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15 June 1960

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CENTRAL

INTELLIGENCE

BULLETIN



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15 JUNE 1960

I. THE COMMUNIST BLOC

Pravda articles of 12 and 13 June strongly condemn Peking's policies and provide good evidence of Khrushchev's strong position in Moscow.

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Movements of Sibir-class ships suggest preparation for new Soviet missile shots to extended ranges.

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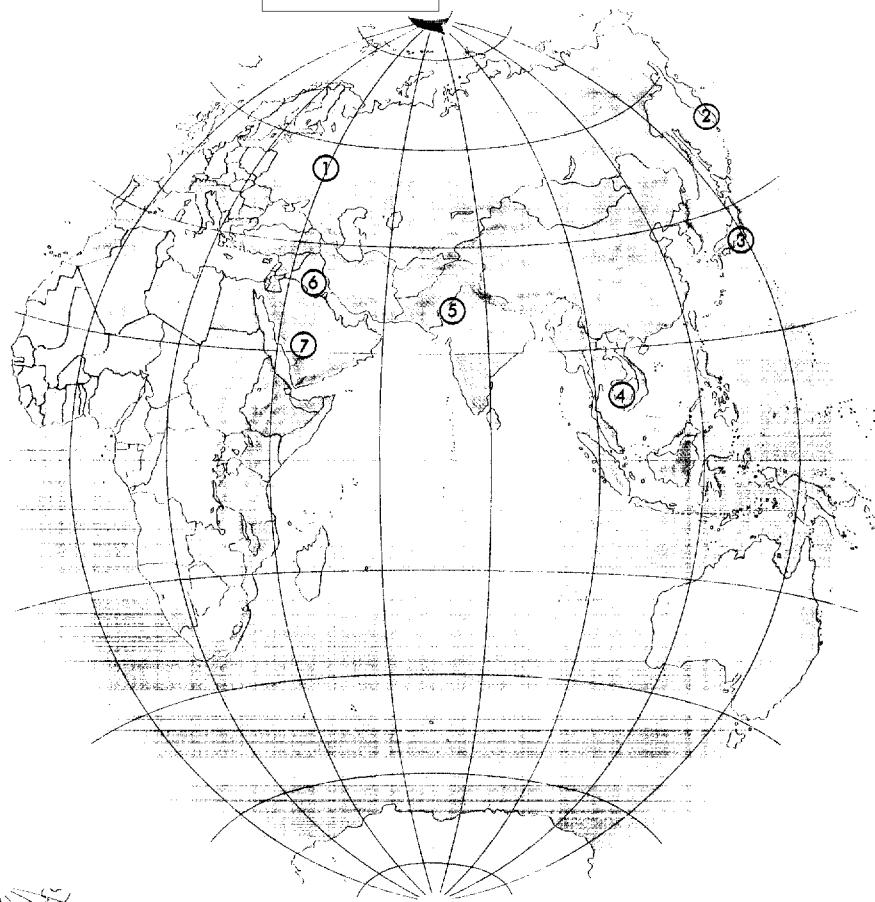
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II. ASIA-AFRICA

Japan--Major political parties may call a truce and support plans for welcoming President Eisenhower, but Communists planning to incite violence.

High Cambodian official hints that disputes with Saigon may lead his government to accept North Vietnamese diplomatic representation.

Pakistani-Indian negotiations on division of Indus waters hit last-minute snag.

Iraq--Coup rumors circulate as revolution's second anniversary approaches; military support for regime is strong.



⑦ Saudi Arabia--Struggle between King and crown prince for control of government continues.

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CENTRAL INTELLIGENCE BULLETIN

15 June 1960

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DAILY BRIEF

I. THE COMMUNIST BLOC

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USSR-China: The continuing Sino-Soviet polemic over the proper tactics to be pursued toward the United States has brought forth from the Soviet side the most sweeping and explicit condemnation to date of Chinese internal and foreign policies. Pravda's strongly worded affirmation of Khrushchev's pre-summit policies on 12 and 13 June will make it clear to the Chinese leaders that they must now choose between increasing condemnation from Moscow and adjustment to Soviet positions. Publication of these authoritative statements is the best recent evidence that Khrushchev is firmly in control in Moscow and serves notice to any critics at home or in the satellites that support for the more aggressive Chinese line will not be tolerated.

(Page 1)

USSR: The departure on 12 June of the Sibir-class instrumentation ships from Petropavlovsk suggests preparations for a new group of Soviet missile shots to extended ranges. Early on 14 June three of the ships were located some 500 nautical miles south-southeast of Petropavlovsk.

NO

The differently configured fourth ship either had already departed or would soon depart from Petropavlovsk.

The ships spent several days at sea and took part in at least two practice exercises prior to the first valid launch attempt in the previous two groups of launchings, last October and January. There is no indication yet of the area to which the ships are going or of the timing of any forthcoming event involving them.

