foreign Minister Hekmat, in a reversal of attitude, claims he is "fed up" with Soviet negotiators, is breaking off the negotiations, and is prepared to sign the bilateral agreement with the US immediately. Hekmat said he had been commissioned by the Shah to determine how to break off negotiations with the Soviets and the timing for signature of the bilateral agreement. The Shah earlier had said he would go ahead with the nonaggression pact if the USSR yielded on all points of disagreement.

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UAR-Iraq: Nasir's conflict with the Iraqi regime and Communist activities in the Arab world continues. Cairo is reported ready to undertake a new campaign of arrests of Egyptian Communists and has suggested that the pro-UAR press in Beirut play up a reported clash between Qasim and two of his pro-Communist advisers--his aide, Col. Wasfi Tahir, and the president of Baghdad's "People's Court," Fadil Mahdawi. The Baghdad press is replying vigorously to UAR attacks on Qasim and his regime, and an Iraqi delegate has used the Moscow party congress as a forum for a thinly disguised attack on Nasir's anti-Communist actions.

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A10

Tunisia: President Bourguiba will probably soon reiterate Tunisia's claim to a part of the Algerian Sahara which, according to the Tunisian foreign secretary, comprises the greater part of a concession which France last month granted to a corporation owned half by French interests and half by Standard Oil of New Jersey. The Tunisian Government does not object to exploitation of the area but expects Standard Oil to "make arrangements directly with the rightful owner."

OK

Delete second
sentence of P2

Cyprus: The Greek and Turkish foreign ministers are planning to meet again soon in an effort to resolve the remaining outstanding issues preventing a Cyprus settlement.

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NO

in yesterday's
digest

India: The election of Indira Gandhi, Nehru's 42-year-old daughter, as Congress party president is unlikely to assure the strong leadership the political organization now needs. Mrs. Gandhi probably will be unable to revitalize and unify the national party. Her socialist views, which some top leaders apparently hope will check the influence of conservative Congress politicians, are likely to accentuate the differences between the left and right wings of the party.

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OK

Britain-Muscat: British commando-type units have apparently driven the Omani rebels from their mountain stronghold. As of 29 January, Muscati and British forces were reported in complete control of the rebel territory and the three rebel leaders had fled to Saudi Arabia. This defeat, however, is unlikely to reverse the UAR-supported long-term efforts to undermine the British position on the periphery of the Arabian Peninsula.

III. THE WEST

NO

West Germany: Bonn's deputy foreign minister, while maintaining that Germany's position on relations with the USSR is basically negative and rigid, has indicated the extent of Bonn's review of these relations.

He suggested several possible concessions which Bonn would consider in the event of high-level East-West talks, such as West German establishment of relations with Poland, eventual recognition of the Oder-Neisse border, a possible "thinning out" of troops, curtailment of certain Western propaganda and intelligence activities in Berlin, and prohibition of nuclear weapons if not applied solely to Germany.

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DAILY BRIEF

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LATE ITEM

*Thailand-Cambodia: Thailand and Cambodia have agreed to resume diplomatic relations at the ambassadorial level beginning 20 February, [redacted]

[redacted] The agreement, to be announced in a joint communique on 6 February, was effected through the good offices of UN mediator Beck-Friis. [redacted] Cambodian Premier Sihanouk had broken off relations with Thailand last November out of pique over anti-Cambodian commentary in the Bangkok press. [redacted]
[redacted]

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DAILY BRIEF

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I. THE COMMUNIST BLOC

Mikoyan and Gromyko Speeches at Party Congress

The foreign-policy speeches by Gromyko and Mikoyan at the 21st party congress carried forward the Soviet leaders' efforts to create a political atmosphere which they believe will bring the Western powers to high-level talks on terms favorable to the USSR. Moscow appears to believe that if these efforts are unsuccessful, such moves as Mikoyan's visit to the United States and pronouncements designed to show the USSR's flexibility and reasonableness will make it difficult for the Western powers to react firmly to a transfer to the East Germans of Soviet controls over Allied access to Berlin.

Ambassador Thompson has underlined the importance of Mikoyan's thesis that the improvement in Soviet-American relations reflects awareness of American leaders and public that the balance of power is shifting to the Soviet bloc. The ambassador suggests that Mikoyan was trying to convey the impression that the United States is becoming reconciled to the status quo, especially in Eastern Europe, and may therefore seek to avoid a showdown on Berlin.

Mikoyan told the party congress that he had concluded from his talks with American leaders that they now are inclined "to recognize the principle of peaceful coexistence of countries with different social and political systems." He noted that "in contrast to earlier times, the US statesmen expressed a readiness to negotiate" and that they no longer talked of a "policy of containing, repelling, or liberating." Mikoyan also attempted to cast doubt on the firmness of American policy on Berlin and the German question by stressing an alleged divergence between the American people's desire for an end to the cold war and the policies of their government.

