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19 January 1959

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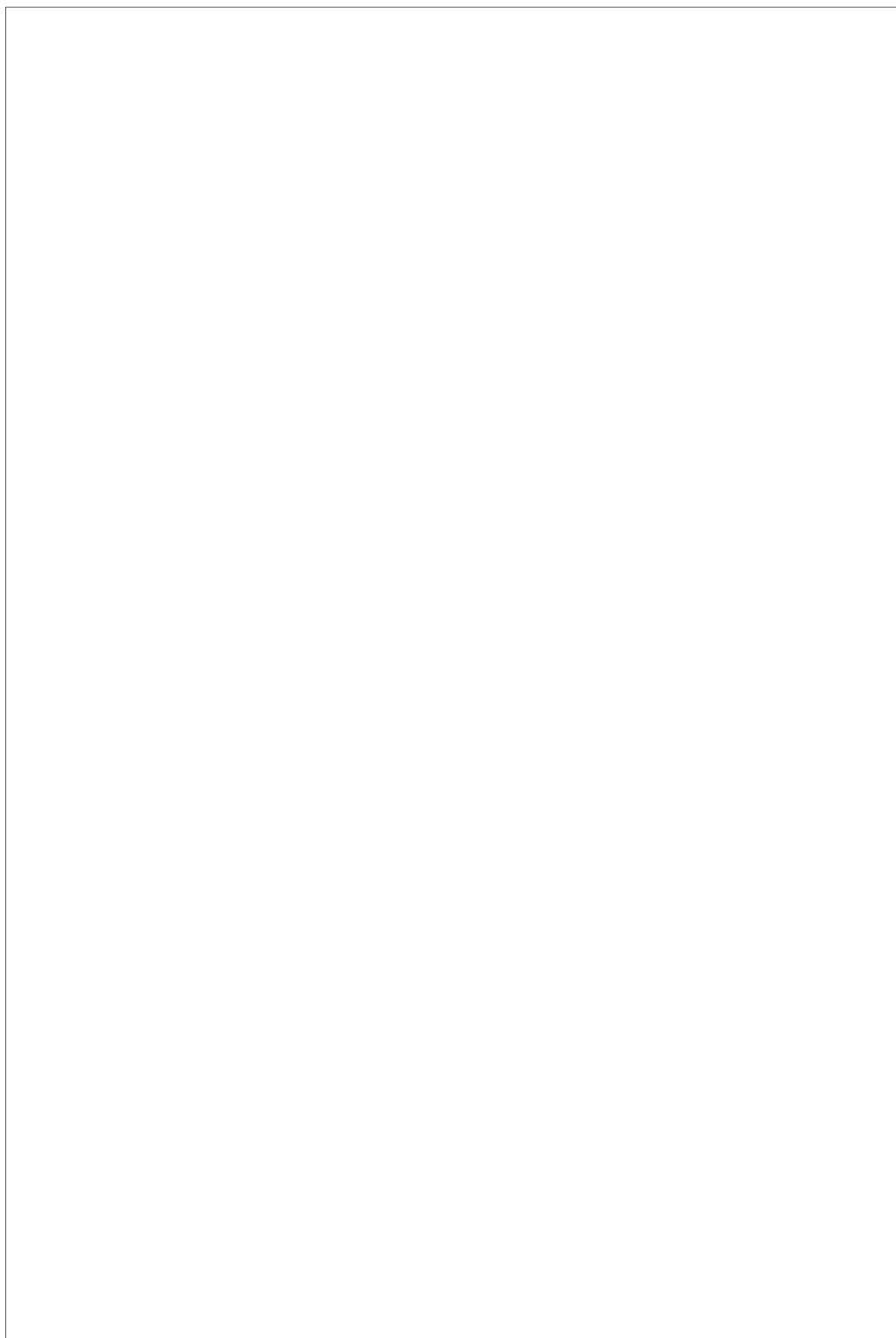
CENTRAL INTELLIGENCE BULLETIN



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19 JANUARY 1959

I. THE COMMUNIST BLOC

Bulgarian party leaders quarrel over proposal to follow Peiping example of agricultural communes.

II. ASIA-AFRICA

Nasir said to have assured pro-UAR Iraqi nationalists he will not appease Qasim.

