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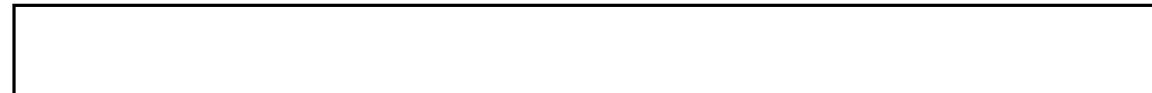


16 February 1960

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Copy No. C 67

# CENTRAL INTELLIGENCE BULLETIN



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State Dept. review completed

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### I. THE COMMUNIST BLOC

Moscow shows concern that Qasim has not "licensed" orthodox Iraqi Communist party.

(1)

### II. ASIA-AFRICA

Nehru's invitation to Chou En-lai to informal meeting on border dispute, representing shift in earlier position, will be viewed by Peiping as concession.

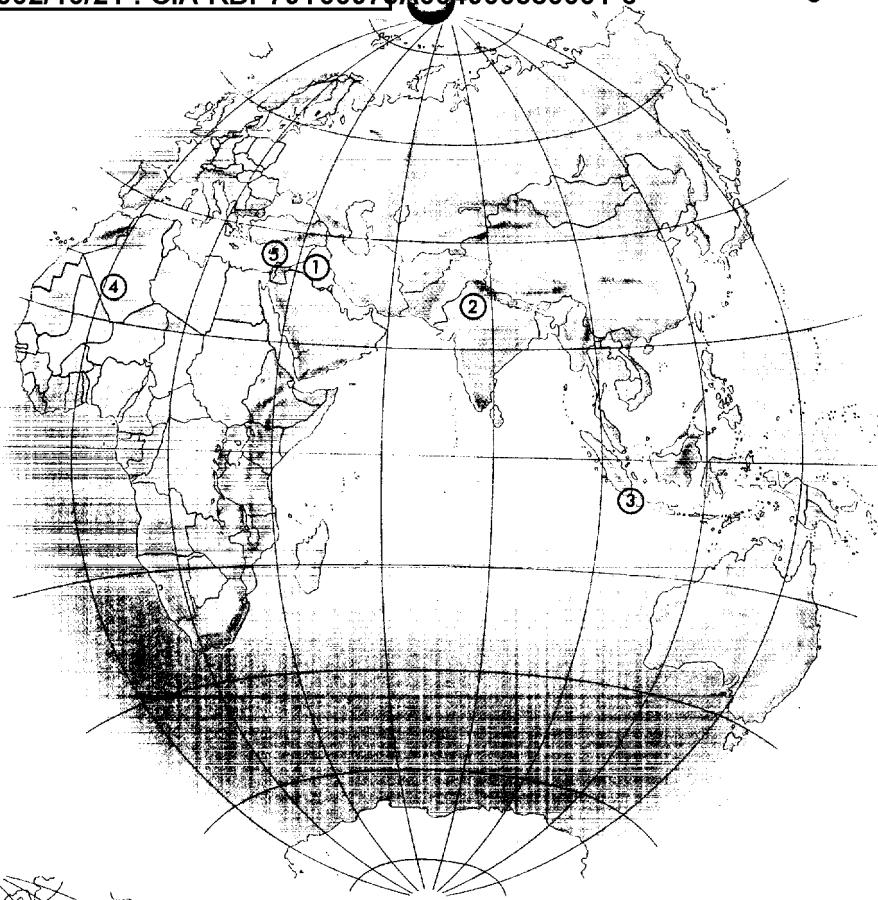
(2)

Indonesian official characterizes relations between Communist China and Indonesia as "subsurface political and economic warfare."

(3)

