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17 March 1959

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CENTRAL INTELLIGENCE BULLETIN



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17 MARCH 1959

I. THE COMMUNIST BLOC

Khrushchev shaking up second-
echelon leadership.

Moscow continuing its attacks on
Iranian regime.

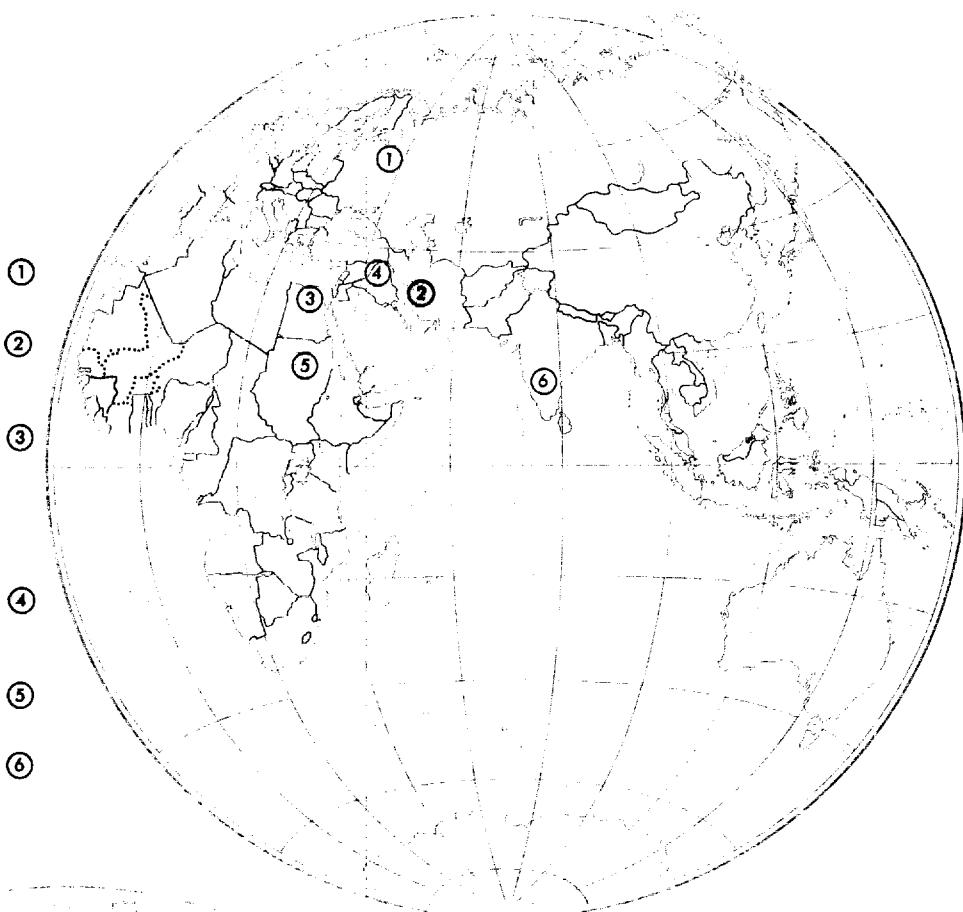
Khrushchev's comments on UAR-
Iraq dispute aimed at discouraging
Nasir's attacks on Qasim

II. ASIA-AFRICA

USSR grants Iraq \$137,000,000 loan
for economic and technical development.

Sudan concludes trade agreement
with USSR; negotiations under way
for long-term economic aid.

India - Efforts to overthrow Communists
in Kerala thwarted.

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CENTRAL INTELLIGENCE BULLETIN

17 March 1959

DAILY BRIEF

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I. THE COMMUNIST BLOC

USSR: Khrushchev apparently is in the midst of a campaign to clean up the second-echelon party and governmental leadership; he recently notified party and government leaders that such a campaign was in the offing. Shake-ups in the leadership of the Uzbek Republic and Moscow Oblast have taken place within the past two weeks, following similar action in the Turkmen Republic. [redacted] (Page 1)

USSR-Iran: The reported recall of Soviet Ambassador Pegov from Tehran may mark a new phase in Moscow's hostility toward the Shah's regime. Soviet radiobroadcasts to Iranian listeners have also renewed explicit personal attacks on the Shah. The Iranian Government cannot effectively counter the Soviet broadcasts, but has attempted to keep pace with Soviet pressure by postponing the departure of the Iranian ambassador-designate to the USSR and by alleging 81 violations of Iranian air space by Soviet aircraft in recent months. [redacted]) [redacted]

*USSR-UAR: Khrushchev's remarks of 16 March on the UAR-Iraq dispute, while deplored the conflict and adopting a pose of noninterference and friendship for both countries, are directed at discouraging Nasir from attacks on Qasim and Baghdad Communists, and from renewed UAR subversion in Iraq. Khrushchev stated that relations between the USSR and the UAR "will continue as before," but his warning that Nasir's anti-Communist campaign, if continued, "will inevitably fail" implies Soviet retaliatory moves. In a speedy reply on 16 March Nasir charged Khrushchev with "distortion of facts" in commenting on Arab unity, but expressed a qualified hope for continuing good relations with the USSR. [redacted] (Page 2)

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II. ASIA-AFRICA

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*Iraq-USSR: The Soviet Union has granted Iraq a \$137,000,000 loan at 2.5-percent interest under an economic and technical co-operation agreement concluded on 16 March in Moscow. The USSR will provide technical assistance for the construction of various light industrial projects, primarily in the machine, chemical, and food industries. It will also conduct various studies in the fields of irrigation, transportation, and development of mineral resources. The agreement underscores Khrushchev's recent support for Iraq's position in the Middle East. A \$168,000,000 arms agreement was signed with the USSR last fall.

