

~~TOP SECRET~~

3.3(h)(2)

3.5(c)

21 February 1959

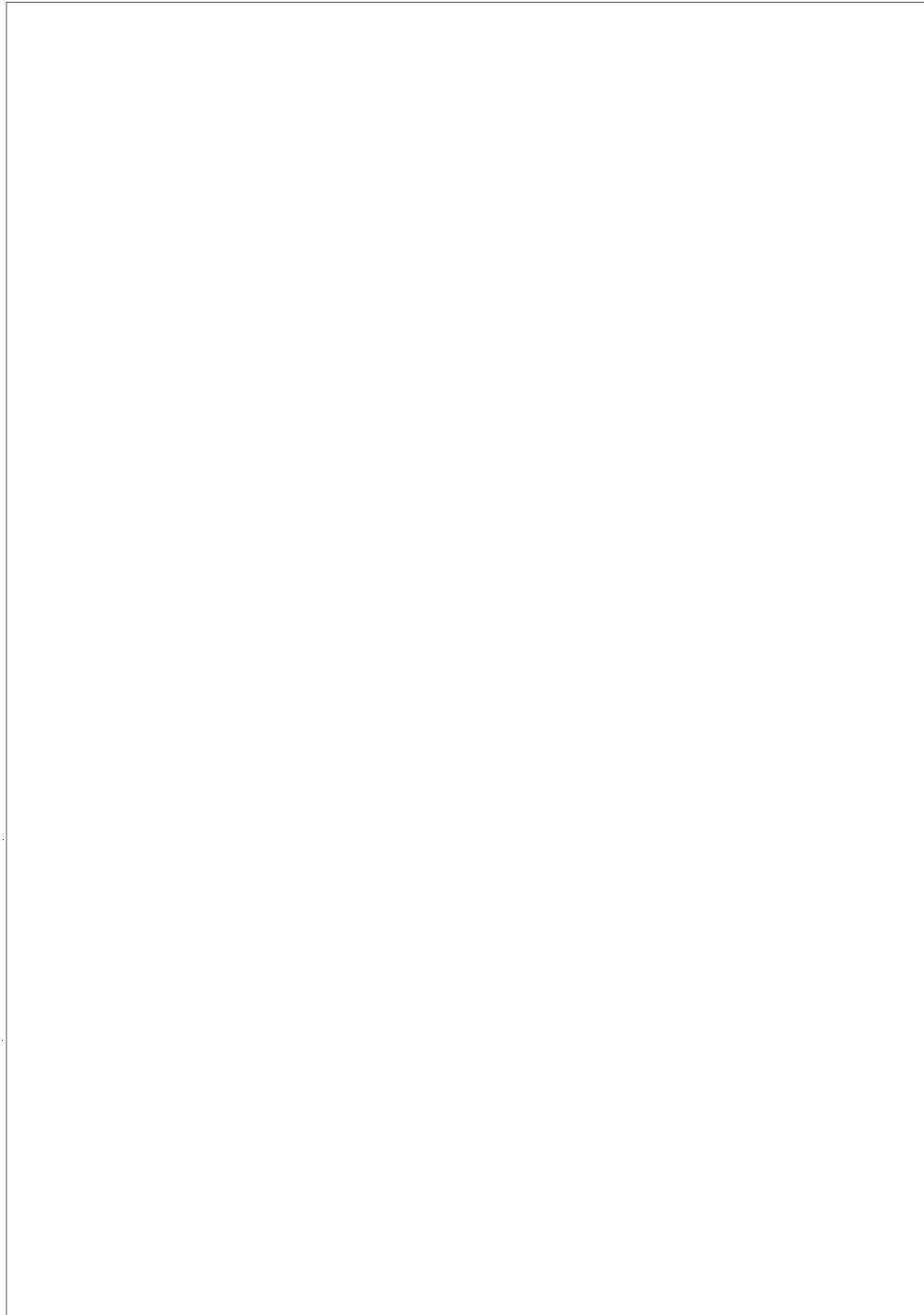
Copy No. C 63

CENTRAL INTELLIGENCE BULLETIN



DOCUMENT NO. 32
NO CHANGE IN CLASS
I. DECLASSIFIED
CLASS. CHANGED TO TS-S
NEXT REVIEW DATE 2020
AUTH. HR-702
DATE 1-4-80 REVIEWER:

~~TOP SECRET~~



~~TOP SECRET~~

21 FEBRUARY 1959

I. THE COMMUNIST BLOC

Peiping supports Moscow's efforts to tone down UAR attacks on Communism.

