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17 June 1959

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CENTRAL INTELLIGENCE BULLETIN



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17 JUNE 1959

I. THE COMMUNIST BLOC

Geneva--Gromyko informs East Germans of Soviet position on continuing the conference.

North Korean jet fighters attack US Navy plane. [redacted]

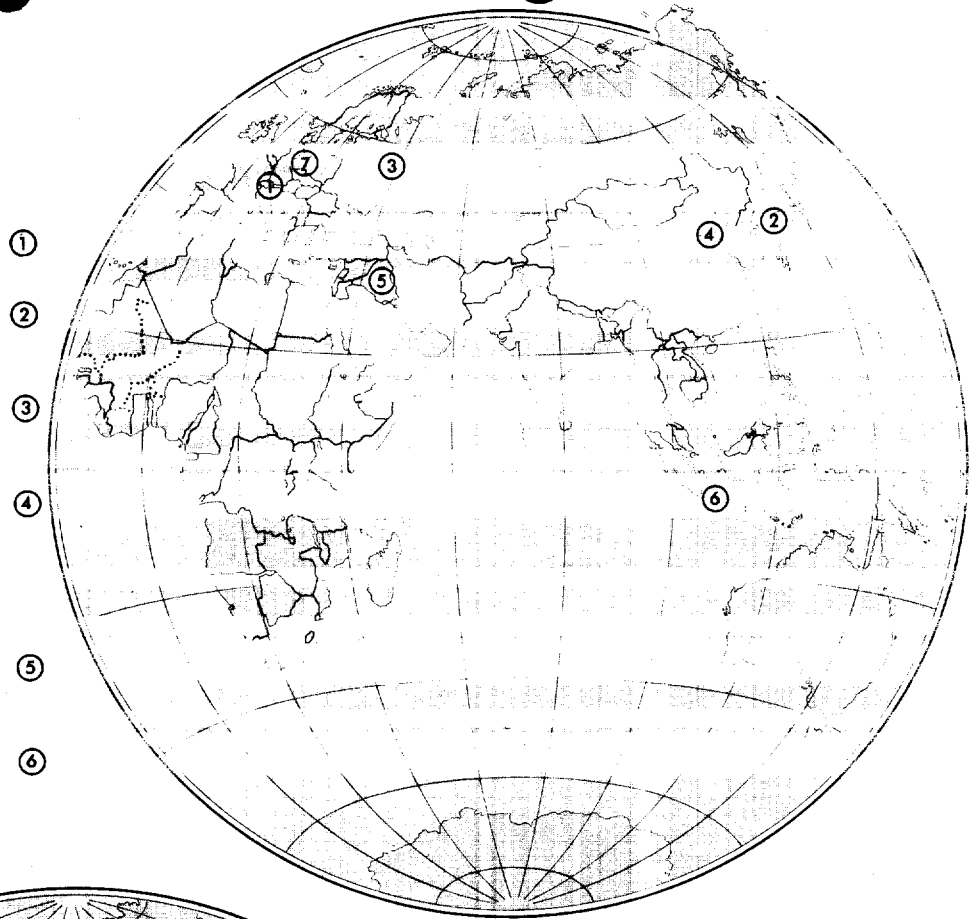
Soviet nuclear submarines believed under construction at least as early as 1957. [redacted]

Chinese Communists trying to mend relations with Nasir. [redacted]

II. ASIA-AFRICA

Iraq--Some Iraqi officials believe Qasim-Communist crisis impending.

Indonesia--Nasution coordinates with Sukarno on return to 1945 constitution. [redacted]



III. THE WEST

IV.

