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1 May 1959

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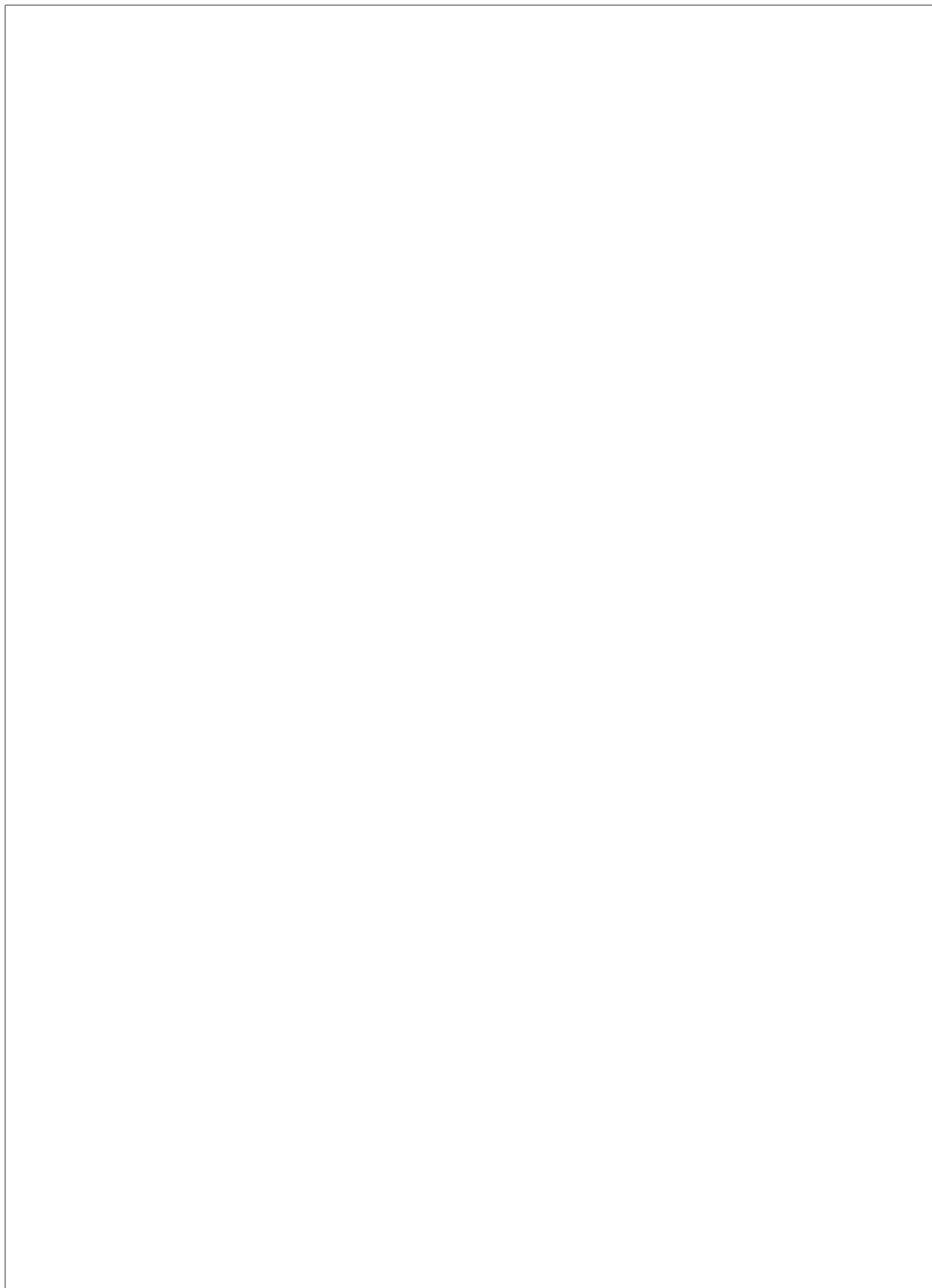
CENTRAL INTELLIGENCE BULLETIN



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1 MAY 1959

I. THE COMMUNIST BLOC

USSR-Nepal - Recent economic and diplomatic agreements provide opportunities for greater Soviet influence, and will increase India's concern over its northern frontier.

