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6 February 1959

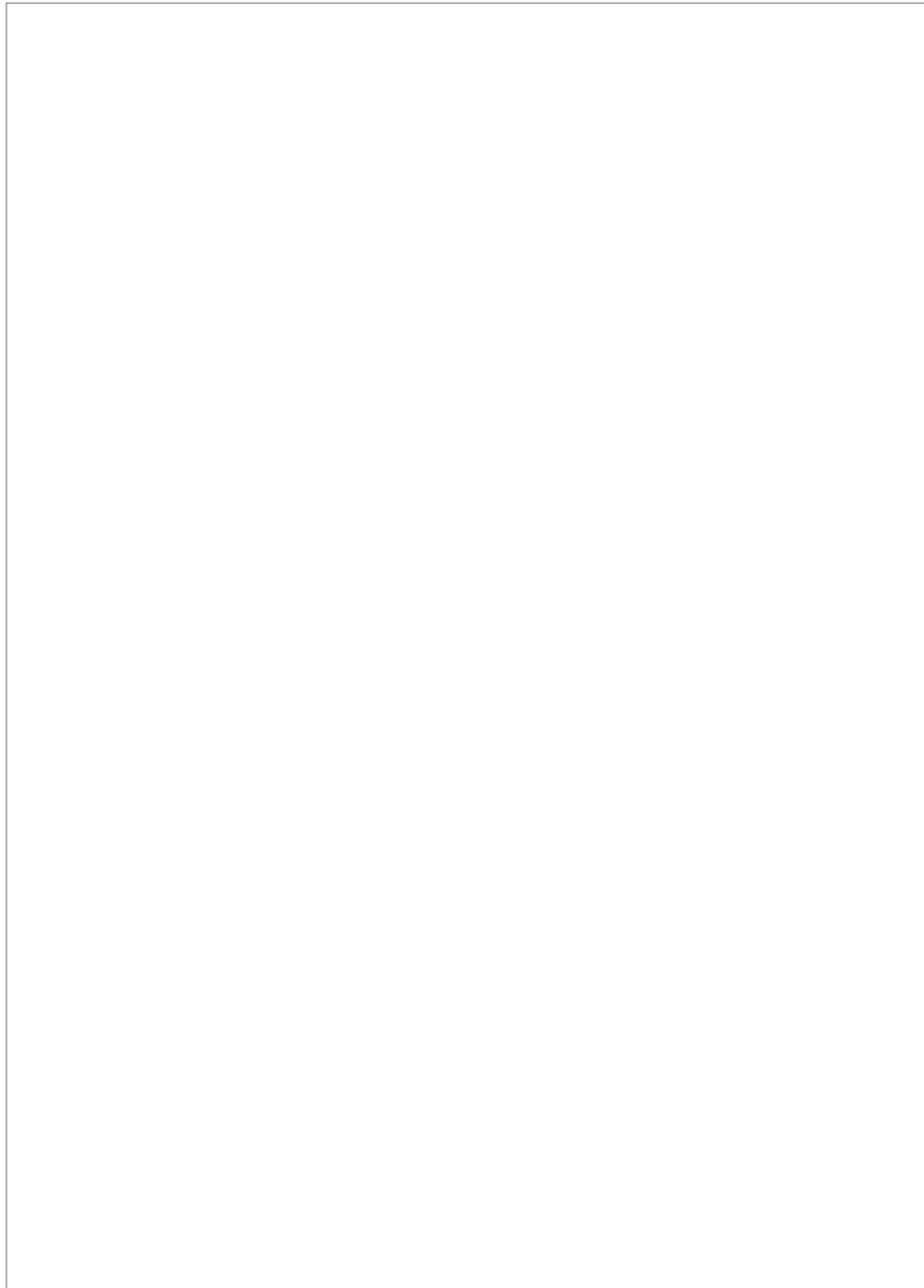
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CENTRAL INTELLIGENCE BULLETIN



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6 FEBRUARY 1959

I. THE COMMUNIST BLOC

Soviet submarines continue operations outside usual areas.

USSR reportedly favors summit meeting this spring.

Soviets may plan formal invitations to US leaders to visit USSR.

USSR - Party central committee may meet; possibly to take action on charges against "antiparty" group.

Peiping publicly accepts Khrushchev views on road to Communism.

