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8 May 1959

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CENTRAL INTELLIGENCE BULLETIN



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8 MAY 1959

I. THE COMMUNIST BLOC

II. ASIA-AFRICA

Iraq - Communists renew demands for overt political role; more bloc technicians arriving.

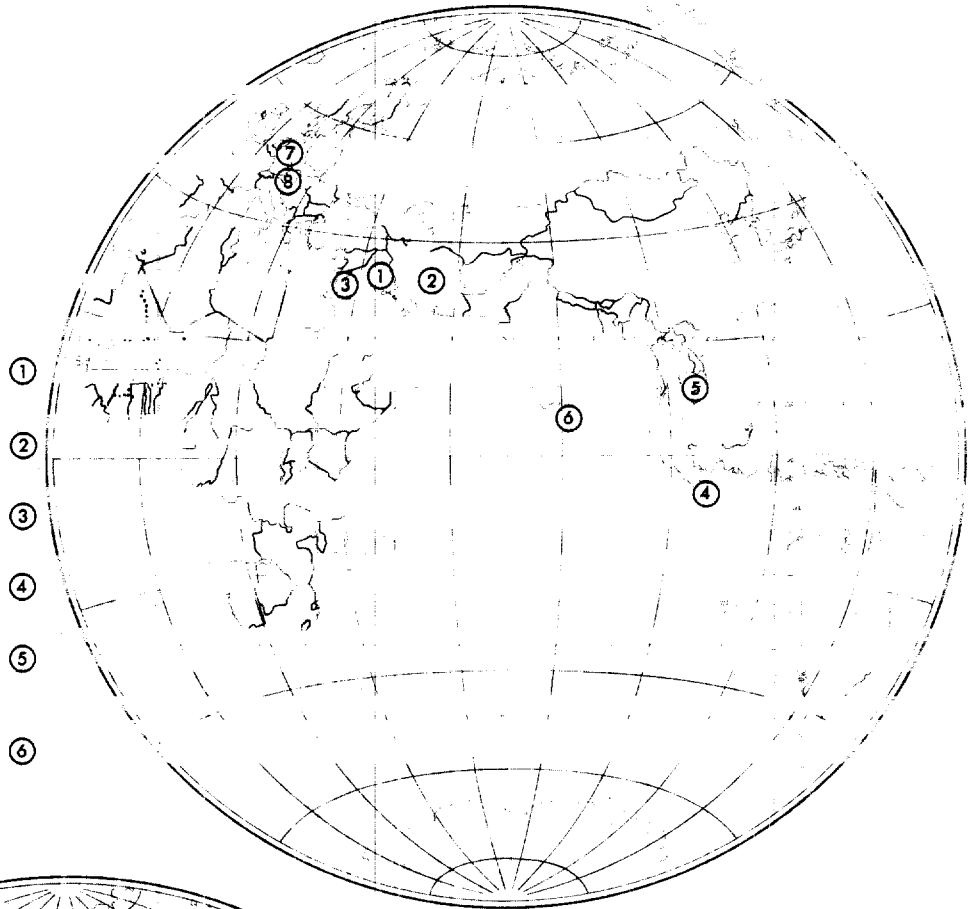
Shah of Iran convinced USSR is determined to overthrow him.

King Husayn and new Jordanian prime minister forecast no policy changes.

Indonesia planning first direct approach to USSR about buying arms.

Sino-Soviet bloc influence in Cambodia abetted by leftist Information Ministry.

