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1 July 1959

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CENTRAL

INTELLIGENCE

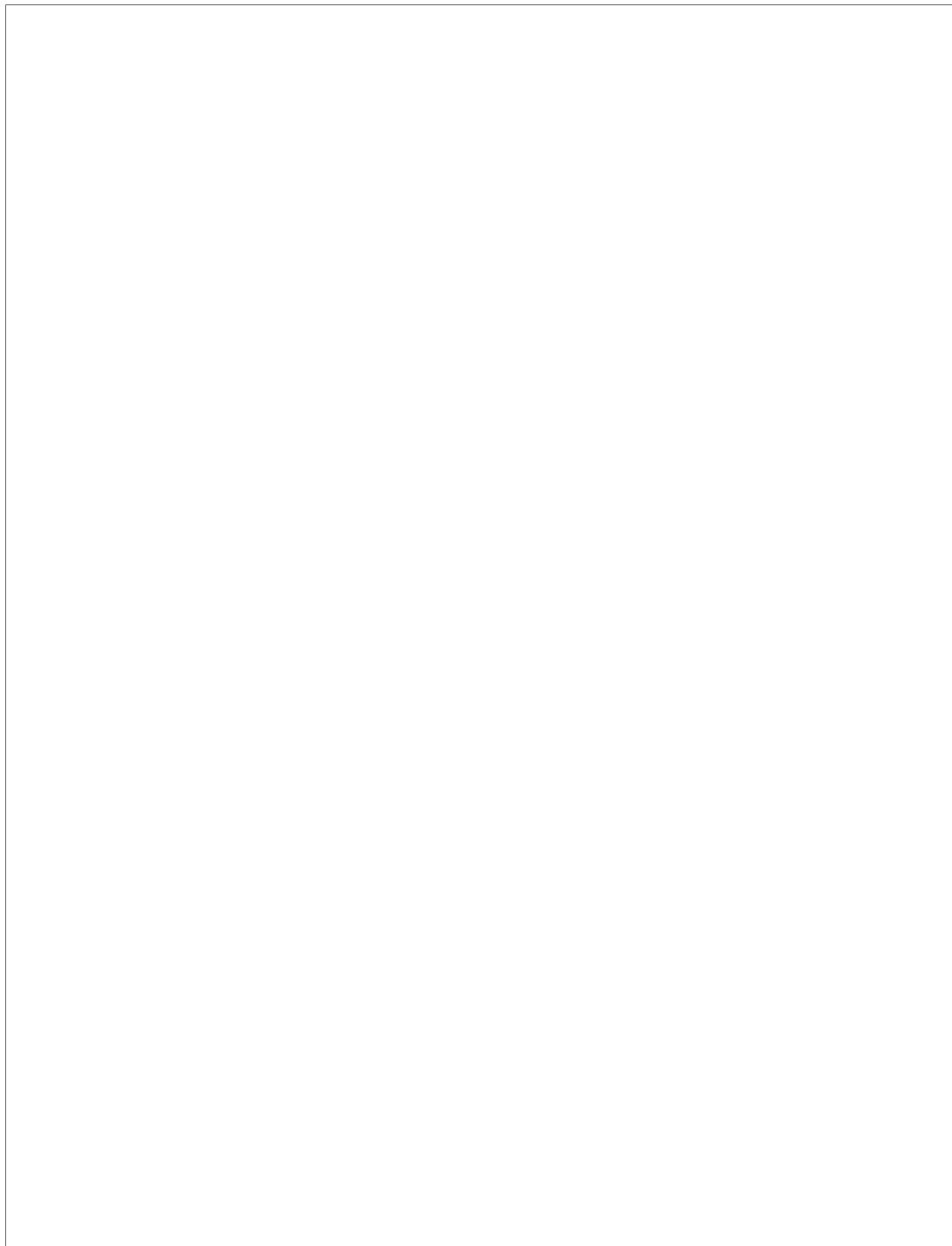
BULLETIN



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1 JULY 1959

I. THE COMMUNIST BLOC.

Soviet commandant in Berlin declares Allied military personnel traveling via autobahn to Berlin are under East German jurisdiction.

