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CENTRAL INTELLIGENCE BULLETIN



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19 NOVEMBER 1959

I. THE COMMUNIST BLOC

Khrushchev speech to Soviet journalists reiterates theme of growing Western recognition of necessity of peaceful coexistence.

Migration from West to East Germany has increased; involves mostly returnees.

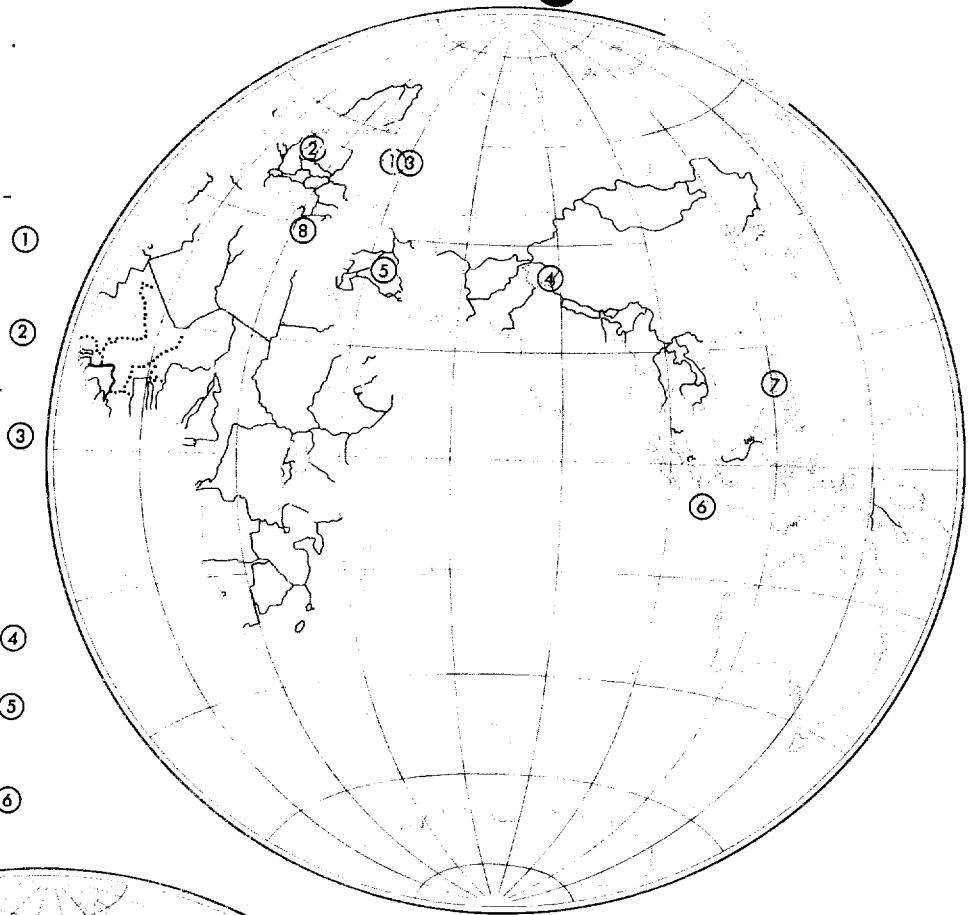
Moscow continuing efforts to extract concessions from Tehran. [redacted]

II. ASIA-AFRICA

Peiping expected to reject Nehru's latest call for a general withdrawal of Chinese troops from the disputed border area but will probably press for immediate "preliminary talks." [redacted]

Qasim apparently still in hospital though his departure may be imminent.

