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12 February 1959

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CENTRAL INTELLIGENCE BULLETIN



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12 FEBRUARY 1959

I. THE COMMUNIST BLOC

Soviet representatives threaten Iran with "dangerous repercussions" at breakoff of nonaggression-pact talks.

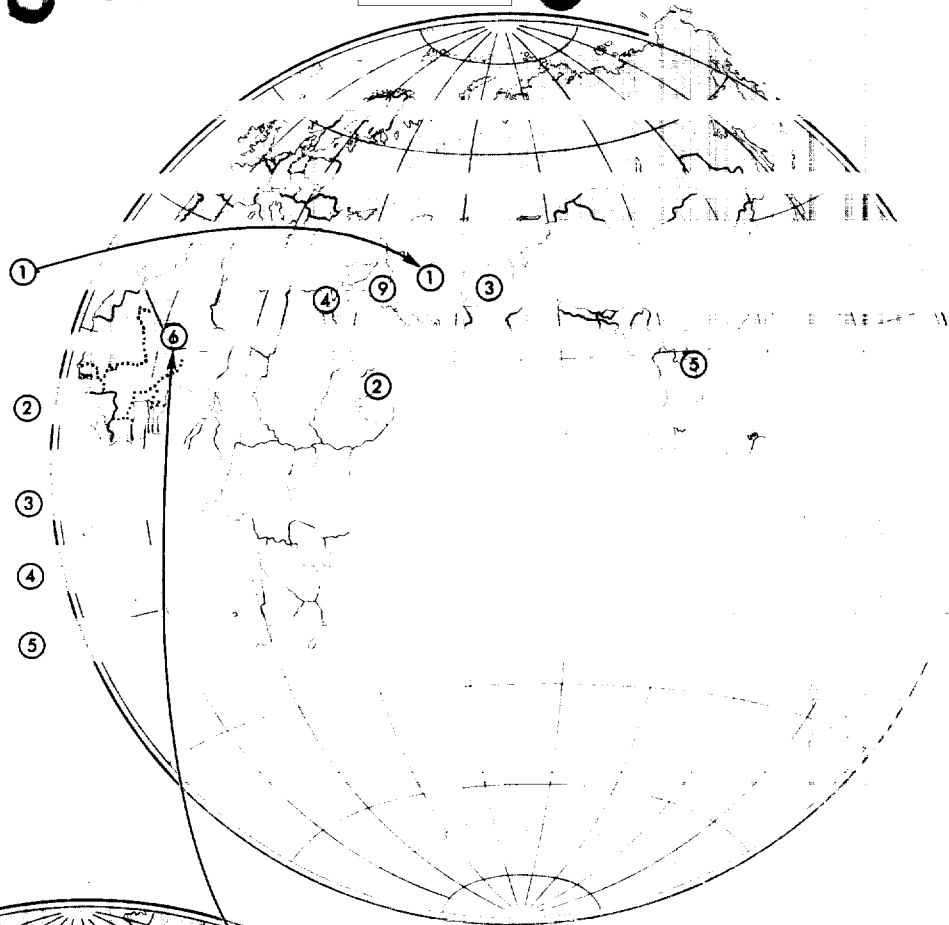
II. ASIA-AFRICA

Yemen concludes aid agreement with USSR for wheat.

Afghanistan to receive gift wheat from Communist China.

Cairo subsidizing Sudanese politicians and publishers.

Laos denounces 1954 Geneva Agreements.

