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October 22 through 27, 1959 *b*

Synopsis of State and Intelligence material reported to the President

IRAQ-IRAN

We have instructed Embassy Tehran to express to the Shah our serious concern over the dangers that might arise from a clash between Iran and Iraq over the use of the Shatt-el-Arab. In particular, we point out the serious consequences which might result from the use of force and promise that we will try to make the Iraqis understand this also. Jernegan in Iraq, meanwhile, has said about the same thing to Foreign

Minister Jawad. Jawad did not seem to regard the matter as serious and indicated his general desire to avoid friction with Iran. He said, however, that he generally finds Iran difficult to deal with.

Jawad assured Jernegan that despite the attempt of the Communists to pin the blame for the attempted assassination of Qasim on us, he was personally sure of our innocence. He blames the UAR for all of Iraq's current troubles. Another report from Baghdad, however, notes an increase in Communist influence in the press.



IRAN

Khrushchev, in a talk with the Iranian Ambassador on October 16th, expressed interest in the Shah's proposal (September 23rd) to give the USSR a written guarantee that Iran would not allow a missile base on its territory. Khrushchev has delayed a formal response, however, possibly in the belief that this offer means weakness and that further concessions would be forthcoming.

CUBA

Bonsal reports that the current feelings in Cuba against the U.S. is due to (1) publicity of our attempts to prevent the British from selling jet aircraft to Cuba, (2) press speculation on possible punitive reduction of Cuba sugar quota, and (3) the reported bombings of Havana by aircraft allegedly based in Florida. Bonsal is attempting to pour oil on the waters with Dorticos and Roa, and the U.S. is investigating the October 21st leaflet dropping incident over Havana.

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CUBA -- continued

CIA feels that Castro's vitriolic attacks on the U.S. and his appointment of leftists to high offices indicate a real threat of extremist control over him. An observer feels there is almost no hope that Castro can now be influenced to moderate the course of his regimes or to recognize the danger of Communism.

INDONESIA

Subandrio has told Jones he was so threatened and abused during his Peiping trip that he felt the Chinese Communists consider Indonesia already subservient.

INDIA

Severe public reaction over the killing of the India border guards in Ladakh on October 21st has provided such a blow to the Communist Party of India that they felt obliged on October 24th to issue a resolution announcing that they shared the deep resentment and indignation among our people, thus siding against the Chinese Communists.

The Army Chief of Staff, Thimayya, has told our Embassy that he, the other Chiefs of Staff, and 30 of the generals will resign if Krishna Menon comes back from the UN as Defense Minister. The Embassy has concluded that Thimayya has doubts concerning responsibility for the commencement of fighting between the Indians and Communists at Ladakh and has accused Menon of being completely inconsistent in his attitude toward border problems of Pakistan and Communist China. The Embassy feels Nehru will condemn the Communists as a result of public reaction but will restrain the nation from precipitant action.

A ChiCom statement of October 26th insists that responsibility for the latest clash with Indian troops in Ladakh rests with the Indians, but the statement concludes on a moderate note. The statement restates Peiping's willingness to negotiate the border dispute "in a favorable atmosphere."

LAOS

The situation in Southern Laos where government forces are weak has deteriorated over the last month, according to our Embassy. Unless the trend can be checked, the government may find its authority

limited to larger towns. The trial of Prince Souphannouvang has been temporarily postponed.

### SUDAN

A group of dissident junior officers in the Sudan army were reportedly planning a military coup against the Abbud government on October 25th. No further report of this attempted coup has been forthcoming. The Abbud regime is unpopular and unstable and the loyalty of its forces is uncertain. However, the Abbud regime is reported planning a purge in the near future.

### AFGHANISTAN

Byroade had a talk with Daud in which he pointed up the necessity of improving relations between Afghanistan and other Moslem States in the area. Daud replied that while he is ready for settlement on a just and honorable basis, Afghanistan will inevitably be drawn to one side if the question of Pushtunistan is not resolved. Byroade thinks that Daud really wants a settlement and feels that a meeting between Ayub and Daud would be very valuable.

### JAPAN

Dillon has had a discussion with Fujiyama. Fujiyama was concerned over reports that the U.S. will give preference to U.S. products in procurement financed by DLF loans and hopes this policy would not be extended to ICA. Dillon pointed out our balance of payments problem and stated that internal steps we have taken cannot be fully effective unless all industrial countries, including Japan, remove discrimination against dollar imports. He said we did not contemplate an immediate ICA procurement policy change, but cannot guarantee to maintain this situation indefinitely.

### CHINA

Chiang has told Dillon that there is a definite and deep split between Khrushchev and Mao which began three years ago. Mao apparently looks down on Khrushchev and would never accept his leadership. Chiang emphasizes, however, that the personal split between the two

regimes themselves. Chiang further asserted that current dissatisfaction with the commune system made the present time ideal for stirring up defection on the mainland which could lead to overthrow of the regime. This could be done by the use of non-military or quasi-military methods.

NATO

Spaak is again very much upset by the lack of full NATO consultation on major matters affecting the alliance, such as Khrushchev's visit to NATO countries and plans for Western and East-West summit meetings. A NATO Secretariat official plans to try to soothe Spaak's feelings by pointing out that Heads of Governments are normally not so mindful as Foreign Ministers of the advantages of proceeding through NATO. The official may suggest that the December NATO meeting be raised to the Heads of Government level.



USSR - FRANCE

The French Minister Counselor has informed our Charge at Moscow that Khrushchev, in a talk with the French Ambassador on October 16th, observed that arguments for holding a summit conference before or after his visit to France seemed about even. Our Charge comments that this information conflicts with Zorin's October 22nd statement to the effect that the Soviets definitely would like a summit meeting before the end of the year regardless of what date might be fixed for Khrushchev's visit to de Gaulle. Our Charge believes that Khrushchev's indifferent attitude towards a summit meeting was a purely tactical maneuver.

UK - CUBA

Embassy London reports a UK Foreign Office official yesterday (October 21st) spoke strongly about what he termed the "public pressure" which the U.S. had put on the U.K. through press stories on the problem created by the Cuban request for jet replacement aircraft. The U.K. official said he thought his Government would have to make the decision to go ahead with the exchange of aircraft. He expressed the hope that before Cuba is notified of any U.K. decision in the matter, the U.S. and U.K. could

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consult on a new line to avoid any further appearance of a quarrel. Meanwhile, a senior Cuban official has expressed dismay to Bonsal, on behalf of Minister of State Roa, over our attitude on the aircraft issue. Bonsal endeavored to explain our policy on the shipment of arms to the Caribbean area but he comments that he doubts he was successful in convincing the Cuban official that the Dominican Republic is not benefiting from our policy.

John S. Eisenhower



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