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CD/ED

16 June 1959

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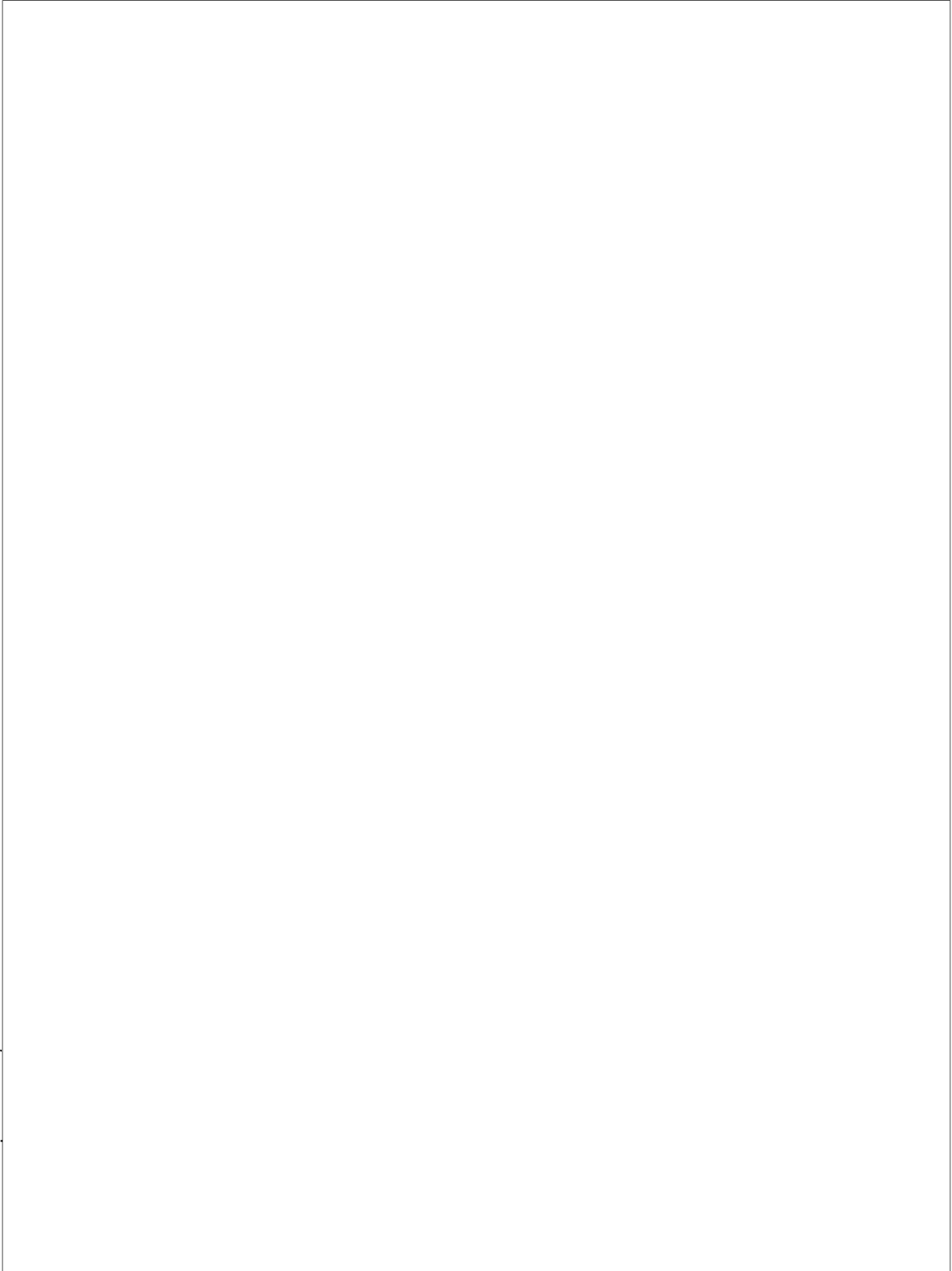
CENTRAL INTELLIGENCE BULLETIN



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16 JUNE 1959

I. THE COMMUNIST BLOC

USSR--Communications indicate that recent jet heavy bomber deployment involved operational training in handling nuclear weapons. []