**III. THE WEST**

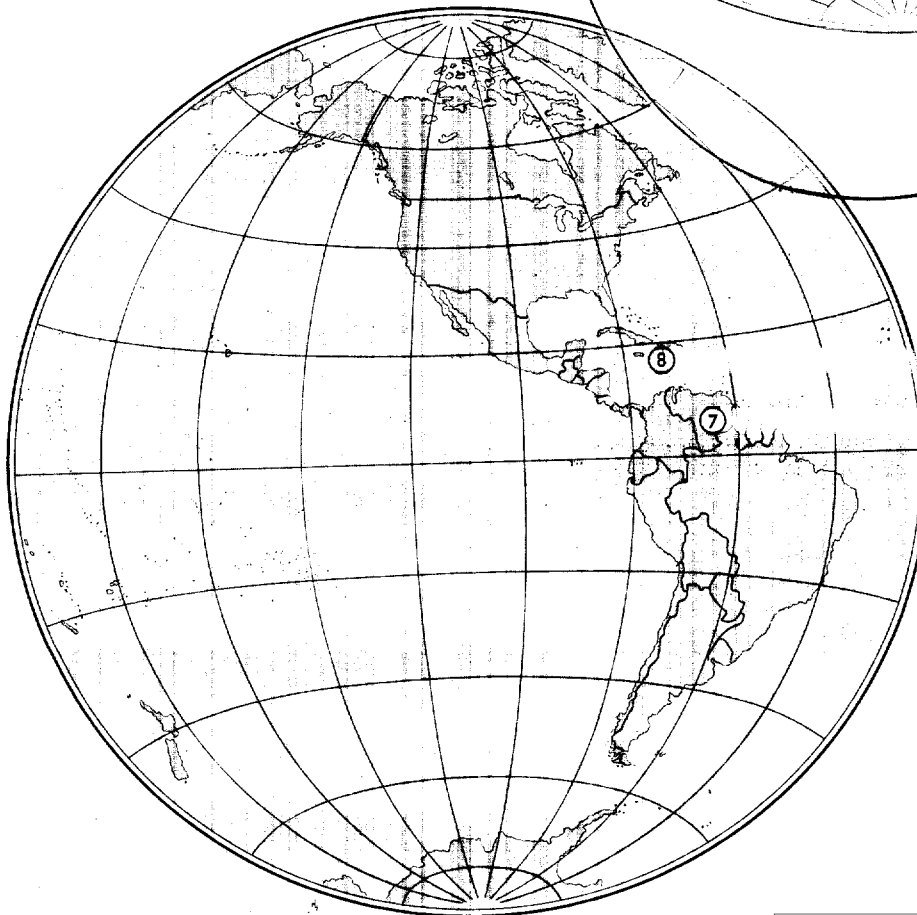
⑥ French Atomic Energy Commission sets up radio links in the Sahara; first nuclear test may come in 1959.

⑦ Venezuelan Government takes precautions to ensure inauguration, but atmosphere remains tense.

⑧ Haiti - Disaffection grows among President's supporters; government disintegration an imminent possibility.

LATE ITEM

⑨ Iraq - New cabinet minister resigns in protest against Qasim's siding with Communists.

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CENTRAL INTELLIGENCE BULLETIN

12 February 1959

DAILY BRIEF

I. THE COMMUNIST BLOC

Iran-USSR: Following the breakoff in Soviet-Iranian negotiations on 10 February, Iranian Prime Minister Eqbal expressed great concern over the threat of dangerous repercussions which he claimed the Russians said would "become manifest shortly." According to Eqbal, the last session of the negotiations was very heated. The Soviet representatives became "abusive, insulting, and very threatening," and left with the foreign minister a lengthy document of "accusations, insults, and threats." (Page 1)

Watch Committee conclusions--Middle East: Situations susceptible of direct exploitation by Sino-Soviet hostile action which would jeopardize US interests exist in the Middle East, particularly in Iran and Iraq.

Iran: With the breakdown of Iranian-Soviet negotiations and the anticipated signing of an Iranian-US bilateral agreement, the USSR will certainly retaliate with violent propaganda, strong economic and diplomatic pressure, and probably with subversive and other measures short of direct military action.

Middle East: Elsewhere in the Middle East, although the situation remains precarious, a deliberate initiation of large-scale hostilities is unlikely in the immediate future.

II. ASIA-AFRICA

Yemen-USSR: Yemen, under the influence of pro-Soviet Crown Prince Badr, now has concluded an aid agreement with the USSR for 10,000 tons of wheat. The first Soviet wheat shipment is scheduled to arrive at the Yemeni port of Hodeida about 20 February. The first American aid wheat is to arrive at Mocha about 12 February.

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Afghanistan - Communist China: The Chinese Communist Government is giving Afghanistan 20,000 tons of wheat. []

NO In mid-January the Soviet gift to Afghanistan of 40,000 tons was announced. Initial deliveries of Soviet wheat have already been widely publicized in the Afghan press. The American grant of 50,000 tons has also been announced. []
(Page 3)

NO UAR-Sudan: The UAR has resumed clandestine payment of subsidies to selected Sudanese politicians and is continuing those to newspaper publishers. Cairo remains dissatisfied with the general orientation of the Abboud government. []
(Page 4)

OK Laos: [The Laotian Government announced on 11 February that it is no longer bound by the 1954 Geneva Agreements. This action will probably provoke strong adverse reactions not only from France but from the Sino-Soviet bloc and India as well. It will end exclusive French control of Laotian military training.] []
(Page 5)

III. THE WEST

NO France - Nuclear test: [Establishment of French Atomic Energy Commission radio links in the Sahara increases the probability that the first French nuclear test may occur in 1959 rather than 1960. as official French sources have recently indicated.] []
(Page 7) (Map)

