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2 May 1960

3.3(h)(2)

Copy No. C 68

3.5(c)

CENTRAL

INTELLIGENCE

BULLETIN



DOCUMENT NO. _____
NO CHANGE IN CLASS.
 DECLASSIFIED
CLASS. CHANGED TO: TS S S
NEXT REVIEW DATE: 2010
AUTH: HR 76-2
DATE: 9 JUN 1980 REVIEWER: _____

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2 MAY 1960

I. THE COMMUNIST BLOC

II. ASIA-AFRICA

Turkish disorders slacken; students reportedly plan final demonstration today asking US support against regime.

Arab shipping boycott begins with little practical effect thus far.

UAR deputy foreign minister recommends increased contacts with Latin America.

Iraqi foreign minister says Qasim told Mikoyan Iraq and USSR don't agree on meaning of neutrality.

Tunisia may soon announce exchange of ambassadors with USSR.

Guinea will order Western oil firms to market bloc petroleum products obtained by barter.

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III. THE WEST

⑦ French official predicts early statement of "liberal" Algerian policy by De Gaulle.

⑧ Panama tense over 8 May election, today's anniversary of march on Canal Zone, and unsubstantiated invasion jitters.



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CENTRAL INTELLIGENCE BULLETIN

2 May 1960

DAILY BRIEF

I. THE COMMUNIST BLOC

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II. ASIA-AFRICA

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Turkey: Turkish student demonstrations after four days have slackened in intensity and may have passed their peak. The last demonstration is scheduled for 2 May, according to one participant. It will be peaceful and will have as its theme: "The US has helped the South Korean students to overthrow the regime--why then cannot it help those in Turkey?" The martial law commander of Ankara has been unwilling to be tough on the students, and the Turkish chief of staff took charge to disperse the demonstrations of 30 April. Army action has been firm but generally careful, and demonstrators have not shown the same hostility to the army as they did to the police on the first day of the rioting. [The opposition Republic Peoples' party reportedly is planning to go underground. Some of its members are on their way to Istanbul to engage in propaganda activities among the foreign correspondents gathered there for the NATO Ministerial Council meeting.]

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boycott of
American goods
may also be planned."
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Arab Shipping Boycott: The Arab boycott of American shipping so far has had little practical effect beyond the diversion of some American-flag vessels to non-Arab ports. [A Cairo foreign ministry official has said that the boycott would be "sym-

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UAR - Latin America: UAR Deputy Foreign Minister Sabri, advised Cairo

to follow up contacts with Latin American countries "because the ground is fertile and augurs firm cooperation in the future." Sabri also recommended inviting three or four students from each Latin American university to visit the UAR, reflecting his earlier stated belief that student groups are the political prime movers in the area. His two-month good-will trip, which ends in Montevideo this week, appears to have had some success in stimulating interest in the concept of a neutralist bloc of Afro-Asian - Latin American states.

Iraq-USSR: Iraqi Prime Minister Qasim was "quite blunt" in telling Mikoyan, during his recent visit to Iraq, that neutralism does not have the same meaning to Iraq that it appears to have to the Soviet Union, according to Iraqi Foreign Minister Jawad. Qasim and Jawad assertedly told Mikoyan that they did not consider Iraq's policy of neutrality should require it to follow the Soviet line at all times. While Jawad apparently believes this came as something of a shock to Mikoyan, the Soviet leader's visit to Baghdad presumably took place because of a desire to examine at firsthand the obvious differences which have developed in the policies and objectives of the two governments.

Tunisia-USSR: The establishment of diplomatic relations between Tunisia and the USSR will probably be announced this week, according to a responsible Tunisian official. President Bourguiba has recently shown increasing interest in technical and economic aid from bloc countries. A Czech embassy was established in Tunis in July 1959; subsequently the Tunisians agreed to, but have not yet implemented, an exchange of ambassadors with Poland. Finance Secretary Mestiri will apparently be Tunisia's first ambassador to Moscow.

