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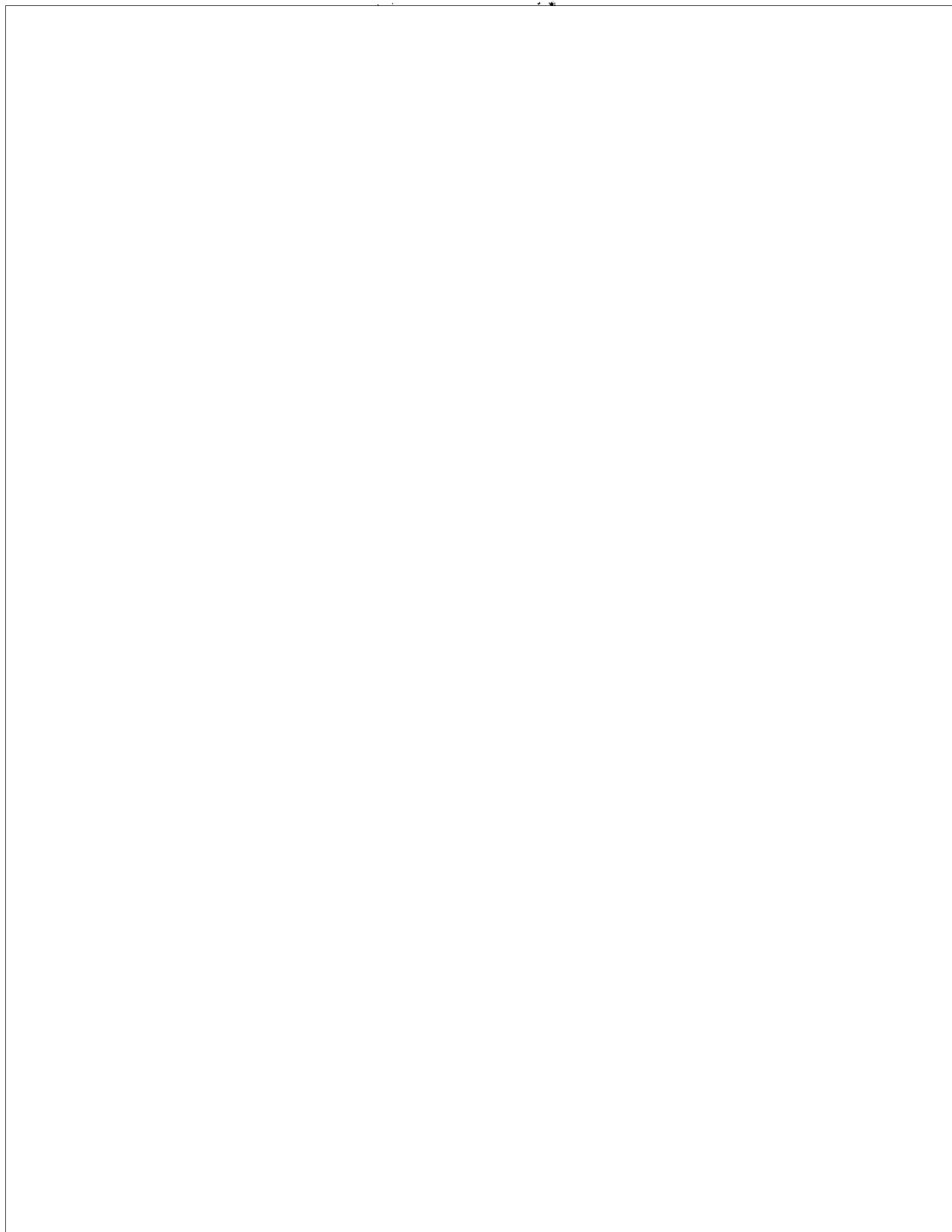
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28 January 1960

Copy No. C 67

# CENTRAL INTELLIGENCE BULLETIN

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28 JANUARY 1960

**I. THE COMMUNIST BLOC**

USSR--Poor Kazakh harvest blamed on exodus of farm workers because of poor living conditions.