Khrushchev says Peiping has backed down on ideological implications of communes.

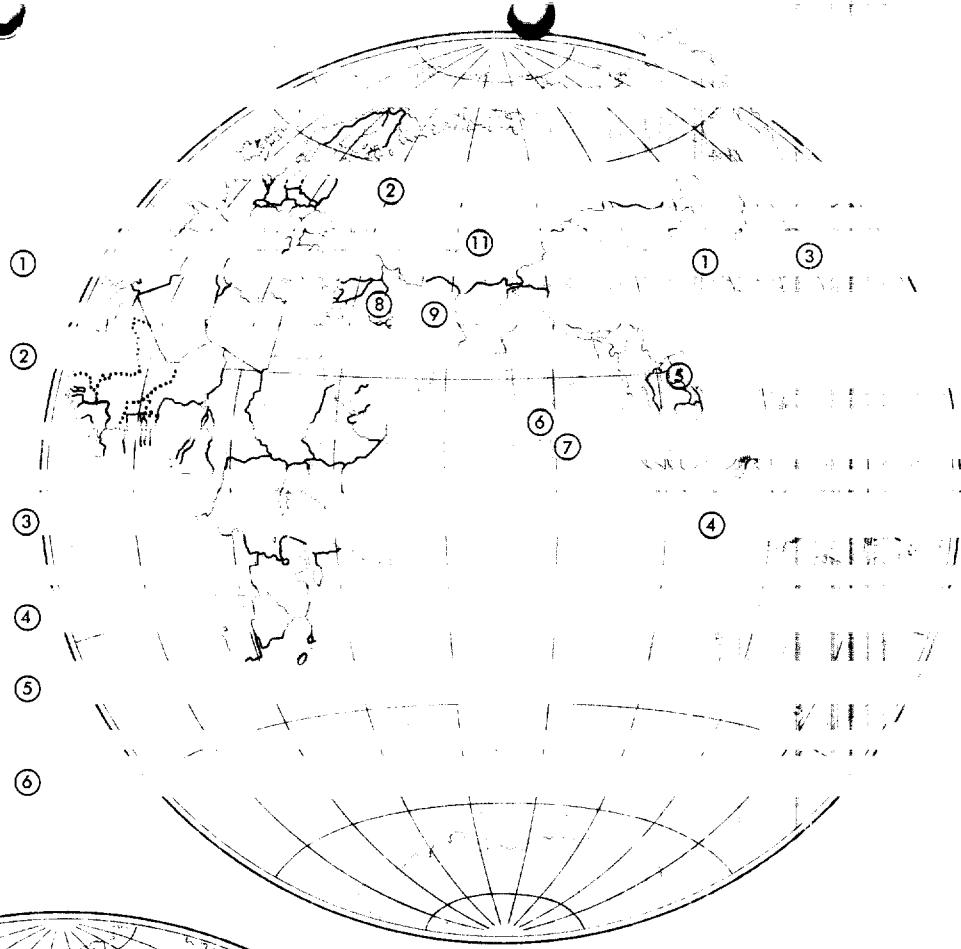
II. ASIA-AFRICA

Japanese consider recent Peiping statements flat rejection of Tokyo's bid for ambassadorial talks.

Indonesia plans major reorganization of government to curb political parties.

Crisis developing in Laotian Government.

India - Soviet bloc concerned over failure of Kerala state to improve economic situation.



