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CENTRAL INTELLIGENCE BULLETIN



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21 MARCH 1959

I. THE COMMUNIST BLOC

USSR replaces top economic planner.

Soviet Union apparently moving additional missiles into East Germany.

Polish party congress shows Gomulka undisputed master.

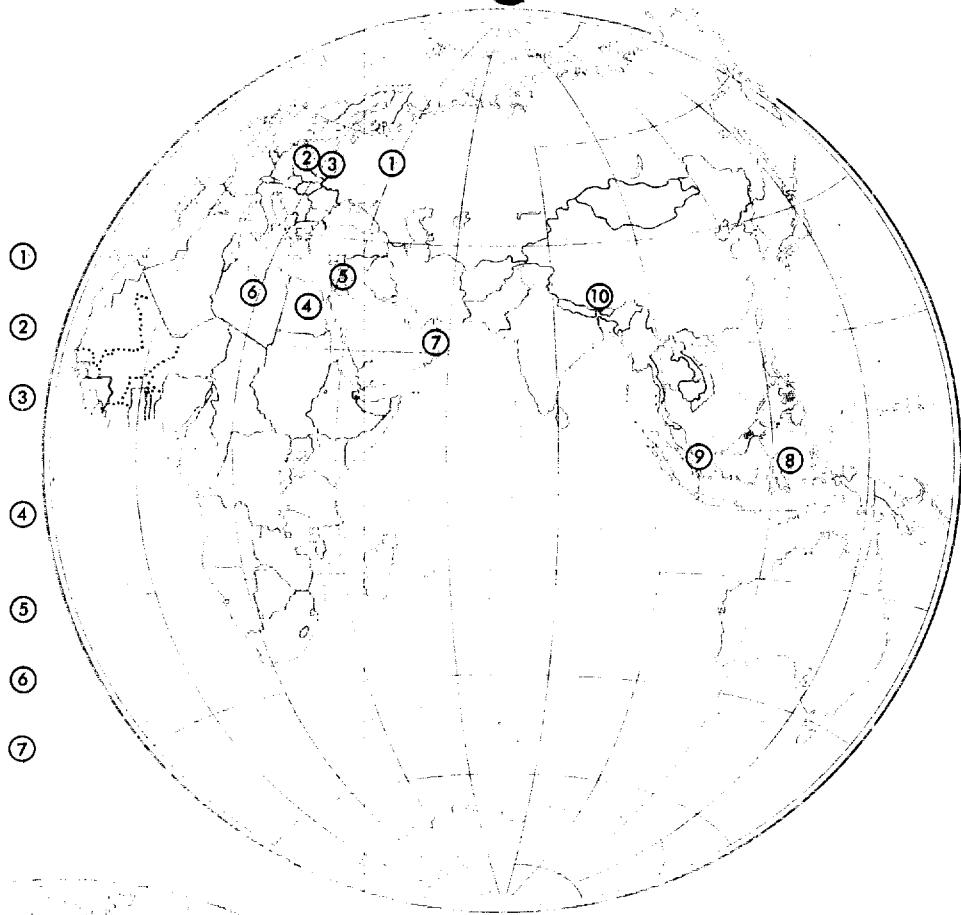
II. ASIA-AFRICA

Cairo fears cessation of Soviet aid.

UAR seizes Israeli cargoes from Israeli-chartered foreign vessels in Suez Canal.

Libya's proposal would double US payments for base.

Omani rebel leaders flee to Saudi Arabia.



⑧ Indonesia - Government preparing major action against North Celebes dissidents; rebels receiving aid from Taipei.

⑨ Singapore - British now fear pro-Communists may take over People's Action party.

LATE ITEM

⑩ Peiping employing force to quell Tibetan unrest.

CENTRAL INTELLIGENCE BULLETIN

21 March 1959

DAILY BRIEF

I. THE COMMUNIST BLOC

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*USSR-Gosplan: I. I. Kuzmin has been removed from the USSR's top planning post (Gosplan) apparently in some disfavor. However, his assignment to the new State Science and Economic Council indicates that his technical experience is still valued. A. N. Kosygin, a candidate member of the party presidium, was chosen to succeed Kuzmin as chief of Gosplan, probably because of his prior experience there. Before his assignment as USSR deputy premier in July 1957, Kosygin had been Kuzmin's first deputy. The change does not appear to reflect on the Seven-Year Plan, approved by the party congress in February, nor does it presage any change in basic economic priorities.

ok -
in expanded form

USSR - East Germany: A Soviet military train, probably carrying missiles and associated equipment, was observed southeast of Berlin on 18 March. A similar observation was made last October. Numerous unconfirmed reports have indicated the presence of tactical missiles in East Germany. An increasing number of missile mock-up sightings indicates that missile training of some kind is being conducted in Soviet units in East Germany.

ok -
expanded

Poland: First secretary Gomulka has emerged from the party congress as undisputed master of the Polish Communist party. Not only has Gomulka created a party leadership of his own loyal supporters and eliminated opponents from important positions, but he has also succeeded in having the congress annul the charges he himself had accepted in September 1948 branding him and his adherents as "right-wing nationalist deviationists." Congress actions also reflected Gomulka's determination to follow a moderate course in domestic matters while supporting the USSR on foreign policy.

