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2 February 1959

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CENTRAL INTELLIGENCE BULLETIN



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2 FEBRUARY 1959

I. THE COMMUNIST BLOC

Further attacks on "antiparty" group probable; Pervukhin, newly linked to group, probably removed as candidate member of party presidium.

①

USSR ceases extra jet fuel shipments to Communist China.

②

II. ASIA-AFRICA

Iranian-Soviet negotiations for nonaggression pact confirmed; Iranians make further appeal for US aid.

③

Pakistani press attacks US policy and calls for reappraisal of own policy.

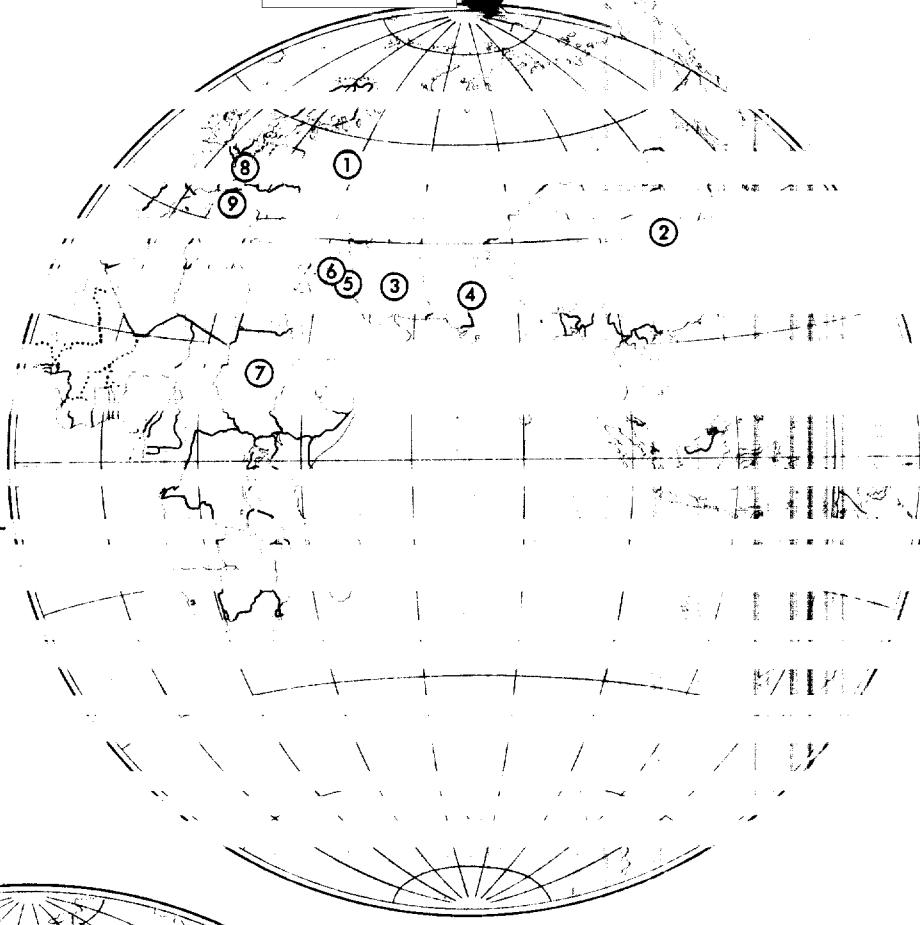
④

USSR offering assistance in Iraqi development program.

⑤

Iraq - Nasir advises anti-Qasim group to move whenever prepared and as soon as possible.