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Sudan-USSR: The Sudanese Government and a visiting Soviet economic delegation have concluded the first trade agreement between the two countries--a small one-year barter arrangement (\$6,244,000 each way) for the exchange of Sudanese cotton and other agricultural products for Soviet machinery, trucks, and cars. Negotiations are now under way on a Soviet offer of long-term, low-interest credits for Sudanese industrial and agricultural projects, and the Sudanese negotiators apparently intend to raise the question of Soviet aid for the Roseires Dam project on the Blue Nile.

) (Page 3) (Map)

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*India: The 64-to-58 vote of confidence won by the Communist government in Kerala State on 16 March appears to have checked for the time being efforts by conservative elements to force the Communists from office. Covert planning of influential Hindu and Christian leaders and local Congress party politicians aimed at subverting enough Communist assembly members to bring down the government had been in an advanced stage and apparently had the support of Indian Home Minister Pant and key police officials. These leaders are likely to persist in their efforts, although they will have difficulty maintaining opposition unity and finding a new issue for a vote of confidence.

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I. THE COMMUNIST BLOC

Moscow Purging Ineffective and Corrupt Officials

A general campaign to strengthen the second-level leadership in the Soviet Union by replacing some of the more ineffective or corrupt party and government officials is apparently under way. Shake-ups in the leadership of the Uzbek Republic and Moscow Oblast have taken place within the past two weeks, following similar action in Turkmenistan. In addition, the party chiefs in a number of other areas, including the Checheno-Ingush Autonomous Republic, the Novosibirsk Oblast and the Jewish Autonomous Oblast, have been replaced.

On 14 March both the party first secretary and the premier of Uzbekistan were ousted from their posts for "serious shortcomings and mistakes" in their work. A similar move took place in Moscow Oblast on 2 March when the first secretary and the chairman of the government body were released at a meeting attended by some of the party's top personnel specialists, including party presidium members Aristov and Kirichenko. No details on the charges against the ousted Moscow officials have been published. The principal victims in the Turkmen affair last December were the party first secretary and another secretary, both charged with "gross mistakes in their work," including "nepotism, malfeasance, and arrogance."

The Turkmen shake-up now has extended to lower echelons in that republic's leadership, and a similar widening of the purge may follow the changes in Moscow Oblast and Uzbekistan.

Khrushchev has recently stressed the availability of deserving and qualified younger men capable of providing vigorous leadership for his programs, and has warned party and government leaders that deficiencies in their leadership will not be tolerated. "We must not... hold back the replacement of leaders when it is clear they are not coping with the tasks entrusted to them," he said. [redacted]

[redacted]

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Khrushchev's Statement on UAR-Iraq Dispute

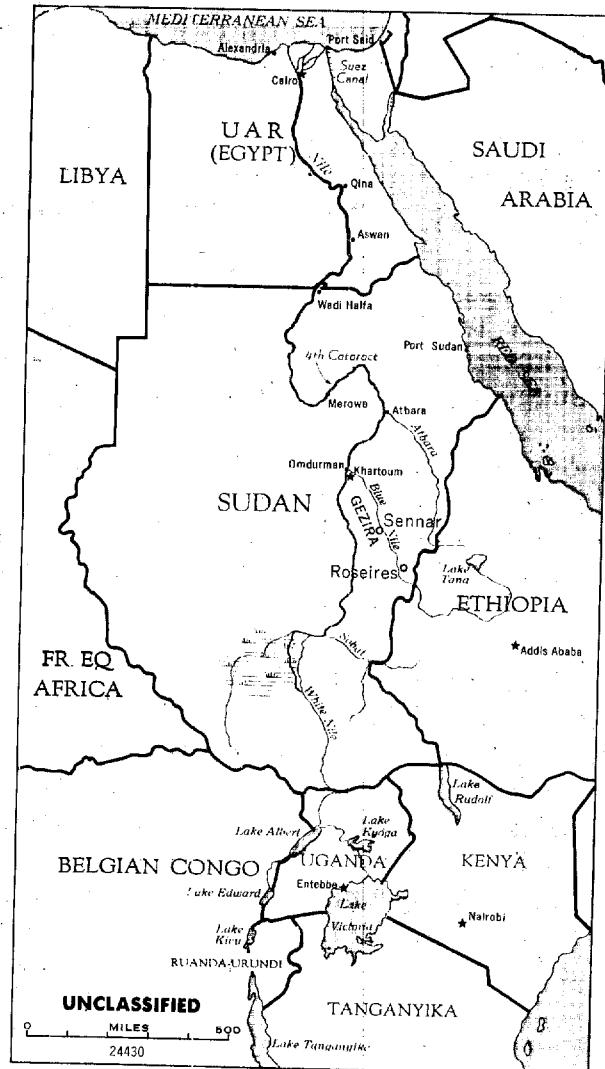
Khrushchev on 16 March, commenting on the UAR-Iraq dispute, pledged noninterference and friendship for both countries, but clearly placed the USSR on the side of Iraq. His remarks are aimed at discouraging Nasir from continuing his attacks on Communists and on Qasim, as well as from renewing UAR subversive moves against the Baghdad regime. The Soviet premier, breaking Moscow's silence on the UAR's role in the abortive Mosul uprising, charged Nasir with having used the "language of imperialists" in his recent speeches at Damascus.

