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16 JANUARY 1960

I. THE COMMUNIST BLOC

II. ASIA-AFRICA

Turkey--Political leaders exchanging sharp partisan attacks; government may call early elections.

III. THE WEST

France--Pinay says his party will move over to the opposition in the assembly and try to call a special session.

West Germans and Spanish to discuss contingent military planning.

Cuban Government planning to set up an urban reform institute.



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CENTRAL INTELLIGENCE BULLETIN

16 January 1960

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I. THE COMMUNIST BLOC

II. ASIA-AFRICA

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<u>Turkey</u>: The current step-up of mutual recriminations and warnings by Prime Minister Menderes and chief opposition leader Inonu, a former president, points to the probability of early elections and a heated political campaign. There are widespread reports that the government intends to call for national elections this spring, more than a year ahead of schedule, in order to take advantage of favorable popular reaction to the initial benefits of the economic stabilization program. Inonu, who has considerable prestige among military leaders, has, in effect, warned that his party would not permit the government party to run roughshod over the opposition and the people. [Page 1] (

III. THE WEST

France: Pinay has stated privately that his powerful Independent party now will move into the opposition in the National Assembly and try to call a special assembly session--a move requiring signatures of a majority of the deputies. Pinay may overestimate his influence in the party, but the resignation from the government of another Independent, Max Flechet, suggests that party leaders are planning to capitalize immediately on Pinay's ouster. An effort to force a special session might stimulate a move by De Gaulle to reduce parliament's powers. Pinay also said that Finance Minister Baumgartner, a civil servant, has been given to understand by both Debré and De Gaulle that he is to be only an "administrator." (Page 2)

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West Germany - Spain: West German and Spanish military logistics experts are scheduled to hold conversations in Madrid between 18 and 22 January on a number of topics relating to the shift of certain West German Air Force units to Spain in time of war. Bonn, more favorable to military cooperation with Spain than some other NATO members, anticipates some opposition from these sources but may have underestimated its extent, in view of the current wave of anti-German sentiment. Defense Minister Strauss plans a later visit to Spain on the assumption that the technical talks will make good progress. (Page 3)

<u>Cuba</u>: The Castro government is apparently planning to set up an urban reform institute early in February. As in most Latin American countries, heavy migration to the cities has led to serious housing problems in Cuba. However, like the agrarian institute established early last year, the urban institute would probably be used by the government as a mechanism to increase its control over Cuba's economic and political life. (Page 4)

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I. THE COMMUNIST BLOC

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Heated Political Campaign Foreseen in Turkey

Recent sharp exchanges between major opposition leader Inonu and Prime Minister Menderes have increased speculation that the government will soon call for early national elections and have added to the probability of a heated campaign. The 76-year-old Inonu, who was president of Turkey from 1938 to 1950, delivered an unusually strong speech on 10 January in which he vigorously denounced incumbent Democratic politicians and warned that if, against popular will, they tried to maintain themselves in power by illegal means, then the "world would collapse on their heads." Two days later Menderes answered in kind and warned of severe retribution if there were any attempt to instigate political violence.

Inonu's threats are not without some substance. As a former commanding general in the revolutionary army of Kemal Ataturk, Inonu won lasting prestige among Turkish military circles. By many he is regarded as the "heir of Ataturk." Some army officers have been highly critical of the oppressive tactics used against Inonu and other opposition politicians, especially of the rough treatment given Inonu during the past year At one point Inonu might have been killed or seriously injured if an officer bystander had not intervened to protect him during a government-sponsored demonstration last spring. Inonu is not believed to favor forceful action against the government but may be tempted to resort to it if the government tries to rig the elections.]

Menderes is unlikely to make any official announcement regarding early elections until six to eight weeks prior to the actual date selected. As now scheduled, national elections would not be held until late 1961 or early 1962. It now appears that Menderes has tentatively decided to hold elections this spring or summer, but events during the next two months may alter that decision.