II. ASIA-AFRICA

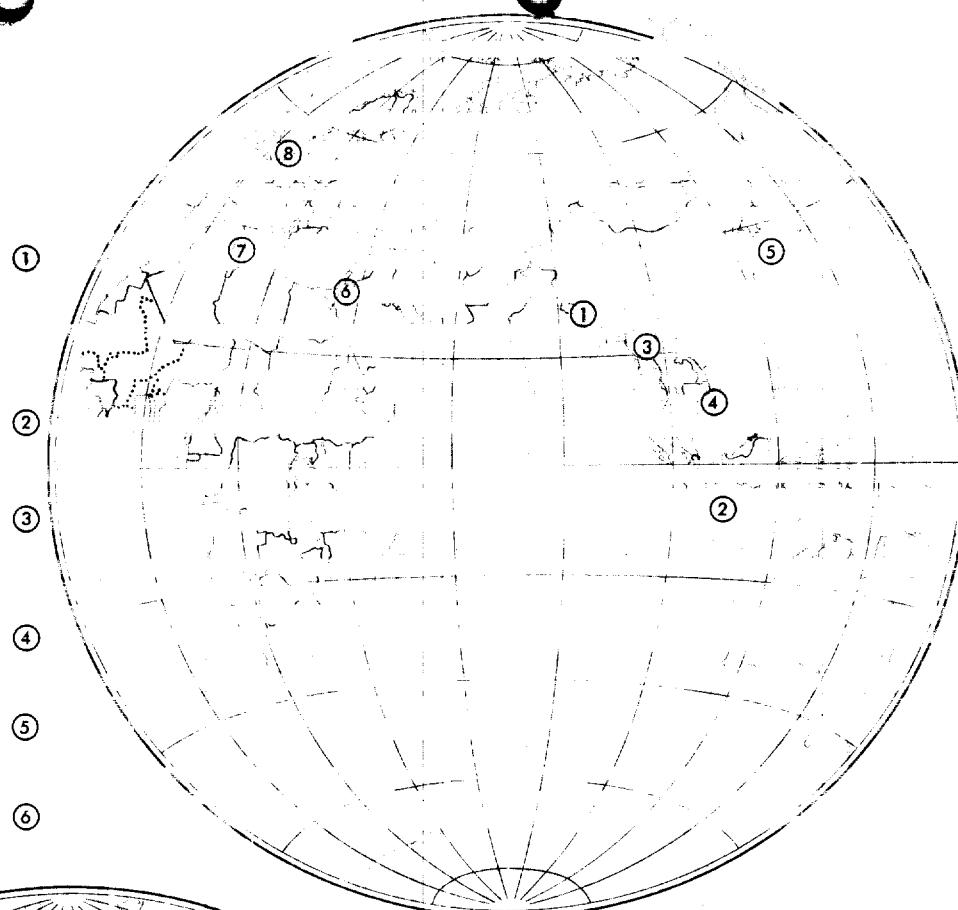
Afro-Asian Economic Conference committee decides against Soviet membership.

Chinese Nationalists offer training and equipment to Karen dissidents in Burma.

South Vietnam - Rumors persist that Communists planning violence, possibly today, involving US, French, and Chinese Nationalist embassies.

President Rhee closes second largest South Korean newspaper for attacks on government.

Jordan - Prime Minister Rifai will demand removal of Army Chief of Staff Shara.



- ⑦ More incidents involving French military action across the Algerian-Tunisian border lead Bourguiba to make new request for American arms.

III. THE WEST

- ⑧ The Netherlands - Lack of effective government likely to continue for some time.
- ⑨ Cuba - Raul Castro may be undertaking purge of Cuban military.
- ⑩ Panama - Reinforcements for invaders may be en route.