OK Venezuela: The government is taking extensive precautions to prevent further mob violence in Caracas and to ensure accomplishment of Romulo Betancourt's inauguration on 13 February. There are, however, rumors of a coup attempt by dissident junior officers, and the atmosphere remains tense. []
(Page 8)

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DAILY BRIEF

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*OK
delete
last 3
sentences*

Haiti: The deteriorating economic and financial situation continues to undermine the precarious political position of the Duvalier regime. Disaffection is growing even among the President's stronger supporters, and the disintegration of the government, with accompanying serious disorders, has become an imminent possibility. [redacted]
(Page 9)

LATE ITEM

NO

*Iraq: Husayn Jamil, propaganda minister in the new cabinet, submitted his resignation to Prime Minister Qasim on 10 February after Qasim, at Communist request, ordered the reopening of a Communist newspaper which had been suspended by Jamil, [redacted] Jamil declared the issue is now drawn between the Communists and "all other" parties, including his own National Democratic Party (NDP). He said that the party would not cooperate with the Communists, and he expects the five other NDP members in the 14-man cabinet to resign shortly. The reaction of the army to this, the second cabinet crisis in a week, is unknown. [redacted]
[redacted]

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DAILY BRIEF

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I. THE COMMUNIST BLOC

Iranian-Soviet Negotiations Broken Off After Heated Exchange

[Iranian-Soviet negotiations on a nonaggression pact, which had been in progress for nearly two weeks, ended abruptly about midnight on 10 February following a heated exchange, according to Iranian Prime Minister Eqbal. The special Soviet delegation headed by Deputy Foreign Minister Semenov departed for Moscow in anger, leaving with Foreign Minister Hekmat a 14-page document of threats and accusations.]

[Eqbal said the Soviet representatives became "abusive, insulting, and very threatening" during the final session and gave the impression that Moscow was almost at the point of severing diplomatic relations with Iran. He said the Russians accused the Iranian Government, the Shah, and himself of failure to represent the Iranian people, of being "abject lackeys" of the United States, and of leading the country along the path to disaster.]

[The Shah and Eqbal are greatly concerned over possible "dangerous repercussions" from the Soviet Union which the Russian representatives warned would "become manifest shortly." The Shah, through Eqbal, even appealed urgently for an American declaration "within the next 24 to 48 hours" to the effect that the United States "will defend Iran in the same manner as American territory."]

[Moscow can be expected to follow up with a propaganda campaign aimed at discrediting the Shah's regime. The American ambassador in Tehran believes that this could result in "serious internal political damage" to the regime.]

[Other possible Soviet measures include military demonstrations on the frontier and threats to exercise the right to advance troops into Iran under the 1921 treaty. The Kremlin might also]

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{encourage dissident groups and stimulate labor trouble or sabotage by Arab workers in Iran's oil fields. Moscow furthermore could cause some disruption of the Iranian economy by cutting off trade; in 1958 bloc countries received 11 percent of Iran's exports and provided 25 percent of its imports.}

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II. ASIA-AFRICA

Chinese Communist Gift of Wheat to Afghanistan

The Chinese Communist Government is giving Afghanistan 20,000 tons of wheat, [REDACTED]

[REDACTED] Peiping's good-will gesture, which follows the Soviet gift of 40,000 tons, will probably lessen further the impact of the American grant of 50,000 tons to meet an emergency shortage. Both Peiping and Moscow have probably extended this aid in response to Afghan requests, welcoming the opportunity to counter the US assistance to Afghanistan. [REDACTED]

The Soviet and American gifts were announced simultaneously in the Kabul press on 14 January. Prompt initial deliveries of Soviet wheat received widespread publicity in the Afghan press during the last days of January. In addition, Moscow has emphasized that it is delivering wheat to Afghanistan without any conditions and that Kabul will consequently be able to use the proceeds from the sale of the wheat however it wishes. Soviet propaganda contrasts this with the terms of the US grant, whereby the proceeds from the sale of American wheat must be deposited in a special account and spent only with American permission on agreed projects. [REDACTED]

[REDACTED]

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~~TOP SECRET~~ [REDACTED]UAR Subsidies to Sudanese Politicians

[REDACTED]

[REDACTED] Cairo has reinstituted a system of clandestine subsidies to influential elements in the Sudan. Prior to the 17 November military coup in the Sudan, the UAR was engaged in a broad program of such payments--to the Sudanese press, to both the Nationalist Union party and the People's Democratic party, and to certain selected politicians. Following the formation of the Abboud government and the proclaimed dissolution of all Sudanese political parties, the UAR suspended its subsidies.

