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27 May 1959

# CENTRAL

# INTELLIGENCE

# BULLETIN

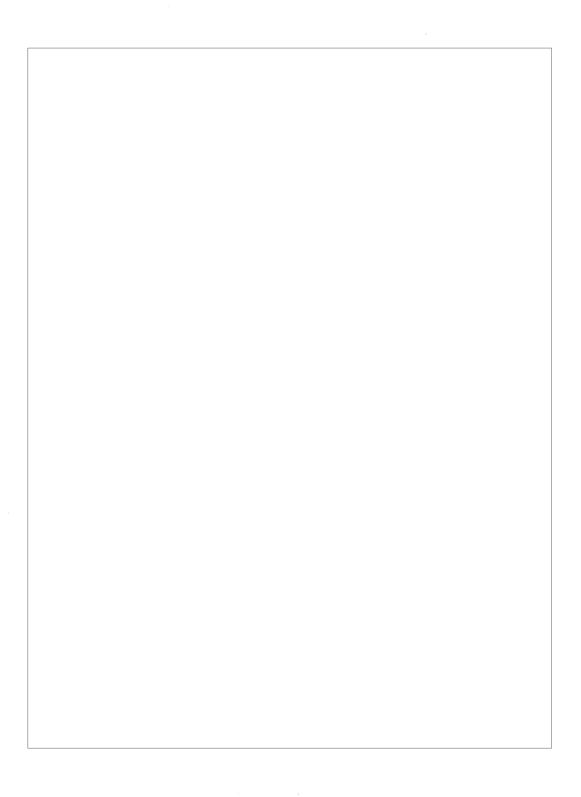


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# CENTRAL INTELLIGENCE BULLETIN

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27 May 1959

# DAILY BRIEF

# I. THE COMMUNIST BLOC

USSR: First Deputy Premier Frol Kozlov will represent the USSR at the opening of the Soviet exhibit in New York in late June. He will spend about two weeks in the United States. The 50-year-old Kozlov has risen rapidly to become a full member of the party presidium and is now one of the three or four most important leaders after Khrushchev. (Page 1)

USSR-Iran: (Soviet Ambassador Pegov will return to Tehran

Moscow may believe that its recent maneuvers to draw Tehran into new negotiations for a nonaggression pact would be bolstered by the return of the ambassador. Radio Moscow's propaganda attacks on the Iranian regime are continuing, however, and are reinforced by "The National Voice of Iran," a clandestine station whose personal attacks on the Shah have become increasingly ugly. Tehran insists that normal relations are impossible as long as this propaganda continues, but has indicated that following its cessation Iran would consider any Soviet suggestions for improved relations.

China-India: New Delhi and Peiping, apparently unable since last December to agree on a new long-term trade pact, have extended to the end of 1959 the agreement concluded in 1954. The principal difficulty is reported to be Chinese refusal to allow India continued special privileges in trade with Tibet.

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#### II. ASIA-AFRICA

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Union of South Africa: The police are taking seriously nationwide rumors of imminent African uprisings, and plan to take determined action should violence break out. The dates most frequently mentioned are 31 May and 26 June, African Freedom Day. The mass burning by natives of their identification passes, expected by the police on 26 June, could result in violence and mass arrests. (Page 3)

Laos: The rebellious Pathet Lao battalion is now loosely encircled by Laotian Army units. The foreign minister on 25 May requested US financial and material support for a military operation to bring the Pathet unit under control. The US Army attaché thinks that the Laotian Army has not yet developed a sound cleanup plan. Escape of the unit or dispersal into small guerrilla bands is thus a strong possibility.

### III. THE WEST

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West Germany: The unity of the Social Democratic party (SPD) may be severely strained at the 28 May party meeting by a power struggle between the SPD leadership and left-wing leader Herbert Wehner. Several SPD officials, including Berlin's Mayor Brandt, are maneuvering to undermine Wehner's influence by designating Carlo Schmid as the party's candidate for chancellor in 1961. Anti-Wehner forces have privately revived the unsubstantiated charge that he still maintains his Communist ties, and some SPD officials fear that Wehner might threaten to split the party if he feels his position is being seriously challenged.

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# IV. 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 SNIE 100-2-59 (24 February 1959) and with the review of that estimate in SNIE 100-2/1-59 (17 March 1959).

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- 1. While there have been no indications at Geneva that the Soviet Union is willing to alter its firm position on Berlin, the USSR apparently would like to hold serious private negotiations on this issue as well as on nuclear tests and creation of an East-West German committee. The USSR continues to probe for differences among the Western powers and at the same time is attempting to create an impression that sufficient progress in negotiations on key issues could be made to justify a summit meeting.
- 2. All indications are that the USSR does not intend to take any action on 27 May with regard to turning over access controls to the GDR. So long as negotiations are in progress, or the Soviet Union estimates that the prospects for a summit meeting are good, it will probably not go so far as to turn over access controls to the GDR. However, the USSR may play up the possibility of such action at any stage in the negotiations should it consider greater pressure to be advantageous. The actual physical transfer of controls could be accomplished with little or no warning.
- 3. 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, the Soviet Union could take such actions with little or no warning.
- 4. There have been no significant changes in Soviet capabilities to respond to possible Western actions in the event of turnover, harassment, or blockade.

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DAILY BRIEF

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#### I. THE COMMUNIST BLOC

## Kozlov to Open USSR Exhibit in New York

First Deputy Premier Frol Kozlov will represent the USSR at the opening of the Soviet exhibit in New York in late June. He will spend about two weeks in the United States. According to the Soviet Ministry of Foreign Affairs, he has not yet completed his plans for the visit.

