

~~TOP SECRET~~

3.5(c)

3.3(h)(2)  
*Ed*

30 October 1959

Copy No. C 65

# CENTRAL INTELLIGENCE BULLETIN



DOCUMENT NO.

NO CHANGE IN CLASS.

 DECLASSIFIED

CLASS CHANGED TO:

NEXT REVIEW DATE:

AUTH: MR 70-2

DATE: 4.14.80

REVIEWER:  

52

2010

~~TOP SECRET~~

~~TOP SECRET~~

30 OCTOBER 1959

**I. THE COMMUNIST BLOC**

Chinese Communists apparently seeking to increase their influence in Asian Communist movements at the expense of Soviet influence.

Renewed factional struggle in Hungarian Communist party.

**II. ASIA-AFRICA**

Syrian Communist leader discusses Communist tactics regarding Iraq and UAR.

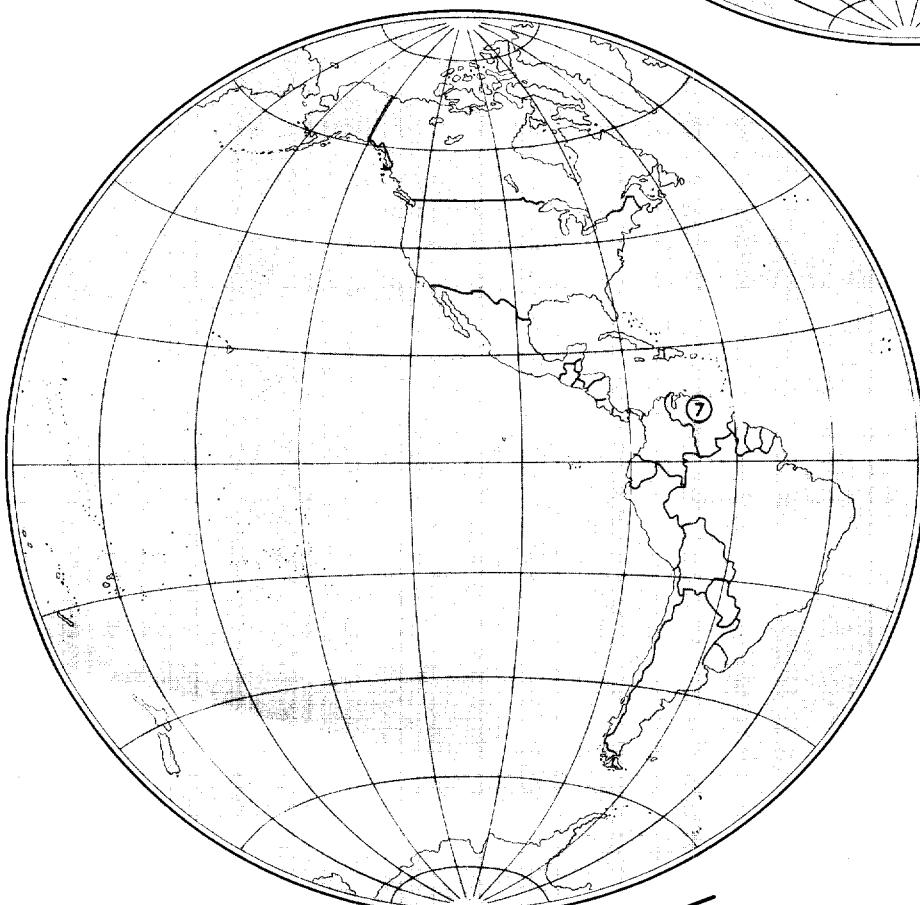
UAR reinforces army units in eastern Sinai.

Israeli Government asks Shah of Iran to convey its good will to Jordanian King.

Sudan--Junior army officers continue preparations for early coup; their prospects for success are doubtful.

**III. THE WEST**

(7) Venezuela--Economic difficulties may bring on political crisis.