Peiping renews demands on Djakarta to end "persecution" of Overseas Chinese.

**II. ASIA-AFRICA**

UAR assumes more rigid position on Israeli shipping through Suez Canal.

Indonesia--Economic deterioration may lead Sukarno to make cabinet changes as face-saving gesture; army uneasy over his apparent de-emphasis of the military role and appointment of Communists to regional posts.

Congolese get "conditional" acceptance of 30 June date for Belgian Congo independence.

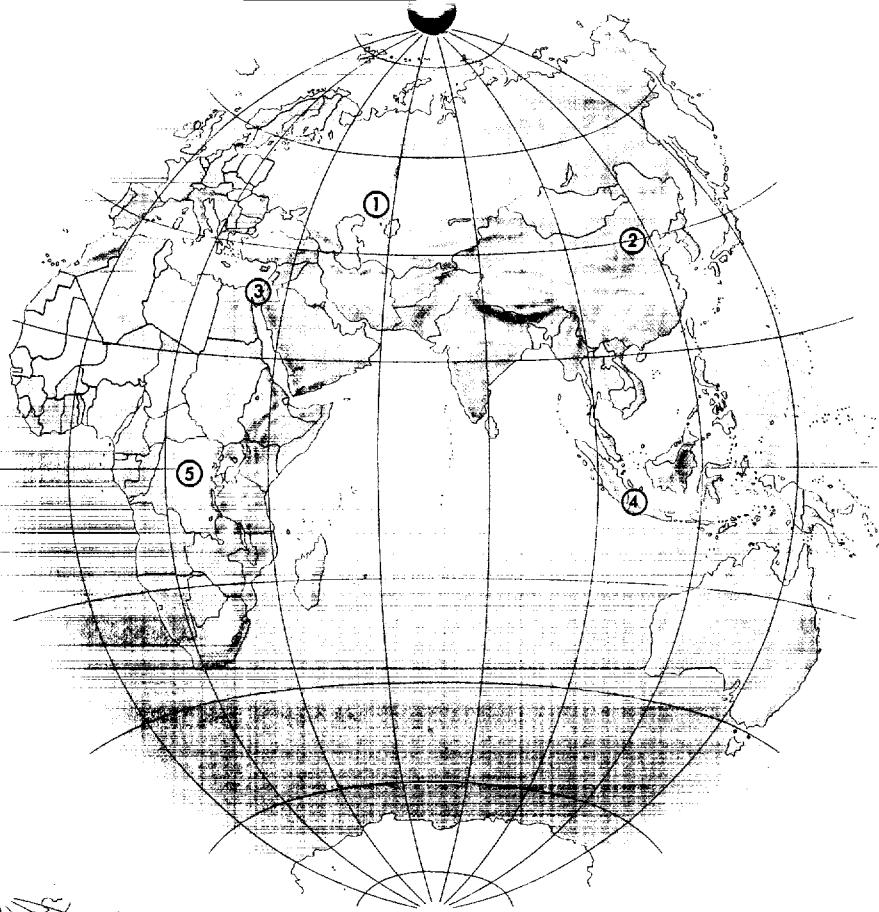
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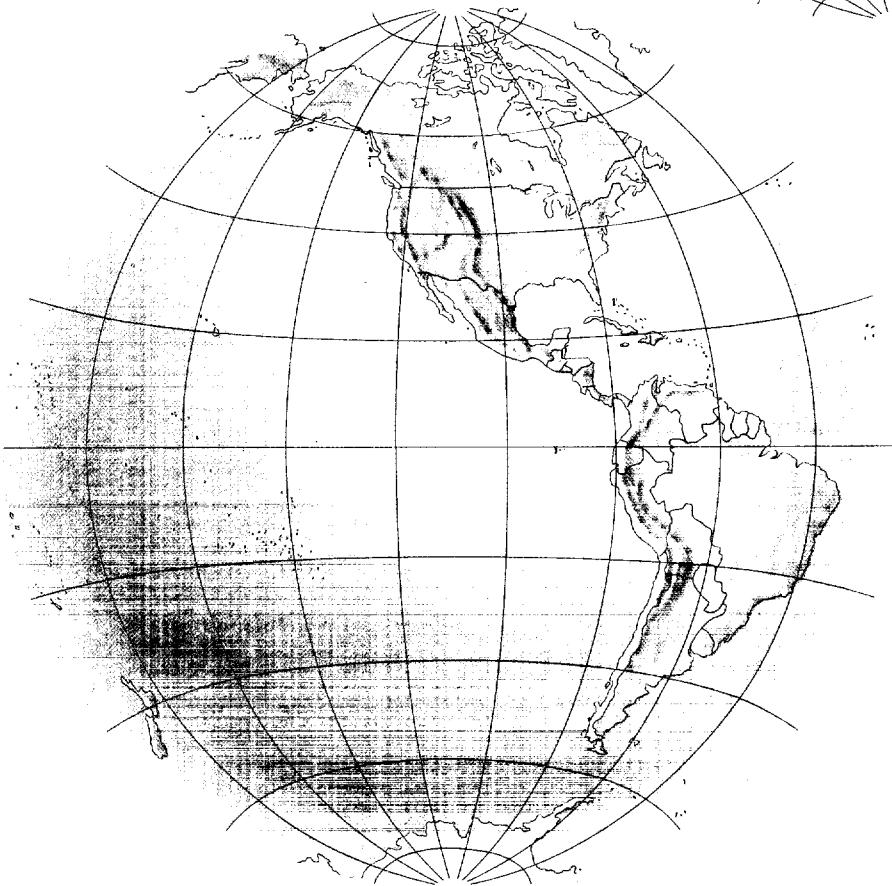
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**III. THE WEST**