The 50-year old Kozlov has risen rapidly under Khrushchev and is now one of the Soviet leader's three or four most important lieutenants. Trained as an engineer, he has made his career in the party, with service on the central staff in Moscow and later in Leningrad.

In 1953 when Khrushchev ousted Vasily Andrianov, a Malenkov protegé, from the leadership of the Leningrad party organization, Kozlov was promoted to succeed him. Since that time Kozlov has benefited from Khrushchev's favor by being named candidate member of the party presidium in early 1957, and, following the defeat of the 'anti-party' group, a full member in June 1957. In December 1957 he left his Leningrad party post to become premier of the Russian Republic (RSFSR).

When Khrushchev became Premier of the USSR in March 1958, Kozlov was made one of his first deputies, apparently specializing in internal governmental matters. Mikoyan, the other first deputy premier, specializes in foreign relations. When the problem of a successor to Khrushchev comes to the fore, Kozlov will probably be a leading contender. There are already signs that he is maneuvering his protegés into the party apparatus.

Kozlov impresses most observers as a forceful and extremely capable administrator and a man of ideas, which he expresses clearly and with great vigor. He is known to have been outside the bloc on two occasions—to the Finnish Communist party congress in 1957 and the Brussels Fair in 1958. He apparently does not speak English.



### Sino-Indian Trade Pact Extended to End of 1959

Apparently unable to agree on a new long-term pact, New	7
Delhi and Peiping have extended to the end of 1959 their trade	
agreement concluded in 1954. Negotiations for a new three-year	ar
trade pact, in progress since the old agreement expired last	
December, are reportedly deadlocked because the Chinese re-	
fuse to reaffirm special privileges which the Indians claim in $^{ot}$	
trading with Tibet.	

A special agreement regulating Indian-Tibetan trade was signed by Peiping and New Delhi in 1954 and is effective until 1962. This agreement granted India a special position in trade with Tibet, which has traditionally used India as an outlet for its wool and other products and has received foodstuffs and consumer goods in return. The present impasse suggests that China may have decided, as an essential part of its program for the area's political integration, to restrict this relationship in order to increase Tibet's dependence on the Chinese economy.

Total Chinese trade with India amounted to about \$17,000,-000 in 1958, somewhat less than in 1957. This figure includes Indian trade with Tibet, the volume of which has varied widely from year to year because of the changing nature of Chinese controls. The recent revolt and the resulting exchange of recriminations with India have served to sharpen Peiping's efforts to curtail outside influences in Tibet.

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#### II. ASIA-AFRICA

# Disorders Reported Imminent in South Africa

The South African police are taking seriously the rumors current throughout the Union of South Africa that a native uprising is imminent. The uprising allegedly would be similar to the recent Nyasaland revolt and Mau Mau terrorism in Kenya. Police have a lengthy list of suspects but are unable to identify anyone as a likely instigator, despite an extensive canvass.

Both 31 May--Union Day--and 26 June--African Freedom Day--are considered likely dates. The African National Congress has already called for a mass burning of native identification passes and the start of the first national boycott of Afrikaner-pwned industry on 26 June, the anniversary of the Communist-inspired freedom charter against racial repression. Such a protest would be the most serious native civil disobedience in the Union's history and could easily provoke nationwide bloodshed and arrests if the police react with expected severity.

Although the non-European organizations are not able at this time to pose a serious threat to the government, widespread racial disorders would intensify foreign criticism of South Africa's policies, particularly by independent African nations. At the all-African Peoples' Conference in Accra last December these nations called for economic sanctions against South Africa, including a boycott of the Union's products and a reduction in the number of African workers entering the Union to work in the gold mines.



#### III. THE WEST

## West German Social Deprocrats Face Party Crisis

(The struggle for power within the Social Democratic party (SPD) shaping up for the 28 May meeting of the party leaders will severely test party unity. Several top SPD leaders, including Berlin Mayor Brandt, presidential candidate Schmid, foreign policy expert Erler, and economic expert Deist, are maneuvering to undermine deputy party chairman and left-wing leader Herbert Wehner, who, they feel, dominates party chief Ollenhauer and has generally operated in a ruthless manner. They hope to do this by designating Schmid as the party's chancellor candidate in 1961 and placing anti-Wehner personnel in key positions to run the 1961 campaign. At the same meeting an effort may be made to separate the offices of party chairman and Bundestag faction leader, permitting Ollenhauer to remain as chairman until 1960 and placing Erler in the Bundestag post.

Wehner can be expected to oppose strongly any efforts to limit his influence. Anti-Wehner officials in the SPD expect that at a minimum he will demand a commitment from the party to succeed Ollenhauer as chairman in 1960 in return for agreeing to Schmid's candidacy for the chancellorship. Berlin Senator Klein, a close associate of Brandt, is reported to believe that Wehner will not hesitate to force a showdown if any attempt is made to repudiate him or his policies. Klein claims that Wehner has hinted he would split the SPD and join a radical left-wing party being established by former SPD members expelled for dealings with East German Communists. Deputy chairman von Knoeringen feels there is no way out for the SPD but to expel Wehner, a move which could split the party.

As a part of the campaign against Wehner, Schmid has privately revived the charge that Wehner is still a Communist, although there has never been any evidence to counter Wehner's claim that he broke with the party during the war.



CONFIDENT: JL

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The Secretary of the Treasury

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The Secretary of State

The Under Secretary of State

The Under Secretary of State for Economic Affairs

The Deputy Under Secretary for Political Affairs

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