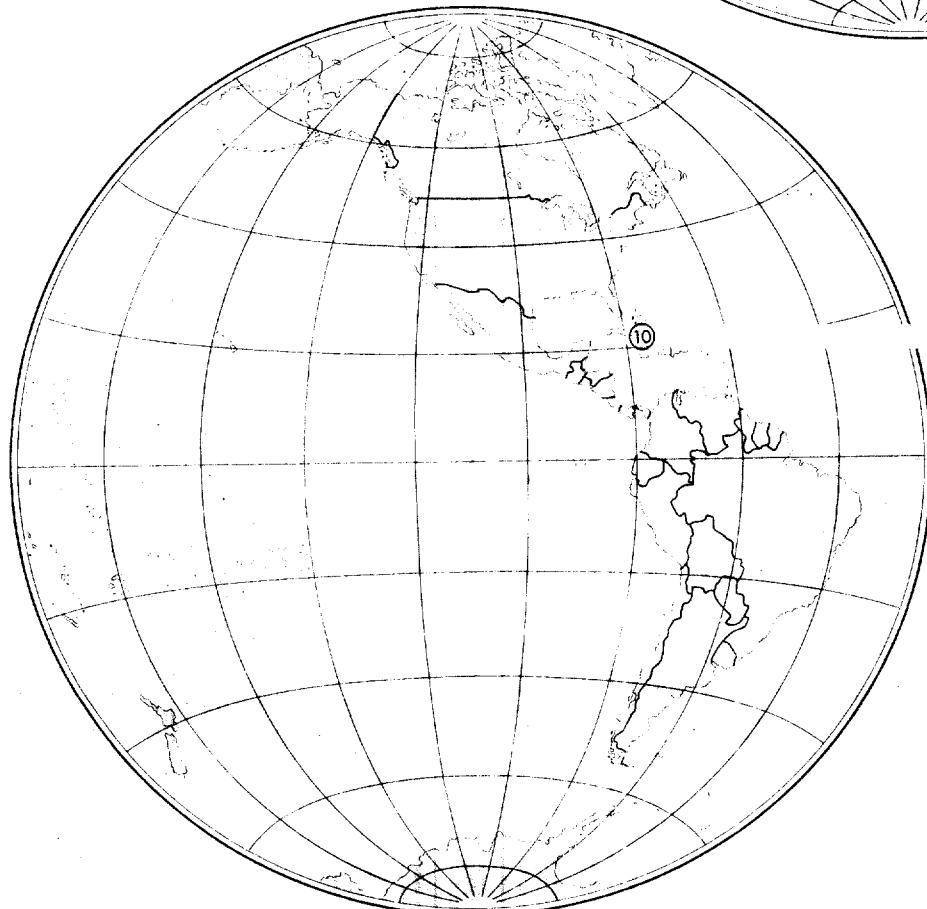
- ⑦ Ceylon - Leftist opposition party plans general strike 23 February.
- ⑧ Iraq - Pro-UAR groups may attempt to demonstrate against Communists on 22 February.
- ⑨ Iran - Shah seeks increased oil revenue.

III. THE WEST

- ⑩ Latin American Communists seek control of Cuban "liberation" drives aimed at Caribbean dictators.

LATE ITEM

- ⑪ Soviets attempt launch on Tyura Tam missile range.

~~TOP SECRET~~

~~TOP SECRET~~

CENTRAL INTELLIGENCE BULLETIN

21 February 1959

DAILY BRIEF

I. THE COMMUNIST BLOC

Communist China - UAR:

"close cooperation must continue" between Cairo and the "socialist camp," but that recent UAR press attacks on Khrushchev and Communism were having "a very bad effect." Chou's statement aligns Peiping with Moscow in expressing hope that differences with Nasir will not disrupt relations, but making clear the bloc's growing irritation over UAR attacks on Middle East Communists. Peiping's vice foreign minister will visit Cairo next week in what may be an effort to smooth over these difficulties and obtain Nasir's agreement to a less vitriolic program.

(Page 1)

USSR - Communist China:

Khrushchev stated explicitly at a recent reception that the "Chinese have conceded" to the USSR on the commune issue. They now realize that the communes are a step in the building of socialism, not Communism as originally claimed. Reaffirming the Soviet doctrine that material abundance is a prerequisite to full Communism, Khrushchev remarked that the Chinese have "nothing but rice and blue cotton cloth."