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II. ASIA-AFRICA

N [Japan: There is a possibility that the major political parties may call a truce and support plans for an enthusiastic welcome for President Eisenhower. Extreme left-wing elements led by the Communists, however, are planning to incite students and labor unionists to acts of violence when the President arrives. The Japanese police are engaged in rounding up many of the radical leaders and agitators, and are making elaborate preparations for safeguarding the President.]

[Cambodia: A high Cambodian official has hinted that his government might accept North Vietnamese diplomatic representation as a result of its disputes with South Vietnam, in particular those over several small islands in the Gulf of Siam. A semi-official Phnom Penh newspaper states that Saigon's latest note on this matter clearly reveals its "policy of expansion" and warns of the "incalculable consequences" of any attack on Cambodian soil.]

(Page 3)

N [Pakistan-India: Negotiations on the division of waters in the Indus River basin appear to have hit a last-minute snag. Pakistani and Indian representatives cannot agree on how much water India is to supply Pakistan while diversionary canals are being built. It now seems unlikely that the long-awaited treaty will be signed in late June as had been hoped; both sides, however, continue to regard a settlement as essential to their development plans, and a solution will probably be reached.]

(Page 4)

N [Iraq: Party rivalries are increasing and Communist complaints of discrimination by the regime continue. Military support for Qasim appears to be strong. Rumors of trouble, or even a coup, on 14 July--the second anniversary of the revolution--are circulating in Baghdad much as they did a year ago.]

[UAR support of anti-Communist groups in Iraq continues at a low level; there is no indication that Cairo is planning to support a move against Qasim in the immediate future.]

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Saudi Arabia: King Saud and Crown Prince Faysal continue to maneuver for dominance of the government. Faysal, who three weeks ago called off a trip for medical treatment abroad when the King refused to accept his recommendations for an interim administration, now is reported to be determined to remain in Saudi Arabia. The struggle may seriously weaken the position of the dynasty. Officials of the Arabian-American Oil Company are concerned that continuation of the quarrel may result in new, unrealistic demands on the company. (Page 6)

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Pravda Counters Peiping's Criticisms

Pravda's strongly worded reaffirmations of Khrushchev's policies of "peaceful coexistence," summit meetings, and tactical compromises with the West, published on 12 and 13 June, are sharp, if oblique, attacks on Chinese foreign and internal policies. The 12 June article, ostensibly a review of Lenin's book "Left-Wing Communism, an Infantile Disorder" on the 40th anniversary of its publication, is the most sweeping condemnation to date of "leftist secretarians"--in context a thinly veiled epithet for the Chinese leadership. The 13 June editorial, addressing itself to Moscow's disarmament proposals, rebuts Peiping's reservations on this question by reiterating as the basis of Soviet foreign policy Khrushchev's formulation that war is no longer inevitable and asserting that only shortsighted people who have lost all sense of reality can fail to believe in the possibility of realizing total disarmament.

The articles seem designed to dispel any idea that the U-2 incident and the summit collapse might necessitate a reassessment of the premises of Khrushchev's pre-summit policy. Khrushchev's speeches after the summit breakup appeared to be defensive statements designed to demonstrate the consistency of his policy while anticipating and deflecting further criticism. The Chinese, after a brief period in which they pointed out that they had been right all along in their assessment of US intentions, renewed the attack in People's Daily and in virulent speeches at the recently concluded WFTU meetings in Peiping.

The present articles are a continuation of the discussion which began in April when presidium member Kuusinen, in his speech on the anniversary of Lenin's birth, replied to the criticism of Soviet ideological positions contained in two April editions of Red Flag, the Chinese theoretical journal. The differences of opinion are much more explicitly stated now, however, and the strong reaffirmation of Khrushchev's policies will make it clear to the Chinese

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leaders that they must now choose between increasing condemnation from Moscow and adjustment to the Soviet position.

Publication of these authoritative statements fully supporting Khrushchev's policies is the best recent evidence that he is firmly in control in Moscow. The articles themselves were probably intended as an implicit warning to any critics at home and in the satellites that support for the more aggressive Chinese line will not be tolerated.

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Cambodia May Be Considering New Gestures Toward
North Vietnam

(The Foreign Ministry secretary general has hinted to an American official that Cambodia might accept North Vietnamese diplomatic representation as a result of its bitter disputes with South Vietnam. Cambodia regards South Vietnam with extreme suspicion and believes the Diem government has "insatiable territorial ambitions," which now are centered on several small islands in the Gulf of Siam. The American Embassy in Phnom Penh believes South Vietnam's persistence in pressing its territorial claims is likely to put further strain on US-Cambodian relations, as Phnom Penh feels the United States has long supported the Diem government in its anti-Cambodian activities.