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III. THE WEST

Pinay Says Independent Party Will Go Into Opposition to Debré Government

(Finance Minister Antoine Pinay has told US officials that, as a result of his departure from the Debré government, the powerful Independent party--second largest in Premier Debré's coalition--will move into the opposition in the National Assembly. According to Pinay, the party leadership will attempt to call a special assembly session to discuss economic policy. The resignation from the government on 15 January of another Independent, Secretary of State for Foreign Economic Affairs Max Flechet, suggests that the party's leaders are planning to attempt to capitalize on Pinay's ouster.]

[Although Pinay, as a symbol of economic stability, has a public following, he may overestimate his influence within his party. During his term in the Finance Ministry under De Gaulle, his tendency to try to play a national rather than party role alienated some Independents, and the party's parliamentary leadership was assumed by some of his personal rivals. Furthermore, the constitutional provision that a majority of the assembly deputies must request a special session would tend to reduce prospects for success of such a maneuver at the moment. Nevertheless, any such effort would aggravate De Gaulle's irritation over parliament's increasing efforts to reassert the prerogatives it had under the Fourth Republic, and might stimulate the President to move to reduce its powers still further.]

According to Pinay, his successor as finance minister, Wilfrid Baumgartner, has been given to understand by both Debré and De Gaulle that he is to be only an "administrator" and that the government intends to pursue the expansionist economic policies to which Pinay had objected.

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West German Military Talks in Madrid Scheduled

West German and Spanish logistics experts are scheduled to hold conversations in Madrid between 18 and 22 January on a number of topics relating to the shift of West German aircraft to Spain in time of war. It appears likely that the talks, which were arranged during Spanish Foreign Minister Castiella's visit to Bonn in November, will cover broader grounds as well, including the subject of armaments and an exchange of views on the military situation in Europé.]

West Germany, unlike certain other European NATO members, has long openly advocated NATO membership for Spain. Spain is interested in joining NATO and may feel that increased military cooperation with the West Germans will evoke greater interest for its admission. Bonn, however, may have underestimated opposition from some NATO quarters to the Madrid discussions, especially in view of current anti-German sentiment stemming from the recent anti-Jewish incidents. Public knowledge of Bonn-Madrid talks at this time might also revive memories of Nazi-Franco collaboration before and during World II.

The West Germans claim that the need for cooperation with Spain was made apparent in a NATO logistical exercise in September. Such cooperation would also provide advantages for West Germany, including the use of air training bases in a climate more favorable than that at home. Advantages for Spain would include assistance in developing its arms industry and in obtaining German equipment. Two noted German aircraft designers, Dornier and Messerschmitt, have been designing aircraft in Spain since the end of World War II.7

Bonn Defense Minister Strauss now is in Portugal, conferring with top officials and visiting arms factories. The Portuguese are strongly in favor of Spain's inclusion in NATO as soon as possible.

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Cuban Government Planning Further Drastic State Controls

The Castro government is planning to establish a National Institute of Urban Reform early next month

Though the urban reform decree is apparently only in preliminary draft, description of its basic aspects suggests that it may parallel, in the urban real estate field, the methods and principles of Castro's drastic agrarian reform law. The new institute is apparently to be empowered to expropriate certain urban lots. Owners are to be paid in 20-year bonds and expropriated houses sold on the basis of "popular need" with present renters having priority. Heavy migration to the cities and inflated urban real estate values in Cuba, as elsewhere in Latin America, have led to serious housing problems. The new institute will probably be used by the regime as another mechanism of increasing its control over Cuba's economic and political life.

The agrarian reform institute (INRA) and its department of industrial development are continuing their programs. Significant acreages of sugar-cane land were seized this week for the first time when a Cuban-owned as well as an American-owned company was affected. INRA's executive director, suspected Communist Antonio Nunez Jimenez, declared on 12 January that "all large cattle ranches in Cuba now represent free land belonging to INRA and in a few days all large sugar plantations will also come under INRA's control." <u>Revolucion</u>, considered the press spokesman of the Castro regime, editorialized on 14 January that 1960 will be "even more notable as the year of agrarian reform than was 1959."

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