Saudi Arabia announces first modern budget; King retains separate funds for Royal Guard and tribal armies.

Turkish opposition party plans to attack Menderes for "submissiveness" to US.

Afghanistan receives wheat from USSR to match US emergency grant.

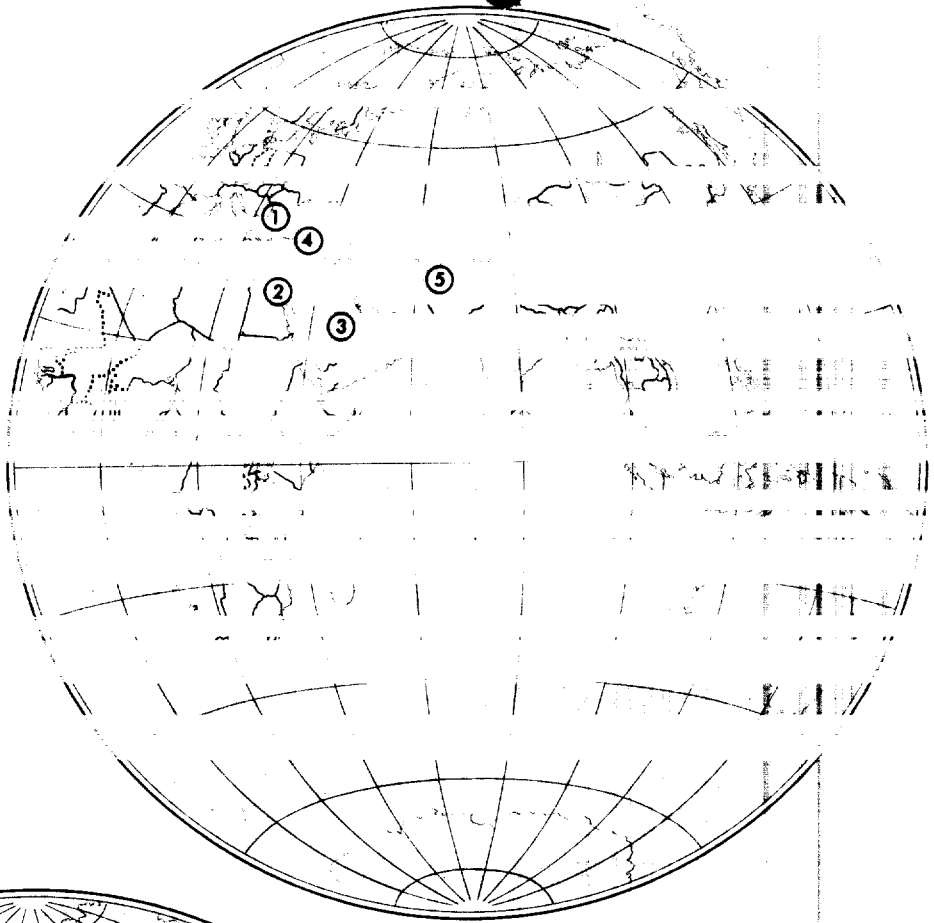
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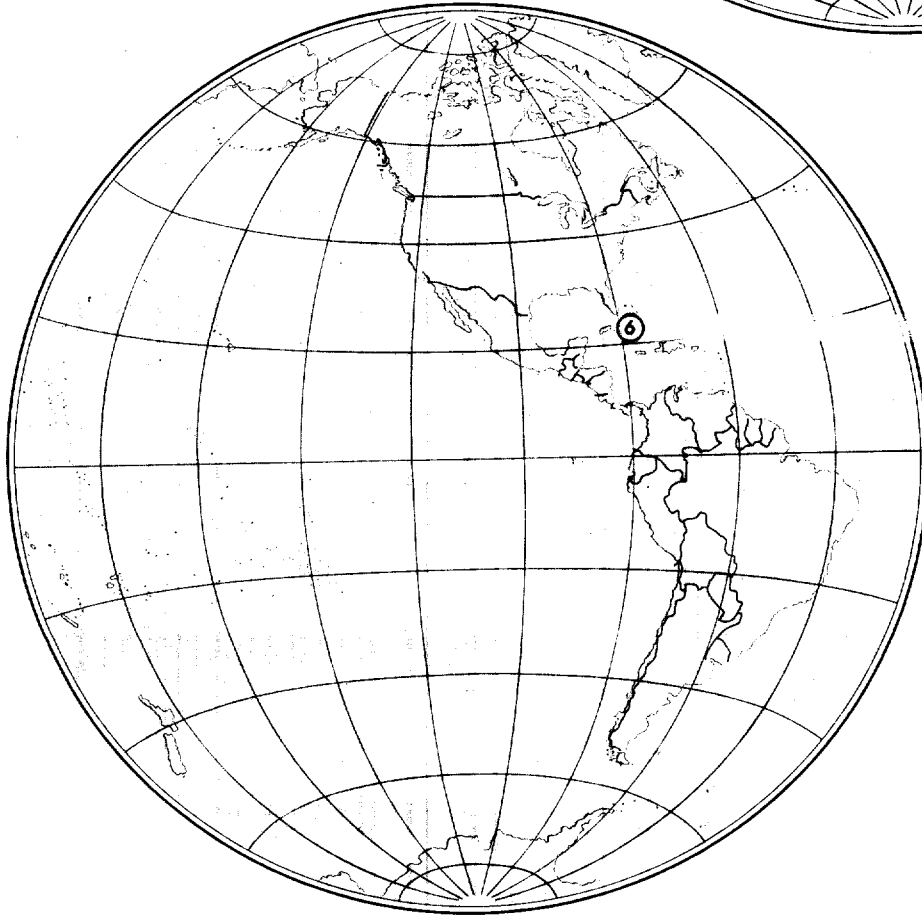
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III. THE WEST