De Gaulle shows no sign of yielding on basic Algerian policy but may modify position on manner of reasserting his authority.

~~TOP SECRET~~

## CENTRAL INTELLIGENCE BULLETIN

28 January 1960

## DAILY BRIEF

*SIRAB**NJ*

## I. THE COMMUNIST BLOC

**USSR:** The newly appointed Kazakh party first secretary has placed primary blame for Kazakhstan's disappointing harvest in 1959 on the flight of farm workers from the area. In the past two years, he revealed, 141,000 farm workers left the new lands because of poor living conditions. Khrushchev, who is closely identified with the new lands program, has intervened personally with a series of personnel and organizational changes designed to cope with the human factor.

*OK*

**Communist China - Indonesia:** Peiping's renewal of pressure on Djakarta to halt "acts of persecution" of Overseas Chinese is likely to intensify Sino-Indonesian frictions. The Chinese Communist ambassador in Djakarta has handed the Indonesian foreign minister a new note demanding an "immediate" end to the "forcible evacuation" of Chinese from rural areas. In view of its concern over the current flight of Chinese capital from Indonesia, Djakarta is unlikely to respond favorably to Peiping's demand that dispossessed Chinese be given the time to sell their property and the right to carry back the proceeds to China. (Page 1)

## II. ASIA-AFRICA

**UAR-Israel:** UN Secretary General Hammarskjold has failed to resolve the dispute over Israeli shipping through the Suez Canal, and the UAR's position has become more rigid.

*NJ* Cairo "reserves the right" to seize any cargo coming from Israel regardless of the terms of its shipment, and, in addition to its previous ban on Israeli-flag and Israeli-chartered ships, will not allow through

~~TOP SECRET~~

[the canal any ship owned even in part by Israeli interests. The Israelis, who have awaited results of Hammarskjold's efforts, probably now will submit a formal complaint to the UN Security Council.]

*N.D.*  
[Watch Committee Conclusions: The following developments are susceptible of direct action by Soviet/Communist hostile action which could jeopardize the security of the US in the immediate future:]

[Iraqi political groups continue to maneuver for power, and an attempt to assassinate Qasim could occur at any time.]