II. ASIA-AFRICA

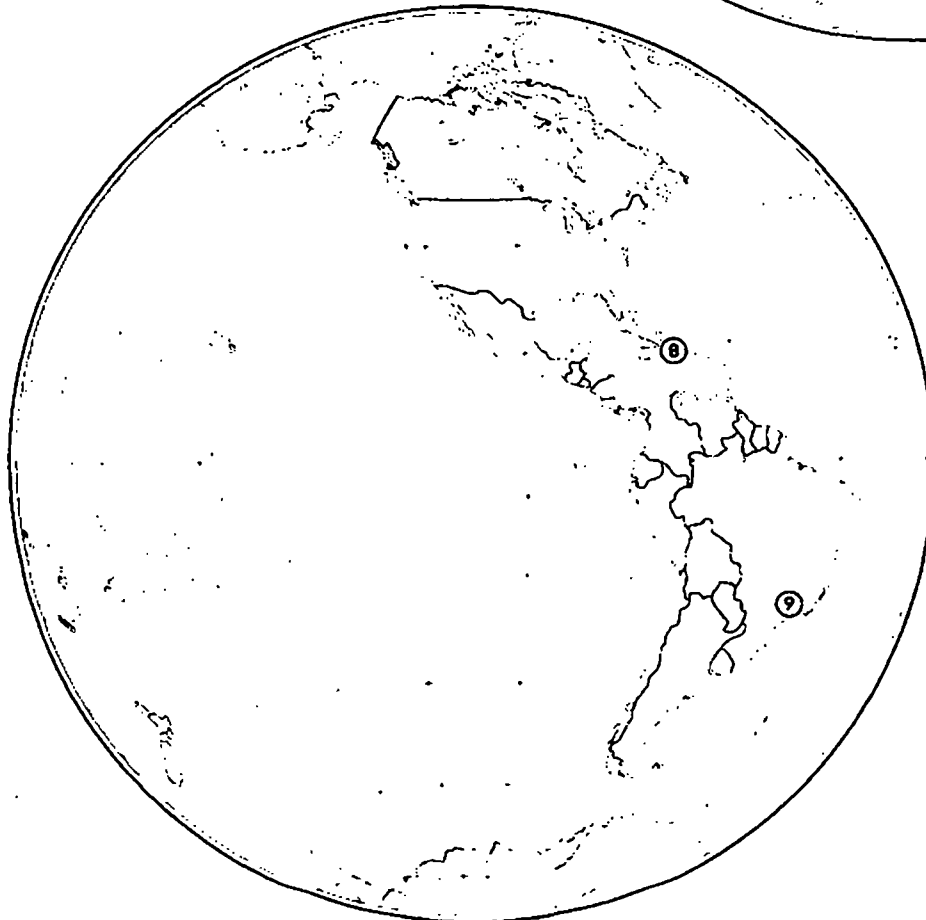
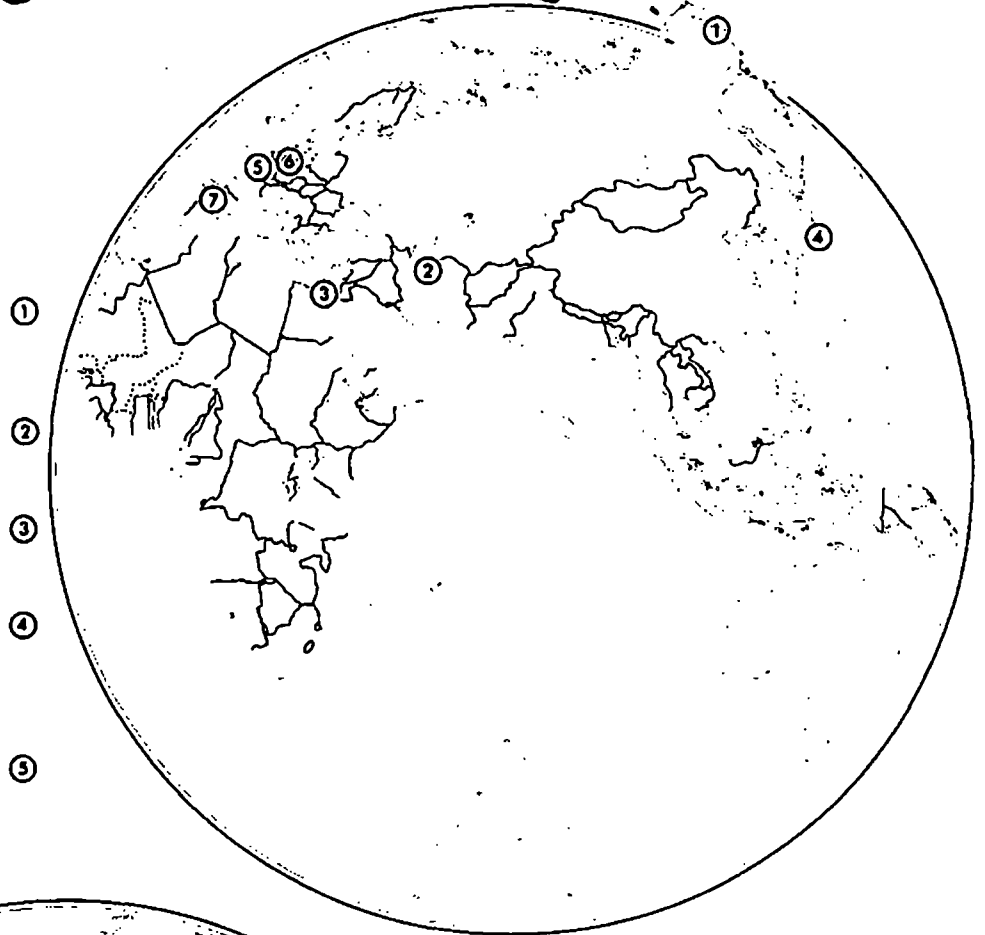
Iran--Shah explains recent cabinet changes.