⑥ Cuba - Fidel Castro determined to continue executions despite hemisphere-wide criticism.



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CENTRAL INTELLIGENCE BULLETIN

19 January 1959

DAILY BRIEF

I. THE COMMUNIST BLOC

OK

*Bulgaria: [There appear to have been strong differences within the Bulgarian party central committee at its December meeting over plans for the reorganization of the economy, particularly with regard to the form of agricultural collectives. Party First Secretary Zhivkov reportedly wanted to continue the gradual merger of collective farms while the party's former Stalinist boss, Chervenkov, possibly in an effort to unseat Zhivkov, vigorously proposed the creation of Chinese-type communes. Decisions of a 16-17 January central committee plenum suggest that the Zhivkov policies have won out at least for now.] (Page 1)

II. ASIA-AFRICA

NO

Iraq-UAR: [Iraqi nationalists, including some cabinet members, who are plotting a coup against Prime Minister Qasim have urged President Nasir not to appease Qasim. Nasir is said to have replied that he would not meet with Qasim to resolve their differences, and a subsequent Cairo broadcast indicates that he has instructed the Cairo press to continue its attacks on Communists in Iraq. A Qasim-Nasir meeting reportedly was suggested to a pro-Communist Iraqi official by the Soviet and Chinese Communist ambassadors in Cairo.] (Page 2)

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Saudi Arabia: Saudi Arabia's "first real budget," which has been the focal point of Crown Prince Faysal's attempt to introduce drastically needed reforms in Saudi Government operations, was announced by royal decree on 14 January after many delays. Although details are incomplete, the budget offers promise of bringing the country's chaotic finances under a semblance of control. While allotments to the royal family and military forces have been considerably reduced, King Saud has won his fight to retain separate allotments for the Royal Guard and the tribal militia. [redacted]

There are indications that the King's confidence in his ability to resist Faysal's inroads on his authority is increasing. [redacted] (Page 4)

OK

Turkey: [The major opposition Republican People's party in Turkey is reported to have decided secretly at its recent national convention to attack the Menderes regime for its "submissiveness" to the United States. The RPP intends to demand Turkish control over most of the bases granted the United States and withdrawal from the Baghdad Pact. It will, however, favor maintenance of ties with NATO as the keystone of Turkey's defense policy. Since the RPP's popular support has been growing, American prestige will undoubtedly suffer from such attacks.] [redacted] (Page 5)

NO

Afghanistan: The impact on Afghanistan of a recent emergency grant of 50,000 tons of US wheat has probably been considerably lessened by Moscow's provision of 40,400 tons. Afghan news agencies have publicized the receipt of grain from both countries. The Soviet wheat may also be supplied as a gift. [redacted] (Page 6)