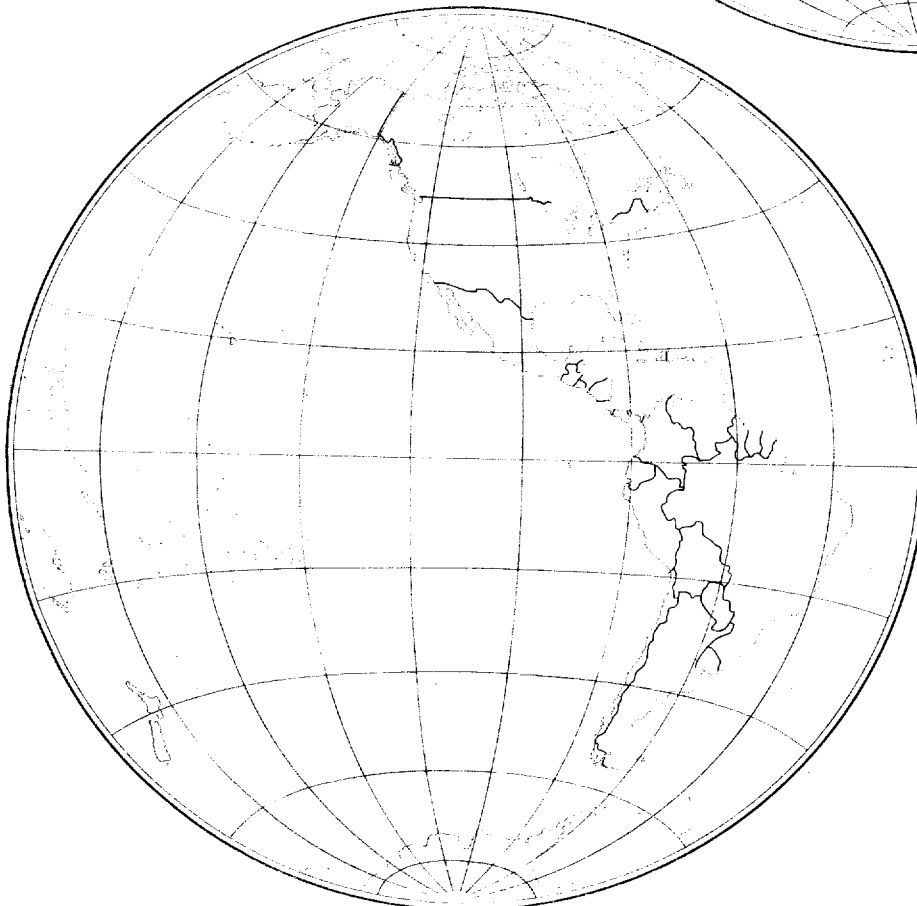
Indonesian Foreign Ministry and Chinese Communist Embassy in Djakarta exchange public recriminations.



⑦ Philippine election results show strength of Nacionalista party machine but reveal President Garcia's personal unpopularity through defeat of candidates closely associated with him.

III. THE WEST

⑧ Worsening economic position makes Greece more vulnerable to Soviet efforts to reduce Greek ties with the West.



CENTRAL INTELLIGENCE BULLETIN

19 November 1959

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

USSR: In his speech to Soviet journalists at a Kremlin reception on 14 November, Khrushchev returned to the theme that has dominated his foreign policy pronouncements since his visit to the United States--growing Western recognition of the necessity of peaceful coexistence. He reaffirmed his satisfaction with the improvement in East-West relations and expressed confidence that the "present incipient lessening" of international tension will continue. Perhaps in response to critics within the bloc, he denied that the USSR has changed its policies and again invoked Lenin as the author of the peaceful coexistence concept. Despite Khrushchev's apparent attempt to create the impression that 250 ICBMs were produced by a single Soviet missile plant in one year, available evidence suggests that only the 700-nautical-mile missile has been in production long enough to permit achievement of such a production rate. [redacted] (Page 1)

OK

East-West Germany: Since 1957 the migration from West to East Germany, involving mostly returnees, has been growing, possibly reaching 50,000 in 1959. During 1958 the East German refugee flow to the West, about 204,000, was 22 percent lower than in 1957. The drop in 1959 is expected to be about 30 percent. Semiskilled labor makes up the bulk of the increasing eastward movement, and the trend will probably continue as economic conditions in East Germany further improve. The westward flow is being affected at present not only by gradually improving security measures but by developments in the international situation which occasion a "wait-and-see" attitude. [redacted] (Page 3)

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No
*USSR-IRAN: Moscow is continuing its efforts to extract concessions from Tehran. On 11 November, Acting Foreign Minister Semenov presented Iranian Ambassador Masud-Ansari with a draft protocol embodying an exchange of guarantees to exclude foreign military bases and forces from the USSR and Iran. The protocol also would have bound each country to prohibit any use of its territory which would "endanger the security of the other." However, [redacted] Moscow's proposal had been shown to the Shah who indicated that it was in conflict with what the Iranian Government was willing to give in writing. The Shah had rejected an oral presentation of a similar nature by Ambassador Pegov on 8 November. [redacted]

[redacted] (Page 4)

II. ASIA-AFRICA

India - Communist China: (Nehru's counterproposals for neutralizing the Sino-Indian frontier call for Chinese withdrawal from Longju outpost in Assam and for both Chinese and Indian withdrawals from disputed territory in Ladakh. [redacted])