Nasir believes British are behind UAR's current difficulties with Israel and Jordan.

Japan--Prime Minister Kishi may face open break with important leader in his party.

III. THE WEST

French bring demands for global planning into forum of North Atlantic Council.



- ⑥ West Germany--CDU nominates Agriculture Minister Luebke as its presidential candidate.
- ⑦ Spanish general strike scheduled for 18 June.
- ⑧ Caribbean--Invasion team lands in Dominican Republic; Venezuela alerts military forces after its diplomatic break with Trujillo. []
- ⑨ USSR exploits Brazilian financial crisis by offering to purchase \$100,000,000 worth of coffee.

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CENTRAL INTELLIGENCE BULLETIN

16 June 1959

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

No

Soviet Long Range Air Force Training: The recent deployment of BISON jet heavy bombers to Anadyr, in extreme north-east Siberia, probably involved operational training in handling of nuclear weapons. While the Soviet Long Range Air Force has long been credited with a capability for carrying out such training, []

(Page 1) (Map)

II. ASIA-AFRICA

OK

Iran: (The Shah has told an American official that the recent cabinet changes were an effort to weed out those ministers who have been in chronic disagreement with the government or have demonstrated weakness and vacillation in the face of the Soviet war of nerves. In a lengthy general discussion on 11 June, the Shah expressed confidence and determination and made another strong bid for increased American military aid and full American participation in the Baghdad Pact.) [] (Page 2)

UAR: (President Nasir [] is convinced that the British plan to try to reverse the trend toward improvement of the UAR's relations with the West by provoking the UAR into actions which would damage its standing with the United States. Characteristically, Nasir believes that the British are behind the UAR's border trouble with Jordan and its dispute with Israel over transit of the Suez Canal. Meanwhile, Nasir intends to try to outwait the Israelis on the canal issue.) []

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OK
Japan: Prime Minister Kishi has run into difficulties in attempting to reshuffle his cabinet and top party posts. He is facing a possible open break with one of the strongest leaders in the government party, Ichiro Kono, who has publicly threatened that he will no longer cooperate with Kishi because of disagreement over Kono's role in the party. Kono could cause Kishi trouble over the revision of the US-Japan Security Treaty, relations with Communist China, and other sensitive issues.