II. ASIA-AFRICA

(6) Iraq - Four cabinet ministers resign in protest against favored treatment of Communists.

(7) USSR proposes to develop Iraqi offshore oil on 90-10 basis.

(8) French determined to continue exclusive role in Laotian military training.

III. THE WEST

(9) Cuban regime facing mounting internal problems; Castro speech may be prelude to pressure on US naval base.

(10) Paraguayan exiles may be planning armed revolutionary action this month.

(11) Mexico - Leftist demonstrations possible during President Eisenhower's visit; police alerted and ready.

(12) Venezuela - Disturbances being planned for Betancourt inaugural.

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CENTRAL INTELLIGENCE BULLETIN

6 February 1959

DAILY BRIEF

I. THE COMMUNIST BLOC

PD

Soviet submarine operations: Two detachments of Soviet Northern Fleet submarines continue operations well beyond local operating areas. One detachment has apparently rounded Cape Horn and entered the Pacific and is probably en route to the Pacific Fleet. The second detachment, including a "Z"-class submarine possibly configured to carry and launch ballistic missiles, continues operations in the southern Norwegian Sea and/or Northeastern Atlantic.

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USSR:

W

the USSR favors a four-power heads-of-government meeting this spring. Moscow would agree to a foreign ministers' conference instead, but only on the basis of parity, with Poland and Czechoslovakia participating on the Soviet side.

"nothing will change" after the USSR withdraws from East Berlin, and implied that East German controls over Allied access would not be far-reaching. This approach probably was intended to probe for any change in French views on East-West negotiations since President de Gaulle expressed preference last summer for a summit meeting confined to the great powers.

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W

USSR: Khrushchev's invitation to President Eisenhower to visit the USSR, issued the day Prime Minister Macmillan announced that he would go to Moscow on 21 February, is a further move to demonstrate the USSR's desire for talks with Western leaders. Khrushchev misrepresented the President's press conference remarks of 28 January concerning a Khrushchev visit to the US in order to support the charge that American leaders want to

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reverse the "thaw" in Soviet-American relations which resulted from Mikoyan's visit. The Soviet leaders may plan to follow up Mikoyan's informal invitation to Vice President Nixon and Khrushchev's speech with formal overtures.

M

USSR: A meeting of the Soviet central committee may follow the party congress which has now ended. The central committee would take measures to carry out the directives of the congress on the Seven-Year Plan and might deal with the demand made at the congress for removal of Bulganin, Pervukhin, and Saburov from the committee.

JK

Communist China - USSR: Peiping's first editorial comment on the Soviet 21st party congress, carried in People's Daily on 5 February, indicated the Chinese have dropped implications that the communes are a special road to socialism and Communism. The editorial praised the Soviet "road" and Khrushchev's "creative conclusion that the socialist countries will more or less simultaneously pass to Communism," following the "brilliant example" of the Soviet Union.

II. ASIA-AFRICA

Iraq: Four Iraqi cabinet ministers, including Foreign Minister Jumard, submitted their resignations to Prime Minister Qasim on 3 February in protest against his continued favoring of the Communists.

M

All four have been absent from their offices since that time. Qasim has frustrated previous attempts by dissatisfied ministers to resign, and some ministers who oppose Qasim have feared that resignation would merely result in increased Communist influence.

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DAILY BRIEF

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jk The Soviet economic delegation recently in Baghdad made a proposal to the Iraqi Government for an offshore oil concession on a 90-10 percent profit-sharing basis.

jk The pro-Communist minister of economy is said to be pushing the proposal despite the resistance of other members of the cabinet.

jk Laos-France: US plans to assume a direct role in training Laotian armed forces are being jeopardized by strong opposition from the French Government. French Ambassador Gassouin in Vientiane has been notified that Paris has decided to reject these plans and is firmly determined to continue its exclusive role in military training. Gassouin interprets this attitude as an intent by Paris to use Laos as a "pilot experiment" in building "a new French Community."

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III. THE WEST

ok Cuba: After a month in office, the Castro regime faces rising unemployment, mounting labor unrest which if continued will affect the sugar harvest, and an increase in crime because of its failure to organize an effective police force. Rival political groups are awaiting an opportunity to strike out against Fidel Castro's dominant 26 of July Movement. His 3 February speech, in which he implied that the US naval base at Guantanamo Bay is an infringement on Cuba's sovereignty, probably presages a campaign to negotiate a higher rental for the base or other economic concessions, or possibly US withdrawal.

