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20 February 1960

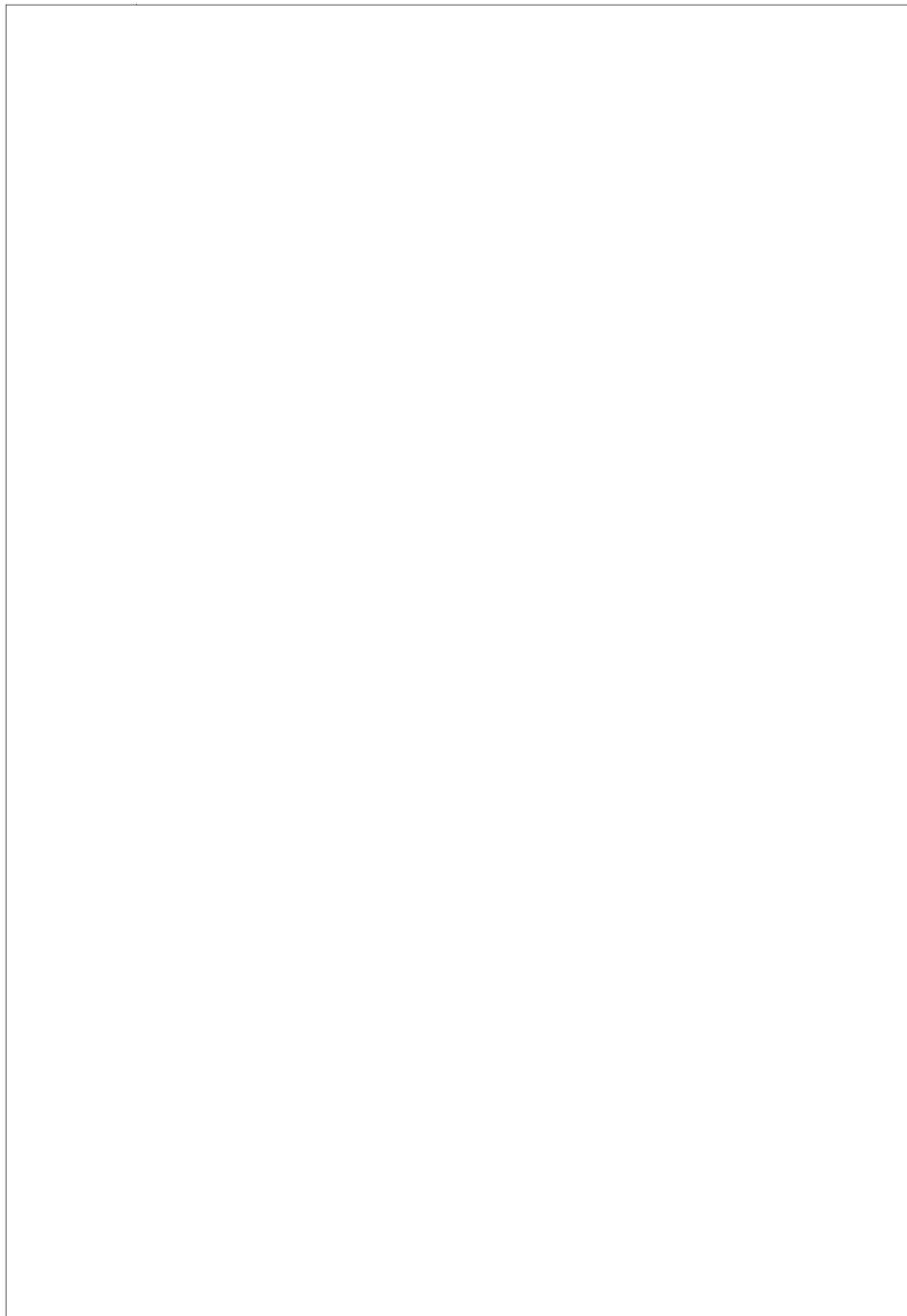
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CENTRAL INTELLIGENCE BULLETIN



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20 FEBRUARY 1960

I. THE COMMUNIST BLOC

Communist China directs new criticism at Indonesia; dispute embarrassing for Khrushchev, who snubs Chinese ambassador. ①

