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2 March 1959

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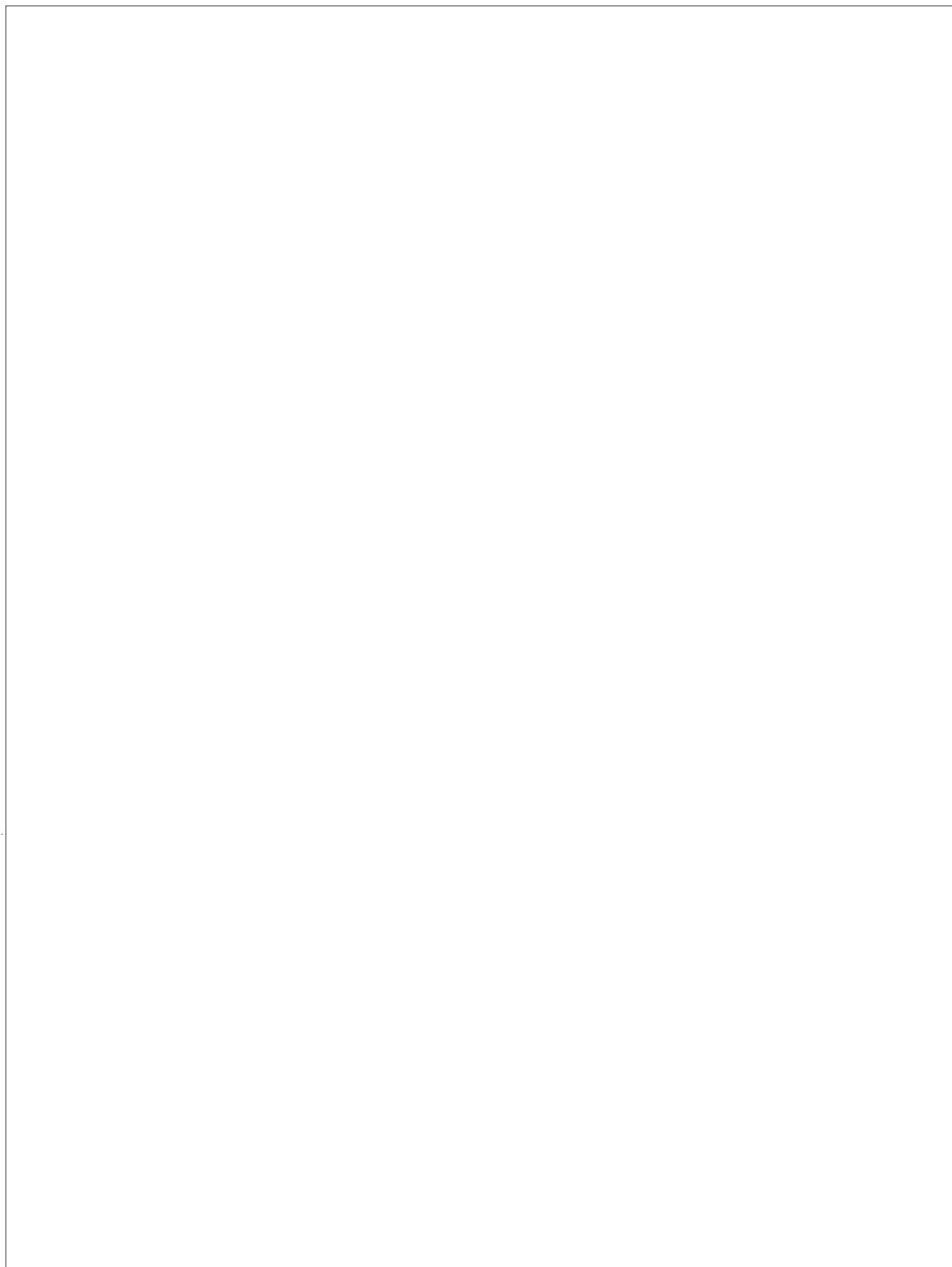
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# CENTRAL INTELLIGENCE BULLETIN



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2 MARCH 1959

**I. THE COMMUNIST BLOC**

Khrushchev to negotiate, but not sign, separate peace treaty with East Germany this week.

Moscow denounces US action in searching Soviet trawler.

Peiping may adopt new policy line in effort to "isolate" US.

