

**TOP SECRET**

26 June 1959

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# CENTRAL INTELLIGENCE BULLETIN

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1. DECLASSIFIED

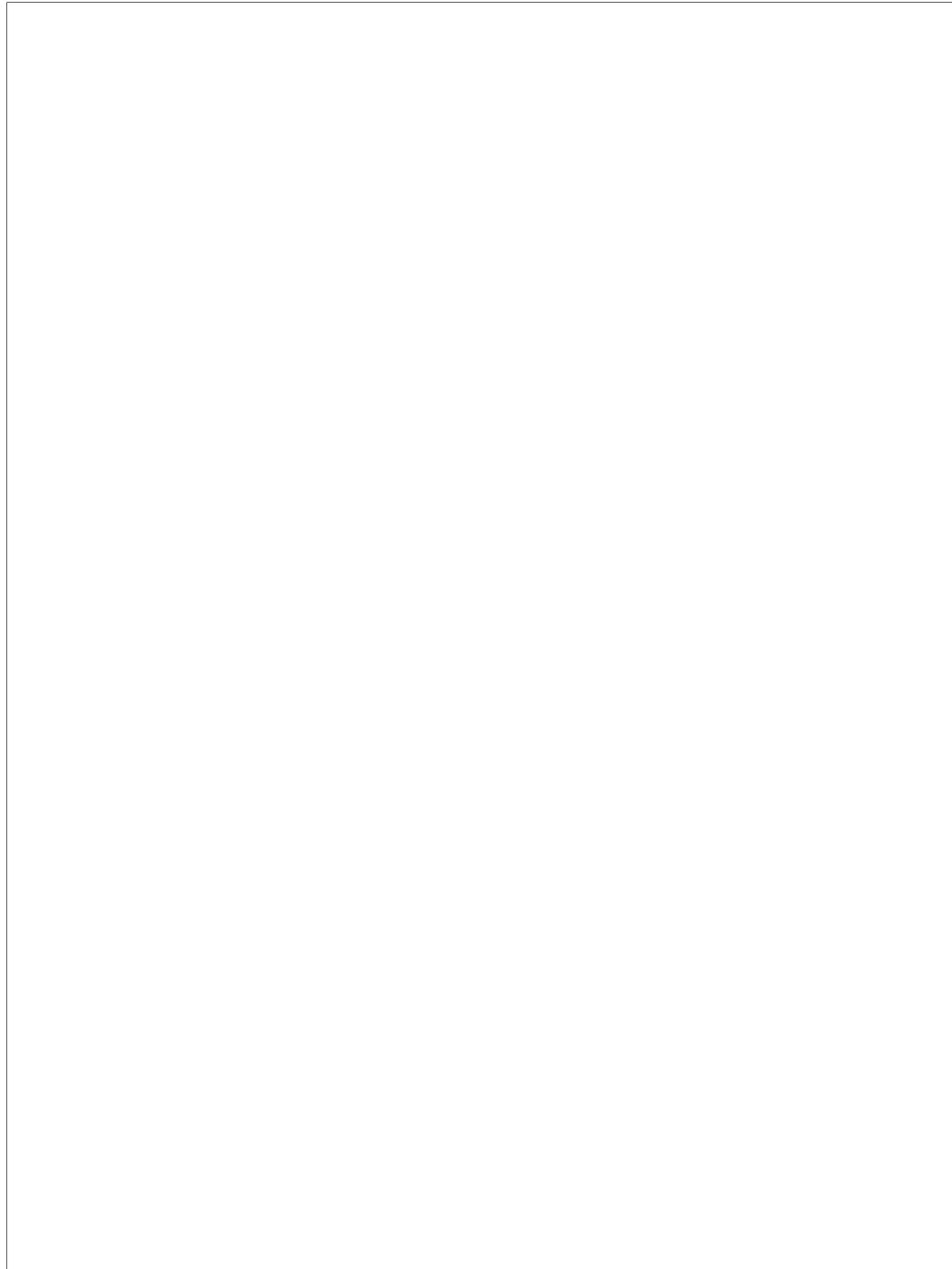
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26 JUNE 1959

## I. THE COMMUNIST BLOC

Comment on Soviet call for Balkan  
"Zone of Peace."

