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CENTRAL

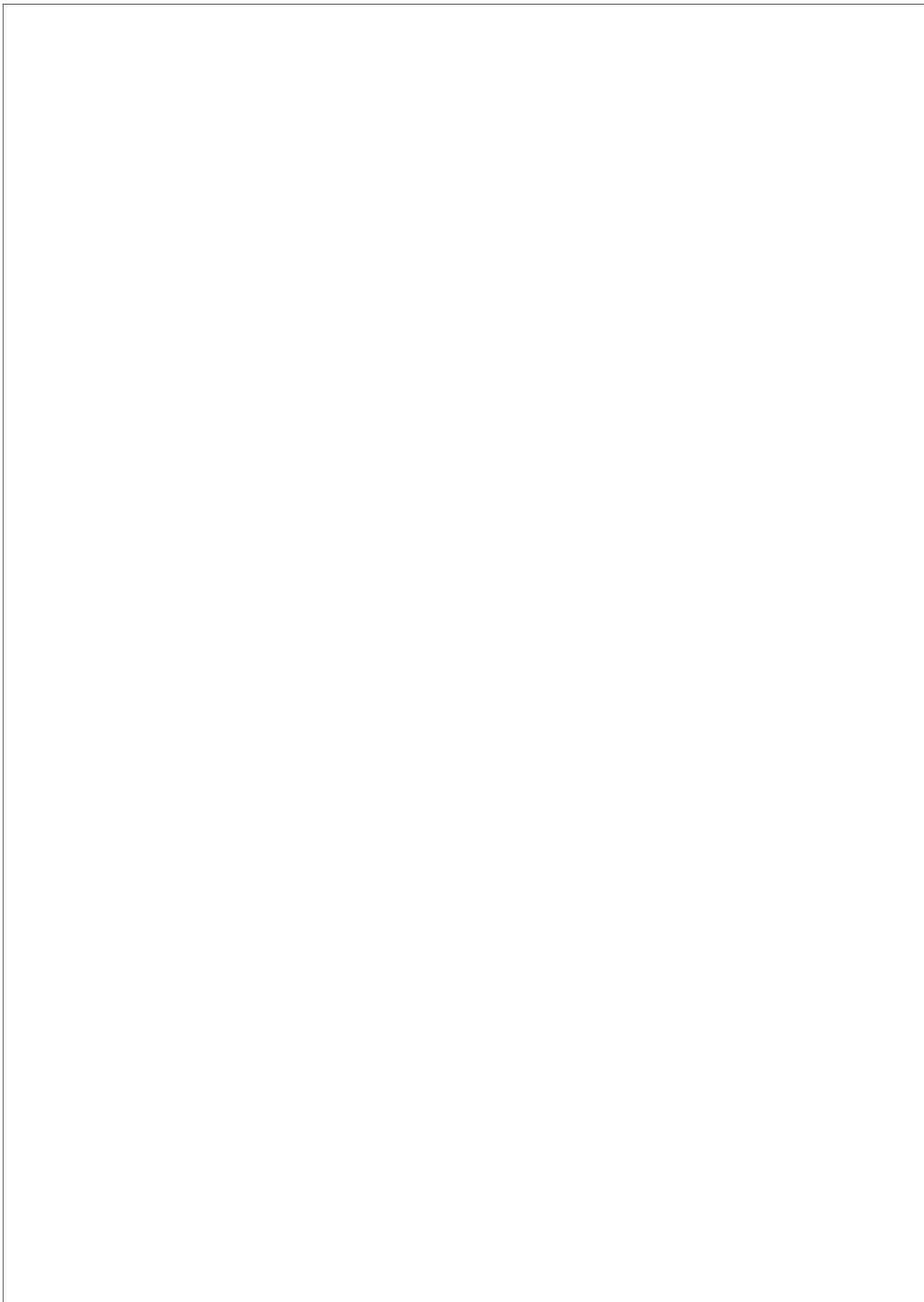
INTELLIGENCE

BULLETIN



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27 MARCH 1959

I. THE COMMUNIST BLOC

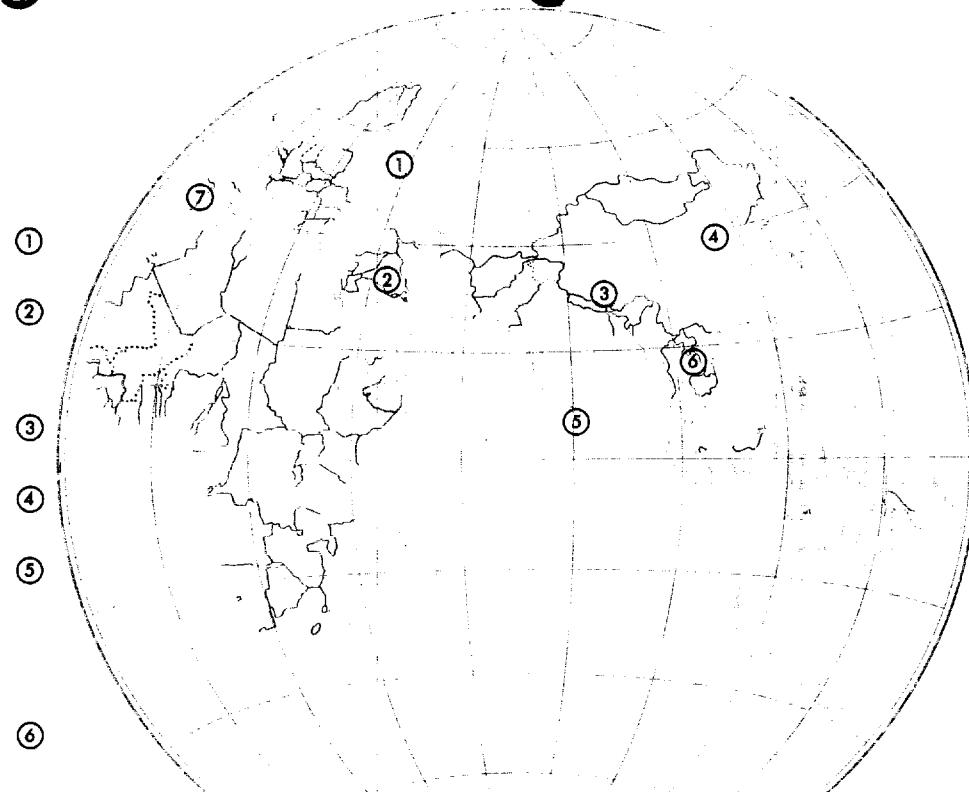