III. THE WEST

NO

Cuba: Despite condemnation throughout the hemisphere of the summary executions in Cuba, Fidel Castro continues

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DAILY BRIEF

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to try to justify the actions as necessary to "purify Cuba." Castro has replied in strong terms to US criticism, but seems to ignore that coming from other countries. His official newspaper on 17 January, in a long and strongly anti-US editorial, called for a mass rally on 21 January in support of his policy of "social prophylaxis" by the "exemplary punishment of those responsible for the tyranny, so beloved by the paid yellow press." Uruguay, meanwhile, has sent a "friendly note" to Cuba's UN delegation calling for cessation of the executions. [redacted]

[redacted]

19 Jan 59

DAILY BRIEF

iii

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I. THE COMMUNIST BLOC

Controversy Developing Over Bulgarian Agricultural Policy

[During a special plenum of the central committee of the Bulgarian Communist Party, held from 20 to 22 December, a split apparently developed between party First Secretary Todor Zhivkov and ex-party boss Vulko Chervenkov on the question of agricultural policy. Zhivkov reportedly favored continuation of a policy of relatively moderate change in the Bulgarian economy, based primarily on the merging of collective farms. Chervenkov, possibly hoping to oust Zhivkov and re-establish himself--in fact if not in name--as leader of the party, proposed a more drastic reorganization of Bulgaria's administration and economy, centered on the creation of Chinese-type communes.]

[The policy of amalgamating collective farms was first set forth at a plenum in early October by Zhivkov and was made part of a more inclusive economic development plan advanced at a subsequent plenum on 11 November. The need for further changes in administration and organization to implement November's decisions was probably the primary reason for calling the special plenum in December. However, the decisions of another central committee plenum held 16-17 January suggest the policies advocated by Zhivkov have won out at least for the time being.]

[Chervenkov probably has the unexpressed loyalty of the leaders on the lower party levels, most of whom have a hard-line attitude which would cause them to see more of a kindred spirit in Peiping than in Moscow. Zhivkov on the other hand has the indisputable support of Soviet party boss Khrushchev, a fact which so far has probably prevented many Chervenkov supporters from openly opposing him.]

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II. ASIA-AFRICA

Iraqi Plotters Urge Nasir Not To Appease Qasim

[Iraq's ambassador in Cairo, speaking on behalf of an Iraqi nationalist group which is planning to overthrow Prime Minister Qasim's government, warned UAR President Nasir on 12 January not to appease Qasim,]

[The nationalists say Qasim and his Communist supporters would like to conciliate Nasir because UAR press and radio attacks have greatly disturbed them, and that any appeasement would only allow time for the Communists to consolidate their position in Iraq. The plotters claim the success of their coup depends on a continuous UAR propaganda campaign against the Qasim regime.]

[Iraqi cabinet members involved in the plot will not resign since they believe that by remaining in office they can aid the plot and learn whether it becomes compromised. This is the first indication that any of Qasim's ministers are actually plotting against him, although some have been reported dissatisfied and critical of the prime minister. Foreign Minister Jumard, Minister of Guidance Shanshal, and Minister of Public Works Baba Ali reportedly have criticized Qasim's attitude toward Iraqi Communists.]

[Nasir is said to have told the Iraqi ambassador that he would not meet with Qasim and that he would instruct the Cairo press to continue its attacks on Iraqi Communists. On 17 January, Cairo radio quoted an Egyptian press attack on the Iraqi Communist party, suggesting that Nasir's order has been implemented. The attack, however, avoided any direct criticism of Qasim.]

[The Soviet and Chinese Communist ambassadors to the UAR allegedly suggested to Iraqi Minister of Economy Kubba, a pro-Communist who was in Cairo in December, that the only solution]

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[to the current Iraqi-UAR estrangement was for Qasim to meet with Nasir personally. The Iraqi ambassador urged Nasir to avoid such a meeting on grounds that nationalist strength in the Iraqi Army would be undermined. An earlier report indicated Iraqi division commanders had nearly completed plans to overthrow Qasim, and that they had received Nasir's approval]

[REDACTED]

[REDACTED]

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~~TOP SECRET~~ Saudi Arabian Budget Published

A Saudi Arabian national budget was announced by royal decree on 14 January--nearly six months after the expiration of the previous fiscal year. This budget, described by Premier Crown Prince Faysal as "the first real budget in the history of Saudi Arabia," had been the focal point of Faysal's attempt to introduce drastically needed reforms in Saudi Government operations. Although Faysal's austerity program has made progress in bringing the country's chaotic finances under a semblance of control, and although Faysal publicly applauded King Saud's authorization of a substantial curtailment in the huge allocation for support of the royal family, the few details available suggest that traditional forces headed by the King have resisted major concessions.

