Approved for Release: 2020/03/13 C03157412

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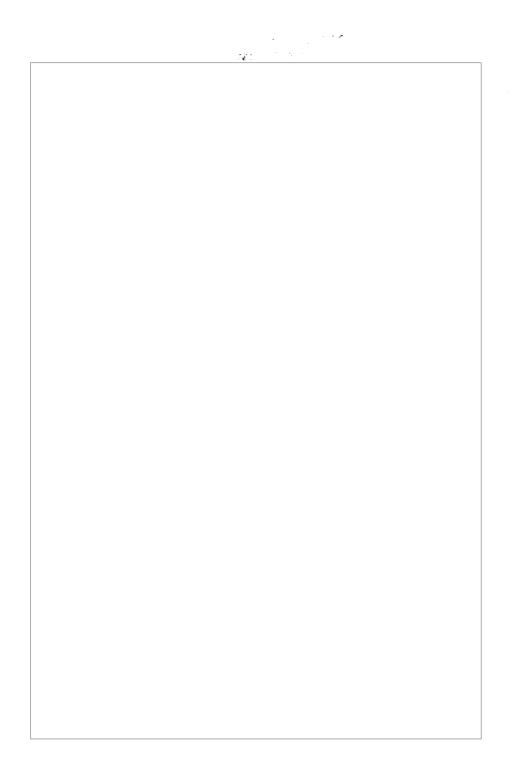
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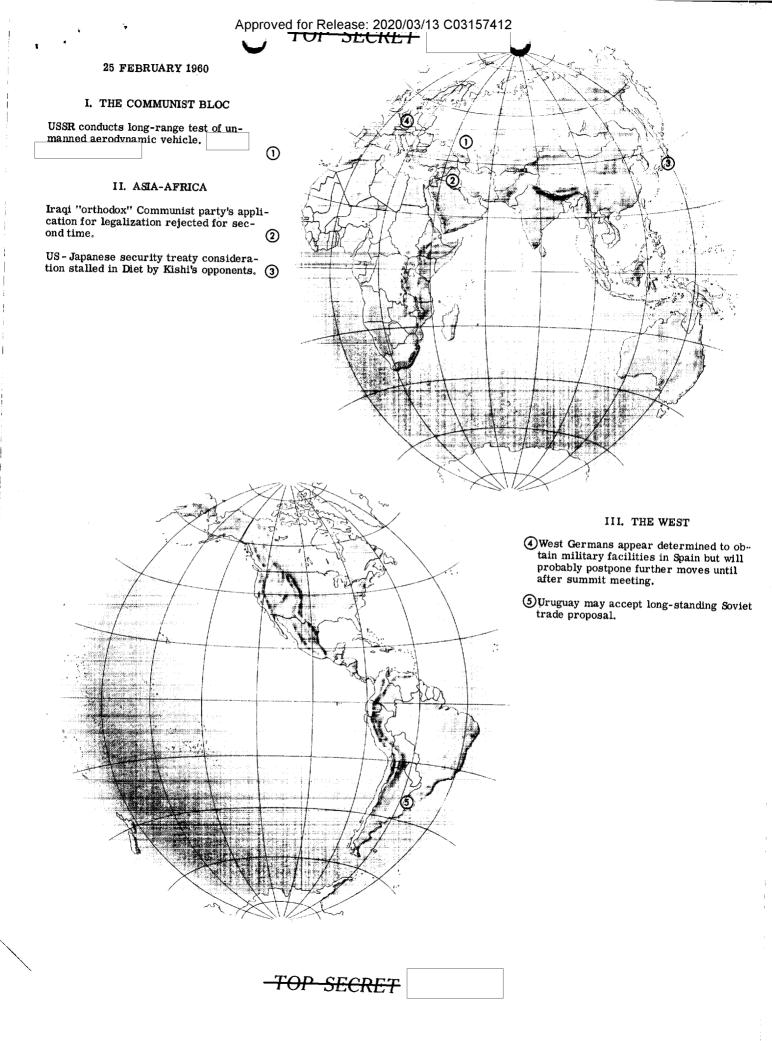


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Approved for Release: 2020/03/13 C03157412

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CENTRAL INTELLIGENCE BULLETIN

25 February 1960

DAILY BRIEF

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I. THE COMMUNIST BLOC

For a report of a Soviet long-range test of an unmanned aerodynamic vehicle on 20 February, see Page 1 and map.