Foreign Minister Gromyko's speech provided further evidence that Moscow intends to use its moves on Berlin and a German peace treaty to maneuver the West into at least tacit recognition of the status quo in Eastern Europe. His remarks

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reflected the Soviet leaders' concern over the growing military power of West Germany and their desire to contain this potential threat to the East German regime before it reaches dangerous proportions.

Gromyko denounced Chancellor Adenauer for rejecting Soviet proposals aimed at easing tension, and charged that West German leaders are seeking to prevent any East-West accommodation until West Germany has built up sufficient military power to "impose its terms" for reunification and a peace treaty. [redacted]

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USSR Detains American Convoy on Berlin Access Route

Soviet border guards at the East - West German frontier detained a United States Army truck convoy coming from West Berlin on 2 February after the American personnel accompanying the partially covered vehicles refused to permit the Russians to carry out a detailed inspection. Previously the trucks had passed through the Soviet checkpoint at Babelsberg outside West Berlin with the usual cursory examination. On the same day the same procedure was used on a single British truck which was then passed through apparently after a "satisfactory" inspection was made over the driver's protest.

These harassments are probably timed to demonstrate the West's vulnerability to interference on the access routes in order to complicate Secretary Dulles' talks with Allied leaders on the Berlin issue. This is the first incident involving Soviet detention of a US military truck convoy since 14 November, when one was held near Berlin. It represents a further step in the long-range effort to erode the West's position in Berlin.

This move follows Soviet efforts to promote confusion and disunity in the West over the Berlin issue by planting in diplomatic and press channels reports that are at variance with the Kremlin's public position. The most recent was a statement by a high-ranking Soviet Embassy officer in East Berlin that when the six-month grace period ends, the German Democratic Republic will be given control over Allied access without regard to other developments.

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II. ASIA-AFRICA

Iran Intends to Terminate Treaty Negotiations With USSR

[Iran intends to break off negotiation of the proposed non-aggression treaty with the USSR, according to Iranian Foreign Minister Hekmat, who has been one of the principal advocates for a reassessment of Iranian foreign policies. Hekmat told Ambassador Wailes on 2 February that he was "fed up" with the Soviet negotiators. He said he has been "studying" the terms of the bilateral agreement pending with the US and now is prepared to sign. He claimed the Shah instructed him to end the negotiations with the USSR and to determine the timing for signature of the US agreement.]

[Negotiations with the USSR reportedly became snagged on Iranian insistence on remaining in the Baghdad Pact and on canceling articles 5 and 6 of the Soviet-Iranian treaty of 1921. These articles give the USSR the right to advance its troops into Iran to carry out operations "necessary for its defense" when menaced by military operations of another country.]

[The Shah appears to have had some second thoughts on the benefits of a rapprochement with the USSR and to have sought grounds for refusal to sign the treaty should Soviet negotiators agree to all Iranian conditions. The Shah apparently became increasingly concerned over the prospect of adverse international reaction if Iran signed a nonaggression pact with the USSR. In an audience given to British Minister of Defense Duncan Sandys on 1 February, the Shah gave the impression that he did not expect negotiations with the Soviet Union to be successful, but wished to retain temporarily the threat of agreement as a bargaining point with the West.]

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Nasir's Anti-Communist Campaign

Nasir's conflict with the Qasim regime in Iraq and with Communist activity in the Arab world continues. The Cairo and Damascus press and the UAR-supported newspapers in Beirut are carrying on a violent campaign against the Communists and are complaining that Moscow is infringing on Arab neutrality. In his opening address at Cairo's Afro-Asian Youth Conference on 2 February, Nasir inserted a few pointed remarks on the "noninterference" principle of the Bandung nations, interpreted as indirect disapproval of the USSR's support of Arab Communists. [In addition, Nasir is reported readying a new list of 100-150 Egyptian Communists to be arrested later this month. The list is said to include some leading party members who were missed earlier this year.]

The UAR is also apparently engaged in a clandestine effort within the USSR to obtain information on Moscow's support of Iraqi and Syrian Communists.

Cairo to make arrangements for contacting "the Russian officer" in this connection.

Damascus suspects the Communists of attempting to influence or perhaps bribe the head of the Syrian Deuxieme Bureau.