II. ASIA-AFRICA

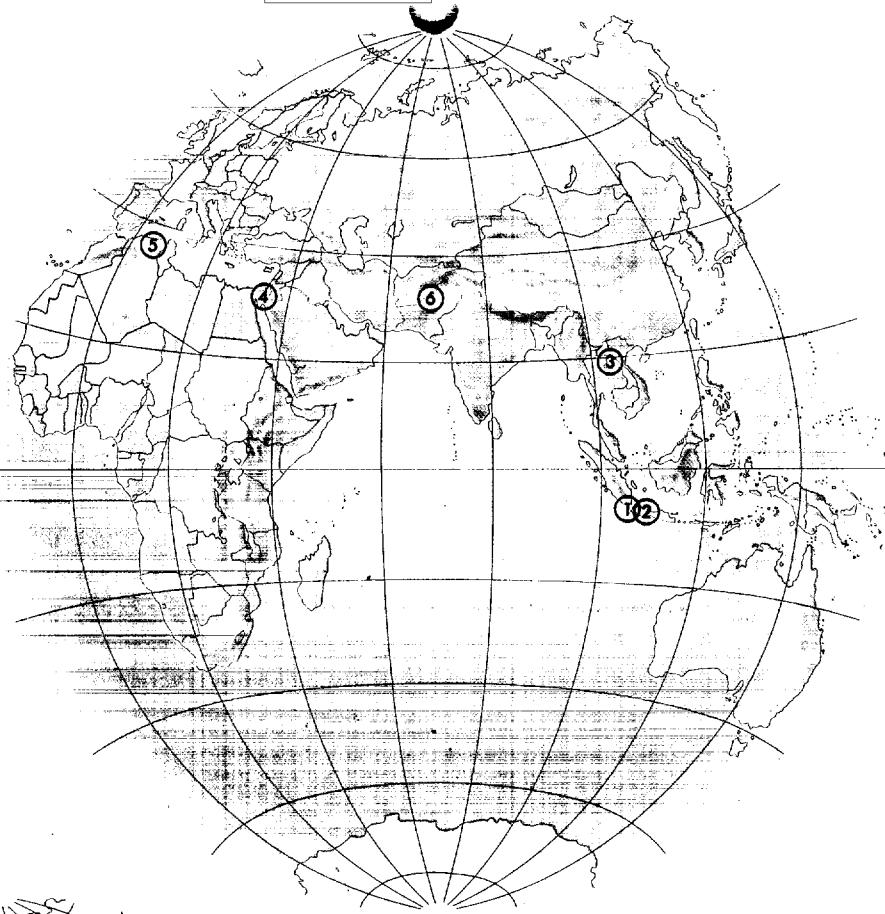
Indonesia--Sukarno reported willing to make concessions to Communist party in return for major economic and military assistance from Khrushchev. ②

Laos--Pro-Communist NLHZ appeals to cochairmen of Geneva Truce Conference to ensure free elections in April. ③