*OK*  
Indonesia: President Sukarno is widely rumored to be considering changes in the Indonesian cabinet as a face-saving gesture over growing popular criticism of the government, largely deriving from economic deterioration. Sukarno's recent assumption of General Nasution's post as central war administrator and his appointment of Communists to several significant regional posts, at the second echelon, are causing uneasiness among army leaders and non-Communist political circles. Sukarno may be attempting to readjust the political balance of power by de-emphasizing the role of the military while continuing his assurances of good will toward the Communists.

(Page 2)

*OK*  
Belgian Congo: African nationalists, conferring with Belgian officials in Brussels, have gained "conditional" acceptance of 30 June as a date for the proclamation of Congolese independence. This constitutes a tactical success for the coalition of nationalist parties, which had maintained that the setting of a date for independence should take precedence over discussion of the structure of the new Congolese state as desired by the Belgians. Belgian agreement, however, may have been contingent on African acceptance of the Belgian position on other issues. The conference still faces serious problems, including the definition of responsibilities for defense and foreign affairs and the setting of election dates.

(Page 3)

28 Jan 60

DAILY BRIEF

ii

~~TOP SECRET~~

### III. THE WEST

\*France-Algeria: The cease-fire continues in downtown Algiers. De Gaulle's failure thus far to take decisive measures against European settlers and army elements opposed to his policy of self-determination in Algeria is reported to have weakened his prestige in France. It has discouraged political party leaders who wish to support him but fear that the Algerian situation may be escaping his control. Nevertheless there are increasing signs that French public apathy is ending and important elements are prepared to rally behind him. De Gaulle shows no sign of yielding on his basic Algerian policy but may modify his tough position at least in regard to the manner of reasserting his authority. [redacted] (Page 4)

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28 Jan 60

DAILY BRIEF

iii

~~TOP SECRET~~

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**I. THE COMMUNIST BLOC**

**Peiping Sends New Protest Note to Djakarta  
On Overseas Chinese**

The Chinese Communist ambassador in Djakarta has requested the Indonesian Government to end the "persecution" and "forcible evacuation" of Overseas Chinese from the countryside in implementation of the Indonesian ban on alien rural merchants. This representation is likely to revive Djakarta's anger over what it considers Chinese Communist interference in an internal problem and set off another round of recriminations over the Overseas Chinese issue.

Although apparently reconciled to the Indonesian ban, Peiping asked that Chinese faced with removal be given time to decide between evacuation and return to China. It further called on Djakarta to release immediately from resettlement camps and compensate those Chinese already removed from rural areas of West Java.

The Chinese Communists ask that dispossessed Chinese who elect repatriation be permitted to sell their property and take the proceeds out of the country. Because of the sharp currency depreciation, caused primarily by the flight of Chinese capital since enactment of the ban, Djakarta is unlikely to agree to this provision.

To convince Overseas Chinese of the sincerity of Peiping's offer of a warm welcome to returnees, Chen Yi has announced that ships will be sent to Indonesia this month to pick up Chinese desiring repatriation. Peiping also will probably utilize meetings of the joint committee for implementing the new Sino-Indonesian citizenship treaty to show its continuing interest in the well-being of Overseas Chinese.

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II. ASIA-AFRICAIndonesian Situation

Speculation and rumors are circulating in Indonesia concerning changes in the cabinet and shifts in top Indonesian leadership. Much of the speculation arises from the country's economic difficulties. Inflation has reached a new peak, despite corrective measures taken last August, and the government is under mounting pressure to take remedial action.

Sukarno's recent reorganization of the nation's martial-law administration and his appointment of Communists to several significant regional posts has intensified the speculation and is causing considerable uneasiness among army leaders and non-Communist circles. A new decree governing the state of emergency or martial law, now prevailing throughout Indonesia, made President Sukarno "central war administrator" in place of Army Chief of Staff and Defense Minister General Nasution. Nasution, in his capacity of defense minister, becomes second assistant to Sukarno preceded by First Minister Djuanda as first assistant. Although Nasution's actual influence may not be immediately affected, the change de-emphasizes the role of the military and promises increased interference by Sukarno.