Soviet internal propaganda plays down risk of war over Berlin.

USSR working to quiet down UAR-Iraq quarrel.

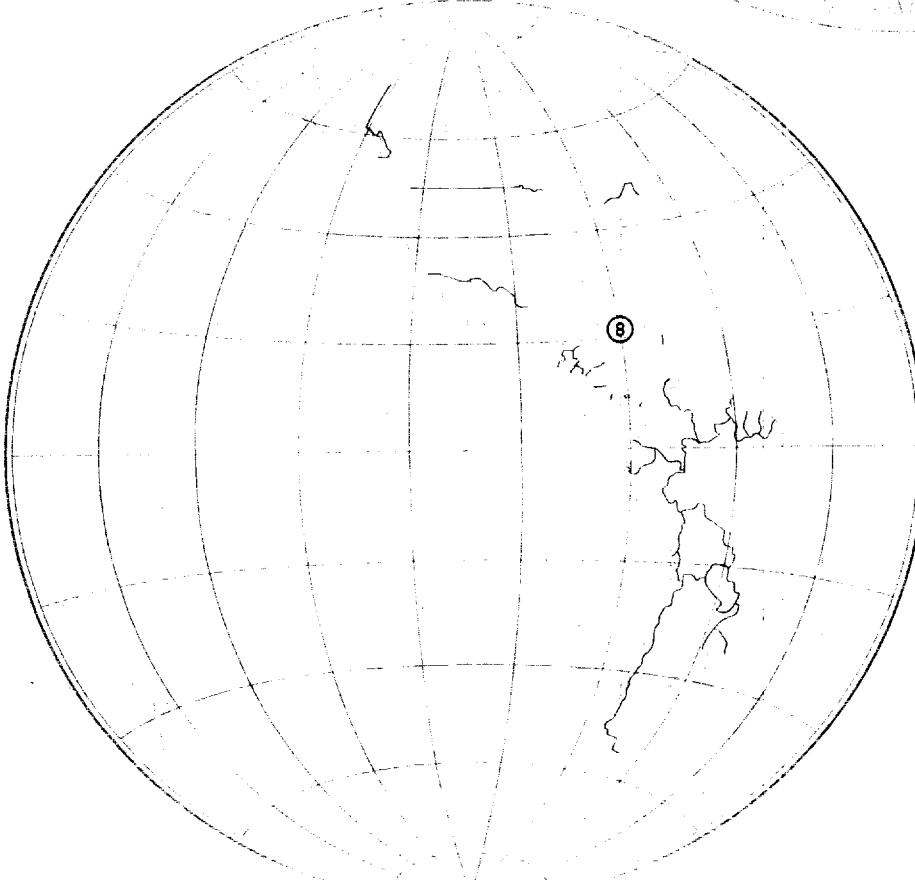
Tibet - Chinese apparently hold firm control of Lhasa [redacted]; Dalai Lama near Indian border.