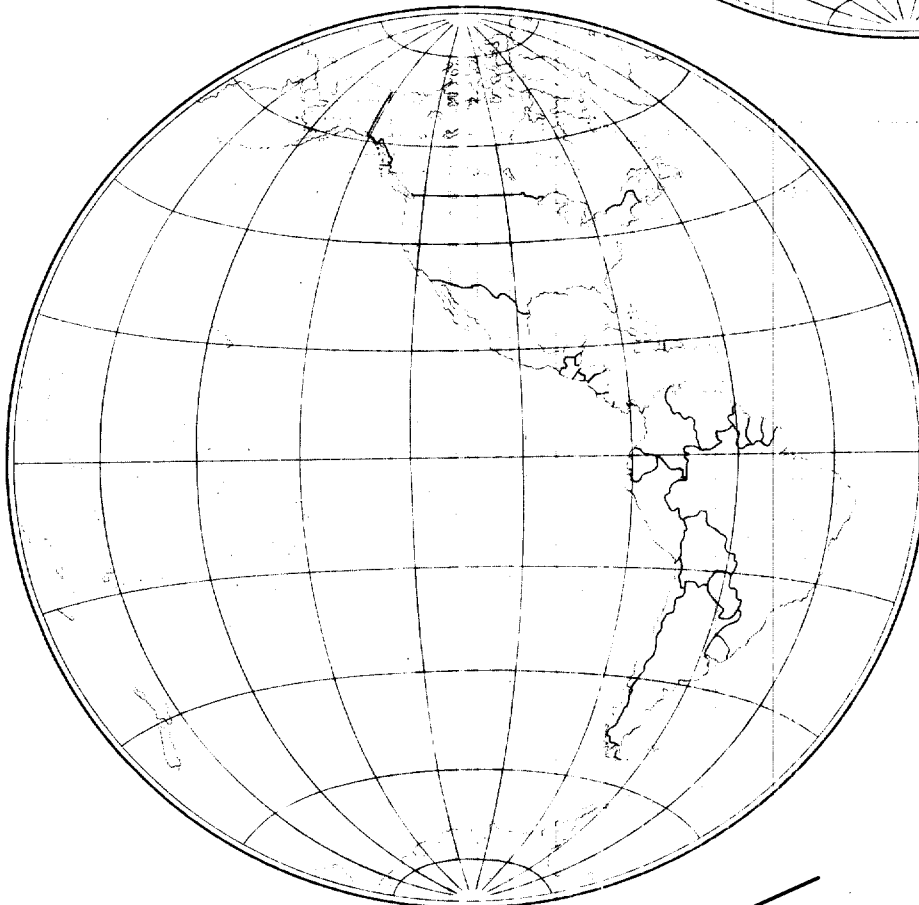
Ceylon - Bandaranaike faces another potential crisis as bulk of cabinet threatens to resign.



III. THE WEST

⑦ One of Adenauer's top advisers sees reduced threat of war over Berlin.

⑧ Austria - Parliamentary elections on 10 May; no major shifts expected.

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CENTRAL INTELLIGENCE BULLETIN

8 May 1959

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

II. ASIA-AFRICA

Iraq-Communists and government: After an initial cautious reaction to Qasim's rejection of their political demands on 30 April, the Communists now have renewed pressure for the return of political parties and for participation of Communist party representatives in the government. (Page 1)

OK delete next to last sentence

Bloc aid: Increasing numbers of Communist bloc technicians are arriving in Iraq. In addition to those provided for under the economic and military aid agreements concluded with the USSR, Baghdad is negotiating with other bloc countries for experts to work in a variety of fields including health, education, and municipal development. [redacted] (Page 2)

OK delete 2nd sentence

Iran: [The Shah [redacted] is now convinced that the Soviet Union is determined to overthrow him and that a vigorous counterattack is essential to frustrate these efforts. While he described the current Soviet propaganda campaign as ineffectual, he admitted that it is potentially dangerous. He sees no present threat from the Qashqai tribes who are unarmed and lack effective leadership, but considers the Kurds still a factor owing to the possibility of their obtaining arms from Iraq. He again protested the inadequacy of Iranian arms and air defenses.] [redacted] (Page 3)

