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4 February 1959

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CENTRAL INTELLIGENCE BULLETIN



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CENTRAL INTELLIGENCE BULLETIN

4 February 1959

DAILY BRIEF



I. THE COMMUNIST BLOC

USSR: Ambassador Thompson underlines the importance of Mikoyan's thesis in his speech to the party congress that the improved atmosphere in Soviet-American relations stems from awareness of American leaders and public that the balance of power is shifting to the Soviet bloc. Mikoyan suggests that the United States is becoming reconciled to the status quo, especially in Eastern Europe, and that the US may seek to avoid a showdown on Berlin.

OK



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USSR-Berlin: Soviet detention of a US truck convoy from Berlin at the checkpoint on the East - West German frontier is the first incident involving Soviet detention of a US military truck convoy since 14 November when one was held near Berlin. At that time, US officials in Berlin believed it was a deliberate probe of US reactions. The present incident also appears to be premeditated. It was probably designed to point up the vulnerability of Western access as Secretary Dulles begins talks with Western allies on the Berlin and German issues. The USSR has been planting contradictory statements through diplomatic and press channels in an effort to confuse the West concerning the time and circumstances under which access controls will be turned over to the East Germans.

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Yugoslavia: Tito's unprecedented statement to Ceylonese officials that "only American power prevents world domination by Moscow" may have been in reaction to increasingly aggressive bloc policies. He displayed considerable apprehension regarding Peiping's efforts among the uncommitted Asian nations and warned them against too close relations with Moscow.

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and Peiping. While Belgrade is likely to become more sympathetic to Western positions, it will continue to give full support only to uncommitted states.

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II. ASIA-AFRICA

*Iran-USSR: The Shah and his top advisers, having second thoughts on the benefits of a Soviet-Iranian nonaggression pact, are trying to disengage themselves. Foreign Minister Hekmat, in a reversal of attitude, claims he is "fed up" with Soviet negotiators, is breaking off the negotiations, and is prepared to sign the bilateral agreement with the US immediately. Hekmat said he had been commissioned by the Shah to determine how to breakoff negotiations with the Soviets and the timing for signature of the bilateral agreement. The Shah earlier had said he would go ahead with the nonaggression pact if the USSR yielded on all points of disagreement.

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Tunisia: President Bourguiba will probably soon reiterate Tunisia's claim to a part of the Algerian Sahara which, according to the Tunisian foreign secretary, comprises the greater part of a concession which France last month granted to a corporation owned half by French interests and half by Standard Oil of New Jersey. The Tunisian Government does not object to exploitation of the area but expects Standard Oil to "make arrangements directly with the rightful owner."

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Cyprus: (The Greek and Turkish foreign ministers are planning to meet again soon in an effort to resolve the remaining outstanding issues preventing a Cyprus settlement.)

India: The election of Indira Gandhi, Nehru's 42-year-old daughter, as Congress party president is unlikely to assure the strong leadership the political organization now needs. Mrs. Gandhi probably will be unable to revitalize and unify the national party. Her socialist views, which some top leaders apparently hope will check the influence of conservative Congress politicians, are likely to accentuate the differences between the left and right wings of the party.

Britain-Muscat: (British commando-type units have apparently driven the Omani rebels from their mountain stronghold. As of 29 January, Muscati and British forces were reported in complete control of the rebel territory and the three rebel leaders had fled to Saudi Arabia. This defeat, however, is unlikely to reverse the UAR supported long-term efforts to undermine the British position on the periphery of the Arabian Peninsula.)

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I. THE COMMUNIST BLOC

Mikoyan and Gromyko Speeches at Party Congress

The foreign-policy speeches by Gromyko and Mikoyan at the 21st party congress carried forward the Soviet leaders' efforts to create a political atmosphere which they believe will bring the Western powers to high-level talks on terms favorable to the USSR. Moscow appears to believe that if these efforts are unsuccessful, such moves as Mikoyan's visit to the United States and pronouncements designed to show the USSR's flexibility and reasonableness will make it difficult for the Western powers to react firmly to a transfer to the East Germans of Soviet controls over Allied access to Berlin.