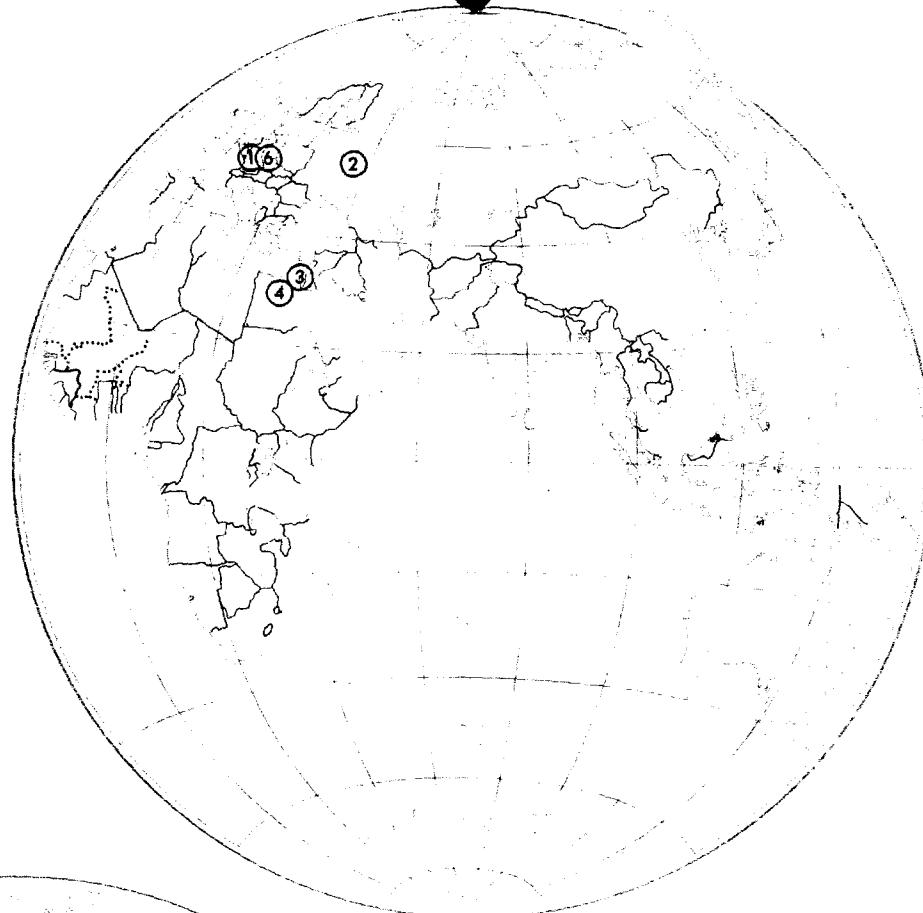
Khrushchev offers Iran "more aid" if Iran takes steps toward friendship; refuses to end propaganda campaign until such steps taken.