On 4 December, in response to the urging of its embassy in Khartoum that a favorable press would be essential to influencing the Abboud government in the desired direction, Cairo ordered payments to Sudanese newspapers resumed. It moved more slowly on the question of reinstituting stipends for the politicians. In early February, [REDACTED] Cairo directed the payment of individual subsidies to leaders of the former political parties. These included Sayid Al-Azhari, leader of the National Union party, several second-ranking individuals in that party, and Ali Abdul Rahman, leader of the People's Democratic party.

The aim of the present program is to increase pro-Egyptian internal pressure on the Abboud government, as well as to maintain a foundation for major influence in any succeeding Sudanese government. [REDACTED]

[REDACTED]

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[REDACTED]

Laos Repudiates 1954 Geneva Agreements

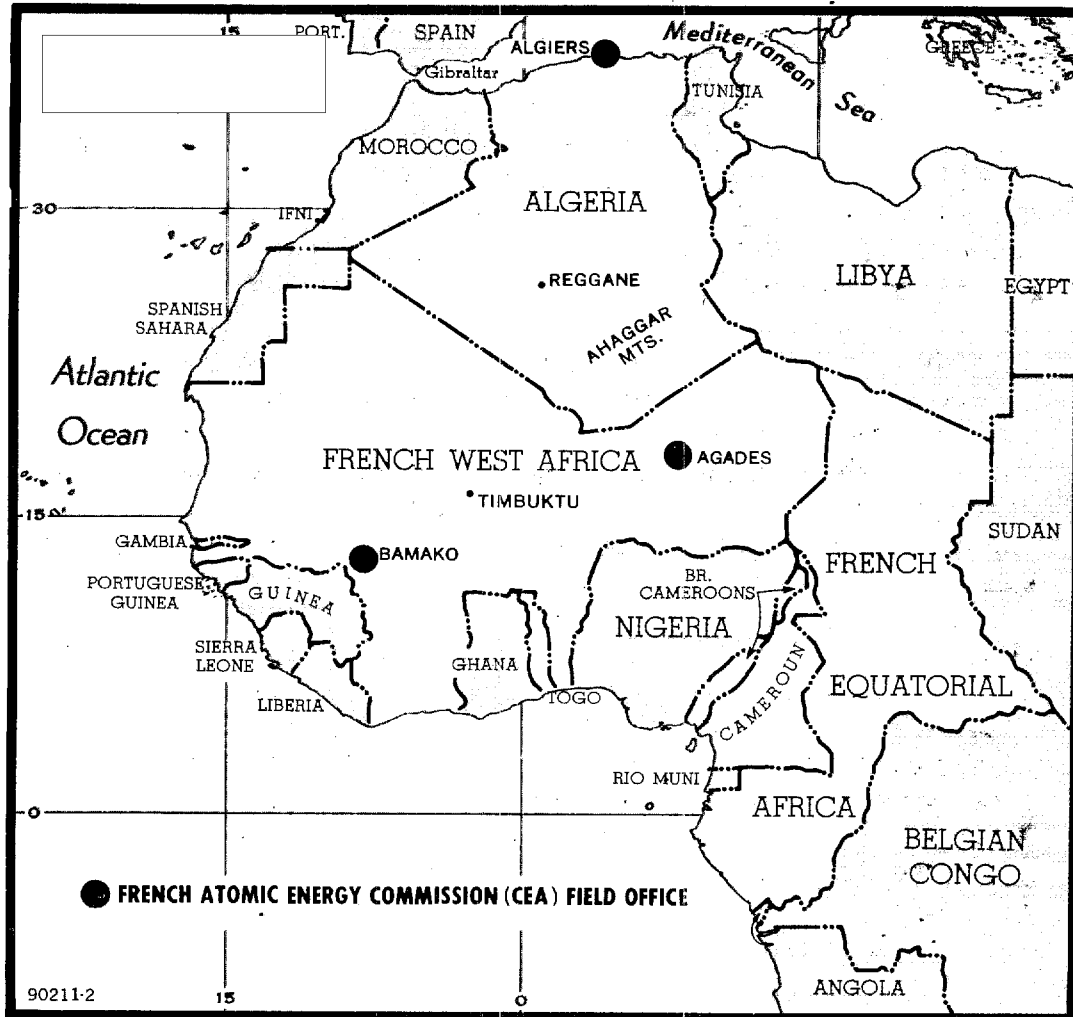
(The Laotian Government, in a move apparently designed to free itself from exclusive French control of military training, has announced that it no longer considers Laos bound by the restrictive 1954 Geneva Agreements. The formal statement recounts Laos' fulfillment of its obligations under the 1954 armistice and points out that as a fully independent and sovereign nation, it cannot tolerate foreign intervention in its affairs. An immediate consequence of this act is that it provides a legal basis for introducing American military training into Laos. It also precludes reactivation of the International Control Commission in Laos, as sought by the Communist bloc and India.)