II. ASIA-AFRICA

UAR-USSR: [Official concern is growing in Cairo that the USSR may halt economic and military assistance in retaliation to Nasir's anti-Communist campaign.]

[Nasir is apparently being used to convey this feeling to American officials, probably in the hope that assurances of support can be obtained from the United States in the event of Soviet sanctions. Despite the continuing hostile exchanges between Cairo and Moscow, both are apparently still trying to avoid a complete break.]

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Israel-UAR: [The UAR has seized cargoes of Israeli origin from Liberian and West German merchant ships preparing to transit the Suez Canal. , the ships are chartered by Israel, and therefore in effect are operating as enemy ships. "Innocent" Israeli cargoes aboard neutral ships have heretofore not been seized despite the technical state of war that still exists between the two countries. Israel contends, in a note to the UN Security Council, that the action contravenes Security Council resolutions, and Prime Minister Ben-Gurion has reiterated Israel's determination to secure its "freedom of navigation!"]

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Libya: The Libyan Government has formally proposed terms for the revision of the agreement on American base rights. Under these terms the US would guarantee an "annual rent" payment of at least \$45,000,000 for the duration of the agreement--through 1970. This proposal more than doubles the present level of US aid and removes all restrictions on its use.

*The violent and large-scale rioting which took place in Tripoli on 20 March does not appear related to US-Libyan relations. It was sparked by well-organized students demonstrating in favor of Nasir and against Qasim and the Communists. The 20 March disorder was the third, and most violent,

of a series of pro-Nasir demonstrations in Libya this week.

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Oman - Saudi Arabia: The flight of the three top Omani rebel leaders and their sons to Dammam in eastern Saudi Arabia about 16 March has removed from Oman all effective leaders in the rebellion against the British-backed Sultan of Muscat. Any current rebel effort will be hampered by the leaders' absence from the dissident area; however, Saudi Arabia and the UAR will probably attempt to train and equip now rebel forces.

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Indonesia: [The government is apparently planning "full-scale operations" against the North Celebes dissidents early this summer. As part of its plan, it is preparing to move several more battalions from East Java to its Celebes operational command. Meanwhile, government forces on North Celebes are being hard pressed by aggressive dissident units. The capabilities of the dissident units have recently been enhanced by material aid from Taiwan, and negotiations with Taipei for additional equipment are continuing.]

(Page 3)

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Singapore: [The British Colonial Office, in an apparent change of attitude, is becoming increasingly apprehensive over the prospects of a left-wing extremist take-over in the People's Action party after the party's anticipated victory in the general elections expected on 30 May. The British, who have stated that they can work with the party's moderate leader Lee Kuan Yew, now fear that he may lose control to its strong pro-Communist elements.]

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LATE ITEM

*Tibet: Peiping is adopting forceful measures to end the Tibetan unrest. Indian Foreign Secretary Dutt on 20 March confirmed that fighting had occurred around Lhasa and a

"strong Chinese punitive force" is en route to the Tibetan capital. New Delhi continues to be apprehensive over the possibility of serious clashes in the event Chinese troops pursue dissident forces into Indian territory, and has instructed frontier checkposts to deny admission to any rebels fleeing Tibet. Nehru probably would make an exception, however, in the case of the Dalai Lama, who is reported to have fled Lhasa on 17 March and to have requested asylum in India.

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21 Mar 59

DAILY BRIEF

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I. THE COMMUNIST BLOC (No Back-up Material)

II. ASIA-AFRICA

Concern Growing in Cairo Over Possible Soviet Retaliation

[redacted]
[redacted] the United States "prepare itself for action" in the event Nasir's anti-Communist campaign leads to Soviet retaliation. [redacted]
[redacted] probably designed to elicit some American assurance of support, but may also reflect genuine concern in Cairo that Moscow will cut off economic and military aid.]

[redacted] There have been no reports that the current conflict has caused any Soviet economic sanctions, but UAR-USSR relations are rapidly deteriorating and the possibility of retaliatory moves by Moscow is increasing. The Cairo regime has maintained that sufficient military replacements and spare parts are on hand to last about five years, but the already shaky UAR economy would face bankruptcy if the USSR and the Soviet bloc stopped their substantial cotton purchases and ended economic and technical aid.]

[redacted] UAR army officers are convinced it is "inevitable" that the USSR will stop its assistance if Nasir continues his attacks. These officers were alleged to believe that Nasir's position at home would then become insecure and an army coup d'etat in the Egyptian region could occur. [redacted] both army and civilian circles doubted that America could compensate for the loss of Soviet aid, on the ground that the West will "never" help the Arabs, but only the Israelis.]