⑥



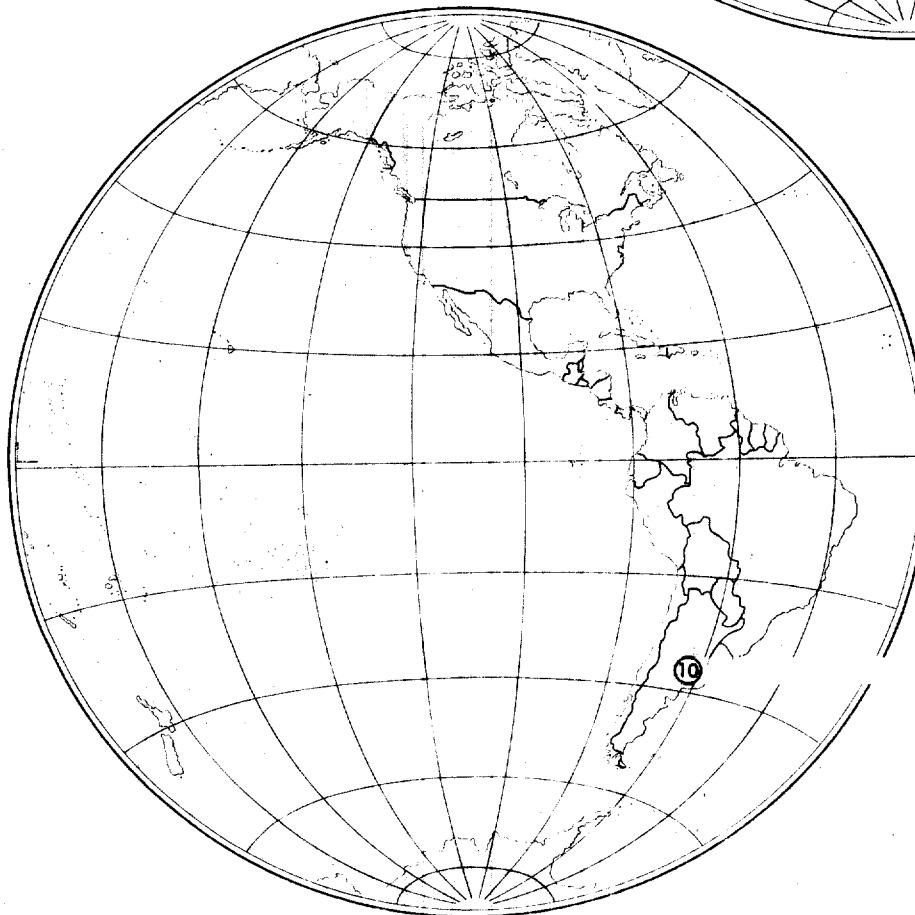
⑦ Sudan negotiating various cotton-barter arrangements with Sino-Soviet bloc.

**III. THE WEST**

⑧ West Germany plans to propose non-aggression pacts with USSR, Poland, and Czechoslovakia.

⑨ Italy - Fanfani resigns party post; extensive struggle foreseen before government crisis solved.

⑩ Argentina - Communists and Peronistas to demonstrate when Frondizi returns; police are prepared.

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CENTRAL INTELLIGENCE BULLETIN

2 February 1959

SIRAB

DAILY BRIEF

I. THE COMMUNIST BLOC

no

USSR: The Soviet leaders will probably resume their attack on the antiparty group when the party congress reconvenes on 2 February after a one-day recess. It is still not clear whether the congress will take any further action against the members of the group. Two former top leaders, M. G. Pervukhin and M. Z. Saburov, first linked publicly with the group on 29 January, have not since been mentioned in this connection, but Pervukhin, Soviet ambassador to East Germany, has apparently been removed as a candidate member of the party presidium.

ok

Communist China - USSR: Soviet jet fuel deliveries to Communist China may be returning to the lower levels prevailing before the Taiwan Strait crisis.

ok

Last year, during the crisis, the USSR doubled its jet fuel deliveries to 50,000 tons per month and had planned to ship 150,000 tons in the first quarter of 1959.

II. ASIA-AFRICA

no

Iran-USSR: The Shah on 30 January confirmed that he was seeking to conclude a nonaggression pact with the USSR; negotiations with the Soviet officials who had come to Tehran were continuing. He insisted that he must do this to secure a respite from Soviet pressure and stressed the inadequacy of American military and budgetary aid. The Shah gave no indications that he was prepared to reconsider his decision. Meanwhile on 31 January an Iranian Foreign Ministry official appealed to a US Embassy official to provide him with indications of American willingness to supply more aid with the hope of inducing the Shah to change his mind. (Page 1)

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ok

Pakistan: Release of the final communiqué of the Baghdad Pact meetings has occasioned a bitterly critical outburst in the Karachi press. It voiced deep resentment over American unwillingness to guarantee Pakistan against aggression from any quarter. Several papers, noting the "benefits" accruing to neutralist countries, called for a reappraisal of Karachi's foreign policy. While the press may not precisely express the government's view, President Ayub probably is willing to use such criticism in the controlled press to increase pressure on the US to make stronger commitments to Pakistan in defense arrangements. [redacted] (Page 3)

*ok - last sentence R
delete 2*

USSR-Iraq: The Soviet economic and technical assistance mission which has been in Baghdad since early January has begun formal discussions on participation in Iraq's new development program. The USSR is interested in assisting in at least 20 of the some 50 projects. Moscow reportedly has also offered to develop Iraq's off-shore oil reserves in the Persian Gulf. [redacted] (Page 4)