Guinea: President Toure's government appears to have decided not to allow Western companies marketing oil in Guinea to import further stocks from normal sources. The companies have reportedly

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been told they must buy and distribute petroleum products coming from the Soviet bloc under barter agreements--an arrangement which conserves Guinea's extremely limited foreign exchange reserves. An initial 4,000-ton POL shipment from the bloc was to arrive in Conakry on 30 April, and a second, slightly larger shipment is due in mid-May. [] (Page 3)

III. THE WEST

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France-Algeria: [De Gaulle will make a major Algerian policy statement some time before 14 May which will "go far in a liberal direction," according to the Gaullist deputy delegated by the government to prepare for the 29 May cantonal elections in Algeria. He added that the elections may be postponed if a preliminary understanding with the FLN develops from contacts allegedly taking place now through intermediaries. Rebel spokesmen have recently indicated that they regard peace prospects as at the lowest ebb since De Gaulle's 16 September proposals.] [] (Page 4)

*N*o
Panama: [Tensions over the 8 May national elections, the activities of Communist-infiltrated and Cuban-influenced student groups, and growing labor unrest combine to raise the possibility of violent outbreaks during the coming week. Leftist students may try to promote a march into the Canal Zone on 2 May to commemorate the anniversary of a student-led flag-planting expedition two years ago. Also, the government is apprehensive over unsupported rumors of an imminent revolutionary attack. A relatively minor spark could touch off violence by Panama City's restive, dissatisfied lower-income groups.] []

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I. THE COMMUNIST BLOC

II. ASIA-AFRICA

Arab Shipping Boycott

Two American freighters, at opposite ends of the Suez Canal, were the first vessels affected by the Arab boycott of American shipping, which began at midnight on 29 April. Arab repairmen walked off the Bennshipper at Suez, and a tugboat carrying demonstrators shouting "No canal for Israel" subsequently picketed the Sir John Franklin at Port Said. Neither ship, however, was prevented from using the canal. In Beirut about 3,000 people, most of them students from the American University there, demonstrated in an orderly fashion in support of the boycott, shouting anti-American slogans. Longshoremen in Montreal ignored a seafarers' union picket line and began unloading the UAR's Star of Assuan, thereby preventing the inclusion of Canadian ships in the boycott.

The chief practical effect of the boycott so far has been to cause the diversion of several American-flag vessels to non-Arab ports, with the result that for the time being Arab dockworkers and other demonstrators may have little or nothing to boycott. The UAR Government plans to divert PL-480 shipments bound for the UAR on US ships to Greece and Italy for transshipment on non-US vessels, while consignees in Beirut are instructing New York not to send their purchases on American-flag vessels. Lebanese Foreign Minister Uwayni, who said union leaders had made it unmistakably clear they were determined not to work American vessels, asked the American Embassy to inform the owners of the Santa Alicia, an American ship scheduled to arrive at Beirut on 1 May, that the Lebanese Government is prepared to defray all additional costs of transshipping its Beirut cargo, in order to avoid an incident. The consulate in Alexandria reported that during the week before the boycott officially went into effect US vessels were unloaded only as a result of police pressure on dockworkers.

Arab government officials publicly support the boycott against the "Zionist conspiracy" which they believe caused the picketing of

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the Cleopatra in New York, but many of them, [including Nasir,] have privately expressed concern over the effect a prolonged dispute may have on American relations with the Arab states, due to the highly emotional character of the issue.

[The undersecretary of the UAR Foreign Ministry said the boycott initially will be "symbolic," possibly involving one ship in each Arab port.]

The UAR, nevertheless, is known to be considering a possible future boycott of American goods as well.

The secretary general of the International Confederation of Arab Trade Unions (ICATU) has told American Embassy officials that a boycott of American aircraft would be a later step if the boycott continued, and another ICATU spokesman is quoted as saying that measures would be taken to prevent the loading of American tankers.