## II. ASIA-AFRICA

Iran--Shah approves plan for Hammarskjold to try to end Iranian-Soviet controversy.

UAR apprehensive over possible Israeli reprisal for Cairo's refusal to permit Israeli use of canal; Hammarskjold arrival in Cairo 1 July makes Israeli action unlikely at this time.

Iraq--Army issues orders designed to tighten controls over Communist-infiltrated Popular Resistance Forces.

South Africa--Authorities concerned over possibility of African outbreaks today.

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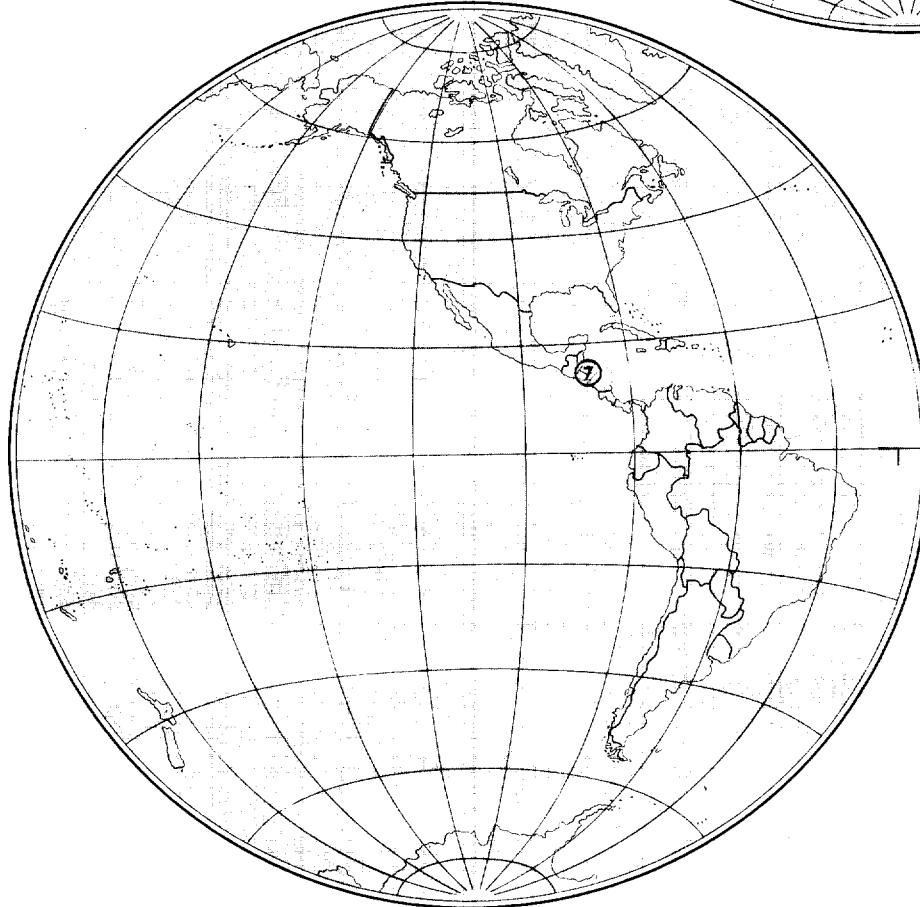
(2)

(5)

## III. THE WEST

(6) Finance Minister Pinay disagrees with De Gaulle's refusal to permit nuclear arming of nine USAF squadrons in France.

(7) New rebel incursion into Nicaragua.



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## CENTRAL INTELLIGENCE BULLETIN

26 June 1959

## DAILY BRIEF

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## I. THE COMMUNIST BLOC

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\*USSR-Balkan "Zone of Peace": Moscow's formal call, in its 25 June notes to 10 nations, for an atom- and rocket-free zone in the Balkans and Adriatic is a further bloc effort to bring pressure on the West to modify plans for establishing missile bases in Greece, Italy, and Turkey. The notes, in suggesting a "great-powers guarantee" of the security and independence of the countries in the zone, are intended to elicit a more direct American, British, and French reaction to the Soviet campaign against rocket bases. Moscow probably believes that rejection of its overture would serve to justify a future Soviet decision to establish rocket bases in Albania and other satellites. Continued Soviet attention to the atom-free zone issue suggests that the USSR anticipates that the broader questions of disengagement and disarmament in Europe will be raised in future high-level East-West negotiations.