CENTRAL INTELLIGENCE BULLETIN

1 May 1959

DAILY BRIEF

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I. THE COMMUNIST BLOC

OK

USSR-Nepal: Nepal's recent agreements with the USSR for economic aid and the exchange of resident diplomatic missions were apparently pushed through by a small government-palace clique, consisting mainly of officials defeated in the recent national elections. King Mahendra, the dominant figure in Katmandu, presumably supported the decisions, probably in part as a result of his desire to expand Nepal's international contacts. The negotiations were concluded in the absence of the leading Nepali Congress party minister, who was opposed. These actions will provide additional opportunities for the USSR to exert its influence in a border area between India and Tibet, and will increase India's concern about its northern frontier.

(Page 1)

II. ASIA-AFRICA

OK

Afro-Asian Economic Conference: The consultative committee of the Afro-Asian Economic Conference which ended its meeting in Indonesia on 30 April has limited membership in the organization so as to exclude the USSR. Only Communist China opposed the limitation; the United Arab Republic and Iraq abstained. Headquarters are to be in Bombay or Cairo. The UAR originally favored Soviet participation but apparently yielded to South and Southeast Asian opposition in the hope of securing agreement on Cairo as the headquarters.

(Page 2)

Nationalist China - Burma:*OK*

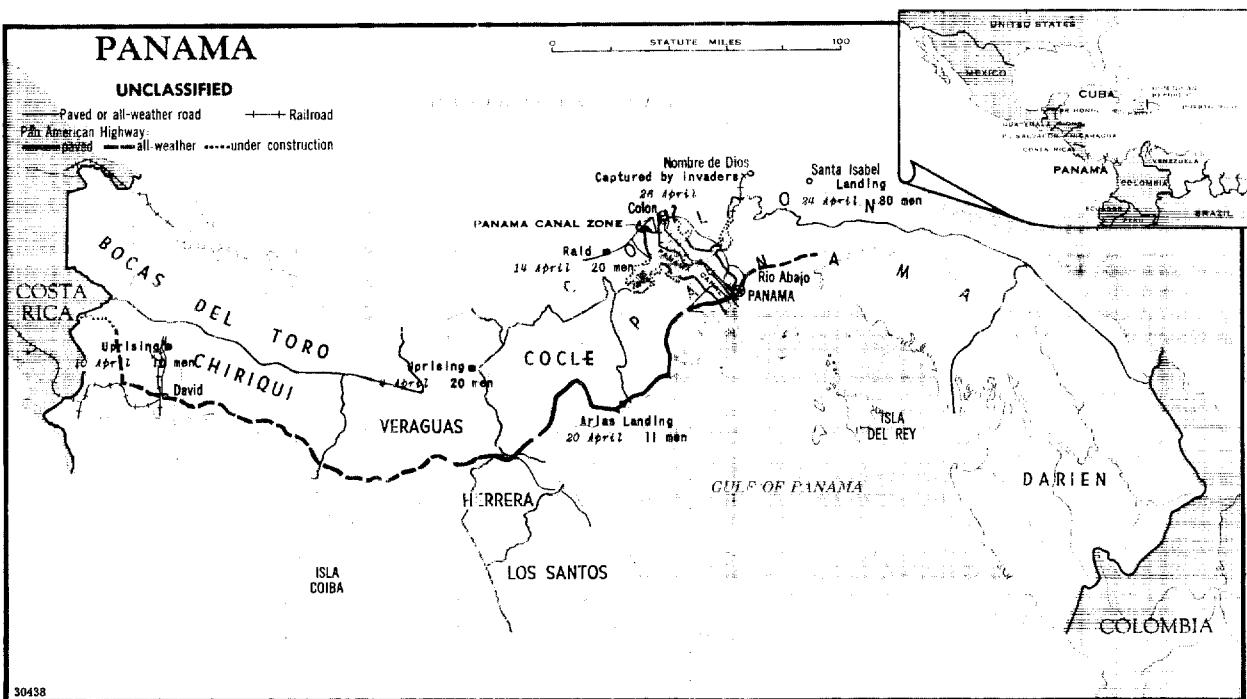
[REDACTED] Chinese Nationalist interest in strengthening anti-Communist Chinese elements in Burma. When the agreement becomes known to the Burmese, a strong adverse reaction can be expected.] [REDACTED] (Page 3)