**II. ASIA-AFRICA**

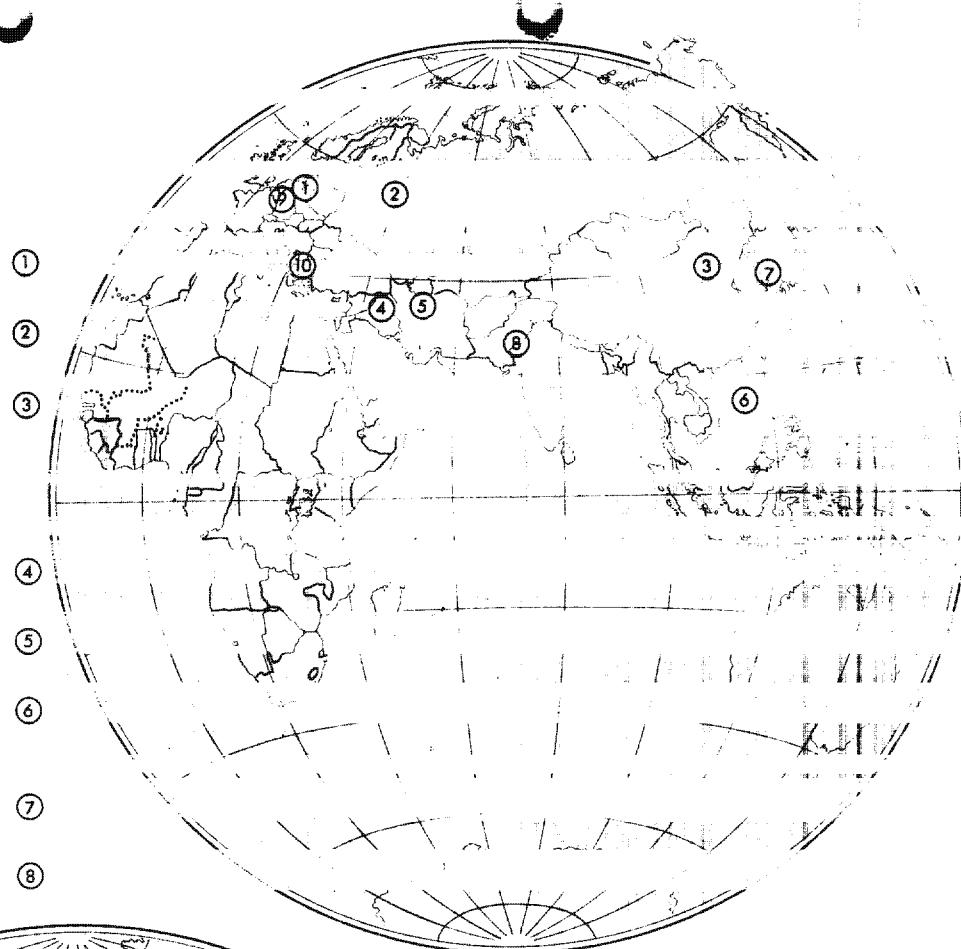
Iraq - Political tension apparently increasing; Communists call for "firmer" treatment of conspirators.

Iran considers denouncing two offensive articles of 1921 treaty with USSR.

South Vietnam returning captured Chinese fishermen to Paracel Islands.

South Korea - Government planning intimidation and bribery to ensure 1960 election victory.

India and Pakistan cut defense expenditures.

**III. THE WEST**

⑨ West German Social Democratic delegation to visit Moscow.

⑩ Greece to discuss revival of Balkan Pact with Tito today.

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## CENTRAL INTELLIGENCE BULLETIN

2 March 1959

## DAILY BRIEF

*SIRAB*

## I. THE COMMUNIST BLOC

*OK*

USSR - East Germany: Khrushchev's visit to Berlin and Leipzig this week will probably feature discussions on a separate Soviet-East German peace treaty. Moscow would hope to use such discussions to increase pressure on the West for summit talks on a treaty with both German states. The Soviet press attaché in East Berlin, who has been used in the past to plant information, has stated that a separate treaty would be negotiated but not signed during Khrushchev's visit.

[Page 1)

*HO*

USSR: A Soviet Foreign Ministry official denied to the American chargé on 28 February that the trawler operating near Newfoundland was engaged in any actions which could have damaged the trans-Atlantic cables. He charged that there was, therefore, no basis for the US action in searching the trawler and that the United States had staged the trawler incident as a pretext for a hostile press campaign against the USSR. Moscow Radio has denounced the search party boarding as a "premeditated act of provocation" designed to intensify the cold war and worsen Soviet-American relations.

Communist China: Peiping's policy for 1959 is to refrain from annoying Britain and "actively to try to make friends" in order to isolate the United States.

*HO*

the offshore islands and Taiwan would not be "liberated" for a "considerable time." Hong Kong's Communist newspapers have been fairly reliable indicators of new policy lines coming from the mainland.