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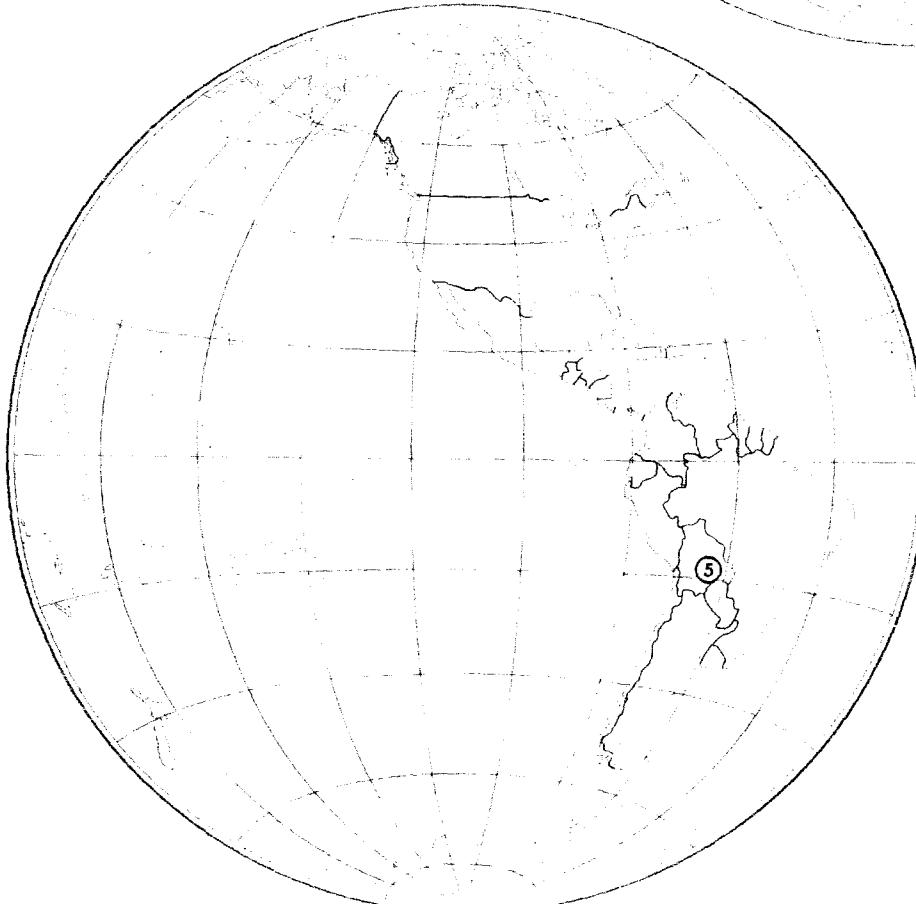
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II. ASIA-AFRICA

Israel--Comment on Ben-Gurion's cabinet "crisis."

UAR and Israel opposed to compromise solutions of canal impasse; Hammarskjold arrives in Cairo.



III. THE WEST

⑤ Bolivian military official says government faces serious challenge from dissidents in eastern area.

IV.

⑥ Conclusions of special USIB committee on Berlin situation.

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CENTRAL INTELLIGENCE BULLETIN

1 July 1959

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

USSR-Berlin: The acting Soviet military commandant in Berlin took the position on 26 June that Allied personnel traveling on the Berlin-Helmstedt autobahn are under East German jurisdiction after they pass the Soviet checkpoint. Replying to the US commandant's protest against three recent attempts by the East German police to control the movement of American officers on the autobahn, the Soviet official said that the incidents occurred "in places which are outside our sphere of influence," and therefore "should be settled with the proper authorities of the German Democratic Republic." This latest Soviet formulation is part of a long-term effort to erode Western access rights and to establish precedents for further assertions of East German authority. [redacted] (Page 1)

USSR-Iran: Khrushchev, in a talk with Iranian Ambassador Masud-Ansari on 26 June, maintained the USSR's refusal to halt propaganda attacks on the Shah's regime unless Iran first takes some step to improve relations.

[redacted], the Soviet premier reiterated Moscow's charge that Iran, in breaking off negotiations for a nonaggression pact last February, had "humiliated" the USSR. Khrushchev added that the USSR did not fear missile bases in Iran and declared that in case of hostilities American help would reach Iran only when Iran "no longer existed." Khrushchev discounted Iranian promises that no bases would be granted the US and said the US would take bases "whenever it wished." He insisted the USSR was ready to silence its propaganda campaign, make "amends," and offer Iran "more aid than before" if Iran takes steps toward "true friendship."