(Page 1)

## II. ASIA-AFRICA

*NJ*

Iran-USSR: The Shah has approved an attempt to resolve the Soviet-Iranian controversy through the intercession of UN Secretary General Hammarskjold,

In transmitting the Shah's comments on the proposal to newly appointed Foreign Minister Abdoh in New York, Tehran said this action would "automatically be a preliminary to the improvement of relations" between Iran and the USSR.

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~~TOP SECRET~~UAR-Israel:

statements suggesting that Israel may retaliate against UAR shipping in reprisal for UAR refusal to permit Israeli-chartered vessels in the Suez Canal have caused apprehension in Cairo. In view of Hammarskjold's scheduled arrival in Cairo on 1 July to discuss the canal issue, Israel is unlikely to resort to such retaliation. UAR naval forces, however, apparently continue to be alert to the possibility)

(Page 3)

Iraq: Army headquarters has issued orders designed to bring the Communist-infiltrated Popular Resistance Forces (PRF) under close army control, to curtail their activities, and to permit them to carry arms only during training periods. These orders were sent by the army chief of staff on 21 June to the major army, police, and PRF commands.

these orders apply to all PRF units throughout the country. This is an indication that Qasim is moving slowly and cautiously to strengthen his controls and that he is apparently aiming to reduce the power of the Iraqi Communist party.

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\*Union of South Africa: The government has recently made several moves reflecting official concern over the possibility that African elements may take violent action on 26 June, but the American Embassy believes that disturbances will be of local character and that the police will be able to cope with them. The African National Congress (ANC) has reportedly called for rallies on 28 June as well. Since 3 June, authorities, in renewed repression of native political movements, have banned political activities on the part of at least five prominent anti-government leaders, including the three top officials of the ANC. These moves will probably force the ANC into increased clandestine and subversive activity.

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## III. THE WEST

France: [redacted]

*(2)*  
 strong differences of opinion between Minister of Finance Pinay and De Gaulle over the pending withdrawal of nine USAF strike squadrons from France as a result of the French President's refusal to permit their being armed with nuclear weapons. Pinay, in a recent cabinet meeting, is said to have stressed to De Gaulle the importance to the French economy of US military spending in France and that De Gaulle's attitude might endanger Pinay's campaign for American investment in France. De Gaulle rejoined that France, in contrast to Great Britain, had been treated unfairly by the US as regards aid on nuclear weapons. [redacted] (Page 5)

*DK*  
*Delete later*  
*HTB*  
Nicaragua: New rebel incursions by two groups of about 50 men each were confirmed [redacted]. The rebels crossed from Honduras and are operating in mountainous terrain. The leader of one of the groups is said to be a former Nicaraguan officer who was recently in Cuba, where he was associated with the group of pro-Communist Nicaraguan exiles being supported by the Cuban Government. Previous incursions by anti-Communist insurgents from Costa Rica were eliminated by mid-June, but the Nicaraguan Government fears further attacks by Costa Rica - based rebels. [redacted] (Page 6)

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## I. THE COMMUNIST BLOC

### Moscow Formally Proposes Balkan-Adriatic "Zone of Peace"

In notes on 25 June to the United States, France, Great Britain, Italy, Greece, Turkey, Yugoslavia, Bulgaria, Albania, and Rumania, the Soviet Union formally proposed creation of an atom- and rocket-free zone for the Balkan and Adriatic area. According to the Soviet plan, the United States, Britain and France would join the USSR in "guaranteeing the security and independence" of the countries in the zone--expanding a recent Rumanian proposal--and "facilitate in every way its establishment." The notes expressed regret that Italy, Turkey, and Greece in permitting missile bases on their territories had created a "serious obstacle" to the creation of such a zone and suggested that these nations "heed the sensible voice of their neighbors before it is too late."

The notes pointed with favor to the Rumanian proposal for a conference of the heads of government of the Balkan countries to "discuss pressing matters concerning that area" and cited a statement on 8 June by President Tito as support for creation of the zone.