[] (Page 3)

III. THE WEST

NO
France - NATO: (De Gaulle's demands for planning on global security, hitherto discussed only among France, Britain, and the United States, have for the first time been brought into the North Atlantic Council. A French statement made acceptance of the demands a condition for the establishment of nuclear stockpiles for USAF squadrons in France. Full NATO discussion, as urged by several members, will probably bring into the open the opposition of other European nations to De Gaulle's approach on questions of common defense.) *no form*

[] (Page 4)

OK
West Germany: The Christian Democrats' nomination of Agriculture Minister Heinrich Luebke for the presidency reflects the party's effort to avoid further internal disputes before the 1 July election. Luebke's candidacy will probably appeal to conservative elements, particularly in the small German party (Deutsche Partei), whose support is necessary to ensure his election over the Social Democrats' popular candidate, Carlo Schmid. Election of Luebke, a Catholic, would temporarily upset the ten-year religious balance between the presidency and the chancellorship but would improve the chances of a Protestant--either Erhard or Etzel--succeeding to the chancellorship.

[] (Page 5)

16 June 59

DAILY BRIEF

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OK
Spain: (The 24-hour general strike, which the underground Communist party has been trying to promote for some time, is reportedly scheduled for 18 June. Increasing worker discontent over economic conditions may give it limited success, particularly in the Barcelona area where Christian Democrats and Socialists are also said to be backing it, but the authorities should have no difficulty in maintaining public order. To prevent a further extension of labor discontent, however, Franco may be obliged to take a public stand explaining and defending Spain's economic stabilization program, now on the eve of final agreement with the OEEC.) (Page 6)

delete OK, at sentence 3 of 1 and 10 of 2 not do of delete sentence "between" and "relations" will in sentence
Venezuela - Dominican Republic: Following its suspension of diplomatic relations with the Dominican Republic on 12 June, Venezuela has placed its armed forces on alert status as a precaution against possible retaliation. Dominican dictator Trujillo is increasingly disturbed over revolutionary activities in the Caribbean and has informed the US that an 18-man invasion force, allegedly from Cuba, landed about 55 air miles from Ciudad Trujillo on 14 June. He may take violent action against Cuba or Venezuela if he feels he is about to be attacked by any considerable force from either nation. The Dominican air force, army, and navy have been placed on an alert as a precaution against further incursions from abroad. (Page 7)

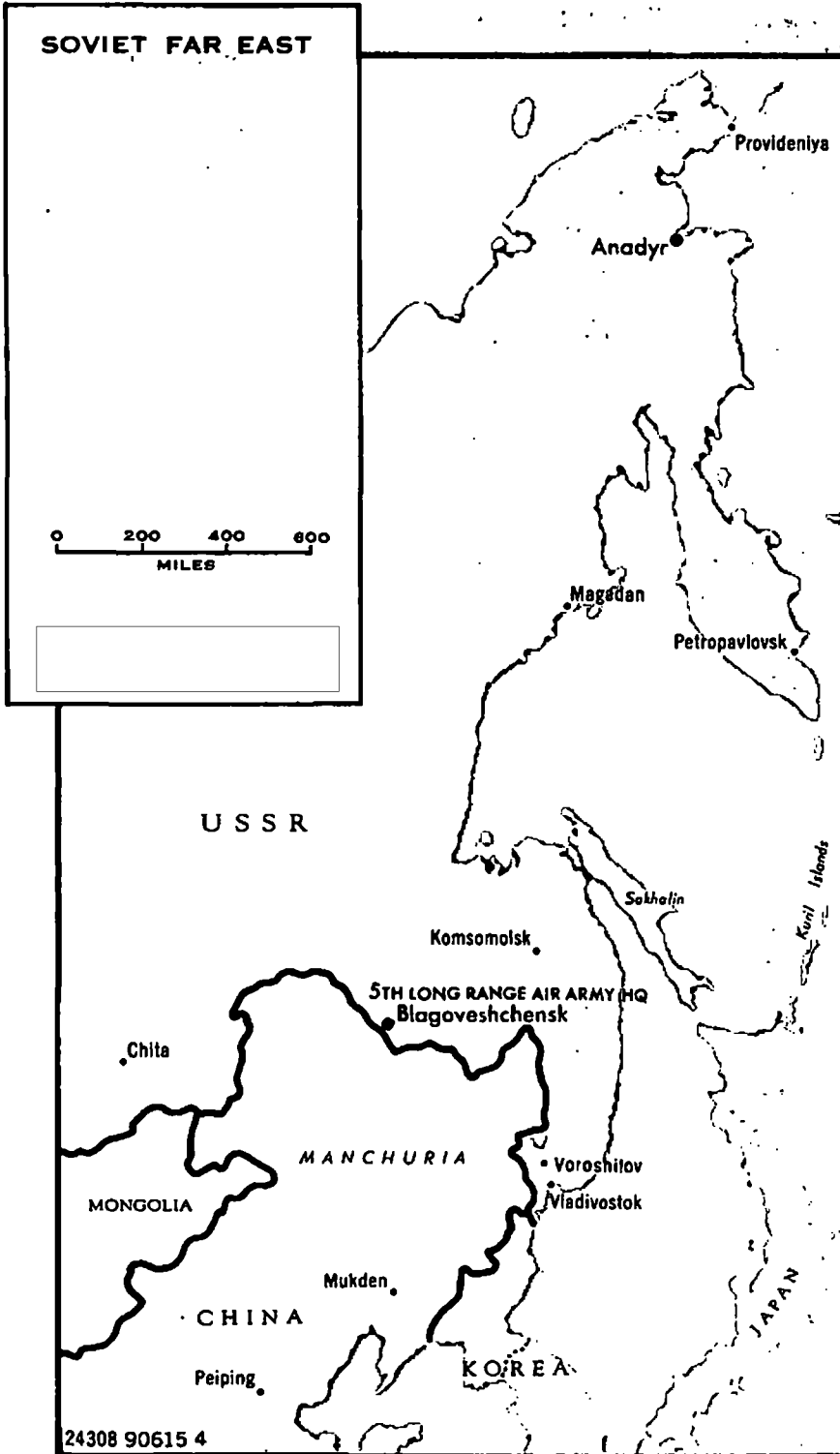
NO delete first sentence of paragraph 1 WPT 22 June 59
Brazil-USSR: (The Soviet trade delegation in London has offered, through the Brazilian Chamber of Commerce there, to buy \$100,000,000 worth of Brazilian coffee under a three-year barter agreement. Since this is greatly in excess of the USSR's current rate of consumption, the offer was probably designed largely to exploit for political purposes Brazil's international financial crisis. Brazil did ship a small amount of coffee to the USSR in early June--its first direct shipment in postwar years--but has insisted that any large-scale sale of coffee must be accompanied by a guarantee against resale.) (Page 8)