Khrushchev expressed hope that "common sense" will prevail and asserted that relations between the USSR and the UAR "will continue as before." He noted, however, that Moscow "is not indifferent" to the results of the dispute which has arisen because of Nasir's "insistence on unifying Iraq with the UAR" against the will of the Iraqi people. This statement and Khrushchev's warning that Nasir's anti-Communist campaign, if continued, "will inevitably fail" suggest possible Soviet retaliatory moves.

Pravda, possibly foreshadowing Soviet efforts to build up Qasim in the radical Arab nationalist movement as a counterweight to Nasir, declared on 13 March that "Baghdad is more and more becoming an important center of the liberation movement in the Near and Middle East."

Nasir, in a speedy reply to Khrushchev on 16 March, declared that the Soviet premier's statement regarding Nasir's "insistence" on unity between the UAR and Iraq is a "distortion of facts." Nasir termed Khrushchev's defense of Arab Communists "a matter which the Arab people cannot accept," and in expressing hope for continued friendly relations with the USSR qualified his remarks with this reservation. UAR propaganda organs have continued their full-scale anti-Qasim, anti-Communist tirades, and on 16 March Vice President Amir addressed a "massive" anti-Qasim demonstration in Cairo in a similar vein.

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II. ASIA-AFRICA

Sudan Concludes Cotton Barter Deal With USSR

Moscow will purchase about \$5,000,000 worth of Sudanese cotton over the next 12 months as part of a \$6,244,000 barter trade agreement concluded on 15 March between Sudanese officials and a Soviet delegation which arrived in Khartoum on 28 February. They are now discussing a Soviet offer of long-term, low-interest credits for Sudanese industrial and agricultural projects.

In terms of the Sudanese cotton crop, the Soviet barter deal is relatively small. Khartoum now has on hand about 142,000 bales of cotton--worth some \$20,000,000--left over from the 1957 and 1958 crops, and the new crop coming on the market this month is expected to reach a record 640,000 bales, worth about \$95,000,000 at present prices. Earlier, small barter deals were concluded with Czechoslovakia, Bulgaria, Hungary, Poland, and Communist China.

Khartoum probably will raise the question of Soviet help in constructing the \$100,000,000 Roseires Dam on the Nile River. [Sudanese Foreign Minister Kheir, noting that Western aid for this project appeared lacking, has hinted at a request to the USSR.] Western aid for this and other major Nile projects has been conditioned on a settlement of the dispute between Egypt and the Sudan over use of the Nile waters. Despite the recent government changes, Khartoum apparently is still insisting on a substantial share of the waters, and no solution appears likely in the near future.

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Opposition Efforts to Defeat Communist Government in Kerala
State Thwarted

[The vote of confidence won by the Communist government in the Kerala State assembly appears to have thwarted covert plans by conservative groups to force the Communists from office. The margin of 64 votes to 58 indicates the Communists maintained their slim majority and perhaps also succeeded in attracting support from several members of the opposition.]

[Planning by various opposition elements aimed at subverting the government's majority apparently had been in an advanced stage prior to the vote. Developments during recent months stimulated active collaboration between influential Hindu and Christian leaders and Congress party politicians. The Christian business community had agreed to support antigovernment plans advanced by powerful elements of the Nair community, the most influential Hindu caste. Funds were to be supplied to the titular leader of the Nairs to assist him in subverting several Communist members of the assembly belonging to the Nair community. The plan was reliably reported to have been supported "unofficially" by the Indian Central Intelligence Bureau. Indian Home Minister Pant is said personally to have told a Kerala police official on 14 March to go ahead with the plan, which would receive his full support]

[The Communist government may have learned of the opposition plot and forced a confidence vote before the antigovernment leaders were able to complete their arrangements. The Communists had already been reported exerting pressure on several members of the opposition Moslem League to abstain during the crucial voting, and probably also tightened their control of Communist assembly members they suspected of being vulnerable.]

[Opposition leaders are likely to persist in their efforts to unseat the government despite their setback in the assembly. They may find it even more difficult now, however, to maintain a united opposition front and to promote a new issue with strong popular support on which to base another vote of confidence.]

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Director of the Budget

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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

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The Secretary of the Navy

The Secretary of the Air Force

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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 the Army

Director of Naval Intelligence, Department of the Navy

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

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