II. ASIA-AFRICA

Japan - Communist China: Japanese Foreign Ministry officials consider recent Chinese Communist statements a definitive rejection of Tokyo's overtures for ambassadorial talks. Chou En-lai's offer on 17 February to trade with small and medium-sized Japanese enterprises through Japan's leftist

~~TOP SECRET~~

~~TOP SECRET~~

labor federation has been denounced by Foreign Minister Fujiyama as interference in Japanese internal affairs.

Indonesia: A major reorganization of the Indonesian Government may be near. The proposed new structure would diminish the importance of political parties while greatly strengthening the roles of President Sukarno and the army. The Indonesian Communist party, which cannot afford to oppose either Sukarno or the army, would suffer most.

[redacted] army chief Nasution recently stated in effect that the army, in order to promote its role as a buffer between extremists of both left and right, must risk criticism as an "American pawn."

(Page 3)

Laos: A political crisis is developing in Laos simultaneously with strong bloc pressure arising from Laos' repudiation of the Geneva accords. Prime Minister Phoui is supporting old-line politicians in conflict with young reformers in the cabinet. The army is considering a military takeover if Phoui persists in his efforts to split the alliance between the army and the young reformers.

(Page 5)

India-Poland: [The failure of the Communist-governed state of Kerala to make economic progress apparently is causing some concern to the Soviet bloc. The bloc probably fears unfavorable repercussions throughout Asia if the Communists lose control of Kerala because of economic failures.]

No
Poland aid Indian Communists by assisting economic development projects in Kerala. While the bloc has already increased its purchases of Indian products from Kerala, it will be difficult to extend direct aid to Kerala as foreign aid agreements must be negotiated with New Delhi.

(Page 6)

M
Ceylon: [A one-day general strike is being planned for 23 February by the major leftist opposition party, a Trotskyite group which controls most of Ceylon's urban labor. Some]

21 Feb 59

DAILY BRIEF

Page ii

~~TOP SECRET~~

~~TOP SECRET~~

[leaders of this party apparently intend to instigate violence in the hope of forcing out the Bandaranaike government in the near future.] [] (Page 7)

No
 Iraq: Pro-UAR elements in Iraq may attempt to demonstrate on 22 February, the anniversary of the formation of the UAR. Disorders were reported in Mosul, northern Iraq center of anti-Qasim sentiment, during the second week of February.

[] (Page 8)

No
 Iran-Oil: The Shah may soon attempt to force the consortium of Western companies operating the country's "nationalized" oil industry to sell Iran a 25-percent interest. The Shah's bargaining position has been strengthened by breaches of the 50/50 profit-sharing arrangement in both Venezuela and the Middle East, and by the recent cut of 18 cents per barrel in the price of Iranian crude, which will reduce Iranian revenue by \$25,000,000 to \$35,000,000 annually.

ok
 Caribbean: Meetings planned in Cuba for later this month among leaders of several Latin American Communist parties may concern Communist efforts to control the several "liberation" movements being formed with Cuban Government encouragement to oust "dictators" in the Caribbean area. Communists already control a Nicaraguan exile group formed in Venezuela, and are also reported to have infiltrated a Dominican revolutionary group there.

(Page 10)

21 Feb 59

DAILY BRIEF

iii

~~TOP SECRET~~

~~TOP SECRET~~

LATE ITEM

*USSR: A launching was attempted on the Tyura Tam missile range at 1903 EST on 20 February. The "tone signal" was transmitted from Tyura Tam, but was not followed by the usual "timing pips" which are believed to begin when the vehicle "lifts off" the pad.

[redacted] indicating the vehicle was not lost and that the countdown might later be resumed. The range later shut down for an indefinite period. No telemetry signals or postfiring reports were detected. The type of vehicle and intended mission are not known.

Readyng a vehicle and attempting a launching within four days of the ICBM test flight at 2046 EST on 16 February strongly suggests that there is more than one pad at the Tyura Tam range-head. The shortest previous interval between firings was that between ICBM launches on 29 March and 4 April 1958.