Peiping's views on nuclear-free zone in Asia.

Communist China and Ceylon sign air agreement.

**II. ASIA-AFRICA**

Laotian Government decides to curtail drastically French military role there.

**III. THE WEST**

Spanish dictator said to see strong possibility of revolution in Portugal.

Growing discontent in Cuba; Castro seen likely to lose further support as result of rift with former Costa Rican president over best means to bring down Caribbean dictators.

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CENTRAL INTELLIGENCE BULLETIN

27 March 1959

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

HC

USSR: Soviet leaders have made consistent efforts since November to reassure their population that no grave risk of war over Berlin exists, according to the American Embassy in Moscow. While there have been scattered articles in the Soviet press conveying the impression of hysteria and belligerency in the United States, there has been no campaign charging the existence of an American "war psychosis." The American Embassy believes the Soviet public is now more concerned over a war threat than before Khrushchev's Berlin moves, but less than during the Suez and Taiwan Strait crises. There have been no rumors of hoarding, which were prevalent during the earlier crises.

HC

USSR-UAR: The USSR, while continuing to counter Nasir's public attacks, is working to tone down the dispute between the UAR and Iraq.

intensification of the quarrel was not in the interest of either country and pressed the USSR's public line that the dispute benefits only the West and Israel. The Soviet press and radio have welcomed Arab League offers to mediate between Cairo and Baghdad, and have emphasized that economic aid to the UAR is continuing. (Page 1)

HC

Tibet: The Dalai Lama, who fled Lhasa on 17 March to seek asylum in India, was expected to be some 60 miles from the Indian border on 26 March. He is headed for a town some 20 miles from the border where he and his party expect to meet additional members of the Tibetan resistance group in India. the Chinese Communists are in firm control of Lhasa following the "retreat" of the

[rebels on 24 March. While Peiping will undoubtedly increase its efforts to wipe out the remaining Tibetan dissidence, guerrilla activity in outlying parts of Tibet and western China is expected to continue for some time.]

OK

Communist China: The Chinese Communists recently told members of the Japanese Socialist party delegation, during a discussion on a nuclear-free zone for the Far East, that they "definitely" possess no nuclear weapons. The Chinese demanded that the zone "include Asia and the Pacific Ocean" ^{no} area. This report supports previous indications that Peiping finds Khrushchev's call for the zone, at the Soviet 21st party congress, useful in its effort to encourage Asian opposition to US nuclear testing and to any possible increase in US-nuclear weapons capabilities in the Far East.]

(Page 2)

NO

*Communist China - Ceylon: Communist China and Ceylon agreed on 26 March to establish air service between the two countries. The flights, probably from Canton to Colombo, in effect will be an extension of China's only other air route in the free world which connects Canton and Kunming with Rangoon. An air agreement with India has been under discussion for several years.

II. ASIA-AFRICA

NO

Laos: The Laotian prime minister has told the American ambassador that his government has decided to curtail drastically French military activities in Laos. The decision runs counter to French hopes to expand their influence there, in part by enlarging their training mission.]

(Page 3)

III. THE WEST

NO

Portugal: General Franco is said to have told the Spanish cabinet early this month that a revolution in Portugal was a strong possibility and he was not convinced that the present regime could easily quell it. The Portuguese authorities are apparently arresting additional military personnel as well as members of Catholic Action as a result of the recent abortive move against the regime. Widespread disaffection is reported among military officers as high as the rank of colonel.

OK

Cuba: Former Costa Rican President Figueres failed in his visit to Cuba to convince Fidel Castro that Castro's movement is supporting irresponsible Communist groups in its campaign against Caribbean dictatorships. This rift between Castro and the popular Figueres will bring about a loss of confidence in Castro in Cuba itself as well as among those hemisphere leaders who wish to bring about a change in the dictatorships. There is growing discontent in Cuba even among former Castro supporters, but as yet no organized opposition. [redacted] (Page 4)

IV. SIGNIFICANT INTELLIGENCE REPORTS AND ESTIMATES

(Available during the preceding week)

Chinese Communist Intentions and Probable Courses of Action in the Taiwan Strait Area. SNIE 100-4-59. 13 March 1959. [redacted]

The Berlin Crisis. SNIE 100-2/1-59. 17 March 1959.
[redacted]

I. THE COMMUNIST BLOC

Moscow Working to Smooth Over UAR-Iraq Dispute

The USSR, while continuing to counter Nasir's attacks, has been working assiduously to smooth over the UAR-Iraq dispute.

[redacted] an intensification of the quarrel was not in the interest of either Arab country. Zaitsev also reportedly stressed the USSR's public line that the dispute benefits only the West and Israel.

The Soviet press and radio have welcomed Arab League efforts to mediate the differences between Cairo and Baghdad. Moscow has also emphasized that deliveries of materials under agreements to give economic assistance to the UAR are continuing.