(40)
 *South Vietnam: Persistent rumors have been received of possible Communist violence in South Vietnam to occur either on 1 May or within a week of that date, possibly as the start of an intensified terrorism campaign. One report says the American, French, and Chinese Nationalist embassies will be targets. There is as yet no confirmation of these rumors, but South Vietnamese security authorities are taking additional precautions.] [REDACTED]

(40)
 South Korea: President Kue's action in closing down the pro-opposition newspaper Kyonhyang Sinmun, second largest in South Korea, for "consistently attacking government policy" appears to be another in a series of repressive measures taken recently to assure his re-election next year.

(40)
 Jordan: Premier Rifai has decided that he must seek removal of Jordan's army chief of staff, Major General Sadiq Shara, whom he has supported against charges of plotting against the regime. The premier now believes that the evidence against Shara is convincing. Rifai apparently hopes by reversing his position to prevent his own enemies from using the Shara affair to oust him. If King Husayn wishes him to continue as prime minister, Rifai proposes to resign in late May and form a new government.] [REDACTED]

(OK delete just sent 2 P)
 Tunisia-France: Incidents along the Algerian-Tunisian border, involving violations of Tunisian territory by French forces based in Algeria, have recently increased. This situation, attributable in part to more vigorous French activity on the Algerian-Tunisian frontier, is causing mounting uneasiness among Tunisian officials. President Bourguiba has made a new urgent request for the expeditious shipment of arms and military vehicles from the US.] [REDACTED] (Page 4)



III. THE WEST

OK

The Netherlands: The growing rift between conservative and progressive elements in the Netherlands is likely to prolong the cabinet crisis which has lasted since the 12 March election. The failure earlier this week to form a right-wing coalition government may lead to the establishment of a cabinet of technicians without party commitments. Such a government would be weak and this might make dealing with the Dutch on international questions more difficult.

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Cuba: Sweeping changes are reported being made in the military high command as well as among lower ranking officers. [Raul Castro, commander in chief of the armed forces, apparently initiated the changes prior to his hurried trip to meet Fidel Castro in Houston on 28 April.] They may be designed to eliminate officers he considers to be rightists and unsympathetic to him.

(Page 6)

NO

Panama: The National Guard is reluctant to engage the invading groups, and the De la Guardia government is relying on the OAS investigating committee to solve the situation. Most of the invaders are still in the small coastal village of Nombre de Dios, possibly awaiting reinforcements reported to have left Cuba on 28 April. About 20 invaders have moved away from Nombre de Dios and may be heading toward the Canal Zone. Extremist students may stage disorders in early May.

(Man on adjoining page)

IV. SIGNIFICANT INTELLIGENCE REPORTS AND ESTIMATES

(Available during the preceding week)

The Communist Threat to Iraq. SNIE 36.2/1-59. 21 April 1959.

The Present Situation in Yemen. SNIE 36.8-59. 21 April 1959.

The Outlook for France. NIE 22-59. 21 April 1959

I. THE COMMUNIST BLOC

Possible Friction in Nepal Over Establishment of Soviet Embassy

The Nepalese Government's agreement to allow the USSR to establish an embassy in Katmandu as well as an aid mission may create considerable friction between King Mahendra and the Nepali Congress party which will soon form the new government.