No
[redacted] Nehru expressed his willingness to meet with Chou after "preliminary" discussions at a lower level, but stressed that immediate efforts should be concentrated on reaching an "interim understanding" to ease tension and make talks possible. Peiping probably will reject Nehru's latest call for a general withdrawal of Chinese troops as it has his earlier demands. The Chinese, however, will probably press for the preliminary talks.) [redacted]

[redacted] (Page 5)

No
Iraq: The Baghdad radio statement indicating that Prime Minister Qasim had left the hospital on 17 November appears to have been premature. However, Qasim's departure may be imminent, since he has previously said he expected to leave this week. [redacted]

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

Laos: Dissident military activity remains at a low level. However, the insurgents retain a considerable potential for guerrilla action, and no decrease in their subversive activities is foreseen at the present time.

Middle East: The situation in Iraq remains unstable, and the possibility of further assassination attempts or coups remains. [REDACTED]

Indonesia - Communist China: A public exchange of recriminations between the Chinese Communist Embassy in Djakarta and the Indonesian Foreign Ministry is further evidence of the growing strain in Sino-Indonesian relations. The Chinese Embassy has denounced as untrue Indonesian Foreign Minister Subandrio's claim that the Chinese ambassador had agreed to cooperate with the Indonesian Government's program to remove Overseas Chinese from rural areas. Djakarta has now retorted that if the ambassador persists in his denial, and in his justification of the obstructive activities of his embassy officials, this will have "grave and serious consequences." [REDACTED]

Philippines: The administration's victory in securing five of the eight Senate seats and a majority of the local offices contested in last week's election reflects the strength of the Nacionalista party machine. At the same time, the defeat of candidates closely associated with President Garcia points up his personal unpopularity. Garcia may become increasingly pre-occupied with a struggle for control of his own party as well as with a growing challenge from the opposition Liberal party to the further neglect of administrative reforms. The Liberals were strengthened by the election of three senators and various local officials. Garcia may step up emphasis on his policy of economic nationalism despite the limited campaign appeal of the Nacionalista "Filipino First" slogan. [REDACTED] (Page 7)

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DAILY BRIEF

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III. THE WEST

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Greece-USSR: (The worsening economic position of Greece is increasing its vulnerability to Soviet efforts to reduce Greek ties with the West, according to Greek Foreign Minister Averoff. The Soviet campaign, described by Averoff as alternating between the "smile" and "snarl" techniques, has proceeded since last summer in the political, economic, and cultural fields and has recently resulted in attacks on the Greek Government for rejecting bloc proposals for a Balkan "summit" conference. In view of the developing economic situation, the American ambassador in Athens regards the Soviet campaign as a serious threat to Greece's position in NATO.)

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I. THE COMMUNIST BLOC

Khrushchev Again Defends Peaceful Coexistence Policy

Khrushchev's somewhat rambling speech to Soviet journalists at a Kremlin reception on 14 November, the text of which was published on 17 November, underscored the theme that has dominated the Soviet premier's foreign policy pronouncements since his visit to the United States--growing Western recognition of the necessity of peaceful coexistence. As in his major policy address to the Supreme Soviet on 31 October, Khrushchev attributed this shift in Western policies and attitudes toward the USSR to the deep impact of Soviet military and technological achievements.

These statements appear to reflect Khrushchev's confidence that there is an irresistible drift in the West toward an accommodation which the USSR can exploit to win at least tacit Western recognition of the status quo in Eastern Europe and East Germany.

Khrushchev expressed satisfaction that East-West relations "have taken a better turn" and indicated confidence that the "present incipient lessening of international tension" will continue. He asserted that a comparison of his talks with President Eisenhower and Prime Minister Macmillan this year with his discussions with British and American leaders at the Geneva summit meeting in 1955 shows important progress toward Western "understanding of the necessity of peaceful coexistence."

As an example of the "mighty weapons" at the USSR's disposal, Khrushchev stated that "in one year 250 missiles with hydrogen warheads came off the assembly line in the factory we visited." The context implied he was referring to Soviet ICBM production. However, available evidence suggests that only the 700-nautical-mile missile has been in production long enough to permit achievement of such a production rate.