NO

21 Feb 59

DAILY BRIEF

iv

~~TOP SECRET~~

I. THE COMMUNIST BLOC

Chou En-lai Comments on UAR Anti-Communist Moves

Chou En-lai told the UAR ambassador on 11 February that "close cooperation must continue" between Cairo and the "socialist camp," but that recent UAR press attacks on Khrushchev and Communism were having "a very bad effect." The UAR ambassador had called on Chou to convey Nasir's invitation for a visit to Cairo. Chou gave no indication of acceptance or rejection.

Chou expressed Peiping's displeasure over articles by Cairo editor Muhammed Haykal. On 29 January Haykal "reproached" Khrushchev for his criticism of the UAR's anti-Communist campaign and assailed Communist influence in Iraq. Moscow, in broadcasts to Arab listeners, has reacted strongly to UAR press attacks, and on 19 February Pravda lashed out at Haykal personally, blaming his anti-Communist publicity on "imperialist" efforts. While no Chinese leader has voiced public criticism of UAR actions as did Khrushchev before the Soviet 21st party congress, People's Daily on 1 February did deny that the Soviet premier had interfered in UAR affairs.

Chou suggested that "cooperation" be extended by the UAR to include domestic Communists who "are loyal to the cause of Arabism and the struggle against imperialism." It seems likely that Chou discussed this matter with Soviet leaders during his recent visit to Moscow. Such "cooperation" may be advocated by Peiping's Vice Foreign Minister Chang Han-fu when he visits Cairo next week. Chang may attempt to get Nasir's agreement to a less intransigent attitude toward Arab Communists.

(Nasir's awareness of Soviet and Communist Chinese sensitivity to his anti-Communist propaganda was probably partially responsible for his reported decision on 11 February to begin a gradual reduction of his campaign against the Iraqi Communists.)

Chou also warned the UAR that "Tito could not be trusted and he was trying to intrigue between the Socialist camp and the

~~TOP SECRET~~

UAR." This obvious effort to offset the effect of Tito's visit to Nasir also will probably be repeated by Chang.

[Redacted]

[Redacted]

~~TOP SECRET~~

II. ASIA-AFRICA

Indonesian Government Reorganization Apparently Near

A major Indonesian Government reorganization may be near which would advance President Sukarno's concept of "guided democracy" by decreasing the powers of parliament and of the political parties, and strengthen the role of the president and the army. The two major non-Communist parties, the National party and the Nahdlatul Ulama, are reported to have "surrendered" to President Sukarno's demand for a return to the 1948 Constitution. This document, which governed Indonesia until 1949, is a highly flexible document under which Sukarno could introduce his plan for a new legislature which would be 50 percent appointive and 50 percent elective.

Although implementation procedure is uncertain, Indonesian sources have speculated that the Constituent Assembly--which has the task of writing a new Constitution--will adopt the 1945 document, parliament will then be disbanded, and a new cabinet formed.

The Communist party, which now is probably the largest in Indonesia and has a good chance of winning a substantial plurality in the next elections, stands to lose most by the reorganization. Since it apparently cannot afford to antagonize either Sukarno or the army, however, it will encourage as much non-Communist opposition as possible; if this fails, it will then go along with the change.

[] Army Chief of Staff General Nasution stated [] to army commanders last week that the army, in order to promote its role as a stabilizing influence in Indonesia and to prevent a drift to either left or right, must risk criticism as "an American pawn." He anticipates continued opposition from both Communist and non-Communist parties to the army's role as a "strong instrument of the state," and believes Communist penetration of the military will be undertaken actively.]

[] For months the army has pressed the argument that it must have military assistance to achieve both technical strength]

~~SECRET~~

[and prestige, and that to combat Communist influence in Indonesia, this assistance should come from the West, preferably the United States. The Indonesian Government has recently completed arrangements for the receipt of \$15,000,000 of American military aid in 1959, most of which will go to the army. This is in addition to approximate \$7,000,000 received in 1958.]

[Nasution also stated that the army must play a vital part in achieving President Sukarno's concept of "guided democracy." Nasution said that should the army fail, "one party will reach overwhelming strength, which could be a serious threat to Indonesia's free policies."]