[redacted] the agreement was apparently pushed through by a small government and palace clique assisted by ministers who were defeated in the elections. These elements--some of whom have pro-Soviet leanings--apparently convinced King Mahendra that the establishment of a Soviet Embassy and aid mission would increase Nepal's diplomatic maneuverability and its chances of obtaining increased foreign aid by playing off the USSR, India, and the West.

The action was taken in the absence of General Subarna, chairman of the present Council of Ministers and a Nepali Congress party leader, and despite assurances reported given him that no decision would be taken while he was away for medical treatment. Since Subarna will be one of the leaders of the new government, the King's support of the action will increase his difficulty in achieving a satisfactory working relationship with the cabinet. After it forms a government, Nepal's Congress party which has been supported by India, may seek to delay the actual opening of an embassy.

The establishment of a Soviet diplomatic mission in Nepal and the prospect that Communist China will press for one within two or three months will further intensify New Delhi's concern over the security of the strategic border states on its Himalayan frontier.

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II. ASIA-AFRICA

New Afro-Asian Economic Organization to Exclude USSR

Moscow has suffered a setback in its efforts to associate itself with the Afro-Asian movement. The USSR is to be excluded from the permanent Afro-Asian Organization for Economic Cooperation, for which plans were laid at the Afro-Asian Economic Conference in Cairo last December.

A consultative committee appointed by the Afro-Asian Economic Conference met from 27 to 30 April in Bandung, Indonesia, to study the terms of the new organization's constitution. The committee's major constitutional problem was to decide whether to admit the USSR as a full member of the new organization. It decided to admit only those nations represented at the Bandung Conference of 1955 and newly independent African nations. The decision was supported by the representatives from Ethiopia, Ghana, India, Indonesia, Japan, Pakistan, and the Sudan. Communist China's delegation stood alone in opposition, and the UAR and Iraqi delegations abstained. Libya failed to send a delegation to the meeting.

The committee, which was also to decide the location of the organization's permanent headquarters, has reduced the possibilities to Bombay and Cairo. The UAR delegation originally favored Soviet participation but yielded apparently in the hope of securing support for Cairo as the headquarters site.

The new organization, which is to work for the improvement of Afro-Asian trade relations, is nongovernmental and supposedly nonpolitical in nature. The policies of the national delegations, however, are largely determined by their respective governments.

The committee meeting held at Bandung has no connection with the economic conference of "Bandung" powers, which Ceylonese Prime Minister Bandaranaike is trying to arrange for late 1959. A preparatory meeting of Colombo powers' representatives is to meet in Colombo about 18 May to prepare for this conference.

~~CONFIDENTIAL~~

Chinese Nationalist Assistance to Karen Insurgents in Burma

[redacted] Chinese Nationalists are prepared to give the Karens communications equipment and to train 30 young Karens on Taiwan, possibly as a beginning of a covert assistance program.

[redacted] If the Burmese Government became aware of it, any Chinese Nationalist aid to the Karens could be expected to produce a strong Burmese reaction, and Rangoon almost certainly would suspect American involvement.

[redacted] Chinese Nationalist guerrillas collaborated with the Karens for a short time in 1953. Since then Taipei has maintained liaison contacts with the Karens, but has given no significant aid. A policy of renewed encouragement of the Karens would be in line with the apparent revival of Chinese Nationalist interest in strengthening anti-Communist dissident groups in Burma. The Nationalists recently have flown several airdrop missions to the Kuomintang irregulars located near the Burma-Thai-Laos border. The Tibet revolt apparently has induced Taipei to seek to maintain friendly guerrilla forces close to China's borders.]

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Tunisians Concerned Over Incidents on Algerian Border

[Tunisian officials are displaying concern over what appears to be an increase in the number and gravity of frontier incidents involving violations of Tunisian territory by French forces based in Algeria. Following a series of such incidents last month--including one in which a sizable number of French troops penetrated Tunisian territory to a depth of about 25 miles--Tunisian Foreign Secretary Mokaddem expressed fear on 27 April that the French military might be building up to a "concentration of hostility" against Tunisia.]