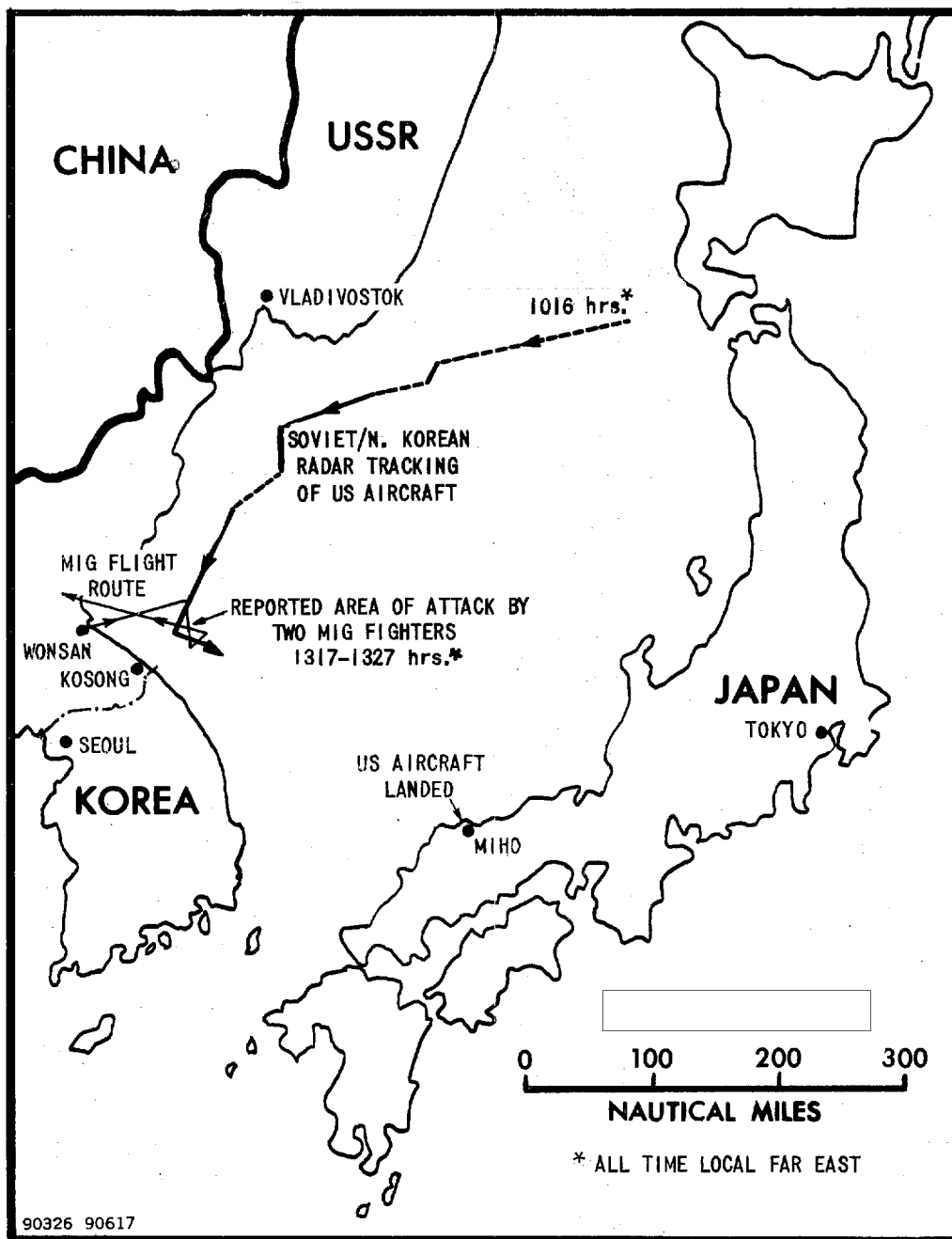
⑦ Conclusions of the special USIB committee on the Berlin situation.

LATE ITEM

⑧ Argentina--Disgruntled military officers planning early attempt to overthrow Frondizi.



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CENTRAL INTELLIGENCE BULLETIN

17 June 1959

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

USSR-Geneva: (Gromyko on 15 June expressed to East German delegates his disappointment that British Foreign Secretary Lloyd's consultations in London last week end had not produced a split among the Allies, [redacted] [redacted]

[redacted] in the East German Foreign Ministry. [redacted] the USSR has plenty of time and will remain stubborn but may agree to a recess in the hope that Allied differences will eventually emerge. [redacted]

[redacted] Moscow still wants a summit meeting but, if the West refuses, will agree to continue the present talks at the deputy foreign ministers' level after a recess.) [redacted]

(Page 1)

OK

*North Korea - US: The attack on a US naval P4M reconnaissance aircraft operating over the Sea of Japan on 16 June was made by two North Korean jet fighters based in the Wonsan area on the east coast of North Korea. The American aircraft was damaged and its tail gunner seriously wounded, but the plane, with two of its four engines out, was able to fly to an air base in Japan.

The US aircraft was tracked by both North Korean and Soviet radars for a period of approximately three hours prior to the attack. Its closest approach to Soviet territory was to within about 60 nautical miles (nm). While proceeding southwest off the Korean coast, the plane was under North Korean radar surveillance, and was attacked at a point about 40 nm east of Kosong.