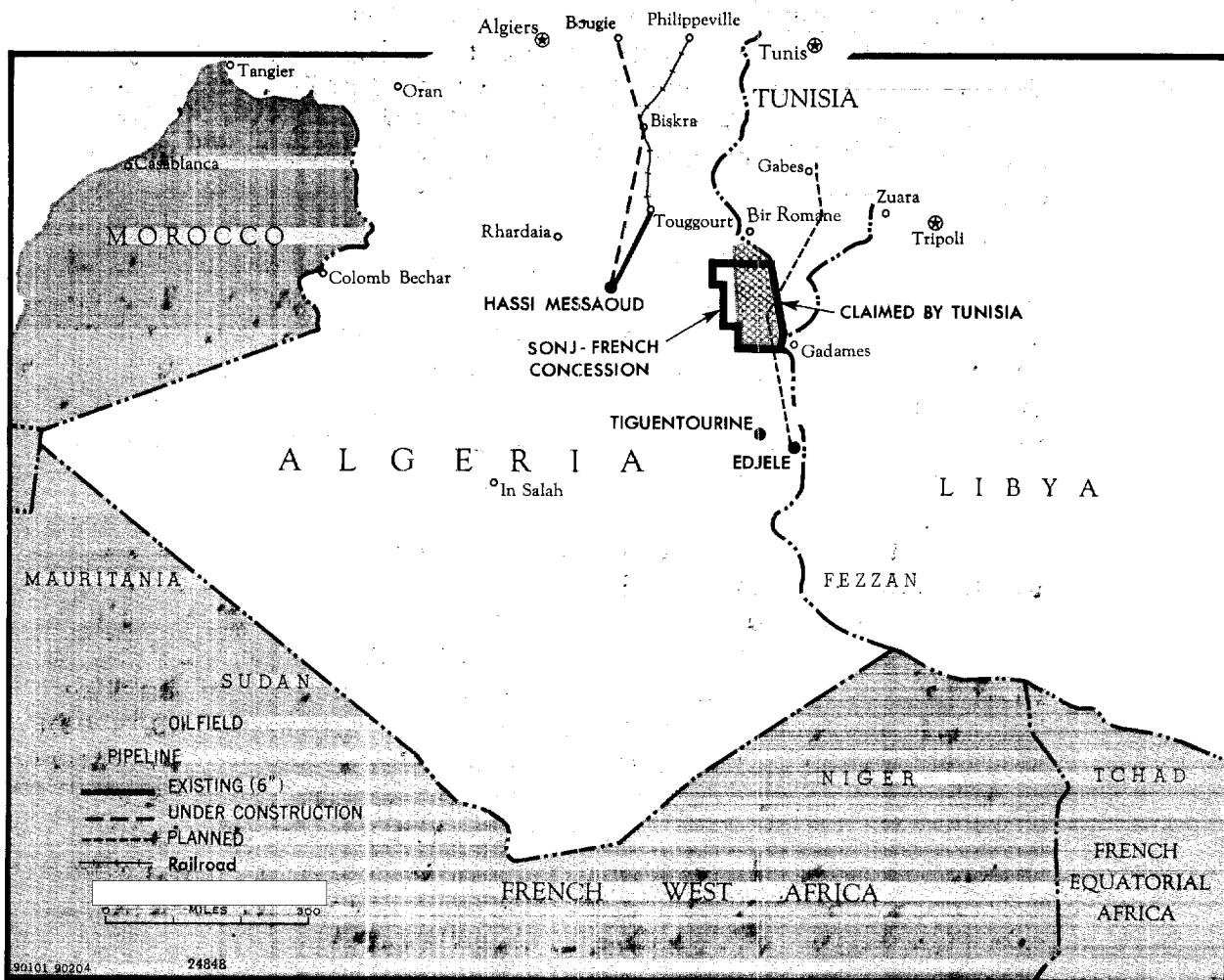
[] a "violent clash" had occurred between Qasim and two of his most influential pro-Communist advisers--his aide, Col. Wasfi Tahir, and the president of the Baghdad People's Court, Col. Fadhl Mahdawi. Qasim, who was reportedly "very much on edge," complained of Mahdawi's extremist behavior during the prosecutions. Cairo has suggested that pro-UAR papers in Beirut play up differences within the regime.

Mahdawi lashed out with another blast against the UAR on 2 February. The predominantly leftist Baghdad press joined the chorus with attacks on the UAR's suppression of the Syrians,

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i. e., the Syrian Communist party. Meanwhile, an Iraqi delegate used the Soviet 21st party congress as a forum for a barely disguised attack on the UAR's opposition to the Arab Communists.

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Tunisia to Demand Revision of Western Boundary

(President Bourguiba has outlined to a New York Times correspondent Tunisia's claim to some 6,000 square miles of the Algerian Sahara. The area involved, according to Tunisian Foreign Secretary Mokaddem, comprises the greater part of a concession which France granted last month to a French-American corporation in which Standard Oil of New Jersey has 50 percent participation. The Tunisians insist that the present border is a provisional boundary fixed by French officers and that the line should be drawn due south from Bir Romane to an east-west line just south of Gadames.)