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## II. ASIA-AFRICA

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Iraq: Political tension appears to be increasing in Baghdad. A Communist newspaper on 27 February called for "firmer" treatment of conspirators and, specifically, for a purge of officials in Mosul province, in northern Iraq. Mosul is a stronghold of pro-UAR activity, and leaders of army units in northern Iraq appear to be those most dissatisfied with the Qasim regime.

"hostile activities" had increased near the eastern border and within Iran. (Page 2)

*OK*

Iran-USSR: The Iranian Government, in the face of Soviet propaganda attacks, is considering a formal denunciation of the 1921 treaty's Articles Five and Six, under which the USSR could claim the right to move troops into Iran.

(Page 3)

*No*

South Vietnam - Communist China: South Vietnam has released the 82 Chinese Communist fishermen seized on Duncan Island in the Paracel Islands on 22 February. If Saigon does not give the incident further publicity, Peiping will probably limit its reaction to propaganda emphasizing the traditional Chinese claim to the Paracels.

South Korea: The new South Korean public information office director, Chon Song-chon, is planning a massive campaign to ensure victory for the Rhee administration in the 1960 presidential election,

*No*

Opposition journalists are to be intimidated by threats to apply the newly revised National Security Law and tempted by bribes to switch sides, while lavish use is to be made of every public information media which the government can control or influence. A campaign of this kind seems likely to add to the bitter tensions already existing in South Korea. (Page 4)

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DAILY BRIEF

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*NO*  
India-Pakistan: India's decision to reduce defense services expenditures by 12.7 percent--from \$584,106,440 to \$509,638,000--in New Delhi's 1959-60 budget follows recent Pakistani defense cuts and should advance the recent improvement in relations between India and Pakistan. Karachi recently decided to cancel the planned purchase of three submarines, to scrap its only cruiser, and to cut defense imports.

### III. THE WEST

*NO*  
West Germany - The Bloc: The opposition Social Democratic party will send a delegation to Moscow, Warsaw, and Prague beginning 10 May. Party Chairman Ollenhauer is extremely pessimistic over the Berlin situation and feels the only hope is for the United States and USSR to reach an agreement on Germany's ~~future military status~~--then "all else will fall into place."

*NO*  
Greece-Yugoslavia: [Greek Premier Karamanlis intends to discuss the revival of the Balkan Pact at his 2 March meeting with Tito on the island of Rhodes. Belgrade currently desires to de-emphasize the military aspects of the pact in order not to provide propaganda ammunition to the bloc but would probably be willing to expand the pact's cultural and economic aspects.]

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DAILY BRIEF

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## I. THE COMMUNIST BLOC

### USSR - East Germany

Khrushchev, during his visit to Berlin and Leipzig this week, will probably seek to use discussion on a separate peace treaty with East Germany to increase pressure for East-West summit talks on a peace treaty with both German states. The Soviet press attaché in East Berlin, an official who is sometimes used to plant information, has stated that a separate treaty would be negotiated but not signed during Khrushchev's visit.

The East German news agency has reported that Ambassador Pervukhin on 1 March discussed the question of a peace treaty and the Berlin problem with Ulbricht and Grotewohl. The Kremlin has warned repeatedly since early February that it would conclude a separate treaty with the East German regime if no agreement were reached with the West on a treaty with the two Germanys. First Deputy Premier Mikoyan declared on 26 February that "if the Western powers will not conclude a peace treaty with Germany, which would also solve the question of West Berlin as a free city," the Soviet Union and other countries "will be compelled to sign a peace treaty" with East Germany.

While in Germany, Khrushchev will probably also discuss the transfer of Soviet quadripartite responsibilities in Berlin to the East Germans, particularly control over Allied military access to West Berlin. [redacted]

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## II. ASIA-AFRICA

### Iraqi Situation

Political tension appears to be increasing in Baghdad. A Communist newspaper on 27 February published a demand that the government act more firmly against conspirators generally, and specifically against "feudalist" elements in Mosul province, in northern Iraq, which has been a stronghold of pro-UAR sentiment. The paper printed a petition alleged to represent the desires of the Mosul "masses," which calls for a purge of local government officials, action to protect "honorable nationalists" from attack by elements "misguided" by foreign intelligence agents, and investigation of the "suspicious contacts" in the UAR maintained by antigovernment elements. This is the first time the Communists have openly admitted their troubles in the Mosul area, and publication at this time of a demand for action against anti-Qasim elements there apparently is a result of new incidents of violence against the Mosul Communists. The demand, however, may also be based on a concern that, unless pro-UAR influence in Mosul province is diminished soon, the area might become a base for dissident movements.

### Official concern over possible initiation of such movements from Iran

"hostile activities" have increased near the eastern border and within Iran, and instructs the divisions to increase their surveillance of the Iranian border.