This was the first attack on a US reconnaissance aircraft in the Far East this year, although Soviet, Chinese Communist, and North Korean air defense systems regularly maintain radar surveillance on all such flights. [redacted]

(Map) [redacted]

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USSR-- New submarines: The USSR is placing strong and continuing emphasis on the further development and construction of modern submarines. [redacted]

[redacted] at least five new classes of submarines are under construction or in an advanced planning stage. There are recent strong indications that one class is nuclear powered. This class is believed to have been under construction at Komsomolsk shipyard in the Far East as early as 1957, and was probably being built earlier in the western USSR. [redacted] (Page 2)

Peiping-Cairo: Following Communist China's recent exchange of recriminations with the UAR over Tibet, Foreign Minister Chen Yi on 3 June took the initiative to hold a two-hour meeting in a friendly atmosphere with the UAR chargé. He told the Egyptian that Peiping especially desired good relations with the UAR and the Arabs. Chen's statement indicates that Peiping, like Moscow, hopes to avoid further dispute with Nasir. [redacted] (Page 3)

II. ASIA-AFRICA

Iraq: With the 14 July parade still a month away, the arrival of contingents of artillery and armor on the outskirts of Baghdad will probably further increase Iraqi nationalists' expectations that Prime Minister Qasim is about to move decisively against the Communists. Several officials, including the commandant of the Staff College, have recently told Americans they believe that a crisis is impending. While continuing public Communist attacks on government policies, reports of Communist plotting to assassinate him, or widespread violence might cause Qasim to feel the need for direct action, his performance in recent weeks suggests that he would prefer to move cautiously and quietly to reduce Communist influence.

[redacted] (Page 4)

Indonesia: A high Indonesian official sent to Tokyo to confer with Sukarno on the plan to readopt the 1945 constitution

[redacted] This suggests that

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Nasution is still working closely with Sukarno, who returns on 28 June. (TOP SECRET EIDER)

*Meanwhile, additional security measures are being taken in East Java where tensions are reported increasing between local elements of the Communist and non-Communist parties.)

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 were to be used in context with all SNIEs relevant to the Berlin situation.

1. So long as the USSR estimates that there are any prospects for a summit conference, it probably will not conclude a separate peace treaty with the GDR or turn over access controls to the East Germans. The USSR will continue to use threats of such action as a form of pressure on the West. The actual physical transfer of controls could be accomplished with little or no warning.

2. 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, such action could be taken with little or no warning.

3. The information available to the Committee on the Geneva foreign ministers' conference and Communist public statements indicate the USSR is formally maintaining the position on Berlin taken by Gromyko on 10 June, but is denying that any ultimatum is involved. The Soviet Union is informally suggesting that it might agree to a period longer than one year for the termination of Allied occupation rights in Berlin but on

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some new basis which would supersede existing agreements. It will refuse to give the Allies reaffirmation of their occupation rights in Berlin without setting a definite time limit.

4. The USSR may anticipate divisions among the Western Allies and a consequent weakening in the Western negotiating position as a result of (a) an increase in internal political pressures on the British Government to reach some accommodation with the USSR; (b) the present confusion in West German politics; and (c) the continued French obstructionism in NATO military planning as a result of French national policies.

5. There has been no significant change in the economy of Berlin. Berliners will be extremely sensitive to the final decision on where the West German presidential elections are held--in West Berlin or in West Germany.

6. There have been no significant changes in Soviet capabilities to respond to possible Western actions in the event of turnover, harassment, or blockade.

LATE ITEM

*Argentina: A group of disgruntled military officers, [redacted]

[redacted] is planning an early attempt to overthrow the Frondizi government, [redacted] Following the arrest on 15 June of an army and a division commander for statements challenging various government policies, the group of plotters worked through the night on plans for action. Most of Argentina's top military officials, although critical of some aspects of Frondizi's regime, have resisted previous plots, preferring to support the constitutionally elected government. Frondizi has been apprehensive, however, about his government's declining popularity and the increasing attacks on his US-backed austerity program. He had indicated earlier he expects June to be an especially critical month. [redacted]

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 I. THE COMMUNIST BLOC

Gromyko Reportedly Disappointed Over British Position
At Geneva

(Remarks reportedly made by Gromyko to top-ranking East German delegates at Geneva support earlier indications that Moscow hoped its proposals of 10 June would result in a British-arranged compromise.)

the East German Foreign Ministry, Gromyko, in a meeting with the East Germans following the restricted session on 15 June, expressed disappointment that Foreign Secretary Lloyd's week-end trip to London had not resulted in a split among the Allies.)