II. ASIA-AFRICA

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Iraq: The Moscow-favored Iraqi Communists, whose first application for legal recognition was rejected on 9 February, have suffered a further reversal. On 24 February the second application for recognition by the "orthodox" Communist group was refused on grounds that the Qasim-backed splinter group, already legalized as the Communist party of Iraq, represented the Communist viewpoint. The orthodox group may appeal to the courts in a final attempt at recognition, but it is unlikely that Qasim's courts will render a favorable verdict. The group presumably will attempt to operate through front groups or to gain control of the legalized splinter group. (Page 2)

Japan: Prime Minister Kishi's opponents have succeeded in stalling consideration by the Diet of the United States - Japanese mutual security treaty by raising the controversial question of the Diet's power to revise or amend treaties. The Socialists are being assisted in this maneuver by some faction leaders within Kishi's own party. While Kishi expects ultimately to obtain full party support of his view that the Diet must accept or reject a treaty without change, attempts by Kishi's rivals to make his resignation the price of their support could lead the prime miniter to call for a general election (Page 4)

i

TOP SECRET

TOP SECRET

Watch Committee Conclusion: The following developments are susceptible of direct exploitation by Soviet/Communist hostile action which could jeopardize the security of the US in the immediate future:

Recent UAR military moves appear to be mainly precautionary against the possibility of hostile Israeli action, either as an aftermath of the recent Israeli-Syrian border clashes, or, more likely, as an Israeli reaction to any sudden change in Iraq involving the UAR. This build-up of UAR forces on the Israeli border heightens the risk of any local incidents reaching more serious proportions.

III. THE WEST

West Germany - Spain: West German statements to US officials since the unfavorable international publicity regarding the military talks between West Germany and Spain on 16-17 February in Madrid tend to play down the importance attached to the talks abroad. Defense Minister Strauss, who has tended to ignore the political implications, is reported incensed by British criticism of his plans to obtain military logistics and training facilities in Spain and is eager to proceed. Chancellor Adenauer, however, under heavy pressure from West Germany's NATO partners, will probably postpone further moves at least until after the summit meeting in May. (Page 5)

Uruguay: The government may accept a long-standing Soviet oil-for-wool trade proposal but not until the reasons have been explained to President Eisenhower's aides during his visit to Montevideo on 2-3 March. The nine-man Council of Government has not reached final agreement on this but is under pressure to accept as a result of last year's acute trade imbalance and poor exchange receipts so far this year.

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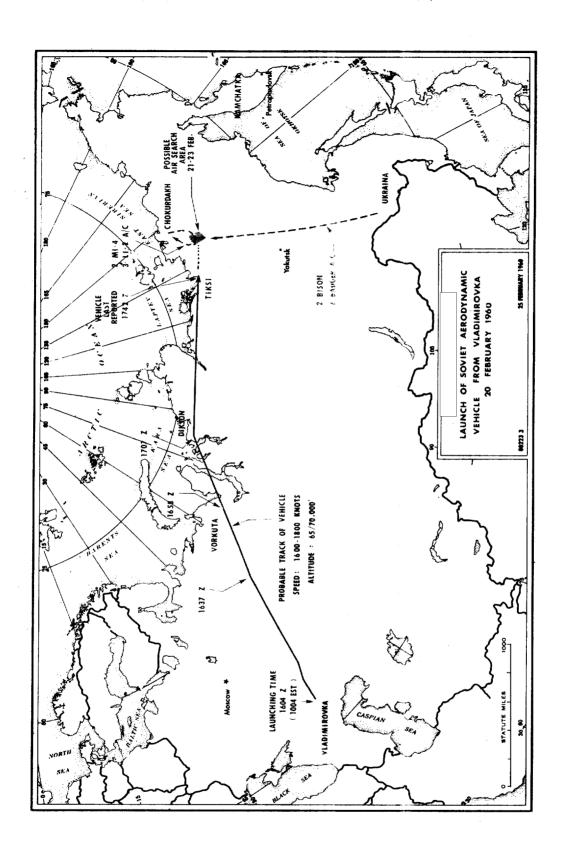
25 Feb 60

DAILY BRIEF

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Approved for Release: 2020/03/13 C03157412



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I. THE COMMUNIST BLOC

Launch of Soviet Aerodynamic Vehicle From Vladimirovka On 20 February 1960

The US Guided Missile and Astronautics Intelligence Committee has issued the following statement:

About 1100 EST, Saturday, 20 February 1960, the Soviets launched an aerodynamic vehicle from Vladimirovka. It is probable that it was scheduled to go to the Kamchatka Peninsula, on a non-great-circle route of some 4,000 n.m., but that it impacted about 1,000 n.m. short, 400-500 n.m. southeast of Tiksi, in an area where several aircraft have been searching for the vehicle.

