

CURRENT INTELLIGENCE BULLETIN

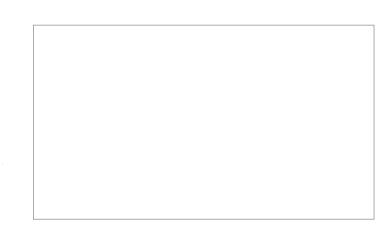
OFFICE OF CURRENT INTELLIGENCE

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1. USSR REFUSES TO PARTICIPATE IN FURTHER TALKS IN PRESENT UN DISARMAMENT BODIES

Comment on:

Soviet Deputy Foreign Minister Kuznetsov's statement before the UN General Assembly Political Committee on 4 November that the USSR "will not participate in the UN Disarmament Commission and its subcommittee in

their present form" probably was intended to block approval of the Western-backed 24-nation proposal calling on the subcommittee to resume negotiations as soon as possible. Kuznetsov's hint that the USSR might be satisfied with a compromise between the present subcommittee and the Soviet proposal for a new commission composed of all 82 UN members suggests that the USSR is seeking to capitalize on dissatisfaction among UN members over the lack of progress in the subcommittee in order to win support of neutralist states, particularly India, which favor expanding the present disarmament machinery.

The Soviet leaders, who since last summer have strongly criticized the work of the subcommittee, appear confident that any expansion of the present machinery would work to their advantage, particularly in increasing pressure on the West to accept Soviet proposals for a suspension of nuclear tests and a five-year renunciation of the use of nuclear weapons. It is possible that Kuznetsov's declaration may convince many UN members that a showdown vote on the 24-power resolution should be avoided by using the procedural device of sending all proposals to the Disarmament Commission, where further efforts to expand its membership could be made.

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2. YUGOSLAV OFFICIAL HINTS AT REAPPRAISAL OF SOVIET-YUGOSLAV RELATIONS

<u>Comment on:</u>

Jose Vilfan, confidant of President Tito, on 1 November told the US chargé in Belgrade that there had been no prior indications that Soviet boss Khrushchev would "upset the balance of power within the Kremlin," and intimated that a "reappraisal of the Yugoslav analysis" is required now that he has done so. High Yugoslav officials had previously indicated their anti-

pathy to one-man rule in the USSR and their support for the Khrushchev-Zhukov "team." Zhukov was considered a force that augured well for stability.

Vilfan implies that the ouster of Zhukov stems primarily from a Khrushchev-Zhukov rivalry. Apparently the general view in the Yugoslav Foreign Ministry is that Khrushchev's precarious hold on the Soviet central committee forced him to cooperate with a Stalinist wing which had initiated Zhukov's removal. The Yugoslav radio, according to the <u>Times</u> correspondent in Belgrade, announced on 2 November that it was Party Secretary Mikhail Suslov--a Stalinist in Yugoslav eyes-who delivered the final report before the Soviet central committee on the Zhukov ouster. This explanation is more consistent with the view long held in Belgrade that Khrushchev faces serious opposition in the party and requires all possible support for his policies if he is to overcome his opponents. Belgrade's concern will probably induce increased caution in its relations with the USSR.

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3. DEATH OF DI VITTORIO WEAKENS ITALIAN COMMUNIST LABOR LEADERSHIP

<u>Comment on</u>:

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The death on 3 November of Giuseppe Di Vittorio, secretary general of the Communist-dominated Italian General Confederation of Labor (CGIL) since 1946, leaves it without a strong popular leader

in the face of an internal crisis and lessening control over Italian labor.

In the past year the CGIL's membership has dropped about 200,000 and in 1957 for the first time it has won less than 50 percent of the posts in shop steward elections. Nenni Socialist members have become increasingly critical of the CGIL's subservience to the Communist line and failure to press for immediate workers' benefits. Partly in response to this criticism, Di Vittorio said in August 1956 that the CGIL should become independent of all political parties.

The Italian Communist party is faced with a dilemma in its choice for a replacement. If it backs a dependable Communist such as CGIL Secretary Secondo Pessi, it risks further straining relations with the Nenni Socialist members and worsening morale of the rank and file, with whom Pessi is unpopular. If it backs a Nenni Socialist such as Secretary Fernando Santi, it risks a further divergence of CGIL and Communist party policies. A compromise candidate might be Communist Senator Renaldo Bitossi, another CGIL secretary, who appears to be better qualified and more popular than Pessi but does not stand as well with the party leadership.

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4. ISRAEL AGAIN TO SEEK HEAVY US ARMS

Comment on:

Israel has decided to approach the United States again for heavy arms, including the latest jet fighters and possibly submarines,

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French Mystere jet fighters which Israel now has are definitely inferior to the MIG-19's with which Israel believes Egypt is already or may soon be equipped, and that while Israel's "need" for submarines could be criticized on military grounds, submarines would be expected to have a deterrent psychological effect on Arab countries.

An Israeli approach to the United States-possibly a pro forma preliminary to obtaining additional arms from Western Europe--would be part of a renewed effort to balance the Soviet arms in Arab hands. This effort probably is spurred by the uninterrupted trend toward closer Syrian-Soviet military and economic collaboration. The Israelis may believe that with increasing Soviet assistance, Syria is well on the way toward becoming a threat comparable to that posed by Egypt before the Sinai campaign last year.