~~TOP SECRET~~

# CENTRAL INTELLIGENCE BULLETIN

30 October 1959

## DAILY BRIEF

SIR AB

### I. THE COMMUNIST BLOC

Communist China - USSR: [Peiping's desire to diminish Soviet influence and increase Chinese influence in Asian Communist movements was indicated to ]

OK

[Mao Tse-tung suggested that the problems facing Asian Communists are better appreciated by the Chinese, who are closer to the scene.]  
(Page 1)

OK

Hungary: [Factional clashes within the politburo and central committee of the Hungarian party reportedly again erupted during this fall's pre-congress discussions of the draft Five-Year Plan for 1961-65. Party functionaries expect the expulsion of anti-Kadar dissidents from the leadership at the congress, which opens on 30 November. These Stalinist elements are said to have attacked party First Secretary Kadar's policies on agricultural collectivization and consumer goods production, in terms reminiscent of those used by former party leader Rakosi in his attacks against the relatively liberal "New Course" in 1955]

(Page 2)

Correction:

No

[For a fuller version of the item, see Part III, Page 1 of the Current Intelligence Weekly Review and Current Intelligence Weekly Summary dated 29 October 1959.]

## II. ASIA-AFRICA

*OK  
Delete  
Last Type  
sent me*

Arab Communists: [The exiled Syrian Communist leader, Khalid Bakdash, early this month told the secretary general of the Lebanese Communist party that Iraq should be kept neutral for the time being. He also urged the Lebanese party to assist Iraqi Communists in avoiding a return to their "incorrect extremist policy." Bakdash, who met the Lebanese party chief in Moscow, said that he felt the Soviet attitude toward Nasir was "hardening." He counseled Syrian-Lebanese Communists to continue their strong opposition to UAR policies and to stress Egypt's "exploitation" of Syria, but to avoid calling for dissolution of the union.] (Page 4)

UAR-Israel: The UAR, [ ] has reinforced its army units in eastern Sinai with an infantry battalion "as part of the plan to safeguard the Eastern Front and the advanced stockpiling operations." [ ] another stage in the gradual rebuilding of UAR military strength along the Israeli border.

A UAR air squadron was to be prepared in anticipation that there might be Israeli air reconnaissance missions in reaction to the transfer of the battalion.

[ ] two separate overflights of Egyptian territory by Israeli aircraft. Air clashes are a distinct possibility.

*N*  
Israel-Jordan-Iran: The Shah of Iran, who is scheduled to visit Jordan beginning 2 November, has been asked to convey a message of Israeli goodwill to King Husayn. The request was made by Israeli Foreign Minister Meir, and reflects her government's continued interest in the perpetuation of Husayn's regime and its independence from Nasir. [The Israelis already have a channel to Jordan through their intelligence relationships with Iran and Turkey.]

(Page 5)

*N*  
Sudan: [Disgruntled junior army officers are continuing their preparations for an early coup attempt despite their knowledge that the government is aware of some aspects of their planning and the identity of many of their adherents. They have]

~~TOP SECRET~~

[postponed initiation of their move several times, but they seem to believe that they can succeed, even without a strong element of surprise. The Abboud government is unstable and unpopular, and the dissident officers are reported to have strong backing in the Eastern and Central commands, but loyal military forces appear capable of thwarting any move by these elements in the immediate future.]

### III. THE WEST

*DK* Venezuela: Economic problems confronting the coalition of President Betancourt could touch off a political crisis. Depletion of the country's foreign exchange and signs of growing opposition to foreign investments in iron and oil are causing a loss of business confidence. Betancourt's broad military and civilian support was recently demonstrated when the government acted against conspiratorial activity, but considerable unrest apparently prevails beneath the surface calm. The mid-October transfer of 30 military officers to posts outside Caracas suggests that some dissidence exists within the armed forces. [Page 6]

### IV. SIGNIFICANT INTELLIGENCE REPORTS AND ESTIMATES

(Available during the preceding week)

Austria's Position Between East and West. SNIE 25-59.  
27 Oct 59.

30 Oct 59

DAILY BRIEF

iii

~~TOP SECRET~~

~~SECRET~~

## I. THE COMMUNIST BLOC

### Mao Tse-tung Indicates Desire to Increase Influence in Asian Communist Parties

Peiping's desire to diminish Soviet influence and increase its own in Asian Communist movements were indicated to [redacted]

Mao

Tse-tung hinted [redacted] that the Chinese want to lead the Asian Communist parties on the grounds that the problems facing Asian Communists are better appreciated by the Chinese.]