The data reported by the Soviets indicate that the vehicle flew at about 65,000-70,000 feet altitude at a speed of 1,600-1,800 knots. It is significant that on two occasions Bears (TU-95s) flew check-outflights during February following a similar course, and that there were several Badger (TU-16) check-out flights in the Klyuchi area during the same period. From the characteristics of the speed and altitude, which were similar to those of "Object 350" previously tested on the Vladimirovka test range, and the recent Badger (TU-16) and Bear (TU-95) activity, it is believed the vehicle launched was an aerodynamic unmanned vehicle of the type previously tested at Vladimirovka to about 2,000 n.m.

The Annex to NIE 11-5-59 concludes that possible uses for "Object 350" may be:

a. A surface-launched, high-supersonic, cruisetype weapon or reconnaissance system;

b. An advanced research vehicle for the investigation of problem areas related to high-speed flight.

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25 Feb 60 CENTRAL INTELLIGENCE BULLETIN

II. ASIA-AFRICA

Iraqi Communists Suffer Further Reversals by Qasim

Iraq's orthodox Communist group has suffered further reversals at the hands of Qasim within the past two days. On 24 February the group's second application for legal political status was refused on grounds that the Qasimbacked splinter group legalized on 10 February as the 'Communist Party of Iraq" sufficiently represented the Communist viewpoint. The orthodox group presumably will attempt to operate through a front party or attempt to infiltrate and take over the splinter group. The previous day, in a speech to the Communist-dominated Iraqi Teachers' Association, Qasim announced, "Henceforth, there will be no society for the Peace Partisans." Qasim's preface to this statement appears to imply that the Peace Partisans, long Iraq's principal Communist front, had recently applied for some enlargement of their activities. However this may be, Qasim's statement almost certainly will have the effect of putting a quietus on further overt Peace Partisan activity.

The move against the Peace Partisans is a severe blow to the Iraqi Communists; as late as last summer the Qasim regime provided the partisans with funds and supported their demonstrations. A demonstration by this group in Mosul last spring sparked the revolt there by anti-Qasim and anti-Communist army elements.

In addition to Qasim's intention to back the Communist splinter faction, his attitude toward the orthodox Communists may have stemmed from press reports and internal Iraqi messages stating that they "have launched a propaganda attack" against the Qasim regime.

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25 Feb 60 CENTRAL INTELLIGENCE BULLETIN

following the dismissal of the proCommunist minister of agrarian reform that two more cabinet members may be dropped. Likely candidates are Minister of Planning and acting Minister of Oil Affairs Shaybani,
an extreme leftist, and Minister of Municipalities Nadia
Dulaymi, a leader of the Peace Partisans.

Approved for Release: 2020/03/13 C03157412

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25 Feb 60 CENTRAL INTELLIGENCE BULLETIN

Approved for Release: 2020/03/13 C03157412 SECRET

Japanese Diet Stalled on Ratification of Security Treaty With US

Prime Minister Kishi's opponents have succeeded in stalling consideration of the United States - Japanese mutual security treaty by raising the question of whether the Diet has power to revise or amend treaties. The Socialists, who lack the necessary votes to defeat ratification, began prolonging debate by starting a dispute over the definition of the "Far East" and now have raised this new point. They apparently hope to uncover an issue which will inflame public opinion against the treaty and the Kishi government.

The Socialists are being assisted in this latest maneuver by some factional leaders within Kishi's Liberal-Democratic party who hope to force his resignation. Influential politician Ichiro Kono has set the line for Kishi's intraparty rivals with his announcement that, while he intends to support ratification of the security pact, he believes the Diet is empowered to amend treaties. At a meeting of Liberal-Democratic leaders on 22 February, Kishi failed to obtain full support for his view that the Diet must accept or reject a treaty without change.