[]

[]

~~SECRET~~

[Redacted]

Growing Dissension in Laotian Government

{ The struggle of old line politicians to check the growing political ascendancy of young reform leaders is jeopardizing the government at a time when Laos is under strong Communist pressure because of its repudiation of the 1954 Geneva accords. Prime Minister Phoui Sanaikone appears to have committed his prestige to the cause of the politicians, and is attempting to split the alliance between the reformist Committee for the Defense of the National Interest (CDNI) and the army. }

{ Phoui told the American ambassador on 19 February that the army now considered the CDNI the "military party" and that such an attitude could lead to the virtual elimination of all other parties. He also implied that both Army Chief of Staff Ouan and the Crown Prince wished to see the military take over the government. }

{ Phoui reportedly plans to force the issue to a showdown at an early meeting of the Defense Advisory Council by requesting that the military withdraw from active participation in politics. This could include the withdrawal of the three officers now in the cabinet. }

{ Key military leaders reportedly discussed Phoui's maneuvering on 18 February and agreed that the army would launch a coup if Phoui attempted to include discredited former ministers in the cabinet. } [Redacted]

[Redacted]

~~SECRET~~

Soviet Bloc Leaders Apparently Concerned About Position
Of Communist Government of Kerala

[A recent report of Polish Ambassador to India Katz-Suchy on his 2-10 January visit to Kerala emphasizes the need for bloc economic and political aid to the Communist-governed Indian state. He also stressed the importance of Kerala, as a Communist provincial administration under a "bourgeois" central government, for demonstrating the possibility of a "peaceful road to socialism." Katz-Suchy pointed out that the position of the "socialist countries" in relation to Kerala is made difficult by the necessity for cultivating the best possible relations with Nehru.]

[Kerala's failure to make significant economic progress is causing some concern to bloc leaders who fear unfavorable repercussions throughout Asia if the Communists lose control of Kerala because of failure to improve economic conditions. The Kerala Government had a good record during its first year in office but has lost prestige since last summer due to its attempts to repress opposition elements and its inability to reduce the state's high level of unemployment.]

[Any bloc aid intended for Kerala must be negotiated with New Delhi within the framework of general trade and aid agreements. The recent public statement by Namboodiripad, Chief Minister of Kerala that he would seek Soviet assistance for Kerala was widely criticized in India and may have aroused New Delhi's suspicions about bloc plans. Bloc countries have already stepped up their purchases of certain Indian goods produced chiefly in Kerala.]

[A team of Polish experts reportedly will go to Kerala at the beginning of March to make a survey of business possibilities which might be exploited by Poland. Aid to support the local Communist party in an underdeveloped country is contrary to past practices in the bloc economic offensive. If the bloc accepts the Katz-Suchy recommendation, Poland, as the bloc member most likely to be acceptable to the Indian Government, may be designated as the bloc agent to aid Kerala.]

~~SECRET~~

[Redacted]

Planned General Strike in Ceylon May Cause Violence

[The one-day general strike planned for 23 February by the Trotskyite Lanka Sama Samaja party, the major leftist opposition party in Ceylon, is designed as a protest against the recent passage of a parliamentary bill facilitating the government's use of emergency powers in the case of localized unrest. The party, whose members were evicted from the hall during debate on the bill, fears that its labor wing will be weakened by the government's action. A mass rally held on 18 February by 12 major unions in Colombo pledged support for any action that might be taken to have the government's bill repealed.]

[Though leaders of the Lanka Sama Samaja party reportedly intend the strike merely to protest passage of the bill, certain party members are said to plan to instigate violence between workers and the police. They expect this to inflame popular opinion against the government and to pave the way for efforts to overthrow it in the near future.]

[Should the strike actually occur, military and police forces would probably be able to handle it if it is confined to one day. There are reports, however, that certain groups may seize the opportunity to create unrest elsewhere in the island and to extend the length of the strike. There is also a possibility that conservative elements, including the Governor General, will take counteraction. Ceylon's security forces might find it difficult to control the situation if the period of unrest is prolonged.] [Redacted]

[Redacted]

~~SECRET~~

The Iraqi Situation

Celebrations in the UAR on 22 February commemorating the first anniversary of the union between Syria and Egypt may be the occasion for demonstrations by pro-UAR elements in Iraq. Such demonstrations are likely to result in clashes between anti-Communist and Communist factions and might lead to serious disorders. During the second week in February anti-Qasim elements in Ramadi and Falujah in central Iraq are said to have torn down pictures of Prime Minister Qasim, and several Communists were killed in demonstrations in strongly anti-Communist Mosul in the north. Anti-Communists may feel that they must take further action in the near future. Recently there have been reports that several Communists have been murdered by Arab nationalist partisans.