Sihanouk is reported to be in a depressed and troubled mood, "intensely displeased" with his neighbors--South Vietnam and Thailand--as well as the major Western powers. In such a mood he might be inclined to strike out at his "imperialist" enemies by accepting political representatives from North Vietnam.

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Pakistani-Indian Negotiations Reach Last-Minute Impasse

[Pakistani-Indian negotiations on the division of waters in the Indus Basin appear to have hit a last-minute snag. According to Pakistani President Ayub, the two countries' representatives have failed to agree on how much water India is to supply Pakistan while the necessary new diversionary canals are being built. Indian officials have complained that Pakistan has raised its original demands. Ayub, on the other hand, told Ambassador Rountree on 11 June that Pakistan is willing to submit the question for arbitration by the World Bank but that India refuses.

[The Indus waters dispute and Kashmir are the two most important disputes between Pakistan and India. Both governments have worked for a waters agreement, regarding it as the top-priority target in their efforts over the past year and a half to improve relations. Nehru has been planning to visit Ayub in Rawalpindi to sign the treaty.

[Pakistani-Indian relations would probably become seriously strained again if a real deadlock should develop in the final stages of the Indus negotiations. However, while it now seems unlikely that the long-awaited treaty will be signed in late June as had been hoped, a solution will probably be worked out eventually.

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~~The Iraqi Situation~~ ~~TOP SECRET~~

The Iraqi Communist party remains split between the ineffective Qasim-backed splinter group and the orthodox faction which apparently has Moscow's backing. The split in the National Democratic party (NDP) has widened and has sharply decreased the party's effectiveness as a political force. Until recently it had been regarded as the only party which seemed capable of attracting the support of middle-of-the-road Iraqis and which was making good progress against Communist influence among the peasants.

Communist complaints of discrimination and suppression by the authorities in the provinces are continuing. The latest appeal to Qasim is against the military commander in southern Iraq for banning distribution of the party's paper in his command until after 14 July.

Anti-Communist influence in the air force is increasing, and Communist unit commanders have been replaced by nationalist officers. Tension between nationalist and Communist officers in the armed forces is said to be increasing.

While there apparently is some contingency planning by anti-Communist army officers in case of Qasim's death, there is no indication that an anti-Qasim coup is being planned. However, a stand-by plan to seize power and rule by means of a military junta exists. Street rumors of incidents, or even a coup, on 14 July--the second anniversary of the revolution--are circulating in Baghdad, much as they did prior to last year's celebration.

UAR support for Iraqi antiregime elements continues at a low level and that rivalry exists between Baathists and nationalists in Baghdad. Arms shipments to anti-Qasim elements appear to be small. Nasir's prestige in Iraq has declined as a consequence of his nationalization of the press in the UAR.

There is no indication that Cairo is actively planning to support a move against Qasim in the foreseeable future. ()

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~~SECRET~~Struggle for Power Within Saudi Royal Family

King Saud and Crown Prince Faysal are engaged in further maneuvers in their contest for dominance of the Saudi Government. Three weeks ago Faysal called off his planned trip for medical attention in Europe, realizing that the King intended to take over in his absence. Now the crown prince is reported to be determined to remain in Saudi Arabia until the crisis is resolved; he may send for foreign specialists to treat him there.

On 1 June King Saud, apparently without reference to Faysal or other members of the Council of Ministers, granted two of his sons a concession to build an oil refinery in Jidda, with exclusive marketing rights in the western part of the country. On 5 June a Beirut newspaper carried a story, probably planted by adherents of the King, which attacked Faysal's economic and political policies and predicted that he would soon be ousted. Saudi censors banned distribution of the paper in Saudi Arabia, and on 7 June Faysal countered by granting an interview to a Saudi correspondent which was carried by Mecca radio and received wide coverage in the Saudi press. He defended his economic program and, stealing a plank from the King's platform, stated that he was considering plans to make the government more representative by giving more influence to competent men outside the royal family. He attacked Saudi merchants--many of whom have been supporting the King--for their "lust for profits," and announced that the government soon would take over administration of the port of Jidda from the merchant group which has been operating it.

[The King is competing with Faysal for the support of a number of influential senior princes, and an important meeting of the Council of Ministers scheduled for 11 June was reportedly postponed because of the extent of disagreement within the royal family.]

Officials of the Arabian American Oil Company (Aramco) are concerned about the exclusive oil marketing rights granted

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by the King in the refinery concession to his sons. The officials plan to follow up their initial unsuccessful protest to Saud, but are anxious to avoid any move which might make it appear that Aramco is taking sides and are apprehensive that continuation of the royal quarrel might result in new, unrealistic Saudi demands on the company.

In any case, the struggle may have the effect of weakening the position of the dynasty and reducing political stability. The way might be opened to organized plotting by antiroyalist groups in the bureaucracy, the merchant class, and the army.

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