The Israelis almost certainly are soliciting aid and advice from Western Europe as well as from the United States. On 5 November the chief of intelligence of the Israeli army is scheduled to begin a two-week visit to Italy, France, England, and perhaps Switzerland.

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5. KING HUSSAYN ASKS LONG-TERM UNITED STATES SUPPORT OF JORDANIAN ARMY

Comment on:

Jordan's continuing inability to maintain its army without outside financial assistance has led King Hussayn and Deputy Prime Minister Rifai to appeal for longterm American financial support of the army. The King indicated that only the Saudis had actually met their obligation under the annual \$35,000,000 subsidy to

the Jordanian army agreed on last spring by Egypt, Syria, and Saudi Arabia. Hussayn is now convinced that assistance from Iraq also will not be forthcoming, and has suggested that the United States might consider channeling aid through Saudi Arabia, with the Saudis continuing to provide \$14,000,000 and the United States the remaining \$21,000,000.

King Hussayn probably does not consider even the Saudi payment secure. The second half of the Saudi aid was reportedly delayed and will be spread over the next five months because of Saud's shortage of foreign exchange. This delay has already compelled Jordan to request emergency advance payment of \$3,000,000 from existing American aid funds to meet the 25 October army payroll.

While the Jordanian leaders are striving to ensure a secure source of financial support for the army, which alone keeps Hussayn's pro-Western regime in power, there are new signs of political disaffection among army and national guard officers in West Jordan. The ultranationalist "free officers' group" has renewed its activity there, partly in resistance to Amman's attempts to tighten control over the population. Efforts have been made by this group to sound out local West Jordanian leaders on the acceptability of a coup to replace the unpopular pro-Western government with military rule.

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6. SHAH OF IRAN CRITICAL OF AMERICAN AID PROGRAM

Comment on:

The Shah of Iran has implied that he believes his country might do better if its adherence to the Western camp were not so complete and unqualified as in the past,

bitter over the refusal of the United States to build a first class military airfield in Iran while agreeing to build one in Afghanistan. The Shah complained about the difference in the amount of aid received by Iran during the past three years as compared to that received by Yugoslavia and Turkey.

The Shah's attitude was revealed following a demarche by the Pakistani ambassador who, on behalf of the other Baghdad Pact powers, had expressed opposition to a scheduled speech by the Soviet ambassador to Iran over Radio Tehran on 7 November. In granting the ambassador permission to use the government radio, Foreign Minister Ardalan had not consulted the Council of Ministers but apparently did obtain the approval of the Shah.

The Shah has previously indicated his dissatisfaction with the level of American aid to Iran and recently stated that Iran should follow a policy of "positive nationalism," but not neutralism. He may be contemplating to exploit East-West differences over the Middle East to secure additional aid for his country.

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7. INDONESIAN GOVERNMENT PLANS TO INFILTRATE NETHERLANDS NEW GUINEA

Comment on:

The Indonesian government has ordered the police mobile brigade "to prepare to infiltrate" Netherlands New Guinea if the UN discussion on the disputed area does

not reach a conclusion satisfactory to Indonesia

Mobile brigade personnel are already being trained to implement an infiltration plan which calls for clandestine troop landings of brief duration in order to deliver weapons, radios, and funds to "West Irian" nationalists. The Indonesian government is currently conducting a large-scale domestic campaign for the "return of West Irian," and several officials have threatened that force would be used if other means fail.

The Indonesian government engaged in this type of paramilitary activity against New Guinea between 1953 and 1956. Heretofore, however, the army rather than the police has been involved. The mobile brigade is a special security force of 18,800 men which is better trained and equipped than the army, and is considerably more effective.

Indonesia is not believed capable of mounting an all-out military invasion of New Guinea and is unlikely to make the attempt. It apparently has a long-range plan, however, to stimulate a nationalist movement in the area among scattered elements on the coast who have pro-Indonesian sympathies. Djakarta probably hopes to persuade them to rise against the Dutch and appeal to Indonesia for help. Although the Dutch will not be dislodged by small groups of infiltrators, their small military force in New Guinea--1,250 marines, six small naval vessels, and a 1,600-man police force--would have great difficulty in suppressing guerrilla warfare encouraged and supported by Djakarta.

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8. MEXICO'S NEXT PRESIDENT POSSIBLY ALREADY CHOSEN

Comment on:

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Adolfo Lopez Mateos, capable young minister of labor, appears almost sure to be named presidential candidate at the 15 November nominating convention of the Institutional Revolutionary party (PRI). Nomination by the PRI, the political composite which has governed Mexico under various names for almost 40 years, is tantamount to election. The voting will not take place until July 1958.

Most reports agree that President Ruiz Cortines has chosen Lopez Mateos as his successor, presumably after consultation with the two powerful former presidents of Mexico. Lazaro Cardenas, whose administration was highlighted by expropriation of foreign oil holdings in 1938, represents the nationalist, neutralist, leftist PRI wing. Miguel Aleman, who gave industrial development first priority during his presidential term (1946-52), speaks for the conservative groups who want to see Mexico's great economic progress of the last ten years maintained by an administration responsive to business interests. Both factions can find reason for support of Lopez Mateos in his record of mediation, praised by labor and management alike.

The labor minister has usually been friendly to the United States, though the solid support given him by local leftist elements may indicate they expect even more opportunity for action under his presidency than Mexico's traditional indulgence of political leftists has previously provided.

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