On 28 June, Tehran, which earlier had rejected the ambassador's recommendations for a rapprochement, asked him for a clarification of "what kind of step and action is possible." [redacted]

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II. ASIA-AFRICA

No Israel: The current cabinet "crisis" is the result of pre-election maneuvering by minority parties in Prime Minister Ben-Gurion's coalition cabinet. Members of these parties have seized on an emotionally charged issue--the character of Israel's relations with West Germany which in this case involve an arms sale--to try to dissociate themselves from the policies of the prime minister's predominant Mapai party. The minority parties, in this way, hope to gain favorable positions for the parliamentary elections scheduled in November. Ben-Gurion, in another of his efforts to enforce full cabinet discipline, apparently intends to oust the minority critics from the government and to preside over a caretaker cabinet until the elections. *Various Press Stories*

No UAR-Israel: Both Egypt and Israel have undercut Secretary General Hammarskjold's efforts to ease tension between the two countries by issuing propaganda statements. [Just before Hammarskjold's arrival in Cairo, Nasir charged on 30 June that the issue of Israeli shipping through the canal had been raised as part of an "imperialist plot" against the Arabs. The unofficial press organ of the Israeli Foreign Ministry on 29 June had stated that compromise on the canal problem is "unacceptable" to Tel Aviv.] (Page 3)

III. THE WEST

No Bolivia: The air force chief of staff states that the regime of President Siles faces a serious challenge in Santa Cruz, where an outbreak of violence occurred on 26 June. The outbreak was contained, and the government has launched operations against a rebel force in the area, estimated by the air force official at about 1,000 men. Santa Cruz has long been a stronghold of well organized, possibly well armed, and militant opposition elements.

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VI. CONCLUSIONS OF SPECIAL USIB COMMITTEE ON BERLIN SITUATION

The USIB has taken note of the following conclusions reached by its special committee on the Berlin situation. The committee pointed out that its conclusions are to be used in context with all SNIEs relevant to the Berlin situation.

1. (a) Soviet diplomatic notes, Soviet and East German propaganda, and statements by East German leaders and officials have been generally mild and restrained and do not appear to foreshadow a serious effort to interfere with the West German presidential elections. Protest demonstrations and minor harassments are still a possibility.

(b) While there are no reliable indications of a bloc intent to deny Allied or West German access to West Berlin, or to seal off West Berlin in the immediate future, such action could be taken with little or no warning.

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2. Soviet diplomatic activity relating to the resumption of East-West negotiations at Geneva continues to aim at weakening the Western position with a combination of professed willingness to reach agreement and threats of crisis and possible war if no agreement is reached.

3. During the recess of the foreign ministers' conference, ending 13 July, the USSR will not conclude a separate peace treaty with the GDR or turn over access controls to the East Germans. The Soviet Union will continue to use threats of such action as a form of pressure on the West; nevertheless, so long as the USSR estimates that there are any prospects for a summit conference, it probably will not take such action. The

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actual physical transfer of controls could be accomplished with little or no warning.

4. The West Berlin economy has thus far in 1959 been characterized by record high levels in production. Morale in West Berlin continues high.

5. There have been no significant changes in Soviet capabilities to respond to possible Western actions in the event of turnover, harassment, or blockade.

6. There were no major intelligence indications of Western allied diplomatic intentions, apart from information obtained through official contacts with US representatives.

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~~CONFIDENTIAL~~

I. THE COMMUNIST BLOC

USSR Disclaims Responsibility for East German Interference
With Americans on Autobahn

The acting Soviet commandant in Berlin stated on 26 June that Allied personnel are under East German jurisdiction while traveling on the Berlin-Helmstedt autobahn after clearing the Soviet checkpoint. The Soviet officer, in replying to the US Berlin commandant's protest against three recent attempts by the East German police to control the movement of American officers on the autobahn, pointed out that the incidents occurred "in places which are outside our sphere of influence," and indicated that such misunderstandings should be taken up with the East German authorities.