M

UAR-Iraq: Nasir has advised the anti-Qasim officer group in Iraq to move as soon as possible with its plans for a coup, provided the group is "adequately prepared." He apparently did not commit himself to supply any material assistance. Meanwhile, Muhammad Heikal, who often reflects Nasir's opinions, is continuing scathing editorials against Qasim in Cairo's daily Al Ahram. [redacted] (Page 5)

No

Sudan: The Sudan, despite its stated preference for dealing with the West, has completed or is well advanced in negotiating cotton-barter arrangements with five Soviet satellite countries and Communist China. In addition, a long-delayed Soviet economic delegation is now scheduled to arrive in Khartoum on 6-7 February. The Sudan is unlikely to refuse an attractive Soviet trade-and-aid offer for moving its huge cotton surplus and realizing some of its ambitious development plans. [redacted]

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III. THE WEST

West Germany - USSR: [redacted]

M
 Bonn will formally propose, subject to Western approval, the conclusion of bilateral nonaggression pacts with the USSR, Poland, and perhaps Czechoslovakia. Although similar ideas have long been considered in Bonn, the government believes such a proposal at this time would place Moscow on the defensive without involving any real Western concession. Bonn objects to discussions of the Rapacki plan, German membership in NATO, or acquisition of atomic weapons, and adamantly opposes any German confederation scheme.

(Page 6)

M
Italy: The resignation of Amintore Fanfani as secretary general of the Christian Democratic party on 31 January, following his resignation as premier last week, further indicates the complexity of the Italian Government crisis and suggests an extensive struggle before formation of a new government or recourse to national elections. Fanfani probably feels that the Christian Democrats will eventually be forced to turn back to him to solve the problem.

M
Argentina: The Communists and some Peronista labor leaders are reported planning hostile demonstrations against President Frondizi on his 3 February return from his visit to the United States. The Communists probably see this as an unusual opportunity to try to promote their priority objective of weakening American influence. The police plan strong security measures.

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DAILY BRIEF

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I. THE COMMUNIST BLOC

No Back-up Material

II. ASIA-AFRICA

Shah of Iran Seeking Earliest Possible Nonaggression Pact With USSR

(The Shah of Iran said on 30 January that he wants to conclude a nonaggression pact with the USSR as quickly as possible. He said that in the absence of what he considers adequate US aid and guarantees against invasion, he had initiated negotiations with the USSR in order to gain a respite from Soviet pressure. According to the terms of the Iranian proposal as outlined by the Shah, Iran will guarantee not to sign the pending bilateral treaty with the United States. In exchange, it will ask that the new pact with the USSR not modify the 1921 and 1927 treaties but complement them in the light of changed conditions since their conclusion.)

(If the Iranians conclude a pact barring the pending bilateral agreement with the United States, this will have serious effects on Pakistan, which appears not to be aware of how far the Shah has gone in the direction of a pact with the USSR.)

(The Shah seems to have rationalized all objections to a nonaggression pact and had a ready answer for all counter arguments presented by a US official. He apparently has convinced himself that depositing a nonaggression pact with the UN will exert moral pressure on the USSR to honor the treaty.)

(The Shah's new course appears to have been influenced by his belief that Iran is being treated less favorably than other US allies such as Turkey. He placed great stress on US unwillingness to supply missiles and train Iranian officers to use them, remarking that Iranian officers are not donkeys, incapable of learning.)

(Amir Khosro Afshar-Qasemlu, a high-ranking Foreign Ministry official, also stressed the Shah's disappointment over missiles and training in a meeting with Counselor Wilkins on 31 January. Afshar sought assurances of further US aid in the hope,

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of using them to influence the Shah toward a course of continuing cooperation with the US.

On 31 January an Iranian senator complained that Iran received less US aid than neutralist countries. This appears to be the start of an effort by the government to prepare the public for the negotiations now going on.

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Pakistani Press Criticizes US and Baghdad Pact

The final communique of the Baghdad Pact meetings in Karachi has been used by the Pakistani press as a peg for an especially bitter attack on American policy toward Pakistan and on the effectiveness of the pact. While critical comment has increased in recent weeks as differences between Washington and Karachi over the proposed bilateral defense agreement have become known, the current outburst is the most unrestrained criticism of Pakistan's pro-Western orientation since Ayub's military regime took over on 27 October.

Several papers, recommending the "benefits" of a neutralist course, called for a reassessment of Pakistan's foreign policy. In addition to expressing deep disappointment with the progress of the Baghdad Pact, the editorials criticized the United States for its refusal to guarantee Pakistan against aggression from non-Communist as well as Communist sources. Particular stress was placed on charges that US officials had announced a willingness to defend India against aggression from Pakistan but had refused a similar commitment to its ally.