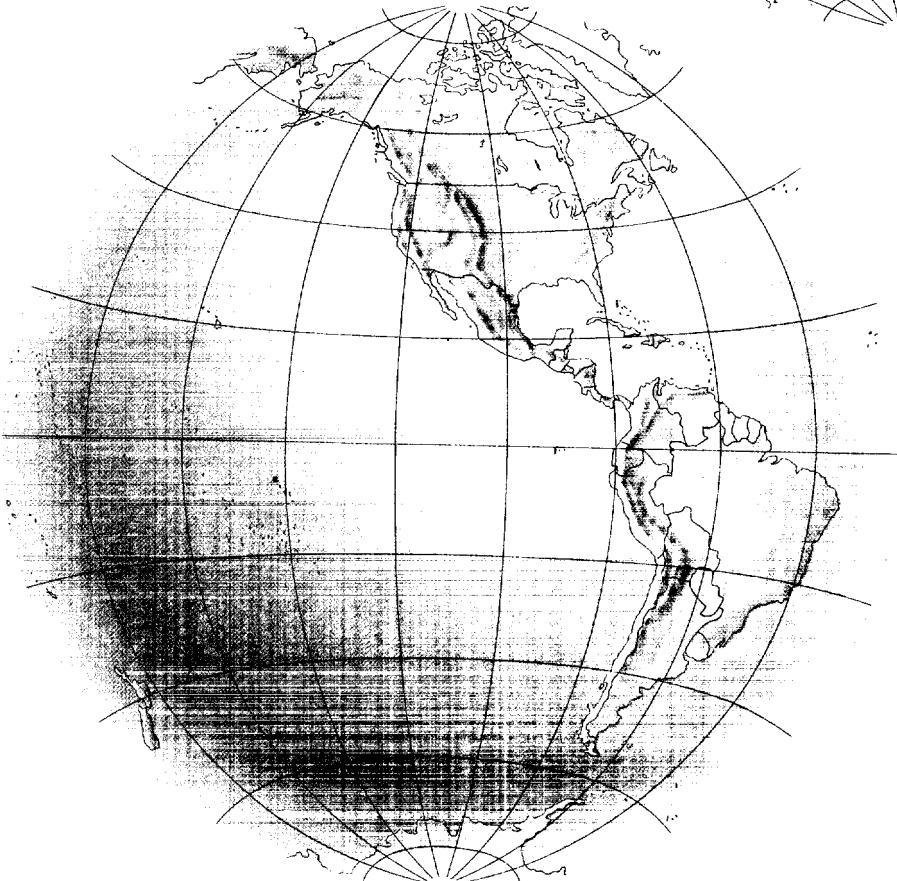
France's nuclear test gives new impetus to anti-French feeling in independent African states.

(4)



### III. THE WEST

(5) Cyprus--Makarios may be using press "leaks" in obvious effort to embarrass British and force further concessions on base issue.



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## CENTRAL INTELLIGENCE BULLETIN

16 February 1960

### DAILY BRIEF

#### I. THE COMMUNIST BLOC

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USSR-Iraq: Extensive publicity by the Soviet press and radio for the "platform" of the "orthodox" Communist party of Iraq (CPI) indicates Moscow's concern over Qasim's recent efforts to curb the CPI by recognizing a Communist splinter faction and forcing the CPI to resubmit its application to become a legal party. The CPI platform calls for formation of a "unified front," implementation of agricultural reform, limitation of foreign oil concessions to their present areas, and an increase in oil royalties for Baghdad. Moscow nonetheless is continuing its efforts to expand ties with the Qasim regime, as exemplified by the announcement on 10 February that the USSR is willing to help Iraq by building a large hydroelectric dam and several water control projects in the Tigris-Euphrates basin.

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Indonesia - Communist China: An Indonesian Foreign Ministry official has characterized relations between Communist China and Indonesia as "continuing subsurface political and economic warfare." He said Djakarta will not relent in its domestic anti-Chinese program and claimed that Peiping, in retaliation, is doing its utmost to aggravate Indonesia's economic difficulties. In addition, a Djakarta newspaper alleges that Chinese citizens departing Indonesia are using the Chinese Communist Embassy as a "warehouse" for deposit of their goods to circumvent export controls and also are said to be turning over their property deeds to the embassy. Over 1,300 Chinese affected by the ban on alien traders reportedly left Indonesia over the week end on a chartered Dutch ship.

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African Reaction to French Nuclear Test: France's successful nuclear test in the Sahara has given new impetus to anti-French feeling latent in most independent African states. [Ghana, which has long exploited the test issue as part of its drive for leadership of the African bloc, is reported pressing Guinea and Liberia to agree to a severance of relations with France and may take such action regardless of the attitude of Conakry and Monrovia.] The UAR, which may have influenced Accra's decision to freeze French assets in Ghana, also appears to be urging other African governments to take strong retaliatory measures. Morocco and Tunisia can be expected to exploit the test to bolster their respective campaigns for the early evacuation of French forces.

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### III. THE WEST

N<sup>D</sup> Cyprus: Archbishop Makarios may be using optimistic press "leaks" about negotiations in an attempt to make it awkward for London to remain adamant over further concessions on the size of the future British military bases on the island. The Turkish Government, meanwhile, feels that Britain should make

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DAILY BRIEF

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[no further concessions on bases and appears intent on preventing Turkish Cypriots from aiding Makarios in future negotiations on this issue. A public split between Greek and Turkish Cypriot leaders at this time could have serious long-range effects on inter-communal relations.]

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## I. THE COMMUNIST BLOC

## II. ASIA-AFRICA

### Sino-Indian Border Dispute

Prime Minister Nehru's suggestion that Chou En-lai meet with him informally in New Delhi during the second half of March,

[redacted] marks a significant shift from his previous insistence on certain preconditions to such talks.