Whatever its claims to keener insight into Asian Communist problems, Peiping's advice, like Moscow's, has in fact served primarily to advance its own foreign policy interests and only secondarily the interests of the Asian Communists. The Indian Communists, for example, were asked by Peiping to take a pro-Chinese stand on the Tibet revolt. Later, they were embarrassed by vehement Chinese statements--including attacks on "Indian expansionists"--and had to advise the Chinese to moderate their attacks on New Delhi.]

(Peiping in the past year has had considerable contact with Communist leaders from Japan, Indonesia, and India. In an effort to avoid the appearance of directly challenging Moscow's influence, however, Chinese counsel has generally been offered as complementary to rather than competitive with that of the USSR. Peiping apparently agreed with Soviet advice to the Indian Communists to rely on "parliamentary means" to come to power; but the Chinese went on to counsel the Indian party to adopt a "tougher" line than it has previously followed in opposing certain policies of the Congress party. "United front" tactics for the Japanese Communists, apparently sanctioned by Moscow, were reaffirmed as appropriate for the Japanese party in the communique signed in Peiping on 20 October between Liu Shao-chi and party chairman Nosaka.)

~~SECRET~~

~~SECRET~~Hungarian Party Factionalism on Eve of Congress

[Acrimonious factional debate within the politburo and central committee of the Hungarian party has broken out over the extent and direction of agricultural and industrial development during the period of the next Five-Year Plan, 1961-65,

The last time a factional struggle within the Hungarian party reached similar heights--at the party conference in June 1957--it was glossed over, but the basic issues were not resolved. Intraparty unity was again threatened during the December 1958 central committee meeting, by the decision to speed up collectivization.]

[Stalinist elements led by Deputy Premier and politburo member Antal Apro, Minister of Heavy Industry Janos Czergo, and the director of the party's central school, Geza Kassai, favor a more rapid completion of agricultural collectivization and greater emphasis on the expansion of heavy industry than is called for in party leader Kadar's draft plan. The group reportedly advanced its views at a central committee meeting in September, but was rebuffed by Kadar's supporters, from whom politburo member Jeno Fock was then designated to present the draft plan to the Congress on 30 November instead of Apro, who was reportedly in line for the assignment.]

[Apro then is said to have formalized his objections in a memorandum which he asked Soviet Ambassador Shtykov to forward to Moscow. Shtykov is known to have left for Moscow unexpectedly on 26 October. In the meantime, Apro has twice taken issue publicly with the draft plan's provisions on agriculture. On 16 October he called for the complete "socialist" reorganization of agriculture by 1965--a goal carefully avoided in the plan--and on 24 October he said that present conditions favor the "total socialist transformation" of the villages within the next five years.]

[Despite these implicit disagreements, Apro was chosen to deliver a report on deficiencies in Hungary's present economic planning to another central committee meeting on 22 October. While no decision on his future has apparently yet been made,]

~~SECRET~~

~~SECRET~~

party functionaries reportedly anticipate that Apro and his extremist colleagues will be demoted at the congress. Press criticism of "dogmatists" and "sectarians"--ostensibly within the party's lower ranks--has become increasingly bitter during the past four weeks, suggesting that Kadar may be planning decisive action to overcome the influence of Stalinist elements in both the higher and lower levels of the party apparatus.]

~~SECRET~~

~~SECRET~~

## II. ASIA-AFRICA

Bakdash States Views on Communism in Arab World

[Syrian Communist leader Khalid Bakdash, now in exile in the Communist bloc, said early this month that he believed Iraq should be kept neutral for the present. Speaking in Moscow to the secretary general of the Lebanese Communist party, Nicolas Shawi, Bakdash voiced the hope that the Lebanese Communists would give "sensible advice" to their Iraqi counterparts who, he said, had realized their previous extremist policy had been wrong.]

[On Soviet-UAR relations, Bakdash said Moscow's attitude toward Nasir was "hardening" and implied that, although the USSR had not attacked Nasir politically as yet, such action is likely to occur if his accommodation with the West reaches the point where his personal popularity and influence in the Arab world become vulnerable. Meanwhile, Bakdash advised Arab Communists to keep up their attacks on Nasir's policies, emphasizing Egyptian "exploitation" of Syria but not calling for dissolution of the union. Bakdash further advised the Lebanese Communist party to continue supporting Prime Minister Karami, whom he considered a lesser evil than other candidates for the Lebanese premiership.]