In this speech, Khrushchev again appeared to be seeking to justify the correctness of his peaceful coexistence posture. Perhaps in response to expressions of misgivings within the

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bloc regarding the long-range implications of his present course, Khrushchev denied that the USSR has changed its policy. In line with the assurances in his Supreme Soviet speech that "there cannot be any question of concessions" in matters of ideology, Khrushchev declared, "We were born Communists, we live as Communists, and will not die, but continue to march onward as Communists." He again invoked Lenin as the author of the peaceful coexistence slogan and said, "We are proud that we have always acted and are acting as we were taught by Lenin, who was the first to proclaim this slogan."

After attacking Chancellor Adenauer in connection with West German plans to establish a radio station in West Berlin, Khrushchev remarked that "it would be a good thing if no one tried to exacerbate... the situation in this or other areas of the globe."

Migration From West to East Germany Increases

Migration from West to East Germany appears to be increasing substantially, while the refugee flow in the opposite direction is decreasing. The East German Foreign Ministry asserted on 16 November, according to a Western news report, that the eastward movement in 1958 was 82.6 percent higher than in 1957. While this figure is highly suspect and cannot be checked, it is believed that as many as 50,000 persons may go to East Germany during 1959.

During 1958, the East German refugee flow to the West, totaled about 204,000--22 percent less than in 1957; the total in 1959 will be about 30 percent less than in 1958.

These trends will probably continue. Economic pressures in East Germany have abated, and if this improvement continues, dissatisfied West Germans and refugees who have not been satisfactorily assimilated will be increasingly willing to seek work in East Germany. The bulk of the eastward movement consists of semiskilled labor.

At the same time certain factors currently inhibiting the westward flow will probably cause further declines. East German security measures are becoming increasingly effective. In addition, many would-be East German refugees have adopted a wait-and-see attitude during the current international detente.



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Iran Rejects Soviet Draft Protocol

Moscow is continuing its effort to extract concessions from Iran as the price for "normalizing" relations and halting bloc radio propaganda attacks. Acting Foreign Minister Semenov on 11 November presented Iranian Ambassador Masud-Ansari with a draft protocol by which Iran and the USSR would guarantee to exclude foreign military bases and forces and to prohibit the use of their territories in such a way as to "endanger the security" of the other party.

The substance of these Soviet proposals, an expansion of the Shah's offer of a protocol guaranteeing that no foreign missile bases would be permitted on Iranian soil, had already been rejected by the Shah as not "subject to proper definition" when outlined orally by Ambassador Pegov on 8 November. Tehran informed Ansari of the Shah's talks with Pegov and directed him to tell Khrushchev or the Soviet foreign minister that the Shah's offer is "the maximum concession that the Iranian Government can make."

Ansari recommended that the Iranian Government present the USSR with a counterproposal setting forth the Shah's terms. [REDACTED]

[REDACTED] the Shah viewed Moscow's proposal as conflicting with what the Iranian Government was willing to give in writing and instructed him to present a counterdraft stating Iran's original position which was termed "definite and final."

The Soviet Government's handling of the current exchange, particularly its efforts to extract additional concessions and its postponement of action on the Shah's offer to exclude foreign missile bases, suggests that Soviet leaders feel Tehran is weakening in the face of the bloc's sustained propaganda attacks. [REDACTED]

(Iranian Foreign Minister Aram, on 16 November, voiced concern over recent developments. He distrusts Ambassador Ansari in Moscow and opposes signing any agreement with the USSR at this time. [REDACTED] Ansari was instructed on 15 November to tell Soviet officials that Iran "prefers" only to agree that there will be no bases for "short- or long-range missiles.") [REDACTED]

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II. ASIA-AFRICA

Nehru Sends Counterproposals on Border Problem to Peiping

Prime Minister Nehru's counterproposals for neutralizing the Sino-Indian frontier make no basic change in New Delhi's position that Chinese forces must be withdrawn from Indian-claimed territory both in Assam and Ladakh. Nehru on 16 November sent a firm but friendly reply to Chou En-lai's proposal of 7 November for a mutual troop withdrawal from present frontier positions, [REDACTED]

Rejecting Chou's proposal as "impracticable" and "unnecessary," New Delhi maintained that the best way to avoid further border clashes in sectors other than Ladakh and the Longju area in Assam is simply to instruct outposts on either side to refrain from sending out patrols. New Delhi insisted on Chinese withdrawal from Longju outpost, but repeated its earlier offer not to reoccupy the position if the Chinese evacuate. With respect to Ladakh, the Indians refused to accept the Chinese contention that they are in occupation of the entire area claimed on their maps, despite indications that this is the case. However, New Delhi has offered, [REDACTED] to keep its forces in Ladakh west of the boundary line claimed by Peiping in return for withdrawal of Chinese forces east of the Indian-claimed border.