According to the Saudi announcement, the budget is to be balanced at 1.41 billion Saudi riyals (about \$350,000,000). Virtually all income is to be derived from oil operations. The principal reductions have been made in defense spending, cut by about half to around \$47,000,000, and in the allocation to the royal family, cut from an estimated \$75-100,000,000 to about \$59,000,000.

The inclusion of separate budgetary provision for both the Royal Guard (about \$2,750,000) and the tribal militia (about \$13,750,000) appears to be an important victory for King Saud. These forces have been controlled and personally cultivated by him. Last summer, Faysal reportedly attempted to induce the King to dissolve the tribal militia and merge it with the army, or absorb the expense out of his own funds.

Faysal's efforts to implement his reform program have strengthened the position of the King in recent months, since most of the royal family rallied to his side in order to resist further inroads on their income.

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[REDACTED]

Turkish Opposition Party May Launch Anti-American Campaign

[The opposition Republican People's party (RPP) in Turkey may soon launch an attack against the government of Prime Minister Menderes for its alleged submissiveness to the United States. This could adversely affect American prestige in Turkey, which has already declined somewhat.]

[RPP President Ismet Inonu, former president of Turkey, in a carefully written policy statement during his party's recent national convention, deliberately omitted his traditional friendly reference to the United States. This purposeful omission is said to foreshadow intensified attacks on the foreign policy of the Menderes government. Inonu feels the United States is responsible for maintaining Menderes in office.]

[The RPP is reliably reported to favor restricting US base rights in Turkey and, in general, driving a harder bargain with Washington for Turkish cooperation. Since the Iraqi coup, the opposition has been very critical of the Baghdad Pact and now may urge Turkey's withdrawal. However, the RPP continues to favor the retention of Turkey's ties with NATO as a keystone of defense policy.]

[With nearly one third of the seats in the Grand National Assembly, the RPP has widespread popular support, especially in urban areas, and the planned attack against the government would probably receive wide approval. Although national elections are not due until 1961, the opposition party is already making scathing and effective attacks on other aspects of Menderes' policies. Inonu is taking special advantage of the government's loss of popular support which has resulted from Turkey's economic difficulties.] [REDACTED]

[REDACTED]

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Afghanistan to Receive Soviet Assistance to Meet Wheat Shortage

The impact on Afghanistan of a recent emergency grant of 50,000 tons of US wheat has probably been offset by Moscow, which has agreed to supply 40,400 tons of Soviet wheat to meet an Afghan food shortage. [redacted]

The Afghan Government request for American help had indicated 50,000 tons of wheat would meet the country's anticipated emergency shortage. In view of the proximity of the USSR, Soviet deliveries now may take care of the most critical shortages which the US shipments were expected to relieve. Kabul, however, may hope to utilize both the US and Soviet deliveries in improving its food position.

In early December, during the prolonged negotiations between Afghanistan and the United States for wheat assistance and at a time when Afghan relations with the West appeared to be strained, the director of economic affairs in the Afghan Foreign Ministry informed the American Embassy that his government had requested Soviet assistance in meeting the wheat shortage.

It seems likely the Soviet wheat will be provided as a gift rather than on a loan basis. This is suggested by the tenor of Kabul's thanks to the USSR and its protestations to the United States that it could not abandon its policy of refusing further loans in order to secure American wheat. [The USSR is reported to have already made an exception to its general policy of restricting its assistance to loans by agreeing to pay the entire cost of a number of joint economic projects and military training agreed on during Afghan Foreign Minister Naim's recent visit to Moscow.] [redacted]

[redacted]

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Executive Offices of the White House

Special Assistant for National Security Affairs

Scientific Adviser to the President

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Office of Defense and Civilian Mobilization

Special Assistant for Security Operations Coordination

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