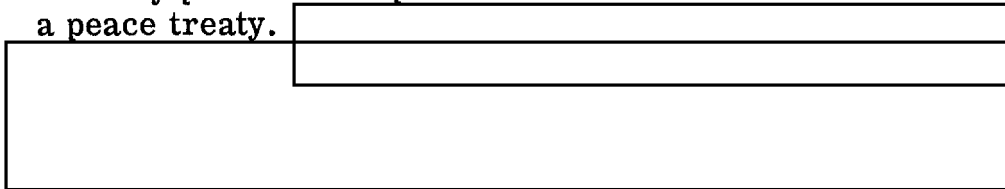
Ambassador Thompson has underlined the importance of Mikoyan's thesis that the improvement in Soviet-American relations reflects awareness of American leaders and public that the balance of power is shifting to the Soviet bloc. The ambassador suggests that Mikoyan was trying to convey the impression that the United States is becoming reconciled to the status quo, especially in Eastern Europe, and may therefore seek to avoid a showdown on Berlin.

Mikoyan told the party congress that he had concluded from his talks with American leaders that they now are inclined "to recognize the principle of peaceful coexistence of countries with different social and political systems." He noted that "in contrast to earlier times, the US statesmen expressed a readiness to negotiate" and that they no longer talked of a "policy of containing, repelling, or liberating." Mikoyan also attempted to cast doubt on the firmness of American policy on Berlin and the German question by stressing an alleged divergence between the American people's desire for an end to the cold war and the policies of their government.

Foreign Minister Gromyko's speech provided further evidence that Moscow intends to use its moves on Berlin and a German peace treaty to maneuver the West into at least tacit recognition of the status quo in Eastern Europe. His remarks

reflected the Soviet leaders' concern over the growing military power of West Germany and their desire to contain this potential threat to the East German regime before it reaches dangerous proportions.

Gromyko denounced Chancellor Adenauer for rejecting Soviet proposals aimed at easing tension, and charged that West German leaders are seeking to prevent any East-West accommodation until West Germany has built up sufficient military power to "impose its terms" for reunification and a peace treaty.



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USSR Detains American Convoy on Berlin Access Route

Soviet border guards at the East - West German frontier detained a United States Army truck convoy coming from West Berlin on 2 February after the American personnel accompanying the partially covered vehicles refused to permit the Russians to carry out a detailed inspection. Previously the trucks had passed through the Soviet checkpoint at Babelsberg outside West Berlin with the usual cursory examination. On the same day the same procedure was used on a single British truck which was then passed through apparently after a "satisfactory" inspection was made over the driver's protest.

These harassments are probably timed to demonstrate the West's vulnerability to interference on the access routes in order to complicate Secretary Dulles' talks with Allied leaders on the Berlin issue. This is the first incident involving Soviet detention of a US military truck convoy since 14 November, when one was held near Berlin. It represents a further step in the long-range effort to erode the West's position in Berlin.

This move follows Soviet efforts to promote confusion and disunity in the West over the Berlin issue by planting in diplomatic and press channels reports that are at variance with the Kremlin's public position. The most recent was a statement by a high-ranking Soviet Embassy officer in East Berlin that when the six-month grace period ends, the German Democratic Republic will be given control over Allied access without regard to other developments.

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II. ASIA-AFRICA

Iran Intends to Terminate Treaty Negotiations With USSR

Iran intends to break off negotiation of the proposed non-aggression treaty with the USSR, according to Iranian Foreign Minister Hekmat, who has been one of the principal advocates for a reassessment of Iranian foreign policies. Hekmat told Ambassador Wailes on 2 February that he was "fed up" with the Soviet negotiators. He said he has been "studying" the terms of the bilateral agreement pending with the US and now is prepared to sign. He claimed the Shah instructed him to end the negotiations with the USSR and to determine the timing for signature of the US agreement.