This may be a move to test Western reaction to new arrangements dividing access controls between Soviet and East German authorities. Moscow would seek to interpret Western acquiescence in such a division of responsibility as tacit acceptance of East Germany's right to exercise at least partial control over Allied military traffic.

The USSR and East Germany have long conducted a campaign of harassment against the Western powers aimed at whittling away Allied access rights and establishing precedents for asserting East German authority over Western traffic. This new formulation, however, is the most explicit disclaimer yet by a Soviet official of responsibility for guaranteeing Allied military communications between West Germany and Berlin. [redacted]

[redacted]

~~CONFIDENTIAL~~

~~TOP SECRET~~Khrushchev Denounces Tehran's Foreign Policy

Soviet Premier Khrushchev maintained, in talking with Iranian Ambassador Masud-Ansari on 26 June, that unless Iran takes some step to improve relations, the USSR will not halt its intensive radio propaganda campaign against the Shah's regime. Ansari,

[redacted] apparently initiated the interview in order to carry his government's complaints regarding the broadcasts to the highest level in Moscow.

On 28 June the Iranian Foreign Ministry asked Ansari for a clarification of "what kind of step and action is possible." Tehran, which is unwilling to make a major concession to improve ties with Moscow, recently rejected Ansari's proposal that Iran take the lead by stopping counterpropaganda and harassment of the Soviet Embassy in Tehran.

The Soviet premier also repeated the accusation, previously made by Soviet officials to Ansari, that the USSR had been "insulted" and "humiliated in the eyes of the world" by Iran's action in breaking off the negotiations for a nonaggression pact last February. Khrushchev attacked Iran's bilateral defense pact with the United States and claimed that if Iran were to allow foreign bases on its soil, it would be destroyed in event of war. He asserted, however, that if Tehran would take a step toward "true friendship," the USSR would be willing to "forget all of the past" and make Tehran a larger offer of economic aid than "before."

The Iranian Government is apparently counting on UN Secretary General Hammarskjold to secure cessation of Soviet propaganda attacks. Hammarskjold,

[redacted] in detail regarding Soviet attacks in broadcasts to Iran and the location in the USSR of the clandestine "National Voice of Iran," is writing to Gromyko and intends to raise the subject with the Soviet foreign minister at Geneva in mid-July.

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II. ASIA-AFRICA

Nasir-Israeli Statements May Undercut Hammarskjold Mediation Effort

Public statements in Cairo and Jerusalem will complicate UN Secretary General Hammarskjold's efforts to find a compromise solution to the Suez Canal and Palestine refugee problems. On 30 June, the day before Hammarskjold's scheduled arrival in Cairo, Nasir granted an interview to the Cairo press in which he strongly reiterated the UAR's determination to continue barring passage of Israeli ships and goods through the canal, "... whatever the eventualities are."

[UAR officials have [redacted] suggested that a solution might be worked out by allowing cargoes bought F. O. B. Israel to transit the canal if they are carried in ships not owned or chartered by Israel. Although Israel is aware of Cairo's thinking along these lines, its unofficial press organ, the Jerusalem Post, on 29 June claimed that "authoritative sources" in Jerusalem consider compromise solutions unacceptable.]

Nasir probably feels compelled to maintain a belligerent front, especially in the face of a new outpouring of anti-Israeli feeling throughout the Arab world. Both Amman and Baghdad have been calling for strengthened Arab unity in opposition to Hammarskjold's report on continuing Palestine refugee relief, and refugee leaders in Lebanon have called for a one-day protest strike against Hammarskjold's proposals, scheduled to coincide with his Cairo visit.

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~~CONFIDENTIAL~~**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

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 the Army

Director of Naval Intelligence, Department of the Navy

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

Supreme Allied Commander, Europe

Commander in Chief, Pacific

The Department of the Interior

The Secretary of the Interior

Federal Bureau of Investigation

The Director

Atomic Energy Commission

The Chairman

National Security Agency

The Director

National Indications Center

The Director

United States Information Agency

The Director

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