(Page 7)

ok Paraguay: Revolutionary plans of the Liberal party exiles seem to be taking firmer shape with a reported Cuban promise of air delivery of small arms and a few officers as well as heavy propaganda support. Exile leaders in Montevideo hope operations can begin before Uruguay's administration changes on 1 March. More moderate Liberal elements

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DAILY BRIEF

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in Asuncion may be weakening in their earlier rejection of the use of force to oust President Stroessner. [redacted]
(Page 8)

M
Mexico: Communist-influenced students and other leftist groups in Mexico may try to organize demonstrations against President Eisenhower during his 19-21 February visit to Acapulco, [redacted]

pk
✓ Venezuela: A former key Communist in Venezuela who was linked with the Caracas riots against Vice President Nixon is apparently in charge of an effort to create disorders against the inauguration of President-elect Betancourt on 13 February. Anti-Betancourt elements may seize upon the arrival of the US delegation to the inauguration on 10 February--the last day of the traditionally violent carnival season--to create a disturbance. [redacted] (Page 9)

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DAILY BRIEF

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I. THE COMMUNIST BLOC

Soviet Submarine Operations

Two detachments of Soviet Northern Fleet submarines continue to operate in areas well beyond local waters.

The detachment which left the Kola Gulf on 20 November and remained in the vicinity of the down-range area of the Canaveral missile range for several weeks is now believed to have rounded Cape Horn and entered the Pacific Ocean. At least one submarine of this detachment, a "Z"-class unit, has rendezvoused in the southern Pacific with the tanker Pevek. The Pevek, expected in Petropavlovsk, Kamchatka, about mid-March, probably is providing logistic support to the submarines, which are believed to be en route to the Pacific Fleet area.

A second detachment of submarines which includes at least a long-range "Z" class, possibly configured to carry and launch ballistic missiles, left the Kola Gulf on 11 January, and has since been operating in the southern Norwegian Sea and/or Northeast Atlantic.

A Pacific Fleet "Z"-class long-range submarine continues an extended patrol in the Pacific, begun in November.

Four Soviet "W"-class long-range submarines remain in Vlona, Albania, where they arrived last August.

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[Redacted]

Soviet Diplomat Indicates Moscow's Preference
For Summit Talks

{ In an apparent effort to sound out French views on East-West negotiations, the counselor of the Soviet Embassy in Paris

the USSR favors a meeting of the heads of government of the four powers this spring. [Redacted] the Soviet leaders would prefer to have a "German peace treaty" listed as the subject of such talks, but that they would probably agree to a general heading such as the "German problem." }

[Redacted] Moscow probably would go along with a conference at the foreign-minister level, but only if the three Western powers agree to parity of representation, with Poland and Czechoslovakia participating on the Soviet side. This insistence on parity, which the West rejected last year, may reflect Khrushchev's strong preference for a summit meeting which would enhance his personal stature as a world statesman. It may also have been aimed at probing for any change in French views since last summer, when President de Gaulle insisted that the summit meeting then being proposed on the Middle East crisis be confined to the major powers immediately concerned and held under "conditions of objectivity and serenity."

[Redacted] Khrushchev's Berlin proposals were not intended as an ultimatum. [Redacted] while the USSR would carry out its announced intention to withdraw from East Berlin, "this does not mean that anything will change." [Redacted] East German access controls would not be far-reaching.

[Redacted] Soviet counselor, talking with an American official in late January, contended the Western powers could deal with East German border guards on a basis of expediency, just as the US negotiates with the Chinese Communists at Warsaw. He also said the West could maintain troops in Berlin and [Redacted]

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(that the East Germans would not necessarily participate in the Soviet-proposed international commission to guarantee West Berlin's status as a free city.)