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 Jordan: Hazza Majalli's cabinet includes old-line politicians, with two holdovers from the Rifai government, as well as a new group of younger, less experienced men. King Husayn will probably attempt more direct control of government affairs than he did during the Rifai regime. Both the King and Majalli are anxious to maintain a high level of American aid and have assured Chargé Wright that there will be no change in Jordanian policy. [redacted] (Page 5)

no been used before in CID
 Indonesia-USSR: An Indonesian military mission may go to the USSR shortly to visit Soviet military installations and discuss the possibility of military purchases. In 1958 Indonesia contracted for military items worth at least \$170,000,000 from the Sino-Soviet bloc. This mission would represent the first direct military contact with Moscow. The Indonesian Government may now feel that, in order to maintain its neutral position, recent military mission visits to the West, including the US, should be balanced by one to the USSR. [redacted] (Page 6)

no
 Cambodia: Growing Sino-Soviet bloc influence in Cambodia is being abetted by the pronounced leftist influence in the Information Ministry. During his recent visit to Cambodia, Ambassador Parsons expressed his concern to top Cambodian officials that the leftist trend in the press and other information media was gradually conditioning the people to accept Communist ideology. [redacted] (Page 8)

OK
 Ceylon: Prime Minister Bandaranaike faces another possible political crisis. Ten moderate ministers have threatened to resign from the 15-man cabinet unless Agriculture Minister Gunawardena is expelled, because they oppose his leftist tendencies. Bandaranaike may have to make some political concessions to the moderates, but neither he nor the moderate group is likely to risk a cabinet crisis because neither wants to force new national elections at this time. [redacted] (Page 9)

8 May 59

DAILY BRIEF

ii

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III. THE WEST

mo West Germany: Heinrich Krone, who is one of Adenauer's top advisers, says the chancellor is satisfied with preparations for the Geneva meeting. Krone is much less concerned about hostilities over Berlin than he was several months ago and expects that the access problem will be solved by regarding the East Germans as, in some manner, "agents" of the USSR. [redacted]

DK Austria: The 10 May parliamentary elections are likely to result in a cabinet shuffle in the People's party - Socialist coalition government which has ruled Austria since the war. No radical shifts in party strengths or Austrian policies are anticipated, but growing antagonism between the two parties may delay formation of a new government for some time.

[redacted] (Page 10)

IV. SIGNIFICANT INTELLIGENCE
REPORTS AND ESTIMATES

(Available during the preceding week)

Outlook for Pakistan. NIE 52-59. 5 May 1959. [redacted]

8 May 59

DAILY BRIEF

iii

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I. THE COMMUNIST BLOC

No Back-up Material

II. ASIA-AFRICA

Communist Political Pressures on Iraqi Government

The Iraqi Communist party on 5 and 6 May renewed its demands for a return to a system of officially sanctioned political parties and for direct Communist party representation in the government. The majority of the present Iraqi cabinet is non-Communist; while the cabinet includes several pro-Communists, it contains no acknowledged representatives of the party itself.

The Communists' avowed aim is the establishment of a revived "united national front" which would also include the National Democratic party and the Kurdish United Democratic party. The Communist leaders are apparently certain that they would exercise real control of such a national front; they have even indicated willingness to include pliable remnants of the Baath and Istiqlal parties.

Premier Qasim told labor organizations on 30 April that Iraq was in a "transitional stage" and that the time had not yet come for the return of political parties. Even if political parties are not given official sanction for some time to come, the Communist leadership will probably obtain open cabinet representation in the near future. Foreign Minister Jawad, a leader of the National Democrats, told the American ambassador on 4 May that Communist representation was likely, but added that any such appointments would be on the basis of "individual merit" and not party affiliation. Communists reported most likely to receive cabinet portfolios are Abd al-Qadir Ismail Bustani, Amir Abdallah, and Aziz Sharif, all of whom are central committee members and capable, experienced party professionals.]