Communist activity meanwhile is proceeding as usual. The command of the Communist-infiltrated Popular Resistance Force (PRF), which Qasim in January seemed ready to render innocuous, has announced that further training of units will take place in Baghdad in mid-March, and that new training programs are to be instituted on 7 March at Basra--already a center of PRF activity--and Mosul. In the economic field, the American embassy reports that Communist infiltration of the government-owned Daura oil refinery near Baghdad has reached a point where a Communist takeover from the American manager is threatened. Even the UAR oil technicians, brought in after the revolution last July, have refused to work at the refinery under the conditions created by the Communists.

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### Iran Considers Denouncing Parts of Soviet Treaty

A high-ranking Iranian Foreign Ministry official has confirmed earlier press reports that the Iranian Government is considering formal denunciation of Articles Five and Six of the 1921 treaty with the USSR. The official said a final decision is expected in about one week.

Under these articles the USSR could claim the right to advance troops into Iran in the event third countries "intend to pursue a policy of transgression in Persian territory or to make Persian territory a base for military attacks against Russia." Late in 1921, an exchange of notes acknowledged that Articles Five and Six referred to partisans of the Czarist regime and its supporters in foreign countries.

During the recent unsuccessful negotiations for a nonaggression pact, which later prompted bitter attacks on the Shah, the Iranian representatives held that this treaty no longer applied, but the Soviet delegation insisted on its continued validity. [redacted]

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South Korean Plans to Ensure Administration Victory in 1960  
Presidential Election

[The prime objective of a detailed policy outline prepared in great secrecy in early February by Chon Song-chon, the newly appointed Director of the South Korean Office of Public Information (OPI), is to ensure victory for the Rhee administration in the forthcoming 1960 presidential elections.]

[Chon will require a minimum of \$400,000 over the regular OPI budget.]

[Strong repressive measures are to be used against the opposition press, including the threat of applying the strengthened and controversial National Security Law. Influence, threats and bribery are to be used on opposition publishers and journalists to persuade them either to change their political affiliation or outlook or at least to remain neutral.]

[Progovernment newspapers are to be allocated foreign exchange to obtain newsprint directly from abroad at substantial savings and assisted in their circulation efforts. Police school authorities and village leaders are to ensure that the semi-official Seoul Sinmun is available in every farm community in Korea. The OPI is to be enlarged and operated as a government printing plant and will attempt to produce films on government activities for required showing in movie houses. Teams of speakers and theatrical troops are to be sent out, and in the cities sidewalk bulletin boards and photograph exhibitions will advertise government policy. Battery-powered radio sets are to be procured for 38,000 villages without electricity.]

[Whether this massive campaign will succeed appears questionable in view of public disillusionment with the administration. There can be no doubt, however, that these plans if implemented will arouse great bitterness in opposition circles and add to existing tensions.]

[The indictment of an opposition newspaper editor for alleged libel and instigation and propagation of rebellion on 28 February appears indicative of the administration's determination to intimidate the opposition press, although in this instance the criminal code rather than the new security law was utilized.]

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### III. THE WEST

#### Balkan Pact to be Discussed in Tito-Karamanlis Meeting

[Greek Premier Karamanlis [redacted] he intends to press Tito at their meeting on 2 March for a definite yes or no on revival of the Balkan Pact in "full vigor." The Chief of the Greek General Staff, has counseled Karamanlis against such an approach to Tito, in the belief that the military relations between the two countries should not be stressed now and that a gradual evolution beginning in economic and cultural spheres would be more fruitful.]

[The Yugoslavs are currently very sensitive on the question of the pact. They are especially afraid that revival of its military aspects would provide ammunition for the bloc's charges that Yugoslavia, contrary to its pretensions of remaining outside blocs, is tied to NATO by virtue of its membership in the Balkan Pact. Belgrade also feels that a publicized revival of the pact now would undermine the basic purpose of Tito's tour of the uncommitted countries, as an exponent of "positive neutrality." For these reasons, Belgrade hopes to soft-pedal the military aspect of the pact but it wants to maintain and possibly even extend the pact's economic and cultural aspects.]

[The pact, composed of Greece, Yugoslavia, and Turkey, was ratified in 1953 and became a formal military alliance in the following year. Since 1955, however, when hostility arose between Greece and Turkey over Cyprus, the pact's military committee has had little to do, and the pact organization has concerned itself primarily with economic and cultural matters.]

[The recent Cyprus accord has removed a major obstacle to the pact's effectiveness and the recent worsening of Belgrade's relations with the bloc have made it seek improved ties with the West. While all three participants consider the continuance of the Balkan Pact to be in their interests, any renewed activity under the pact will probably not be publicized out of deference for Yugoslavia's difficult position.]

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**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

The Department of Commerce

The Secretary of Commerce

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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