Despite his expressed concern for UAR-American relations, Nasir indicated [] his determination that the boycott "must be carried out by any means." He made specific reference to Lebanon where the UAR apparently is ready to compensate Lebanese dockworkers.

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Guinea Obtains Oil Supplies From Soviet Bloc

President Toure's government has apparently decided to rely henceforth on Soviet bloc sources for a major part, if not all, of Guinea's petroleum requirements. Until now, four Western oil companies--Texaco, Mabiloil, Shell, and British Petroleum--have imported and marketed petroleum products consumed in Guinea. The approximately \$1,800,000 worth of imports handled by the four companies last year constituted the eighth largest item on Guinea's list of imports for 1959.

Since Guinea broke away from the French franc zone in March, the Western companies have been unable to obtain any convertible foreign exchange for the replenishment of their petroleum stocks from normal sources. Guinea's director of mines told the American Embassy in Conakry that the companies have refused to continue importing their products on the basis of government assurances that payment arrangements would be worked out later. The Texaco representative maintains, however, that the government rejected offers by the four companies to continue importing on this basis and that Texaco was denied permission to unload a tanker now en route to Guinea, even without such assurances.

The Texaco source also revealed that he and the other representatives of the Western companies were told by Guinea's director of mines at a meeting on 27 April that they now must buy and distribute bloc petroleum products. At the meeting, the Directorate of Mines' Polish "technical counselor" played a prominent role. The companies were informed that an initial 4,000-ton POL shipment from the bloc was scheduled to arrive in Conakry aboard a Soviet tanker on 30 April. This shipment and a second, slightly larger one being carried by a Soviet-chartered Norwegian vessel due in mid-May will supply Guinea's POL needs for three months at present consumption rates. The imports from the bloc are reportedly to be paid for out of next year's banana production, the current crop being already over-committed.

While the Western companies have apparently agreed to handle the bloc products for the time being in the hope their prospects may improve, they are unlikely to stay on for long simply as distributors. For its part, the Guinean Government will probably not be willing to use its scarce foreign exchange to buy the companies' products as long as it can fill its POL needs from the bloc through barter arrangements.

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III. THE WEST

New Possibility of French-Algerian Agreement Reported

[General de Gaulle will make a major policy statement on Algeria sometime prior to 14 May, according to Lucien Neuwirth, a Gaullist (UNR) deputy in the French National Assembly who is the UNR's Algerian expert and party whip and who has been delegated by the government to prepare for the 29 May cantonal elections in Algeria. Neuwirth told the American Embassy that he expects the speech to be very liberal in tone, capable of modifying the resistance of the Moslem population to French policy, and of reassuring those who feared a hardening of De Gaulle's policy after his March speeches to the army in Algeria. He also said the speech might even include an announcement of some agreement with the Algerian rebel (FLN) government.]

[Contacts with the FLN are currently taking place through intermediaries, arranged through "other channels" than the abortive contacts in February, according to the source. Neuwirth's optimism concerning the interest of both sides in negotiating a cease-fire along the lines previously stipulated by De Gaulle may involve a large measure of personal reaction, but, because of his close ties with Premier Debré, it might be an indication of the current attitude of the French Government.]

[Neuwirth's mention of the possibility of postponing the May elections in Algeria if some "preliminary understanding" is reached with the FLN may be tied in with previous reports that Paris was having second thoughts about these elections.]

[Recent statements by rebel spokesmen indicate that they regard peace prospects as at the lowest ebb since De Gaulle's 16 September proposals. The dispatch of an FLN ministerial delegation to Peiping, with the apparent mission of negotiating for Communist aid, appears designed also to demonstrate the rebels' willingness to continue the war. Although the rebels would be prone to attribute any new French overtures to concern over the cantonal elections, they accept the necessity of negotiations with the French and would probably receive any French emissary.]

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