[Shawi told Bakdash that since Nasir's crackdown there were probably between 200 and 300 Communists underground in Syria, with their activities limited to keeping the party alive. He gave the impression that the Nasir regime was keeping the lid on tight.] In this connection, [UAR security forces have picked up two Bulgarians, who were allegedly engaged in "subversive Communist activity" in Syria. They were to be deported with the utmost speed.]

~~SECRET~~

~~TOP SECRET~~

Shah Asked to Give Friendly Israeli Message to Jordan's King Husayn

Israeli Foreign Minister Golda Meir, [redacted]

[redacted] has requested that, when the Shah of Iran visits Jordan on 2 November, he convey a message of Israeli good will to King Husayn. Mrs. Meir reportedly said that Israel has always had friendly feelings toward the King personally, citing the fact that at the time the British were sending emergency aid to Jordan following the Iraqi revolution, "He did not prevent the flight of their planes over Israel."

Her remarks reflect Israel's continued interest in the perpetuation of Husayn's relatively weak regime as an alternative to a Nasir-dominated Jordan. Israel and Jordan have a 330-mile common border, passing about 12 miles from Tel Aviv, which would be difficult for Israel to defend. [In the past Israel has stressed that if a pro-Nasir regime should come to power in Jordan, Israel would probably feel compelled--as a "defensive" measure--to occupy West Jordan--the Palestinian sector of the country west of the Jordan River.]

Mrs. Meir made similar cordial references to Husayn last April, calling him a courageous young man with hitherto unsuspected potentialities for leadership. At that time, in a conversation with the American chargé, she said Israel had no complaint about the Jordanian Government's attitude, and that she was convinced the occasional border incidents were unrelated to any Jordanian policy.

[Husayn probably will welcome the message, since he has been concerned over what Israel's reaction might be if Jordan found it "necessary" to preserve the integrity of its borders or even to take some sort of action in Iraq. He remains in contact with a group of royalist Iraqi exiles who want him to aid their plans to re-establish the Iraqi monarchy.]

[Iran, like Turkey an indirect channel to Jordan for Israel, has cordial though informal relations with the Israelis. Israel has promoted a close intelligence relationship with Iran and imports Iranian oil through its Gulf of Aqaba port of Eilat.]

~~TOP SECRET~~

### III. THE WEST

#### Situation in Venezuela

Venezuelan President Betancourt's coalition is confronted by economic problems--especially a decline of foreign exchange and a loss of business confidence--which could touch off a serious political crisis. At the end of August, Venezuelan exchange reserves, although the highest in Latin America, had dropped to about \$930,000,000, and less than a third of this amount was in liquid dollar reserves, which have been dwindling rapidly. The president of Venezuela's largest oil company has expressed concern that the need for foreign exchange may cause the sale of gold that makes up the remainder of the exchange reserves, and that this would cause a complete loss of confidence abroad and a panic in Venezuela. He said the government had already asked the oil industry to buy \$300,000,000 worth of short-term treasury notes.

The uncertainty has been compounded by rumors of plotting and financial deterioration; by recent policy statements by the minister of mines unfavorable to the economically important foreign-owned oil and mining interests; and by the threat of a paralyzing strike accompanied by violence if negotiations for a new oil-workers contract fail.

The basic stability of Betancourt's regime was demonstrated by the broad civilian and military support which rallied to him after the government arrested about 40 persons in Caracas for conspiratorial activity on 12-13 October. The recent transfer of 30 military officers to posts outside the capital suggests, however, that dissidence is present in some degree in the armed forces.

~~SECRET~~

**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

Director, National Aeronautics and Space Administration

Special Assistant for Security Operations Coordination

Board of Consultants on Foreign Intelligence Activities

Special Assistant for Foreign Economic Policy

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

The Secretary of Defense

The Deputy Secretary of Defense

Assistant Secretary of Defense for International Security Affairs

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 Army

Director of Naval Intelligence, Department of Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

Supreme Allied Commander, Europe

Commander in Chief, Pacific

The Department of Commerce

The Secretary of Commerce

Federal Bureau of Investigation

The Director

Atomic Energy Commission

The Chairman

National Security Agency

The Director

National Indications Center

The Director

~~TOP SECRET~~

~~TOP SECRET~~