UAR sends additional reinforcements into Sinai area. ④

Algerian rebels expected to name new delegation to discuss cease-fire. ⑤

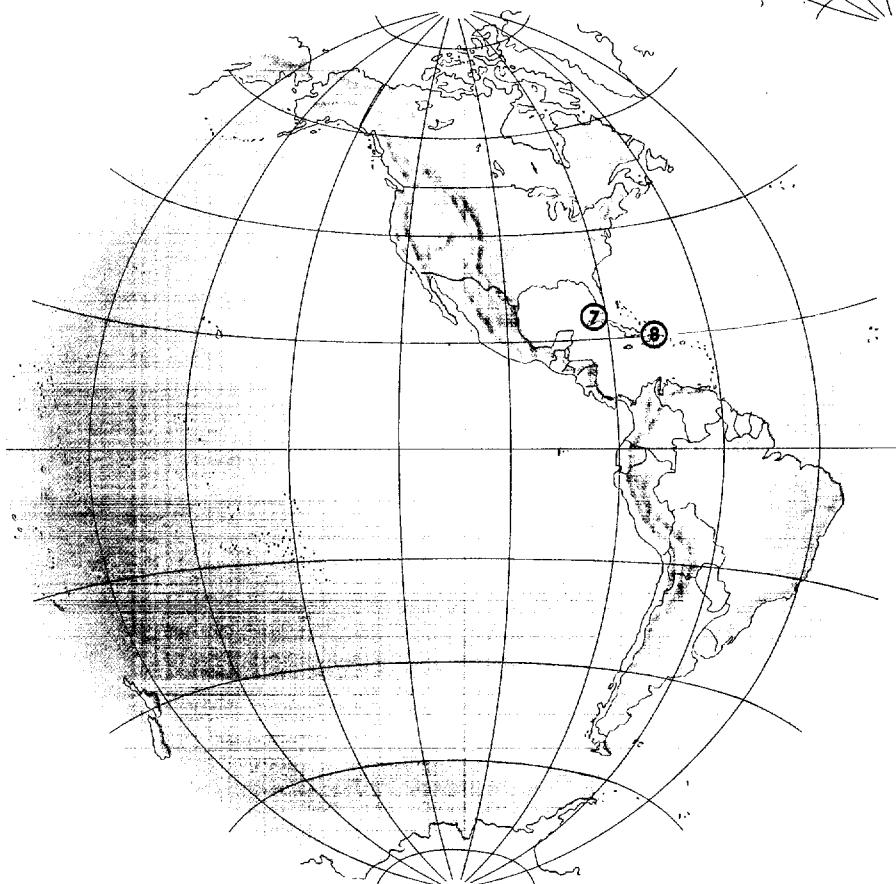
Afghan-Pakistani relations growing worse. ⑥



III. THE WEST

⑦ Cuba--Che Guevara may be replaced as head of National Bank.

⑧ Demonstration for Trujillo scheduled for 21 February could provoke violence.

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CENTRAL INTELLIGENCE BULLETIN

20 February 1960

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

Communist China - Indonesia - USSR: The continuing Sino-Indonesian dispute is clearly embarrassing Khrushchev, who is attempting to underscore Soviet friendship for Indonesia and avoid any display of support for the Chinese. At an official reception in Djakarta on 19 February, he and Gromyko snubbed the Chinese ambassador; [redacted]

No
[redacted] a similar instance occurred at a recent state dinner when the Russians ignored their Chinese colleagues. On 17 February, Peiping had directed new criticism at Djakarta in complaining that Indonesian authorities prevented 1,000 Chinese repatriates from boarding ships waiting to take them to the mainland. [redacted]

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II. ASIA-AFRICA

Indonesia: [redacted]

[redacted] President Sukarno is willing to make political concessions to the Indonesian Communist party in return for major economic and military assistance from Khrushchev. They believe Sukarno is prepared to place Communists in the cabinet and to restrict further the power of army chief Nasution. [redacted]

No
[redacted] "there will be trouble" if current efforts by First Minister Djuanda and army leaders fail to dissuade Sukarno from his plan. [redacted] (Page 2)

No
Laos: The pro-Communist Neo Lao Hak Zat (NLHZ) has appealed to the Soviet and British cochairmen of the 1954 Geneva truce conference to intervene with Laotian authorities to ensure free elections in April. "US henchmen" in the Lao Government are accused of conspiring to elect a national assembly "completely in their hands." The NLHZ demands the release of Prince

Souphanouvong and other imprisoned leaders so they can participate in the elections. The appeal seems aimed at generating international pressure on Laos to forestall rigged elections, or failing that, to build a case for an NLHZ refusal to participate in the elections and possibly for Communist insurgent operations.

N.D.

UAR-Israel-Iraq: [Cairo sent additional reinforcements, estimated to be at least 12,000 men and including one armored division, into the Sinai Peninsula on 17-18 February. In addition, army and air force units in the Egyptian region have been placed on ready alert. These actions would appear to be primarily in response to unsubstantiated UAR reports of an imminent Israeli attack on Syria. They take place, however, at a time when there are reports of another attempt to overthrow Qasim. It is possible that the Iraqi army group reportedly planning the attempt is counting on UAR clandestine support and even open intervention if necessary. The Israelis have repeatedly made it clear that they would regard the overthrow of Qasim, especially if accompanied by UAR intervention, as a serious threat to their security.]

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N.D.