The Soviet diplomat brushed off a suggestion that the USSR seemed to be retreating from Khrushchev's initial stand on Berlin by saying, "If we have succeeded in bringing you to the conference table, that is enough of an accomplishment." [redacted]

[redacted]

[redacted]

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Peiping's First Comment on Soviet 21st Party Congress

Peiping's first comment on the Soviet 21st party congress, carried in the People's Daily on 5 February, indicates the communes will not be considered a special "road to socialism and Communism." Such a "road" had been implied in Chinese statements last summer. Selecting those of Khrushchev's comments which seem most pertinent to the communes, the editorial repeatedly emphasized the correctness of the Soviet leader's views. The editorial does not mention Chou En-lai's reaffirmation at the congress that the communes are the "best form for China to make the transition to socialism and Communism."

The editorial stated that Khrushchev's views apply not only to the USSR "but to all countries passing from socialism to Communism." It acknowledged his position on gradualness and quoted from his congress speech that "what is immature cannot be hurriedly and rashly carried out." While both Khrushchev and the editorial said special conditions of a country should be taken into account, the editorial stressed the Soviet premier's remark that the transition to socialism and Communism is governed by laws of Marxism-Leninism "which cannot be broken or skipped over." The deferential tone of the editorial was emphasized by its agreement with one of Khrushchev's statements which had implied China's future achievements will stem largely from Soviet aid.

The Peiping press has also reported enthusiastic reception for Khrushchev's speech, with "copies sold out very quickly." One indicative comment from a Tientsin scientist states, "The 21st congress is a beacon guiding all people along the happy road of socialism and Communism." [redacted]

[redacted]

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II. ASIA-AFRICA

The Iraqi Situation

Four Iraqi cabinet ministers, including Foreign Minister Jumard, handed Prime Minister Qasim their resignations on 3 February in protest against his continued favoring of the Communists, [redacted]

[redacted] Jumard and the other three ministers--Baba Ali, minister of communications; Hajj Mahmud, acting minister of education; and Brig. Naji Talib, minister of social affairs--have stopped going to their offices.

[redacted] reported that Minister of Guidance Sadiq Shanshal has also been absent from his office and avoiding contact with Qasim. He was said to be conferring with Baathist Minister of State Rikabi regarding the resignations. Until recently Shanshal was urging his colleagues not to resign, fearing that resignations would merely result in increased Communist influence in the government. Qasim has frustrated previous attempts by dissatisfied ministers to resign.

Although following an ostensibly more neutral policy since his order restricting the Communist-dominated People's Resistance Forces, Qasim has allowed a number of moves which appear to have strengthened the Communist position in Iraq. Tape recordings and scenes of the "treason" trial of former Deputy Prime Minister Arif have been broadcast, and the reputedly Communist prosecutor, Col. Mahdawi, has continued to attack Nasir in the court, despite urgings from cabinet members that the propaganda war against the UAR be toned down. The latest Communist success is the replacement of the strongly anti-Communist dean of the law college by a brother of a Communist central committee member. This appointment appears to bear out other reports that the Communists have gained control of the Ministry of Education, as well as broadcasting and the People's Court. [redacted]

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American Plan to Train Laotian Army Opposed by France

{American plans to assume a direct role in training the Laotian Army, a function now exclusively exercised by France in accordance with the 1954 Geneva accord, are apparently unacceptable to France. French Ambassador Gasouin in Vientiane, who personally has been sympathetic to the US plan, has been notified that the French Government is determined to maintain "all links" with Laos, including its training role. Paris further professes fear that the presence of US military advisers in Laos, in contravention of the restrictive provisions of the Geneva agreement, would heighten tensions in the Indochina area.]

{French failure to provide adequate training has resulted in a serious reduction of the US-financed Laotian Army's capabilities. The French training mission has been reduced from its authorized strength of 1,500 to about 300. There is dissatisfaction within the Laotian Government and Army over inadequacies of the French mission and consideration of a move to break the French monopoly on training. Vientiane is actively considering denouncing the Geneva accord, thus paving the way for the overt introduction of US military officers into Laos and a unilateral Laotian Government request for a US training mission if France continues uncooperative.]

{Paris apparently believes it can preserve and perhaps even increase the remaining French interests in the Indochinese states. De Gaulle, who as President of France is also President of the new French Community, hopes to retain French ties with these states in some fashion, however tenuous, in order to enhance the "grandeur" of France and to lend weight to its role in world affairs. De Gaulle probably also believes that retention of French interest in the area would ensure a French voice in Western policy decisions in the Far East generally, and reinforce French demands for tripartite global policy determination.]