The demand for a reorientation of foreign policy probably does not precisely reflect the views of Ayub's government. Its failure to restrain the controlled press, however, suggests that Ayub hopes to increase pressure on the US to commit itself more firmly to the defense of the Baghdad Pact countries.

Ayub may also feel that continued popular support for his government requires acknowledgment that the majority of the Pakistani public favors a more independent foreign policy. Karachi's recent effort to improve relations with Cairo apparently is an attempt to associate the government more closely with support of Arab nationalism.

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Soviet Economic Aid to Iraq

A Soviet economic delegation has been in Iraq since early January exploring opportunities for Soviet economic and technical assistance. The delegation, led by a deputy chairman of the Soviet Committee for Foreign Economic Relations, has met with Premier Qasim and with the Iraqi ministers of economics and finance, and now is engaged in formal talks with Iraqi officials. No specific Soviet aid offer has been announced, but the Iraqi Government has publicly stated that it is studying a general Soviet offer and that Iraq needs credit above and beyond its oil revenues.

Prior to the formal talks, the Soviet economic delegation reviewed projects being considered by the Iraqi Development Board for inclusion in the government's new development program and apparently is planning to offer industrial plants and technical assistance for at least 20 of the 50 projects under consideration by the board. A group of 16 Soviet "factory experts" accompanied by two interpreters is due in Baghdad shortly.

In addition to its participation in industrial and agricultural projects, Moscow reportedly has offered to drill for oil in the off-shore areas recently relinquished by the Iraq Petroleum Company and to construct an eight-inch pipeline from the Naft Khana fields about 70 miles northeast of Baghdad to the Dawra refinery south of the capital.

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Nasir Reaffirms Support of Anti-Qasim Plans

Nasir.

[redacted] has reportedly advised the anti-Qasim officers in Iraq to move as quickly as possible against the Baghdad regime. He qualified his remarks, however, by the comment that first they should be certain of the adequacy of their preparations, and he apparently offered no promise of material assistance from the UAR. He added that, if necessary, even two months would not be too long to wait.]

Samarrai indicated,

[redacted] that the civilian cabinet members were still in favor of waiting in the hope that Qasim might give up his policy of reliance on the Communists. The officers, however, were said to be opposed to waiting, but were uncertain whether they should attempt a coup [redacted]

Significantly missing from this report, as from earlier ones, was any indication of a well-designed program for following up the removal of Qasim.]

[redacted] Despite Nasir's apparent caution with regard to committing UAR assets in Iraq to assist the plotters, he is using his propaganda organs in Beirut, Damascus, and Cairo to attack both Qasim and the Iraqi Communists. Two recent articles by Muhammad Heikal, confidant of Nasir and editor of the Cairo daily Al Ahram, have been addressed directly to Qasim. In a sarcastic and severely critical tone, Heikal has accused the Iraqi premier of consorting with both imperialism and the Communists to the detriment of Arab unity.]

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III. THE WEST

Bonn Favors Offering USSR, Poland, and Czechoslovakia
Bilateral Nonaggression Pacts

(In forthcoming consultations with the US, UK, and France, Bonn will propose to answer Moscow's 10 January note by offering to conclude bilateral nonaggression pacts with the USSR, Poland, and perhaps Czechoslovakia. The West German reply would state that if the bloc declined such pacts, Bonn would unilaterally deposit with the UN a pledge not to use its armed forces for aggression. Although similar ideas have long been considered in Bonn, the government believes such a proposal at this time would place Moscow on the defensive without involving any real Western concession, and would counter Soviet charges that West Germany is building up strength to recover its lost territories.)

(Bonn will oppose adoption of any Western counterproposals on European security which would involve concessions on German membership in NATO, acquisition of atomic weapons, or a revised Rapacki plan.

there is no prospect for unification in the near future and that the most that can be expected is some progress on a general detente through disarmament. This official approves of increased technical contacts between East and West Germany.)

(Bonn officials are especially concerned over indications of Western differences on a German confederation, which Adenauer adamantly opposes. They feel that in Western consultations West Germany may be under pressure to consider some form of confederation scheme, and their offer of a nonaggression pact and increased contacts with East Germany may be an effort to avoid this. An appearance of flexibility would put West Germany in an improved position to call for a firm stand on maintaining access to Berlin.)

Moscow would permit a Western column to enter Berlin without opposition.)

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Director of the Budget

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