[While there is no indication that any French elements are prepared at this time to provoke a major incident similar to last year's attack on the Tunisian border village of Sakiet Sidi Youssef, French Army units do appear to have become more active. This has been particularly noticeable in the southern desert region, where the French Army has taken an aggressive position in defending the "rights" of nomadic Algerian tribes which have traditionally moved freely in the barren and largely undemarcated border area. Early this year the Tunisians began cracking down on these tribesmen, whose incursions they believe are encouraged by French authorities in Algeria as part of France's effort to uphold its territorial claims in the area. These conflicting policies have already caused at least one dangerous confrontation of French and Tunisian military units and could easily lead to more serious trouble.]

[To cope with these border problems--which also include the unsanctioned activities of Algerian rebels--Tunisia is expanding its army as rapidly as possible. It now reportedly has approximately 12,000 of a desired 20,000 men in uniform. However, these forces still suffer from serious materiel and logistic difficulties. On 27 April, President Bourguiba forwarded to the American Embassy in Tunis a new urgent request for the expeditious shipment of arms and, especially, military vehicles from the US.]



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III. THE WEST

The Dutch Cabinet Crisis

The growing rift between conservative and progressive elements in the Netherlands is likely to prolong the cabinet crisis which has lasted since the 12 March election.

Negotiations to form a right-wing Dutch cabinet broke down when one of the small Protestant parties refused to participate in a weak coalition in view of the anticipated vigorous and effective Socialist opposition to be faced by the new cabinet in parliament. The Socialist party, which precipitated the 12 March national elections by withdrawing from Prime Minister Drees' cabinet in December, succeeded in holding its own in the election, and is the second largest party. The Catholics, who have 49 of the 150 parliamentary seats, are in a pivotal position and will continue to play a leading role in formation of a cabinet.

There now appear to be two possibilities for forming a cabinet: an attempt may still be made to form a Socialist-Catholic coalition; or a business cabinet, including "technicians," with no party commitments, may be considered. Minus able figures, like Foreign Minister Luns, such a cabinet would be very weak and would probably be more troublesome to deal with on international questions.

~~CONFIDENTIAL~~

Shake-up of Cuban Officer Corps

Raul Castro, commander in chief of the Cuban armed forces, is reported to have ordered sweeping changes in the personnel of the Cuban armed forces. The changes may have been designed to eliminate officers Raul considers rightists and unsympathetic to him. Besides shifts in the general staff, other projected changes were reported to include the removal of all majors and perhaps lower ranking officers affiliated with the Revolutionary Directorate, a rebel organization which fought independently of the Castro group. In the first days after the ouster of Batista, this group attempted, by threat of force, to establish a position independent of the dominant "26 of July" movement.

(The changes were apparently initiated prior to Raul's hurried trip to meet Fidel in Houston on 28 April. An American newsmen in close contact with the Cuban situation believes that the armed forces were discussed at the Houston meeting and that Fidel may have informed his brother that on his return to Havana he plans to crack down on Communists in Cuba, especially in the military.)

Fidel Castro's return to Cuba, originally scheduled for 30 April, was postponed by his sudden decision to attend the inter-American economic conference now meeting in Buenos Aires. This move will prevent him from attending large labor celebrations scheduled for 1 May in Havana and has provoked speculation that he is deliberately absenting himself from the labor demonstrations.

Communists, who have gained a foothold in Cuban organized labor under the Castro regime, will undoubtedly play a prominent role in the 1 May celebrations. The pro-Communist army major "Che" Guevara has announced plans for an "armed workers' militia" to parade on 1 May, but the head of the Cuban Confederation of Workers has stated that such a militia has not yet been organized.

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Director of the Budget

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Executive Secretary, National Security Council

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The Secretary of the Treasury

The Department of State

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The Under Secretary of State

The Under Secretary of State for Economic Affairs

The Deputy Under Secretary for Political Affairs

The Deputy Under Secretary for Administration

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Chief of Staff, United States Air Force

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