Kishi apparently anticipates that additional meetings will win full party support for his position and he remains confident that the Diet will ultimately ratify the treaty.

he intends to reshuffle his cabinet following President Eisenhower's visit in June.

This move would be designed to prepare for general elections in the fall which would, in turn, enable him to win another term as prime minister. Kishi's rivals, however, by their maneuvers to make his resignation the price of their support on the security treaty, could lead him to call for a general election during the present ratification debate.

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25 Feb 60 CENTRAL INTELLIGENCE BULLETIN

Approved for Release: 2020/03/13 C03157412

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III. THE WEST

West German - Spanish Military Talks Held

Defense Minister Strauss has proceeded with his plans to discuss West German use of Spanish military facilities despite warnings from Bonn's NATO partners that there might be adverse repercussions. On 16-17 February, General Albert Schnez, a West German logistics expert, met in Madrid with members of the Spanish General Staff.

German officials indicate that Madrid, surprised by the extent of their proposal, felt that the plan would require aabout three months of study. Although the full scope of the talks has not been disclosed, they originally covered not only the acquisition of depots for spare parts, munitions, and fuel but also hospital facilities, aviation-training areas, and West German aid to Spain's armament industry.

The talks had been postponed from mid-January after some of West Germany's allies indicated that by-passing NATO machinery would tend to undermine NATO defense policy and imply that Bonn endorsed a strategy of rear bases behind the Pyrenees. Strauss, who has tended to ignore the political implications, charged that French and British failure to meet German requirements makes military cooperation with Spain essential.

Public disclosure on 22 February of these negotiations has so far brought denials by Bonn and Madrid, but Britain and other Allied nations have expressed strong opposition to any plan for German bases in Spain. Members of the British Labor party have attacked the Bonn move as "ham-handed," citing the former Nazi collaboration with Franco. A progovernment British paper sees evidence of West German "untrustworthiness" less than three months before the summit.

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25 Feb 60 CENTRAL INTELLIGENCE BULLETIN

Approved for Release: 2020/03/13 C03157412

Uruguay May Accept Soviet Trade Proposal

In view of Uruguay's worsening foreign-exchange position, it may soon accept the USSR's November 1959 offer to increase wool purchases and supply crude oil on a one-year credit basis.

The nine-man Council of Government reportedly is still divided on the advisability of accepting the offer but may do so after explaining Uruguay's financial plight to President Eisenhower during his 2-3 March visit to Montevideo.

The USSR has offered to pay cash for \$25,000,000 worth of wool--almost twice its 1959 purchases and about 30 percent of the value of Uruguay's total wool sales in 1958. In return, Uruguay is to accept \$16,500,000 worth of crude oil, about half its annual requirements. In its November proposal, Moscow offered to maintain the same ratio of trade even if Uruguay buys less oil.

The conservative National party government which took power last March would like to reverse the trend toward greater dependence on Soviet markets, but has found no alternative. During the first six months of 1959, the bloc accounted for about 20 percent of Uruguay's total trade, contrasted with 13 percent in 1958 and 5 percent or less in previous years.

Uruguay's trade deficit for 1959 reached the near-record sum of \$74,700,000 despite continued restrictions on imports. The balance of trade has been favorable in only two of the last six years, and exports have dwindled from over \$250,000,000 in 1953 to about \$84,000,000 in 1959. Hoping to rectify this, the government in December approved a foreign-exchange reform law. Uruguay's wool market--which provides about half the country's foreign exchange--has been virtually paralyzed, however, as exporters have balked at the level of export taxes under the new system. The government has several times indicated it would expect substantial US financial help once it instituted its exchange reform program, and it plans to send a loan mission to Washington within the next few months.

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25 Feb 60 CENTRAL INTELLIGENCE BULLETIN

THE PRESIDENT Approved for Release: 2020/03/13 C03157412 The Vice President Executive Offices of the White House Special Assistant for National Security Affairs Scientific Adviser to the President Director of the Budget Director, Office of Civil and Defense Mobilization Director, National Aeronautics and Space Administration Special Assistant for Security Operations Coordination Chairman, 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 Political Affairs The Deputy Under Secretary of State for Political Affairs The Deputy Under Secretary of State 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 The Director, The Joint Staff 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 Army Director of Naval Intelligence, Department of Navy Assistant Chief of Staff, Intelligence, Department of the Air Force Supreme Allied Commander, Europe Commander in Chief, Pacific

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