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III. THE WEST

Cuban Government Indecisive in Face of Mounting Problems

After a month in office, Cuba's Provisional President Urrutia has yet to show decisive leadership. Fidel Castro's penchant for making uncoordinated police pronouncements continues to exasperate capable cabinet members. Castro himself still shows no inclination to assume his responsibilities as armed forces chief. Meanwhile, the absence of an effective police force is leading to increased crime.

Mounting labor unrest, due in part to long-pent-up grievances, if continued will affect the vital sugar harvest now under way. By 3 February, 21 of Cuba's 161 sugar mills were idled by strikes and several others were threatened. Construction workers at the American-owned Moa Bay nickel-processing plant have also struck, and sporadic slowdowns and short work stoppages have occurred in Havana and throughout the provinces. The Communists are probably deeply involved. The strikes, in defiance of a government decree temporarily suspending the right to strike, suggest that the young pro-Castro labor leaders may be incapable of controlling Cuba's politically important labor organizations. Unemployment is mounting.

Political unrest is also evident just below the surface. Members of the Revolutionary Directorate, a student group which fought Batista, are still bitter over being denied participation in the government. They may be partially responsible for the chaotic conditions prevailing at the University in Havana, where students have seized control of various schools. Ex-President Prio and his party are outwardly supporting the government but actually waiting for an opportunity to gain the upper hand.

Fidel Castro's 3 February speech, in which he implied that the US naval base at Guantanamo Bay is an infringement on Cuba's sovereignty, may presage a campaign to negotiate for either a higher rental for the base or withdrawal from it and, incidentally, to divert Cuban attention from domestic problems.

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Paraguayan Exiles Promised Cuban Arms and Officers

Revolutionary plans of exiled Paraguayan Liberals seem to be taking firmer shape with the reported Cuban promise of arms and a few officers as well as heavy propaganda support.

[redacted], the Cuban Government has agreed to fly 500 or 600 machine pistols to Dr. Carlos Pastore, leader of the Liberal exiles in Uruguay. Further aid was discussed in Havana by a Uruguayan journalist and one of Castro's officers, the Argentine Che Guevara, who is a suspected Argentine Communist. Guevara suggested sending a small group of his officers as well as arms and equipment for 200 men.

Pastore wants to begin operations before the inauguration of the Herrerista government in Uruguay on 1 March, probably because of Herrera's long-standing friendship with Colorado governments in Paraguay. He apparently hopes to emulate the Cuban rebels, who started under similarly adverse odds, and reportedly has even rejected coordination with other exile groups.

More moderate Liberal leaders in Asuncion may be wavering in their earlier rejection of force to oust President Stroessner. Despite communiqués to the contrary, several leaders have privately admitted their belief that a revolution launched from abroad "would perhaps be the only solution." Pastore has a large personal following in the Liberal party, which approximates the size of the ruling Colorado party.

While Stroessner is taking strong security precautions against exile plotting, he is giving equal emphasis to retaining his vital military support, particularly in view of reports of some disaffection. [redacted]

[redacted]

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Demonstrations May Be Planned Against Venezuelan
President-elect Betancourt

A former Communist, prominent last May in staging the Caracas riots against Vice President Nixon, is apparently in charge of creating public demonstrations against the inauguration of Venezuelan President-elect Betancourt. Anti-Betancourt elements may seek to embarrass the President-elect by creating a disturbance on the arrival of the US delegation on 10 February--the last day of the traditionally violent carnival season.

The rumored objective of the disturbances is to prepare groundwork for a coup by the Democratic Republican Union party (URD), which cooperated with the Communists in last December's election. In that election, the URD and the Communists received a majority of the vote in the Federal District where the inauguration is to take place. Violence has repeatedly broken out in Caracas during the past year.

[redacted] if URD-Communist riots during the inauguration period get out of control, the army may take over the government.

The incumbent junta government on 5 February issued a decree authorizing police to deal harshly with unauthorized demonstrations and to keep groups suspected of planning demonstrations out of the center of Caracas. The Venezuelan police were disorganized and partly demobilized in early 1958, but some progress has since been made in reconstituting the force. [redacted]

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Executive Secretary, National Security Council

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The Secretary of the Treasury

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The Deputy Under Secretary for Political Affairs

The Deputy Under Secretary for Administration

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