DAILY BRIEF

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I. THE COMMUNIST BLOC

Probable Soviet Air Force Training With Nuclear Weapons

[redacted]
[redacted] the exercise probably involved operational training in the handling of nuclear weapons. [redacted]

It has been fairly well established [redacted]

that the USSR uses the word "carriers" to refer to aircraft carrying nuclear weapons. The term "article" is a cover word frequently used [redacted] to denote military equipment such as an aircraft, a guided missile, or a bomb. The word "articles" [redacted] most likely refers to nuclear weapons. A regional nuclear weapons storage site is believed to be located near Anadyr.

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II. ASIA-AFRICA


Cabinet Changes in Iran

(Iranian Prime Minister Eqbal, who has consistently opposed any concessions to the USSR, probably helped convince the Shah that Foreign Minister Hekmat should be replaced together with Interior Minister Batmanqelich, with whom Eqbal could not get along, and Commerce Minister Neisari, whom the Shah regards as weak. The new foreign minister, Jalal Abdoh, who was permanent Iranian delegate to the UN, is regarded by the Shah as being a strong personality, experienced, and strongly anti-Soviet. Newly appointed Interior Minister Atabaki and Commerce Minister Etebar are tentatively rated by the US Embassy as inadequate for their positions.)

(The cabinet changes may mean that the Shah, who returned from Europe full of confidence and angry over Soviet propaganda, intends to embark on a more dynamic course in internal reforms and foreign affairs. He recently said that he must push reforms in order to divert popular attention and show Soviet propaganda charges to be absurd. He believes, however, that the USSR cannot precipitate a revolution in Iran because the Iranian Army is the only force inside the country capable of overthrowing him, and he believes the army to be loyal.)

(The Shah told an American official on 11 June that he had decided to replace Hekmat because of Hekmat's constant pressing for an improvement in relations with the USSR, despite continuing Soviet propaganda attacks. Hekmat was instrumental in convincing the Shah in January that Iran should open nonaggression treaty negotiations with the USSR for the purpose of applying pressure on the US to provide additional aid.)