(Mokaddem on 28 January showed Ambassador Jones a purported map of all oil concessions granted in Algeria. He stated that the Tunisian Government makes the "most solemn and express reservations" regarding the Standard Oil concession which overlaps the disputed area, but added that there would be no objections to exploitation of the area if Standard Oil makes arrangements with the Tunisian Government.)

(The Tunisians expect to make an early demarche to the French and possibly also the Algerian rebel provisional government. Such a demarche or an announcement of this claim by Bourguiba is certain to irritate Tunisia's already difficult relations with France. It may lead to further difficulties with the Algerian rebels, who resist Morocco's territorial claims in western Algeria. The Algerians reacted sharply last July when Bourguiba granted a concession for the pipeline linking the Edjele oil field in eastern Algeria to the Mediterranean to transit Tunisia. They will, however, welcome any legal difficulties which Tunisia can interject into the exploitation of this concession.)

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Cyprus

[The Greek and Turkish foreign ministers are planning to meet again this week, probably in Zurich, in an effort to resolve the remaining issues preventing a Cyprus settlement.]

[Greek Foreign Minister Averoff predicts negotiations will be concluded within two weeks, but he has repeatedly stated his conviction that the British Government will attempt to sabotage an eventual agreement. London, however, by postponing the scheduled publication of a controversial electoral law for Cyprus, has given evidence of its intention to place no obstacles in the way of negotiations. While areas of disagreement between Athens and Ankara could still prevent a solution, many of the barriers to a settlement have been removed. The major remaining problem appears to involve Turkey's insistence that the proposed independent Cyprus be precluded from joining the UN.]

[Averoff claims that Archbishop Makarios has been continually informed about the negotiations and is in agreement with the Greek Government's position.]

[If the foreign ministers' conference is successful, Athens is expected to agree to the Turkish suggestion that the two prime ministers join the conference before announcement of a final agreement.]

[On Cyprus, there has been no resurgence of violence despite warnings by Greek Cypriots that the recent British security operations would provoke an EOKA response. The operations have now been concluded and new releases of political detainees have further improved the atmosphere.]

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Nehru's Daughter Elected President of Indian Congress Party

The election on 2 February of Prime Minister Nehru's 42-year-old daughter Indira Gandhi as president of the Congress party is unlikely to assure India's ruling political organization of the strong leadership it needs. The party lacks discipline and vitality at a time when implementation of India's development program and increasing competition from the Communist party demand its utmost effort.

Mrs. Gandhi, wife of Parliament member Firoze Gandhi, apparently was supported by the Congress high command as well as by many regional party units. However, her election probably resulted less from enthusiasm for Mrs. Gandhi than from fear of displeasing Nehru and from lack of an alternative choice acceptable to all sections of the party. A few top leaders apparently did oppose her selection.

Mrs. Gandhi has been actively associated with the "ginger group" in the party, which has been working, probably with Nehru's blessing, to revive the party's socialist ideology. The high command's somewhat surprising decision has the dual purpose of injecting "young blood" into the party leadership and checking the "drift toward a rightist trend of thought."

The naming of Indira Gandhi, however, could well have the opposite effect. She lacks both the experience and the political leadership necessary for such a big job. Old-line Congress bosses at the head of various regional party machines are not likely to be brought into line easily by Mrs. Gandhi, active in the high command only during the past few years, despite her unique position as Nehru's closest confidant. In addition, her identification with the party's left wing may alienate the more conservative elements and increase the possibility of an eventual party split. [redacted]

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III. THE WEST

No far throughout
Bonn Suggests Possible Concessions in East-West Negotiations

[West Germany's State Secretary for Foreign Affairs van Scherpenberg on 2 February suggested]

[several possible concessions which Bonn would consider in the event high-level East-West talks are held. He mentioned establishment of diplomatic relations with Poland and recognition of the Oder-Neisse line, some thinning out of troops, or a prohibition of nuclear weapons if not directed solely against Germany.]

[even the revised Rapacki Plan is unacceptable. Bonn also rejects any proposal for a German confederation, which van Scherpenberg characterized as the "road to communization of all Germany." Van Scherpenberg also informed Lloyd that some moves might be taken to make West Berlin less "provocative," such as reduction of propaganda radiobroadcasts, for example those of RIAS, and certain Western intelligence activities.]

[These hints of possible concessions may have been designed to forestall any British support for German confederation or a far-reaching disengagement scheme. The German ambassador in Moscow says Adenauer is prepared to be flexible but opposes advancing any concessions prior to an East-West meeting.]

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Executive Secretary, National Security Council

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 Secretary of the Navy

The Secretary of the Air Force

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Chief of Staff, United States Air Force

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Director for Intelligence, The Joint Staff

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Atomic Energy Commission

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The Director

National Indications Center

The Director

United States Information Agency

The Director

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