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While stating that a meeting "might be helpful," however, Nehru reasserted that formal negotiations on a border settlement were "not possible" on the basis of China's contention that the entire border is undelimited. This qualification probably was intended to preserve the Indian bargaining position and at the same time make it clear that any progress toward substantive negotiations would be up to the Chinese. Despite Nehru's rejection of Peiping's premise, a meeting with Chou would provide an opportunity to explore informally some compromise formula. There have been indications that New Delhi might eventually consider ceding some territory now occupied by the Chinese in the Ladakh area of Kashmir in return for a guarantee of the Mc Mahon line in Assam.

#### New Delhi's note

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[redacted] reiterated that the Indian Government is prepared only to discuss particular places in dispute along the Sino-Indian frontier and to make minor adjustments where it is agreed they are necessary.

For several months, the Chinese have called for a Nehru-Chou meeting to settle "some principles of the boundary question." Nehru's willingness to meet Chou without insisting, as he has in the past, that Chinese troops first be withdrawn from all Indian-claimed territory probably will be viewed by Peiping as a concession. Although Chou may express a preference for meeting in a third country, earlier he had suggested Burma, the Chinese probably will agree to a spring meeting, believing Nehru can be maneuvered into some compromise.

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An Indonesian Foreign Ministry official on 13 February characterized present Sino-Indonesian relations as a "continuation of subsurface political and economic warfare." He said Djakarta would not abandon its domestic anti-Chinese program and that Peiping, in retaliation, was doing its utmost to intensify Indonesia's economic difficulties.

The Indonesian official also stated that the Chinese Embassy obviously would attempt to ship through diplomatic channels privately owned goods of Chinese who are leaving Indonesia. Suluh Indonesia, a progovernment daily, reported on 10 February that the Chinese Communist Embassy and Consulate have been converted into a "warehouse" where Overseas Chinese who are returning to mainland China are depositing goods which they are not permitted to take out of Indonesia. [redacted] departing Chinese are turning over property deeds to the Chinese Embassy. Should the embassy seek to protect this property from confiscation, the matter would become a government-to-government problem rather than one involving the Indonesian Government and foreign citizens.

The reaction of Overseas Chinese to Djakarta's anti-Chinese campaign is contributing markedly to Indonesia's problem of spiraling inflation. The flight of local Chinese capital, principally to Hong Kong, and the purchase of large quantities of commodities by departing Chinese have accelerated rupiah depreciation during the past six weeks. The Indonesian Government, faced with serious economic and political internal difficulties, can be expected not only to persist in its program of "economic nationalism" but also to blame most of its economic troubles on the local Chinese and on Peiping.

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[redacted]  
 The Chinese leaders foresee a long period of strains with Djakarta and have recently indicated that there will be "ups and downs" in Sino-Indonesian relations on the matter of the Overseas Chinese. They are seeking to avoid, however, the angry exchanges of late 1959 and are now careful to use Hong Kong newspapers--rather than the mainland press or radio--to launch any direct criticism of Indonesian mistreatment of Chinese.] [redacted]

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Saharan Nuclear Test Intensifies Anti-French Feeling in Africa

France's nuclear test in the Sahara on 13 February has given new impetus to anti-French feeling latent in varying degrees in most independent African states. Intergovernmental talks on possible joint retaliatory measures have apparently already been held in Accra and may soon take place at the United Nations as well.

Ghana, which has long exploited the test issue as part of its campaign for leadership of the African bloc, announced on 13 February that, "as a first step," it was freezing the assets of French companies operating in Ghana--unofficially valued at approximately \$14,000,000--until the effects of the French testing program on Ghana's population become known. Prime Minister Nkrumah's action followed shortly after the UAR ambassador in Accra was observed visiting the Ghanaian Foreign Ministry and may have been patterned after Cairo's similar move at the time of the Suez Canal crisis in 1956. [In addition, Accra has reportedly pressed Liberia and Guinea, at tripartite talks now going on in Accra, to agree to a coordinated move to break diplomatic relations with France. The American ambassador in Accra believes Nkrumah may at some point take such action regardless of the attitude of Monrovia and Conakry.]

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The UAR, meanwhile, is reported to have instructed its delegation in New York to seek "unified action" in the UN by the African bloc, which last fall successfully promoted a General Assembly resolution calling on France to forego the Saharan tests. Appeals for a severance of relations with France being disseminated by Nasir's Afro-Asian "solidarity" organization suggest that Cairo may also be paralleling Nkrumah's efforts along this line.

Morocco--which lays claim to a large portion of the Sahara west of the French test site--and Tunisia can be expected to attempt to use unfavorable domestic and international reaction to the French test in their respective campaigns for the early evacuation of French forces. The Moroccan cabinet announced on 13 February, after a special meeting over which King Mohamed presided, that "a certain number of steps" had been decided on. Morocco's Istiqlal party sponsored a four-hour protest strike on 15 February.

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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

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The Under Secretary of State

The Deputy Under Secretary for Political Affairs

The Deputy Under Secretary for Administration

The Counselor

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Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

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Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of Army

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