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UAR Explains Seizure of Israeli Cargoes

[Israeli cargoes destined for Ceylon and Malaya have been seized from Liberian and West German merchant ships by the UAR because the two ships were under Israeli charter, according to a Cairo Foreign Ministry official. They therefore are regarded as enemy ships subject to confiscation. The ships themselves were not confiscated, the UAR official said, out of deference to Liberia and West Germany, and because the status of chartered vessels is still under consideration by the UN.]

[The Capetan Manolis is under outright Israeli charter and the Lealott is chartered by Maritime Agencies, a New York firm controlled by the Zim Israel Navigation Company Ltd. The official stated that this is the first time Israel has resorted to the practice of chartering foreign ships to circumvent UAR canal restrictions since Egypt seized the canal in 1956. Other reports, however, indicate that some Israeli-chartered ships have since then transited the canal without difficulty. The UAR prohibits Israeli-flag ships from the canal, and some neutral vessels bound for Israel have been detained, but cargoes of Israeli origin on foreign ships heretofore have not been seized despite the technical state of war that still exists between the two countries.]

[Nasir may have adopted this tactic toward Israeli shipping at this time partly to counter Iraqi charges that he has not firmly opposed the Israelis. Israel contends, in a note to the UN Security Council, that the seizures violate Security Council resolutions, and Prime Minister Ben-Gurion has recently reiterated Israel's determination to secure its "freedom of navigation."]

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Indonesian Government to Intensify Operations Against North Celebes Dissidents

[The Indonesian Government is preparing to send upwards of three additional battalions to North Celebes by the end of May as part of its "full-scale-operations plan" for that area, according to a 14 March military message. In addition, government troops that have been fighting in North Celebes for the past year are being replaced by fresh battalions. The government now has approximately 8,000 troops in the area, and the reinforcements will probably add a minimum of 2,500 men. Rebel strength is estimated at approximately 5,000.]

[Government units in North Celebes have been hard pressed since early February. The area commander estimated last January that with fresh troops and reinforcements he could crush the rebels by summer if they received no outside support. They were resupplied from Taiwan in December, however, and the Chinese Nationalists are reportedly planning a resupply effort.]

[The government meanwhile is checking on reports that the Sumatran rebels have found a commercial source of arms in Thailand, to be delivered by way of small islands off the Thai and Malayan coasts. The Sumatran dissidents, although suffering an arms shortage, are still able to harass wide areas, including the important rubber estates south of Medan.]

Political Moderates in Singapore Hurt by Scandal

[Officials of the British Colonial Office believe that the recent scandal in Singapore, which led to the resignation of Education Minister Chew Swee Kee, may seriously damage the influence of moderates in Singapore's two largest parties. According to the British, the disclosures concerning Chew's large account in a New York bank--of funds allegedly furnished by Americans, but in fact supplied by Nationalist China--have assured a victory by the Communist-infiltrated People's Action party (PAP) in the Legislative Assembly elections now expected on 30 May. Moreover, Legislative Assembly debates concerning the scandal resulted in serious countercharges by Chief Minister Lim Yew Hock against the moderate PAP secretary general, Lee Kuan Yew.]

[These countercharges brand Lee as pro-British and as a conspirator against the left wing of his own party. They are likely to impair Lee's influence in his own party and, consequently, to enhance the already good prospects of the pro-Communists for taking over the party's executive committee following the elections. This situation jeopardizes British hopes for political stability in Singapore which appear to be largely based on the belief that Lee will be willing to work with the British and able to maintain control of the party.]

[Meanwhile, hopes that Chief Minister Lim Yew Hock's Singapore People's Alliance (SPA) can elect a sizable minority of moderates to act as a counterweight to the PAP have declined. The Chew scandal has made other moderate parties reluctant to accept SPA terms for an election understanding and has, consequently, increased the prospects that the moderate votes will be split in many districts.]

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LATE ITEM

Peiping and New Delhi Act on Tibetan Situation

Peiping is adopting forceful measures to end the Tibetan unrest. Indian Foreign Secretary Dutt on 20 March confirmed that fighting had occurred around Lhasa and [redacted]

[redacted] "strong Chinese punitive force" is en route to the Tibetan capital. [redacted] Additional evidence of Peiping's intent to use force was [redacted]

[redacted] a military build-up over the past few weeks with "urgent" requests for supplies, personnel and weapons. [redacted]

The Indian Government has instructed its consul general in Lhasa to avoid involvement in rebel activities, although it sent a note to Communist China stressing the seriousness of the situation and implying that Peiping should respect Tibetan "autonomy." Indian officials on 20 March, reversing their policy of playing down rebel reports, issued a statement detailing anti-government activities in Lhasa. Peiping is likely to protest New Delhi's actions as "interference in internal affairs."

Nehru continues to be apprehensive over the possibility of serious clashes in the event Chinese troops pursue dissident forces into Indian territory. He has instructed frontier checkposts to deny admission to any rebels fleeing Tibet. However, if the Dalai Lama, who reportedly fled Lhasa on 17 March after requesting asylum from New Delhi, attempts to enter India, Nehru probably would grant him at least temporary asylum.

[redacted]

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Executive Offices of the White House

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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

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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

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