This latest move on the part of the USSR climaxes the Soviet bloc diplomatic and propaganda attack on projected American missile bases in Italy, Greece, and Turkey. Since Khrushchev's call during his recent Albanian visit for the creation of an atom-free zone, formal notes have been issued to Greece and Italy by the Soviet Union, Rumania, Bulgaria, and Albania, interspersed with a strong propaganda campaign on the subject.

The notes of 25 June were probably designed to force a more direct American, British, and French reaction to the bloc campaign. The Soviet leaders probably feel that any Western rejection of this formal proposal could be used to justify the installation of Soviet missile bases in Albania and the other satellites.

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## II. ASIA-AFRICA

UN Secretary General May Mediate Iranian-Soviet Controversy

UN Secretary General Hammarskjold, during recent discussions with Iranian Foreign Minister Abdoh, agreed to take steps to break the deadlock in Iranian-Soviet relations, [redacted]

[redacted] Hammarskjold asked Abdoh to provide him with details concerning Soviet propaganda, which he intends to use as the basis for a note to the Soviet foreign minister proposing that hostile propaganda cease. In the note he will also suggest that direct contact be made between Iran and the USSR "for the purpose of improving relations."

The Shah has approved the plan to have Hammarskjold take the initiative, which he characterized as "not a bad idea"; but he probably is doubtful that it will succeed. Because it lost face last February when the negotiations for a nonaggression treaty were broken off, Moscow has been insisting that Tehran must take the first step to improve relations. The Shah, on the other hand, has been equally intransigent and demands that before any Soviet suggestion can be considered the USSR must cease its hostile radio propaganda against Iran.

(Abdoh may hope, as one of his motives for pressing this plan, that the Shah will permit him to remain at the UN where he has been Iran's permanent representative since 1955. Abdoh recently accepted the post of foreign minister with considerable reluctance and is privately critical of the Shah's policies.)

Meanwhile, the Iranian ambassador to Moscow continues to report that Soviet leaders desire to improve relations with Iran. [redacted], he told Tehran that he received this impression in recent talks with Khrushchev and First Deputy Foreign Minister Kuznetsov. [redacted]

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### The Israeli-UAR Suez Canal Dispute

(The UAR Navy apparently continues alert to possible Israeli action against UAR shipping in retaliation for harassment of Israeli shipping through the Suez Canal. UAR motor torpedo boats are reported escorting merchant ships between Alexandria and Latakia. The torpedo boats are said to be in constant radio contact with Ras al-Tin naval base in Alexandria, and to be detouring the merchant ships around Israeli waters. Other information has suggested that the UAR soon may employ merchant ships of foreign registry on such voyages.)

[redacted] public Israeli statements apparently have caused this apprehension in Cairo. [redacted]

[redacted] information had been received to the effect that Israel was preparing for a naval engagement with the UAR. [redacted] Israeli torpedo boats have been instructed to hunt down all UAR ships coming from or going to Syria, as well as those traversing the Red Sea, on the pretext that they are invading Israeli territorial waters. Israeli aircraft allegedly are to take part in these engagements. Israel has emphasized in its public statements, however, that it would take retaliatory steps only if UN Secretary General Hammarskjold's projected visit to Cairo on 1 July failed to produce a satisfactory settlement of the case involving the Danish freighter Inge Toft.)

(Meanwhile, one of Nasir's advisers has intimated that the UAR is considering a solution which might involve a public statement that no ship chartered by or registered in Israel would be permitted to transit the Suez Canal under any circumstances, following which the passage of neutral vessels carrying Israeli cargoes would be quietly tolerated if Israel did not attempt to "exploit" the UAR position. Foreign Minister Fawzi and other Cairo officials have said that in matters regarding Israel the UAR would always have to pay more attention to public opinion in the Arab states than to opinion in the UN.) [redacted]

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Qasim Government Orders Close Army Control Over  
Popular Resistance Forces

[redacted] from the Iraqi army chief of staff in Baghdad to the major commands of the army, police, and Popular Resistance Forces (PRF), directing all PRF units to turn in their ammunition and revert from alert to training status. In addition, [redacted] the PRF units are to conduct themselves in accord with administrative orders issued by the military regions, and it forbade them to carry arms except during training periods.