(Since the breakoff of the talks in February, the USSR has conducted an intensive propaganda campaign against the Shah. Hekmat apparently now is paying for this blunder, which caused apprehension among Iran's allies that the Shah might repeat the maneuver without warning.) 

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Japanese Prime Minister Meets Difficulty in Reshuffle
Of Cabinet and Party Posts

Japanese Prime Minister Kishi, although strengthened by the favorable results of recent elections, has run into difficulties in attempting to reshuffle his cabinet and top party posts. He is facing a possible open break with one of the strongest leaders in the government party, Ichiro Kono, who aspires to succeed Kishi as prime minister.

Kono publicly threatened on 12 June that he would no longer cooperate with the government because Kishi had not appointed him secretary general of the ruling Liberal Democratic party. He declared that he would not accept any party or cabinet post regardless of any further overtures from Kishi.

Kono's record of unprincipled opportunism and his flirtations with the Communist bloc mark him as a source of danger to Kishi and to US interests in Japan. He has said that the man who brings about diplomatic relations with Communist China will be the next Japanese prime minister. He could cause Kishi trouble over the revision of the US-Japan Security Treaty, relations with Communist China, and other sensitive issues.

Although Kono's decision not to participate in the cabinet may not be final, the bitterness of his public attack on Kishi seems certain to damage their previously close relationship. The loss of Kono's support could be crucial to Kishi in the event of a challenge to his leadership during consideration of the security treaty at the Diet session next fall.

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III. THE WEST

De Gaulle's Demands Brought Into NATO Forum

(France for the first time has officially advised NATO of De Gaulle's demands, hitherto discussed only at a tripartite level, for Western policy and strategy coordination on a global basis. This suggests that Paris may soon seek NATO approval of its defense plans for North and sub-Sahara Africa and may press for creation of other international Western commands in such areas as the Pacific.)

(After General Norstad explained to the North Atlantic Council (NAC) on 11 June that French refusal to permit the establishment of nuclear stockpiles in France had necessitated the redeployment of several USAF strike squadrons to other bases, the French representative stated that his government could not dissociate the stockpile issue from global security. He added that Paris can make no additional commitments in NATO which have no reference to "global necessities.")

(This bald statement, which in effect conditions French participation in NATO defense on recognition of Paris' political claims outside NATO, led Italy and the Netherlands to call for full council discussion of De Gaulle's proposals of September 1958 for global policy planning. Further discussion could take place at the next regular NAC meeting on 17 June. Belgium has already raised the issue of whether one country can arbitrarily and unilaterally take action which undercuts the whole NATO defense program.)

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West German Christian Democrats Choose Agriculture Minister
Luebke as Presidential Candidate

The nominating commission of the West German Christian Democratic Union (CDU) on 15 June chose 64-year-old Agriculture Minister Luebke as its presidential candidate. Although the office still carries prestige value for the party, it had little attraction for politically ambitious CDU members, since both Erhard and Adenauer have rejected the nomination. The party was under pressure, however, to select a candidate acceptable to all factions and of sufficient stature to defeat the Social Democrats' popular nominee, Carlo Schmid.

Luebke is a respected and conservative figure long associated with farming elements. He will probably appeal to the small, largely agrarian German party (Deutsche Partei), whose 24 votes are needed by the CDU as the latter is a few votes short of a majority in the 1,038-member electoral convention.

Election of Luebke, a Catholic, would upset the religious balance between the chancellorship and the presidency which the CDU has endeavored to maintain in the past in considering presidential nominees. Protestant elements apparently accepted Luebke's nomination in the expectation that the balance would be restored when Adenauer leaves office. It also strengthens the chances of Economics Minister Erhard, a Protestant, to succeed Adenauer.

A construction engineer by profession, Luebke has been active in agricultural affairs since he became manager of the German Farmers' Association in 1926. A member of the Center party, he served in the Prussian state legislature from 1931 until 1933, when he was arrested and imprisoned by the Nazis for 20 months.


After the war Luebke joined the CDU and was elected to the state legislature of North Rhine - Westphalia, where he served as state agriculture minister from 1947 until 1953 when he joined the Adenauer administration in the same post. He has sponsored economic assistance to farmers and opposed liberalization of tariffs on agricultural imports. He supports the Common Market but is less than enthusiastic over the proposed European free trade area.