Algeria: [The rebels are expected shortly to name a new delegation to discuss a cease-fire with French authorities. Rebel spokesmen have repeatedly indicated their desire to talk with emissaries of De Gaulle, but have yet to accept his stipulation that talks be limited to discussion of a military cease-fire. Recently, through a widely publicized call for Arab volunteers, the rebels have attempted to strengthen their hand by appearing willing to continue the war indefinitely. They probably feel that a conciliatory posture, as attempted in Ferhat Abbas' 17 February appeal to European Algerians, is now required in order to maintain their support among Algerian Moslems, whose respect for De Gaulle has increased in the wake of the Algiers insurrection.]

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DAILY BRIEF

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Afghanistan-Pakistan: Relations between Afghanistan and Pakistan are growing worse [as Rawalpindi follows through on its decision to take a harder line with Kabul.] Pakistan's ambassador in Kabul says he was "really rough" on Afghan Foreign Minister Naim during a 16 February meeting, warning him that Afghanistan must change its unfriendly policy regarding Pushtoonistan. Radio Pakistan on the same day declared, "No Afghan can lead a decent life as long as these rulers of Kabul control his destiny." Pakistani Foreign Minister Qadir, until now a moderating influence, has apparently become convinced that this new line will induce Kabul to alter its policy. The Afghans, who may believe the United States supports Pakistan's hardened attitude, appear to be looking for ways to hit back at the Pakistanis.

III. THE WEST

Cuba

Che Guevara, probably the most strongly anti-American and pro-Communist leader in the Castro regime, will be replaced as head of the National Bank. Guevara is believed to have caused resentment among Castro followers by his open exercise of power in numerous sectors of the government. Fidel Castro has become jealous of Guevara and in order to get him out of Cuba will send him to Moscow as ambassador when diplomatic relations are resumed.

Dominican Republic: A large public "homage" to Generalissimo Trujillo being organized by the regime for 21 February as a show of strength could, in the present climate of unrest, provoke violence. Dissidents, who include representatives of some of the most prominent Dominican families, are so embittered that they are becoming reckless. Arrests and police excesses continue and the economic situation is growing worse.

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DAILY BRIEF

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I. THE COMMUNIST BLOC

Peiping Dispute With Indonesia Embarrassing Khrushchev

The continuing Sino-Indonesian dispute over repatriation is embarrassing Khrushchev, who is attempting to underscore Soviet friendship for Indonesia and avoid any action that could be interpreted as support for the Chinese. At an official reception in Djakarta on 19 February, he and Gromyko deliberately snubbed the Chinese ambassador.

[] a similar instance in which Russians ignored their Chinese colleagues occurred at a recent state dinner. [Coolness between Chinese and other bloc diplomats in Djakarta has also been reported recently.]

Chinese Communist propaganda is directing new criticism against Djakarta, complaining on 17 February that Indonesian authorities prevented 1,000 Chinese repatriates from boarding ships waiting to take them to the mainland. After being sent back from the port to Djakarta, the group--apparently directed by the Chinese Communist-controlled Overseas Chinese Association--assembled in front of the Indonesian Foreign Ministry and presented a protest petition. Peiping probably intends the criticism as a reminder that it will continue to insist on good treatment for Chinese waiting to board repatriation ships.

Indonesia's actions reflect its pique over Peiping's tactics in arranging for the repatriation of Overseas Chinese.

"The fact that they sent ships without previously consulting us regarding a convenient time has confronted us with a fait accompli which may create difficulties."

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II. ASIA-AFRICA

Sukarno Seeks Further Soviet Assistance

[redacted] President Sukarno is willing to make political concessions to the Indonesian Communist party and further restrict the power of army chief Nasution in return for major economic and military assistance from Khrushchev. Sukarno reportedly seeks a package deal which would include financing of his "ample food and clothing" program on which the prestige of his government is staked; assistance in carrying out the government's five-year development plan; and reconstruction of the naval base at Ambon in East Indonesia. [redacted]

[redacted] the financing of the five-year plan is Sukarno's major objective.

First Minister Djuanda and army leaders will try to dissuade Sukarno from presenting his plan to Khrushchev. Should Sukarno persist, however,

[redacted] "there will be trouble," but refuses to specify what counteraction might be under consideration. [redacted]

"if legal means fail we may have to use illegal ones."