[redacted]
[redacted] certain army officers are planning a coup to overthrow the Qasim regime, probably within a month. Faiq Sammarai, Iraqi ambassador in Cairo, has said that a new national movement is being organized to fight the Communists.
[redacted] The pro-UAR Sammarai may soon be replaced by a more anti-Nasir diplomat, [redacted]

[redacted]
[redacted] the Communists are spreading a rumor that a plot against Qasim is being planned by Tabaqchali, the divisional commander in Kirkuk, in collaboration with the British, Turks, and Americans. Tabaqchali reportedly has been outspokenly anti-Communist and has refused transfer to another assignment. The Communists may suspect an army conspiracy against Qasim and are spreading rumors to this effect in order to play upon Qasim's fears, as well as to bring about Tabaqchali's downfall.

Leftist National Democratic party (NDP) leader Kamil Chadirchi is putting pressure on his party's members in the cabinet to withdraw their resignations, [redacted]

~~TOP SECRET~~ [redacted]

[redacted] Chadirchi may feel that resignation of NDP members from the cabinet would leave these positions to the Communists by default. The final NDP position may depend upon the attitude of NDP cabinet members following the return of Guidance Minister Husayn Jamil from India. He reportedly submitted his resignation last week over the re-opening of a Communist newspaper which he had suspended.

[large rectangular redacted area]

~~TOP SECRET~~

III. THE WEST

Latin American Communists Plan Meetings in Cuba

The Costa Rican and Nicaraguan Communist parties have been asked by a representative of the Cuban Communist party to send delegates to Cuba later this month for meetings that will include several leaders of Latin American Communist parties, [redacted] The current "excellent" position of the party in Cuba and its past and present efforts to support and to influence the government of Prime Minister Fidel Castro are to be discussed, as well as plans for the overthrow of the government of Nicaraguan President Somoza.

Communist efforts to exploit Castro's encouragement of the popular upsurge against dictators have become increasingly apparent in recent weeks. Communists have already formed an organization of Nicaraguan exiles in Venezuela which they clearly hope will become the instrument of Nicaragua's "liberation." They are also believed to have considerable influence in a group of Dominican revolutionaries in Venezuela. The Communists apparently feel they stand to gain new prestige as "liberators of the people from US-supported dictators," as well as considerable influence in post-revolutionary governments in Nicaragua and the Dominican Republic.

Plans for meetings in Havana indicate the continuing successful effort of Latin American Communists over the past year to achieve greater liaison--an effort endorsed by Moscow and inspired by sharp Soviet criticism in late 1957. In his report to the Soviet 21st party congress last month, Khrushchev professed to see a "new stage" in the "national liberation movement" and noted specifically its intensification in Latin America. Leaders of the Latin American Communist parties, most of whom were represented at the Soviet party congress, were scheduled to meet in special session with Soviet party leaders, possibly to arrange continued coordination and receive further guidance from Moscow.
[redacted]
[redacted]

~~SECRET~~

THE PRESIDENT**The Vice President**

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

The Secretary of Defense

The Deputy Secretary of Defense

Assistant Secretary of Defense for International Security Affairs

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Chairman, The Joint Chiefs of Staff

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 the Army

Director of Naval Intelligence, Department of the Navy

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

Supreme Allied Commander, Europe

Commander in Chief, Pacific

The Department of the Interior

The Secretary of the Interior

The Department of Commerce

The Secretary of Commerce

Federal Bureau of Investigation

The Director

Atomic Energy Commission

The Chairman

National Security Agency

The Director

National Indications Center

The Director

United States Information Agency

The Director

~~CONFIDENTIAL~~

~~TOP SECRET~~

~~TOP SECRET~~