~~CONFIDENTIAL~~

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General Strike May Be Imminent in Spain

(A 24-hour strike which the Spanish Communist party has been urging for some time now is reportedly scheduled for 18 June. Increasing worker discontent over economic conditions may give it limited success, particularly in the Barcelona area where Christian Democrats and Socialists are said to be backing it, but public order is not likely to be endangered. To prevent a further extension of labor unrest, however, Franco may soon be obliged to defend publicly Spain's economic stabilization program.)

(Curtailed production, lay-offs in Catalan industries, and elimination of overtime pay have already resulted in protest strikes in several firms in and near Barcelona. Hopes for new wage increases to help meet the rising cost of living have been dashed by repeated official statements--the most recent by the labor minister on 28 May--that pay boosts must be tied to greater productivity.)

(Despite labor concern over some aspects of the stabilization program, no top official has explained adequately its objectives and implications. Recent pronouncements by the finance and commerce ministers have tended to gloss over various aspects of the program that could have serious repercussions on the economy. While Franco is said to be fully committed to the program, he has avoided taking a public position, perhaps to escape personal blame for any hardships it may impose on labor. Final approval is expected when a high-level OEEC mission arrives in Madrid on 22 June.) 


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~~SECRET~~ [REDACTED]Break in Dominican-Venezuelan Relations

[REDACTED] Venezuelan armed forces have been placed on alert status. [REDACTED] This is a precaution against possible retaliation for Venezuela's suspension of diplomatic relations with the Dominican Republic on 12 June after weeks of strained relations and will probably intensify the revolutionary unrest in the Caribbean. The immediate cause of the break was the expulsion of the Venezuelan military attaché at Ciudad Trujillo.

Trujillo appears disturbed by revolutionary activities throughout the Caribbean area and particularly by the revolutionary plotting of Dominican exile groups in Venezuela and Cuba. He may take violent action if he believes he is going to be attacked by a large force from either country. On 14 June, Trujillo advised the US Embassy that an 18-man invasion force had just landed near a mountainous area about 55 air miles from the Dominican capital. The force allegedly came from Cuba. The Dominican government on 15 June claimed that additional invading forces were expected from Venezuela and Cuba. The Dominican air force, army, and navy have been placed on the alert.

The Venezuelan Government has been seriously disturbed by the effects of a hostile Dominican propaganda campaign directed against President Betancourt, long an implacable enemy of Dominican dictator Trujillo. [REDACTED]

[REDACTED] a group of the Venezuelan military is conspiring with Trujillo to overthrow Betancourt, and a coup attempt is imminent. Betancourt, however, is believed to retain the support of the majority of the Venezuelan armed forces. [REDACTED]

[REDACTED]

~~SECRET~~ [REDACTED]

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Brazil Studying Soviet Barter Offer

(The Soviet trade delegation in London has offered, through the Brazilian Chamber of Commerce there, to buy \$100,000,000 worth of coffee under a proposed three-year barter agreement. Moscow reportedly has not specified the products it will offer in return. Negotiations are being carried out secretly in Rio de Janeiro between a British businessman and Brazilian Foreign Ministry representatives, according to the British ambassador in Brazil. The Soviet offer may have been transmitted before Brazil suspended loan talks with the International Monetary Fund on 9 June but was probably based on the knowledge that Brazil is facing a severe balance-of-payments crisis)

(The amount of coffee involved--about 650,000 bags per year over the three-year period--is nearly 10 times the USSR's current annual rate of consumption and would be nearly 10 percent of what the US bought from Brazil in 1957. In past talks with the USSR, Brazil has expressed concern that Moscow might resell large quantities of coffee, and Brazilian officials have insisted that any large sale would have to be accompanied by a firm guarantee against re-export. Several of the East European satellites are currently negotiating independently with Brazil concerning coffee purchases. The Soviet offer therefore probably does not reflect a plan to purchase for the entire bloc.)

(Brazil in early June shipped 17,000 bags of coffee to the USSR--its first direct shipment since the war-- further coffee transactions will be scrutinized carefully, particularly if barter is involved. A small-scale cocoa-for-oil barter deal concluded last October encountered several snags over payments arrangements.)

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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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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

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Director for Intelligence, The Joint Staff

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Commander in Chief, Pacific

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The Secretary of the Interior

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The Secretary of Commerce

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Atomic Energy Commission

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The Director

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