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~~TOP SECRET~~ [REDACTED]Bloc Technical Assistance to Iraq

There are now believed to be about 200 to 300 Soviet bloc military and economic specialists in Iraq, and Baghdad--which has relatively few trained native technicians--is negotiating with the Soviet Union and other bloc countries for additional experts in a variety of fields. [REDACTED] To facilitate the dispatching of bloc personnel to Iraq, Baghdad has authorized the Iraqi Embassy in Moscow to omit obtaining specific approval "when granting visas to the citizens of the Soviet Union and the other Socialist nations." [REDACTED]

Soviet technicians now arriving in Iraq to implement the projects called for under the economic aid agreement include industrial, agricultural, and petroleum experts. In addition, the USSR is providing personnel for scientific and educational exchange programs under its cultural agreement with Iraq. Moscow has agreed to supply Iraq with an atomic furnace for the production of radioactive isotopes, presumably as a gift, and will soon provide technicians for this and allied projects. Finally, Baghdad is considering inviting Soviet physicians to practice in Iraqi hospitals and lecture at its medical schools.

The European satellites are also planning to participate in the bloc technical assistance program in Iraq, mainly through cultural and scientific agreements. Apart from agreements known to have been concluded, Poland, Hungary, and East Germany have expressed their readiness to participate in Iraqi municipal development projects. Some of the projects under consideration are the improvement of water, lighting, and sewerage systems.

The bloc technical assistance program also provides for the training of Iraqi personnel in bloc countries in an equally wide variety of fields. [REDACTED]

[REDACTED]

~~TOP SECRET~~ [REDACTED]

~~TOP SECRET~~ [redacted]Shah Believes Iran Faces Critical Summer [redacted]

[The Shah of Iran, two days before his departure for Europe, stated [redacted] that while Iran is in a secure position at present, he is convinced, [redacted] that the USSR is working systematically toward the overthrow of his regime by subversion and other means. He emphasized that greater attention must be paid to the detection and frustration of Soviet efforts against Iran. His plan to be absent from Iran until about 4 June while visiting Britain, Denmark, and Holland, however, offers increased opportunity for plotters. The Shah regards the intensive Soviet radio propaganda campaign against Iran since 10 February, which attacks him personally, as "potentially dangerous," although he asserts that at present it is "not very effective." He is satisfied with Iran's counterpropaganda and considers it bolder than that of any other country.]

[Possibly with the recent unauthorized Soviet overflights of Iranian territory in mind, the Shah again pointed out that Iran lacks sufficient anti-aircraft weapons, radar, and airfields. Iran is exploring the possibility of bringing the question of overflights before the UN, but may have difficulty in documenting such charges. [redacted]

[The chief delegate to the UN has been instructed to consult with the secretary general on the tactics for a complaint against both the overflights and the propaganda.] [redacted]

[The Shah admitted that there are weaknesses in Iranian security in northwestern Iran, and is sending Major General Teimur Bakhtiar, chief of the intelligence organization, to eliminate subversion among the Kurds during the "coming critical summer."] [redacted]

[He sees no present threat, however, from the Qashqai tribes in southern Iran, because of their expressions of loyalty during a recent visit to their area and because of the impression created on them by demonstrations of the effectiveness of army weapons. He believes that the influence of the four exiled] [redacted]

~~TOP SECRET~~ [redacted]

~~TOP SECRET~~ [redacted]

Qashqai chiefs is weak among the tribesmen and that this weakness will grow as the lands of these chiefs are distributed. The exiled tribal chiefs, however, who supported Premier Mossadeq before his overthrow in 1953, may have some capacity for creating trouble by cooperating with the nationalists. Nasr Khan, predominant among the exiled chiefs, claims that he recently received offers of Soviet arms to pursue his tribal property claims. While the estimated 300,000 Qashqais still hate the Shah and his family, they probably are no threat in themselves, but could cause unrest if they ally with other tribes [redacted]

[redacted]

[redacted]

~~TOP SECRET~~ [redacted]