Although Soviet leaders apparently hope that the polemics will subside without a further deterioration in relations with the UAR, Soviet spokesmen have replied to Nasir with counter-blasts of equal intensity. Moscow has reacted particularly to Nasir's charge of 22 March that Egypt stood "alone" during the Suez invasion and that, during the period of fighting, "no state was backing us." One Soviet broadcast in Arabic specifically singled out Nasir's charges as "lies" and included in the broadcast several recorded excerpts from a speech by Nasir during his April 1958 visit to the USSR in which he praised Soviet "support" and "intervention" in the Suez crisis.

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Peiping's View of Nuclear-Free Zone in Asia

[The Chinese Communists recently told members of the Japanese Socialist party delegation, during a discussion of a Far Eastern nuclear-free zone, that the zone must "include Asia and the Pacific Ocean" area,]

[The Chinese position closely parallels remarks made by Khrushchev at the Soviet 21st party congress in connection with his demand to halt nuclear tests in the Pacific--in his words, an area "which has become the main proving ground for the testing of American atomic weapons." He stated that a "zone of peace and, above all, a zone free from atomic weapons can and must be set up in the Far East and the Pacific Ocean basin as a whole."]

[The propagandistic nature of Khrushchev's statements and the prominence given them by the Chinese Communists indicate they were not intended by Moscow as a pretext for withholding nuclear weapons from China. The Chinese told the Japanese delegation that China "definitely" has no nuclear weapons. Despite its public position on a nuclear-free zone, Peiping's efforts to acquire such weapons with Soviet assistance will probably continue.]

[Peiping had already called for an Asian atom-free zone in February and March 1958 in support of a suggestion by Prime Minister Nehru. Its current treatment of the propaganda theme is designed to encourage Asian opposition to US nuclear testing and to any increase in US nuclear-weapons capabilities in the Far East. Moscow as well as Peiping probably does not expect any Western agreement to such a zone in the near future.]

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II. ASIA-AFRICA

Laos Reaffirms Decision to Eliminate French Military Role

[The Laotian Government on 24 March decided to reject France's recent offer to send 80 additional military instructors to Laos. The cabinet also decided to curtail the functions already exercised by the French mission and to insist on control of the French airfield and base at Seno. Prime Minister Phoui Sananikone informed the American ambassador that these decisions were part of the over-all objective of eliminating entirely the French military position in Laos. He said that only US representations over the past several months had prevented earlier action.]

[Phoui said that he would shortly send a formal letter requesting US military training assistance. He said he appreciated the need to avoid an unpleasant breach with the French and invited the American ambassador to help him make his notification to the French as "palatable as possible." Phoui gave a noncommittal reply to the ambassador's contention that it was essential for Laos and the US to retain French cooperation.]

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III. THE WEST

Castro's Policies Isolating Cuba in Latin America

Fidel Castro's increasing tendency to blame the United States for Cuba's economic and political problems and to insist on a "neutralist" position in world affairs is widening the rift between Cuba and the liberal bloc in Latin America led by former Costa Rican President José Figueres and Venezuelan President Romulo Betancourt. Castro strongly refuted Figueres' pro-US speech in Havana on 22 March, in which Figueres advised Cuba to follow a moderate approach to revolutionary reforms and to align itself with the West. This undoubtedly spelled failure for any attempt by Figueres to orient Castro toward the Figueres-Betancourt axis--particularly with respect to the "campaign against dictatorships." Figueres reportedly had hoped to convince Castro he should withdraw his support of those Nicaraguan and Dominican revolutionary exile groups which are Communist influenced.

Castro's reply to Figueres, which was followed by another strong attack against Figueres' views by the Cuban official newspaper Revolucion, may also encourage internal opposition to the Castro government by emphasizing Cuba's isolation from the Latin American liberal bloc. Many commercial and business groups have already been alienated by Castro's economic policies, which seem directed against "vested interests" and US influence on Cuba's economy. There is also discontent within some political circles, although there is as yet no cohesive opposition to the government. [redacted]

[redacted]

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Executive Offices of the White House

Special Assistant for National Security Affairs

Scientific Adviser to the President

Director of the Budget

Office of Defense and Civilian Mobilization

Special Assistant for Security Operations Coordination

Board of Consultants on Foreign Intelligence Activities

Special Assistant for Foreign Economic Policy

Executive Secretary, National Security Council

The Treasury Department

The Secretary of the Treasury

The Department of State

The Secretary of State

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

The Counselor

Director, International Cooperation Administration

The Director of Intelligence and Research

The Department of Defense

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Chief of Staff, United States Army

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 the Army

Director of Naval Intelligence, Department of the Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

Supreme Allied Commander, Europe

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