(Like France, which recently has shown renewed determination to maintain its special position in Laos, the Communists are expected to react sharply. The Sino-Soviet bloc, which maintains that the Geneva Agreements are applicable to Laos and Cambodia pending Vietnam's reunification, looks upon them as an effective device to frustrate American efforts to increase the anti-Communist defenses of these countries. India, in its capacity as ICC chairman and in an effort to preserve the status quo in Indochina, previously has expressed strong fears that any unilateral abrogation of the 1954 armistice machinery by the West might provoke Communist military reaction.) [REDACTED]

[REDACTED]

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III. THE WEST

French Preparations for First Nuclear Test

[REDACTED]

[REDACTED]

no form

[REDACTED] Most such reports have placed the probable test site at or near Reggane Oasis in the Algerian Sahara area, and Agades and any point in the Ahaggar range seem too remote from Reggane to indicate observation or instrumentation sites appropriate for a nuclear explosion. The reports, however, point to location of a test site in the general area of the Ahaggar range--much farther removed than Reggane from neighboring African nations which have already expressed apprehension over the anticipated nuclear test. A single report early in 1958 had indicated that the general test area would be 100 to 200 kilometers north of Timbuktu in a region "where a fall-out danger would be negligible because of absence of population."

[France now is estimated to have enough plutonium to be able to explode a nominal-yield (20- to 40-kiloton) device. The stage of preparations [REDACTED] reinforces the probability of a test this year rather than, as stated recently by official French sources, in 1960.] [REDACTED]

[REDACTED]

[REDACTED]

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Tension Surrounds Venezuelan Presidential Inauguration

The explosive atmosphere surrounding the preparations for inauguration of Romulo Betancourt as president of Venezuela on 13 February is pointed up by serious mob violence in Caracas on 10 February and rumors of a coup attempt by dissident junior officers. The situation is complicated by the concentration of disorderly opposition elements in the politically strategic Federal District, where Betancourt has only limited support. Leaders of Betancourt's Democratic Action party (AD) have for some weeks feared disturbances, plots to block the inauguration, and even possible assassination attempts against the president-elect. There have been several incidents of mass opposition to Betancourt in Caracas since his electoral victory last December. The government is taking extensive precautions to protect visiting foreign delegations and to control any outbreaks of violence.

Sources close to Betancourt are particularly concerned over the presence in Caracas of defeated presidential candidate Admiral Larrazabal and doubt that his backers--who include the Communists--have fully accepted his defeat. Larrazabal, the popular former junta president, has kept himself in the political spotlight by appearances at public ceremonies, especially during the recent visit of Fidel Castro. There is some indication that he may postpone assuming his ambassadorial assignment in Chile until after the inauguration. His presence in Caracas on 13 February would be an embarrassment to Betancourt and could possibly provoke disorders.

Betancourt apparently has made progress in alleviating the traditional military hostility toward himself and his party. The top military thus far have backed the election results and are not known to be plotting against the inauguration of the new government. The loyalty of the navy, however, which was solidly behind Larrazabal during his junta presidency and is still headed by his brother, has been questioned.

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Haitian Situation Continues Critical

Mounting disaffection among Haitian officials now has spread to some who were until recently among President Duvalier's strongest supporters. The disintegration of the government, with accompanying serious violence, has become an imminent possibility. The administration's economic and financial position has deteriorated to such an extent that [REDACTED]

[REDACTED] local banking circles estimates that the government will be bankrupt within 40 days unless it receives immediate outside assistance.

With the urban population becoming increasingly restive and torn by bitter racial and class tensions and with the weakened army already of doubtful loyalty, Duvalier can rely only on his personal civilian militia for support. The militia, though widely feared for its terroristic methods, could not defend the regime against a popular explosion or a well-organized plot.

Duvalier's leading political opponent, former presidential candidate Louis Dejoie, is in Cuba and confidently expects assistance from Fidel Castro's 26 of July Movement in attempting a landing on Haiti's south coast, his political stronghold. [REDACTED]

[REDACTED]

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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
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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

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Federal Bureau of Investigation

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