~~SECRET~~New Cabinet in Jordan

The new Jordanian cabinet of Premier Hazza Majalli is unlikely to prove strong. It contains both old-line politicians, including two holdovers from the Rifai government, and a new group of younger, less experienced men. Majalli is foreign minister as well as premier. The Interior Ministry is headed by Wasfi Mirza, a close friend of the premier. The Defense Ministry is under a young lawyer, Anwar Nashashibi; Akif Fayiz, representative of the influential Bani Sakhr Bedouin tribe, remains minister of agriculture. [Both King Husayn and Majalli, anxious to maintain a high level of American aid, have assured the American chargé that there will be no change in Jordanian policy.]

It is apparently King Husayn's intention to assert more direct control of government affairs than he did during the Rifai regime. Although the transition to the new government took place without incident, [Chargé Wright reports that general reaction to the new cabinet was less than enthusiastic in view of Majalli's reputation as a British protégé, and because of fear of increased instability. The absence of Rifai's firm hand may increase the opportunity for subversive activity, while Husayn's apparent intention to intervene more actively in government has aroused apprehension of still greater power for the army under the direction of the King.]

The new government has publicly stated what appears to be an offer for a return to overtly correct relations with the UAR. In a policy statement on 7 May, Majalli declared twin aims of combating Communism and checking Zionism. "For the sake of these two principles," he added, "Jordan is prepared to put its hand in the hand of anyone who shows a sincere desire to follow the same road..." Cairo has commented on Majalli's appointment, however, as the replacement of an American puppet with a British puppet.

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~~TOP SECRET~~ [REDACTED]Indonesia Plans to Send Military Mission to Moscow

[The Indonesian Government expects to send a military mission to the Soviet Union shortly to visit military establishments and discuss the possible purchase of arms, [REDACTED]

[REDACTED] The Soviet Union [REDACTED] welcoming the mission at any time. Prior to the mission's departure, the Ministry of Defense will submit to the Soviet Embassy a list of the arms and equipment Indonesia is interested in purchasing.]

[This is Indonesia's first open approach to the Soviet Government for arms and equipment under the military purchase program which has been in progress for a year and a half. In early 1957, Indonesia bought 4,000 jeeps from the Soviet Union. The coordinated all-service purchase program, however, which began in January 1958, has resulted thus far in contracts for military items from Czechoslovakia, Poland, and Communist China amounting to at least \$170,000,000. Although Indonesia has heretofore carefully avoided direct arms dealings with Moscow, it has an agreement with the Soviet Union for economic assistance amounting to more than \$100,000,000.]

[In order to maintain its neutral position, the Indonesian Government may now feel that recent military missions to the West, including the United States, should be balanced by one to the USSR.]

[Prime Minister Djuanda told American officials [REDACTED] he had established a ceiling on military purchases and had sent out positive instructions that no further commitments be made. He is undoubtedly concerned not only over meeting future payments from Indonesia's meager financial resources but also over the emphasis on the arms program at the expense of civilian problems. The armed services, however, may request a withdrawal or postponement of the prime minister's directive. [REDACTED] In any event, Moscow has seen fit recently to agree to supply arms to the UAR at one third their cost and, therefore, in order to encourage further Indonesian reliance on the bloc for military aid.]

~~TOP SECRET~~ [REDACTED]

~~TOP SECRET~~ [redacted]

[might offer the purchasing mission extremely attractive credit terms for arms.] [redacted]

[Although Indonesia's foreign reserves have slowly increased during recent months from the 1957-1958 low and are expected to continue their rise, the country's internal financial situation continues to deteriorate. It is highlighted by annually increasing budgetary deficits, rising inflation, and the contributing factors of low production, poor distribution, and a rapidly growing population.] [redacted]

[redacted]

~~TOP SECRET~~ [redacted]

~~SECRET~~Communist Influence Growing in Cambodia

[The increasingly apparent pro-Communist bias of the Cambodian press and other mass media, reflecting the pronounced leftist influence of the Information Ministry, is facilitating the steady growth of Sino-Soviet bloc influence in Cambodia. Cambodia now draws heavily on handouts supplied by international Communist news agencies. Recent editorials in influential newspapers have contained "straight Communist textbook material," according to the American Embassy in Phnom Penh. Peiping, meanwhile, has given Cambodia powerful transmitters, is training two Cambodian radio supervisors in China, and is sending several technicians to Cambodia.]