Sukarno may be following his usual tactics of attempting to keep political forces in Indonesia balanced. He has recently appointed Communists or pro-Communists as deputy mayor of Djakarta, deputy governor of West Java, and mayor of Surabaya.

Meanwhile, the Communists are increasingly exploiting popular dissension over spiraling prices.

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### Congo Conferees Reportedly Agree on Independence Date

Apparent agreement between African nationalists and Belgian authorities on a target date of 30 June for Congo independence represents a tactical success for the Africans in the round-table talks in Brussels. The Africans had insisted that no further business could be transacted until a date was agreed upon.

The Belgians have thus demonstrated their good faith and encouraged the Africans to see the conference through to a successful conclusion. Brussels probably hopes that such conciliation will improve prospects for compromise on sensitive issues such as the governmental structure of a Congo state and the division of responsibilities for defense and foreign affairs. Belgian authorities appear to envision "independence" as amounting primarily to internal autonomy accompanied by political and economic links with Belgium.

The common front among African groups at the conference was broken on 25 January by Joseph Kasavubu, leader of the powerful Abako party, who walked out following a dispute concerning the agenda. Although Kasavubu was followed by only two other members of the Abako delegation, his boycott could mean that the Abako will not be bound by decisions reached at the conference, and suggests that he expects to benefit politically from dissociating himself from its deliberations. [redacted]

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## The French-Algerian Situation

De Gaulle's failure thus far to take decisive measures against European settlers and army elements opposed to his policy of self-determination in Algeria is reported to have weakened his prestige in France. It has discouraged political party leaders who wish to support him but fear that the Algerian situation may be escaping his control. De Gaulle shows no sign of yielding on his basic Algerian policy but may be modifying his tough position at least in regard to the manner of reasserting his authority. An apparently imminent cabinet split over measures for dealing with the insurgents was averted on 27 January when the cabinet approved orders to the chief civil and military authorities in Algeria. De Gaulle also probably has taken into account the 27 January editorial warnings of the influential morning dailies Figaro, Aurore, and Combat that no blood must be shed in reasserting the government's authority. These papers had previously sharply criticized the settlers.

There have been increasing signs that French public apathy, partially due to censorship, is ending and that important elements are prepared to rally behind him. The President has received numerous public messages of support from a wide variety of political, labor and religious groups. The major afternoon newspapers, on 27 January, presumably at official request, published assurances of public support.

In addition to the already solid backing of the major left-center and center parties, De Gaulle on 27 January also received pledges of cooperation from important elements of the Union for the New Republic [and the Independents] which have been regarded as possible centers of opposition on the Algerian issue. The first overt signs of Moslem support for De Gaulle appeared on 27 January with a demonstration at Mostagnem and a public statement in Paris by Algerian deputy Mustapha Chelha.

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De Gaulle in his radio and television address scheduled for 29 January may capitalize on the public support for his position by calling a special session of parliament to reapprove his Algerian policy. Announcement of his intention to seek special emergency powers or propose a referendum on his Algerian policy also remain possibilities.

Meanwhile, an apparent move to increase pressure on De Gaulle occurred when General Challe, in an appeal for the restoration of order, stressed that "the French army is fighting so that Algeria will remain definitively French."

One European extremist organization in Algiers has called for a demonstration today, including a march into the Casbah, in an evident attempt to rally Moslem support for the settler insurgents' cause. Such a move could precipitate a clash with French troops who have been stationed around the Casbah in an attempt to isolate the Moslem quarter of the city from the ferment in downtown Algiers.

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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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Executive Secretary, National Security Council

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The Secretary of State

The Under Secretary of State

The Under Secretary for Political Affairs

The Deputy Under Secretary for Administration

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Commandant, United States Marine Corps

The Director, The Joint Staff

Chief of Staff, United States Army

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Assistant to Secretary of Defense for Special Operations

Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of Army

Director of Naval Intelligence, Department of Navy

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

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The Director

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