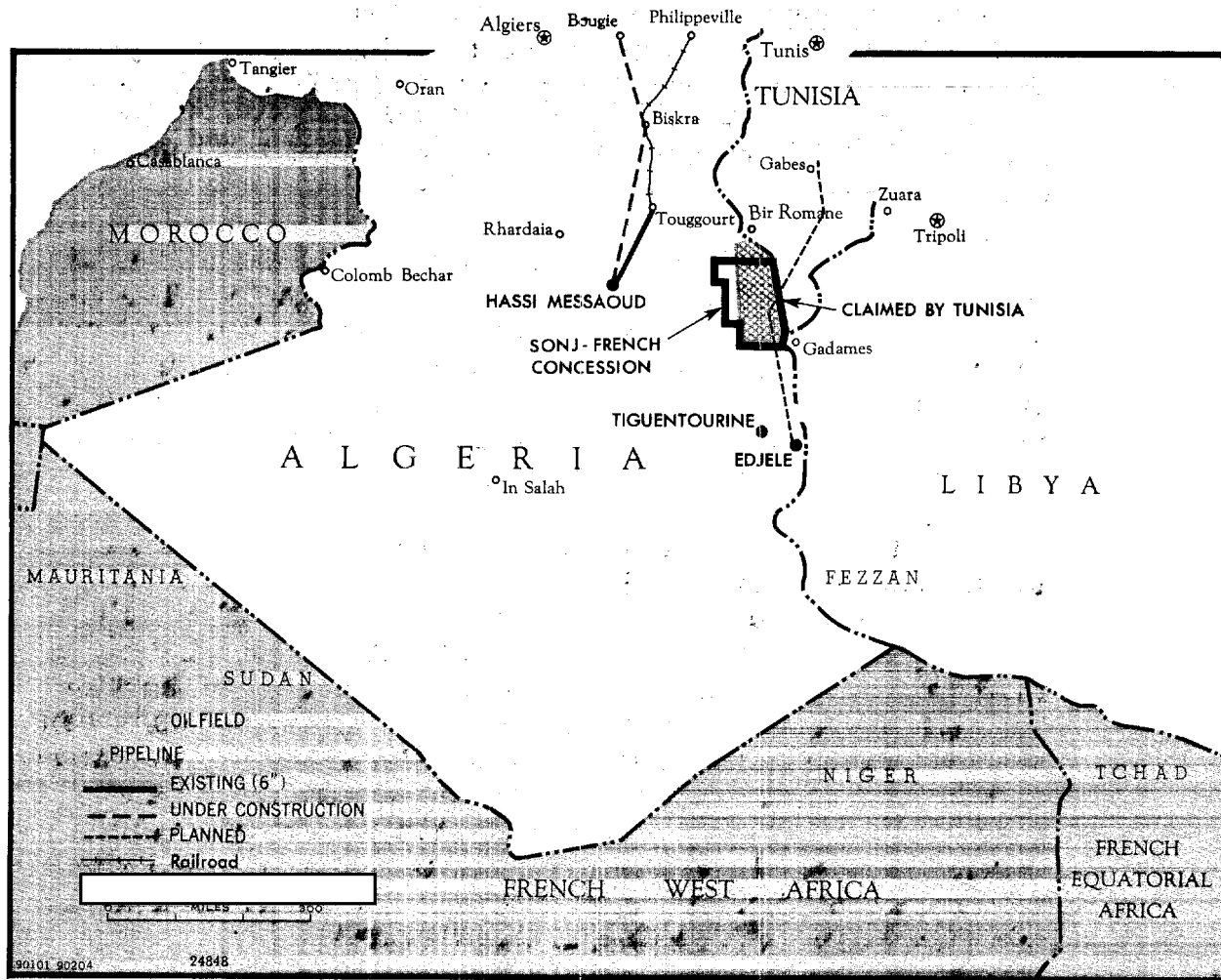
Negotiations with the USSR reportedly became snagged on Iranian insistence on remaining in the Baghdad Pact and on canceling articles 5 and 6 of the Soviet-Iranian treaty of 1921. These articles give the USSR the right to advance its troops into Iran to carry out operations "necessary for its defense" when menaced by military operations of another country.

The Shah appears to have had some second thoughts on the benefits of a rapprochement with the USSR and to have sought grounds for refusal to sign the treaty should Soviet negotiators agree to all Iranian conditions. The Shah apparently became increasingly concerned over the prospect of adverse international reaction if Iran signed a nonaggression pact with the USSR.

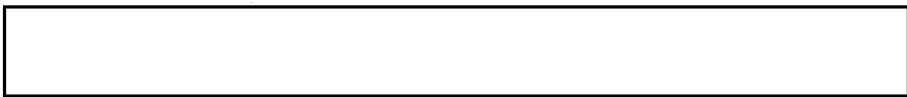
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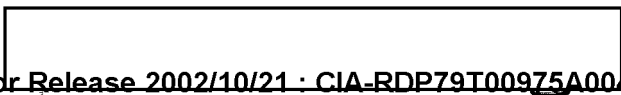
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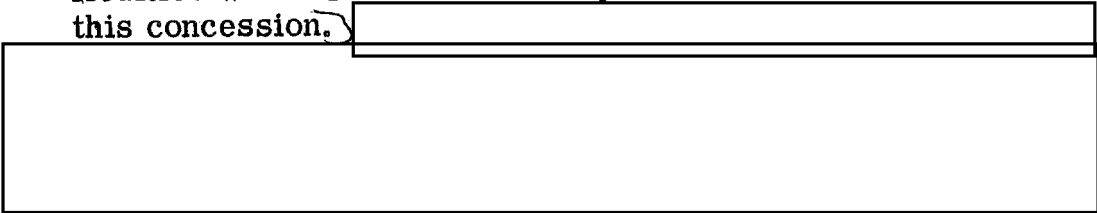
Tunisia to Demand Revision of Western Boundary