No reference was made to the idea, which, [REDACTED] [REDACTED] was under consideration in New Delhi last week, whereby the Indians would concede Chinese civilian occupation of the northeastern corner of Ladakh where China has built a road. Nehru may have either vetoed this suggestion or decided to hold it in reserve.

Nehru expressed his willingness to meet with Chou after "preliminary" discussions at a lower level, but stressed that an immediate effort should be made to reach an "interim understanding" to ease tension and make talks possible.

Peiping has rejected previous Indian demands that the Chinese withdraw from all Indian-claimed territory before negotiations.

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(The Chinese, however, have indicated a strong desire to get these negotiations started so they can make a display of their "willingness to settle the border issue." Thus, while the Chinese are likely to refuse to evacuate Ladakh, they may be more flexible about the McMahon line and might suggest something could be worked out about Longju in the "preliminary" negotiations Nehru referred to.)

[Redacted]

[Redacted]

[Redacted]

Philippine Elections

Results of the Philippine senatorial and provincial elections held on 10 November reflect the basic strength of the incumbent Nacionalista party machine, but reveal President Garcia's personal unpopularity. Candidates closely associated with the President were defeated. None of the five senators elected from the eight-man Nacionalista ticket is a close Garcia follower, and the Nacionalista mayors elected in the major cities of Manila and Cebu had openly campaigned against corruption in the Garcia administration.

Although Garcia may recognize in this setback the need for administrative reforms, he may become increasingly preoccupied with a struggle for dominance of his party in advance of the 1961 presidential election. His announcement that he will continue a policy of economic nationalism, despite the limited campaign appeal of the Nacionalista "Filipino First" slogan, may lead to further harassment of foreign business interests for domestic political reasons.

Garcia also faces a growing challenge from the opposition Liberal party, which has been strengthened by the election of three senators--giving the opposition bloc a total of six in the 24-man Senate, 19 governors in the 54 provinces, and about two fifths of the municipal mayors. On the other hand, prospects are poor for the newly formed opposition Grand Alliance to maintain itself as a third party since it failed to win any major office. Its eventual absorption into the Liberal party would significantly enhance the prospects of the anti-administration forces. Renewed efforts to forge such unity, however, may again face obstacles if the desires of Alliance leaders for some significant role in the opposition are rejected.

[Redacted]

[Redacted]

[Redacted]

Greece Regarded as Vulnerable to Soviet Campaign

[REDACTED]

The American ambassador in Athens regards the current Soviet effort to reduce Greek ties with the West as a serious long-range threat to that nation's position within the NATO defense chain. Greek Foreign Minister Averoff also has expressed his government's "uneasiness" regarding possible effects of the recently intensified campaign. Averoff put particular stress on Greece's increasing vulnerability to bloc initiatives in the light of worsening economic conditions caused, in part, by inability to dispose of large agricultural surpluses. The USSR and several East European countries have made attractive offers to purchase such surpluses. A protocol on commodity deliveries, calling for increased trade between Greece and the USSR, was signed on 31 October.

Moscow's campaign has proceeded on three fronts--political, economic, and cultural--and has alternated, according to Averoff, between "smile" and "snarl" techniques with the former particularly effective in view of a general desire in Greece for international peace. A major Soviet-bloc effort to improve relations, including invitations to the Greek leaders to visit Moscow and proposals that the Balkan states settle their differences at a "summit" conference, has been followed in recent days by bloc propaganda criticism of the Greek Government. Premier Karamanlis has been castigated for failure to adapt to the "Camp David spirit," refusing to attend a Balkan conference, declining the invitation to Moscow, and permitting establishment of "Honest John" missiles in Greece.

Symbolic of the return to the "snarl" technique is the issuance by the USSR of a postage stamp honoring Manolis Glezos, sentenced by a Greek court last July to five years in prison for assisting Communist spies. Karamanlis has decided to reply in kind, and the Greek Government has announced its intention to issue a stamp honoring Imre Nagy, executed by the Hungarian Government in 1958.)

[REDACTED]

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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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Commander in Chief, Pacific

The Department of Commerce

The Secretary of Commerce

Federal Bureau of Investigation

The Director

Atomic Energy Commission

The Chairman

National Security Agency

The Director

National Indications Center

The Director

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