(The USSR reportedly had hoped Lloyd would return with instructions to urge the United States and France to accept the USSR's proposals, or, failing this, Britain would "openly assume a separate position at the conference." Gromyko told the East Germans the USSR will make further efforts to divide the West, exploiting particularly the British reaction to Adenauer's decision to remain chancellor.)

(Gromyko is reported to have said that if the West presses for a recess, the Soviet delegation may concur in the hope that splits among the Western powers will emerge. He said that the USSR has plenty of time and will remain stubborn in its position in the negotiations. He also said that Moscow still favors summit negotiations, but if the West refuses such a meeting, the USSR will agree to continue the present talks on the deputy foreign ministers' level after a recess.)

(In contrast with Gromyko's reported willingness to agree to a recess, Soviet and East German propaganda has denounced proposals for a recess as an attempt to torpedo the conference.)

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Strong Soviet Emphasis on New Submarines

The USSR is placing strong and continuing emphasis on the further development and construction of modern submarines.

[REDACTED] at least five new classes of submarines are under construction or in advanced planning stage.

There are recent strong indications that Project-658 submarines are nuclear powered. This submarine appears to have a propeller shaft of unusually large diameter, considerably larger than would be required for most known conventional submarine-propulsion systems.

Project-629 submarines are large, over 300 feet long, and are apparently equipped with an externally stowed oxygen system. This suggests a large oxygen supply system, which could be adequate for long and continuous submergence. Such a system would be required on nuclear-powered submarines, but it could also be installed on other types.

Submarines of Projects 629 and 658 have been under construction in the Komsomolsk shipyard in the Far East since 1957. Inasmuch as Komsomolsk has never been the first shipyard to produce a new class of warship, it is probable that construction of the above two classes was begun earlier at shipyards in the western USSR.

Few details of three other classes noted [REDACTED] are known, but two have been offered to Communist China for construction.

Large submarines of the "F" class being built at Leningrad appear to be conventionally powered and may correspond to one of the five projects noted [REDACTED] although such a relationship has not been established. [REDACTED]

[REDACTED]

[REDACTED]

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Peiping Attempts to Repair Relations With Cairo

Communist China's Foreign Minister Chen Yi told the UAR [REDACTED] that Peiping desired "good relations with all her friends, especially the UAR and Arabs." Chen's statement is the clearest indication thus far that Peiping, like Moscow, hopes to avoid further dispute with Nasir.

The Chinese have supported the USSR in its argument with Nasir, but their criticism has lacked the volume of Moscow's and, while Chinese leaders have privately deplored Nasir's actions, none have publicly attacked him. The editor of a Communist paper in Hong Kong described this position as one of "sorrowing friendship."

Even "sorrowing friendship" apparently antagonized Cairo, however, and in April and early May the UAR published criticisms of Chinese actions in Tibet. Peiping promptly countered, charging the UAR with attempting to incite anti-Chinese hostility, and on 23 April the UAR chargé was told that the publications represented "an unfriendly act." In early May, however, Peiping ignored criticism in the UAR press. In recent weeks, Chairman Liu Shao-chi and Premier Chou En-lai as well as Chen Yi have held discussions with foreign diplomats of key neutral countries in an effort to "explain" the suppression of the Tibet revolt.

[REDACTED]

[REDACTED]

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II. ASIA-AFRICA

Situation in Iraq

The Communist press in Iraq is continuing its attacks on government agencies and policies, and further violent incidents have accompanied Communist efforts to extend the party's control of peasant organizations throughout the countryside. A recent Communist newspaper commentary demanded the "purge" of Radio Baghdad, claiming that it had become "a den for opportunists and reactionaries" and a "branch of the National Democratic party." On 13 June, Communist goon squads provoked a violent clash with a delegation of non-Communist farmers in front of the Iraqi Defense Ministry where Prime Minister Qasim's offices are located.

Qasim's policy during recent weeks appears to have been to maneuver quietly and cautiously to reduce Communist influence. If the party maintains this type of extreme pressure, however, and if violence continues between Communist and non-Communist elements, Qasim may be moved to stronger, more direct action.

The commandant of the Iraqi Army Staff College has informed the American army attaché that a showdown between Qasim and the Communists is fast approaching and that "you must be prepared to strike." An American newspaper correspondent has been advised by an Iraqi information official to remain in Baghdad to report on imminent changes. A considerable concentration of armor and artillery was observed on the northern outskirts of the city on 15 June. The American army attaché states that this may be a part of scheduled military movements in preparation for the revolution anniversary parade on 14 July or it may be a movement in anticipation of trouble.

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