[The leftist trend has been accelerated recently by Communist exploitation of Cambodia's bitterness over Vietnamese and Thai involvement in plotting against the Sihanouk government, and Phnom Penh's attendant suspicion of American motives. In addition to an important asset in the person of crypto-Communist Secretary of State for Information Tim Dong, the Communists also benefit from venality in the Cambodian bureaucracy.]

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[REDACTED]

Ceylon's Prime Minister in Difficult Political Situation

[The strong stand which the moderate members of Ceylon's coalition cabinet are taking in their long-standing dispute with far-leftist Agriculture Minister Philip Gunawardena is placing Prime Minister Bandaranaike in an increasingly difficult position. At a conference with the prime minister on 6 May, some ten ministers threatened to resign from the cabinet unless Gunawardena is expelled. The group appears to be attempting more vigorously than before to eliminate leftist influence from the government.]

[Neither Bandaranaike nor the moderate group is expected to press the issue to a final showdown at this time, however, as neither side seems likely to risk forcing the new national elections which would probably become necessary following mass resignations from the cabinet or the withdrawal of Gunawardena and his supporters from the government coalition. While the moderate group considers it has some 36 supporters in the 56-member government coalition, it cannot safely predict their re-election nor count on sufficient cooperation from the formerly ruling United National party or from Tamil representatives to form a majority in the 101-member Parliament. Should Gunawardena resign, the position of his few followers would be even more precarious, as his prospects for a workable alignment with other leftist opposition elements are remote.]

[The most probable outcome of the controversy is a compromise which would temporarily silence the threats of the moderate cabinet members. Bandaranaike probably will have to make some political concessions to this group, which will further erode his influence with the public and the government.]

[REDACTED]

[REDACTED]

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III. THE WEST

Many Changes in Austrian Government Expected to Follow
10 May Elections

The 10 May parliamentary elections seem likely to result in a number of changes in the People's party - Socialist coalition which has given Austria a stable government since 1945. The coalition probably will be re-established in some form, but interparty antagonisms have sharpened despite a somewhat lethargic campaign, and the negotiations for a new government are likely to be prolonged.

Post-election negotiations on a new cabinet will center on Chancellor Raab's demands for a less rigid coalition pact which would permit parliament to settle outstanding issues between the two parties by vote. If the People's party maintains its present parliamentary lead over the Socialists, it will be in good position to push these demands or even to force the Socialists from the government. Raab's bargaining position would be further enhanced if, as some observers anticipate, the small Liberal party now in the opposition should also score a comeback. The Nazi-tainted Liberals are pan-German in outlook, and in such a key role, would exert a highly disruptive influence.

In any case, some of Vienna's most experienced men are expected to leave the government. Minister of Interior Helmer, who established a reputation for fearless opposition to the Soviet occupation forces, has already announced his retirement. He is reported deeply indignant over the insistence by younger members of his Socialist party that he give up the Interior Ministry. Leopold Figl, of the People's party, a reliably pro-Western chancellor during much of the occupation period [redacted] [redacted] is similarly being pressed by his party to accept a provincial office. Changes are also expected in the justice, agriculture, and communications ministries. [redacted]

[redacted]

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Executive Offices of the White House

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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

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Executive Secretary, National Security Council

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The Secretary of the Treasury

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The Under Secretary of State for Economic Affairs

The Deputy Under Secretary for Political Affairs

The Deputy Under Secretary for Administration

The Counselor

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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

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