This is an indication that Qasim is moving slowly and cautiously to strengthen his own controls and is apparently aiming to reduce the power of the Iraqi Communist party. The Popular Resistance Forces, some 35,000 strong, are Communist infiltrated, and the Communist party has exerted constant pressure to have them expanded and equipped with their own supplies of weapons and ammunition.

Sporadic past efforts by Iraqi army divisional commanders to assert control over individual PRF units were none too successful, and in many parts of the country the PRF undertook violent measures in the name of security. In early June, the army chief of staff issued a directive calling upon the PRF to desist from such practices, pointing out that these are the responsibility of the police and courts. The Communist party newspaper immediately charged that "unnecessary restraints" were being placed on legitimate functions of the PRF. Since the present order has clearly been approved by Qasim himself, however, the PRF units are likely to comply, although grudgingly. [redacted]

[redacted]

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## III. THE WEST

e Gaulle - Pinay Differences over NATO Policy

[redacted] very strong differences of opinion between De Gaulle and Minister of Finance Pinay over De Gaulle's refusal to permit the arming of nine USAF strike squadrons in France with nuclear weapons not under French control.

[redacted] Pinay reportedly warned De Gaulle at a recent cabinet meeting that US military spending in France "makes up a great part" of French foreign currency receipts and that, "if De Gaulle should speak out bullishly," it might endanger Pinay's campaign for American investments in France.

De Gaulle rejoined that "it was not right" that France was criticized for not doing its share in NATO. France should have a greater voice in the alliance because it is fighting in Algeria for the defense of NATO itself. De Gaulle complained also that the US had given Great Britain "a dreadnaught, enriched uranium, and an entire engineer crew for a nuclear submarine," but had no intention of giving the same treatment to France.

[redacted] De Gaulle told Socialist leader Mollet that US-French tensions would continue until he met with President Eisenhower, emphasizing that France must persuade the US: (1) to treat France as an equal partner in NATO; (2) to share US atomic "know-how"; and (3) to consult France on world-wide problems.)

A recent survey of the Gaullist UMR party, the leading member of the Debré coalition, indicated that only a quarter of the UMR believed France benefited from the NATO alliance. The Independent party has publicly expressed "grave concern," however, over the government moves affecting the Atlantic Alliance, and similar alarm has been expressed by the Popular Republicans, the third member of the Debré coalition, and by the Socialist and Radical parties. There is also opposition to De Gaulle's attitude toward NATO among some of the President's top military and civilian advisers.

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~~SECRET~~New Rebel Force Enters Nicaragua

Two rebel groups of about 50 men each crossed the Honduran border into Nicaragua late on 23 June. Their presence in the mountainous border area was confirmed by Nicaraguan authorities the next day, and troops were sent to engage them. These rebels are probably part of the force of 150 to 175 armed civilians which Honduran authorities were attempting to disperse near the border last week.

Nicaraguan officials claim that one of the two groups is led by Rafael Somarriba, a former officer of the Nicaraguan National Guard who has recently been associated with a pro-Communist group of Nicaraguan exiles in Cuba. Major "Che" Guevara, close associate of Cuban Prime Minister Castro, was reported

last April to have named Somarriba commander of a rebel force being formed with the assistance of the Cuban Government. Nicaraguan exiles in Cuba publicly announced earlier this month that Somarriba was already inside Nicaragua with a well-armed band of guerrillas.

[redacted] instructions to "massacre" the rebel forces, revealing a change from the tactics used against the incursions early this month, which forced surrenders with a minimum of bloodshed.

[redacted] Whereas the earlier invaders were predominantly members of the opposition Conservative party, some of them of prominent families, the current incursion appears to be led by professional revolutionaries who have been in exile many years and probably do not retain significant political associations inside the country. They are probably relying on the false assumption that domestic opposition to the Nicaraguan Government is so widespread that their forces will quickly swell to sizable proportions.

Nicaraguan officials, who had been expecting Somarriba's attack from Honduras, also fear new attacks by Nicaraguan rebel groups now in Costa Rica who,

[redacted] have been armed by the Castro regime of Cuba.

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~~CONFIDENTIAL~~**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

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

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**THE PRESIDENT**

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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

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

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