Although the reports of Sukarno's proposed "deal" may have been exaggerated in an effort to elicit US response, Sukarno had previously been reported anxious for domestic political reasons to include Communists in the cabinet when he reshuffles it sometime after Khrushchev's visit. Army leaders have stated they will resist Sukarno on this score.

In addition to any new economic aid Khrushchev may propose to Sukarno, the Soviet leader probably will encourage more rapid implementation of Moscow's existing aid program to Indonesia. Progress on the projects under the Soviet \$100,000,000 aid credit of 1958 has thus far been slow; only about \$27,000,000

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has actually been drawn. Khrushchev may also explore prospects for extending additional military aid. All three of Indonesia's armed services have indicated interest in additional bloc arms and equipment during the past year. Khrushchev may be willing to renegotiate the 1958 arms agreements Indonesia concluded with Poland and Czechoslovakia, which probably were sponsored by Moscow. Under those agreements, totaling \$175,000,000, Indonesia did not receive the discounts normally extended to arms purchasers by the bloc.

Soviet assistance in establishing some form of naval installation at Ambon in East Indonesia has been reported for about a year. [redacted] Russian personnel have been at the site since last July.

[redacted] Although there is no confirmation that the naval base at Ambon is under reconstruction, a US naval base construction survey team has been told to limit its studies to sites in western Indonesia. Indonesia plans to develop increased military strength in the East Indonesian area as a tactic in pressing its claim to Netherlands New Guinea, an issue on which it has consistently received Soviet support.

~~TOP SECRET~~ [redacted]

Arab-Israeli Situation

[Units of the UAR Second (Egyptian) Army which recently moved into the Sinai Peninsula increase the total forces there to 30,000 to 35,000 men, including the Fourth Armored Division which moved from the Cairo area on 18 February. Their exact deployment in the Sinai is as yet unknown. Army and air force units in the Egyptian region have been placed on ready alert. No unusual naval activity has been noted.]

[likelihood of an Israeli attack on the northern region and ordered UAR armed forces-- including "fedayeen"--to be in a state of readiness, with a battle plan permitting "aggressive action" within four days from receipt of instructions.] [Israeli intentions-- which also caused [the cancellation of UAR First (Syrian) Army participation in "union day" celebrations in Syria-- was discounted]

[The UAR's actions continue to appear defensive, reflecting concern over Israeli intentions following the recent clashes in the Syrian-Israeli demilitarized zone. There is no evidence, however, of Israeli preparations for large-scale military action.]

[The UAR's preparations could also be related to new reports of a plot to overthrow the Qasim regime in Iraq. An Iraqi military group reportedly planning such a move is said to be relying on UAR assistance, possibly including armed intervention. The UAR is aware that Israel would consider the overthrow of Qasim-- accompanied by UAR intervention--a serious threat to its security]

[The UAR may also be concerned over Jordanian plotting with Iraqi exiles against Qasim's regime and the chain reaction Jordanian intervention in Iraq could produce in the Middle East. King]

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[Husayn is known to be in contact with Iraqi exiles and is making plans in concert with Iranian intelligence for a possible move against Qasim. However, these plans do not appear to have advanced to the point where action is imminent.]

[Redacted]

[Redacted]

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III. THE WEST

Trujillo Regime Faces Continued Unrest

A large public "homage" to Dominican dictator Trujillo being organized by the regime for 21 February as a show of strength could, in the present climate of political unrest, provoke violence. Dissidents, who include representatives of some of the most prominent Dominican families, are embittered to the point of recklessness. Arrests and police brutality continue. The economic situation, still deteriorating, has added to the political unrest. Foreign Minister Herrera's hurried trip to the Vatican early this month apparently failed in its purpose of securing a reversal of the Dominican bishops' pastoral letter of 2 February calling on Dominican authorities to respect human rights.

Dominican officials appear anxious to ease the unrest, which has reached an intensity unprecedented in Trujillo's 30-year dictatorship, by a "gesture of magnanimity" toward some of the more prominent prisoners recently sentenced to 30-year terms for anti-Trujillo activity. However, few if any of the prisoners appear disposed to issue the expected laudatory declaration of gratitude to the "Benefactor."

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The Under Secretary of State

The Deputy Under Secretary for Political Affairs

The Deputy Under Secretary for Administration

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Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of Army

Director of Naval Intelligence, Department of Navy

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