President Bourguiba has outlined to a New York Times correspondent Tunisia's claim to some 6,000 square miles of the Algerian Sahara. The area involved, according to Tunisian Foreign Secretary Mokaddem, comprises the greater part of a concession which France granted last month to a French-American corporation in which Standard Oil of New Jersey has 50 percent participation. The Tunisians insist that the present border is a provisional boundary fixed by French officers and that the line should be drawn due south from Bir Romane to an east-west line just south of Gadames.

Mokaddem on 28 January showed Ambassador Jones a purported map of all oil concessions granted in Algeria. He stated that the Tunisian Government makes the "most solemn and express reservations" regarding the Standard Oil concession which overlaps the disputed area, but added that there would be no objections to exploitation of the area if Standard Oil makes arrangements with the Tunisian Government.

The Tunisians expect to make an early demarche to the French and possibly also the Algerian rebel provisional government. Such a demarche or an announcement of this claim by Bourguiba is certain to irritate Tunisia's already difficult relations with France. It may lead to further difficulties with the Algerian rebels, who resist Morocco's territorial claims in western Algeria. The Algerians reacted sharply last July when Bourguiba granted a concession for the pipeline linking the Edjele oil field in eastern Algeria to the Mediterranean to transit Tunisia. They will, however, welcome any legal difficulties which Tunisia can interject into the exploitation of this concession.



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Cyprus

[The Greek and Turkish foreign ministers are planning to meet again this week, probably in Zurich, in an effort to resolve the remaining issues preventing a Cyprus settlement.]

[Greek Foreign Minister Averoff predicts negotiations will be concluded within two weeks, but he has repeatedly stated his conviction that the British Government will attempt to sabotage an eventual agreement. London, however, by postponing the scheduled publication of a controversial electoral law for Cyprus, has given evidence of its intention to place no obstacles in the way of negotiations. While areas of disagreement between Athens and Ankara could still prevent a solution, many of the barriers to a settlement have been removed. The major remaining problem appears to involve Turkey's insistence that the proposed independent Cyprus be precluded from joining the UN.]

[Averoff claims that Archbishop Makarios has been continually informed about the negotiations and is in agreement with the Greek Government's position.]

[If the foreign ministers' conference is successful, Athens is expected to agree to the Turkish suggestion that the two prime ministers join the conference before announcement of a final agreement.]

[On Cyprus, there has been no resurgence of violence despite warnings by Greek Cypriots that the recent British security operations would provoke an EOKA response. The operations have now been concluded and new releases of political detainees have further improved the atmosphere.]

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Nehru's Daughter Elected President of Indian Congress Party

The election on 2 February of Prime Minister Nehru's 42-year-old daughter Indira Gandhi as president of the Congress party is unlikely to assure India's ruling political organization of the strong leadership it needs. The party lacks discipline and vitality at a time when implementation of India's development program and increasing competition from the Communist party demand its utmost effort.

Mrs. Gandhi, wife of Parliament member Firoze Gandhi, apparently was supported by the Congress high command as well as by many regional party units. However, her election probably resulted less from enthusiasm for Mrs. Gandhi than from fear of displeasing Nehru and from lack of an alternative choice acceptable to all sections of the party. A few top leaders apparently did oppose her selection.

Mrs. Gandhi has been actively associated with the "ginger group" in the party, which has been working, probably with Nehru's blessing, to revive the party's socialist ideology. The high command's somewhat surprising decision has the dual purpose of injecting "young blood" into the party leadership and checking the "drift toward a rightist trend of thought."

The naming of Indira Gandhi, however, could well have the opposite effect.

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Old-line Congress bosses at the head of various regional party machines are not likely to be brought into line easily by Mrs. Gandhi, active in the high command only during the past few years, despite her unique position as Nehru's closest confidant. In addition, her identification with the party's left wing may alienate the more conservative elements and increase the possibility of an eventual party split.

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