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25 March 1959

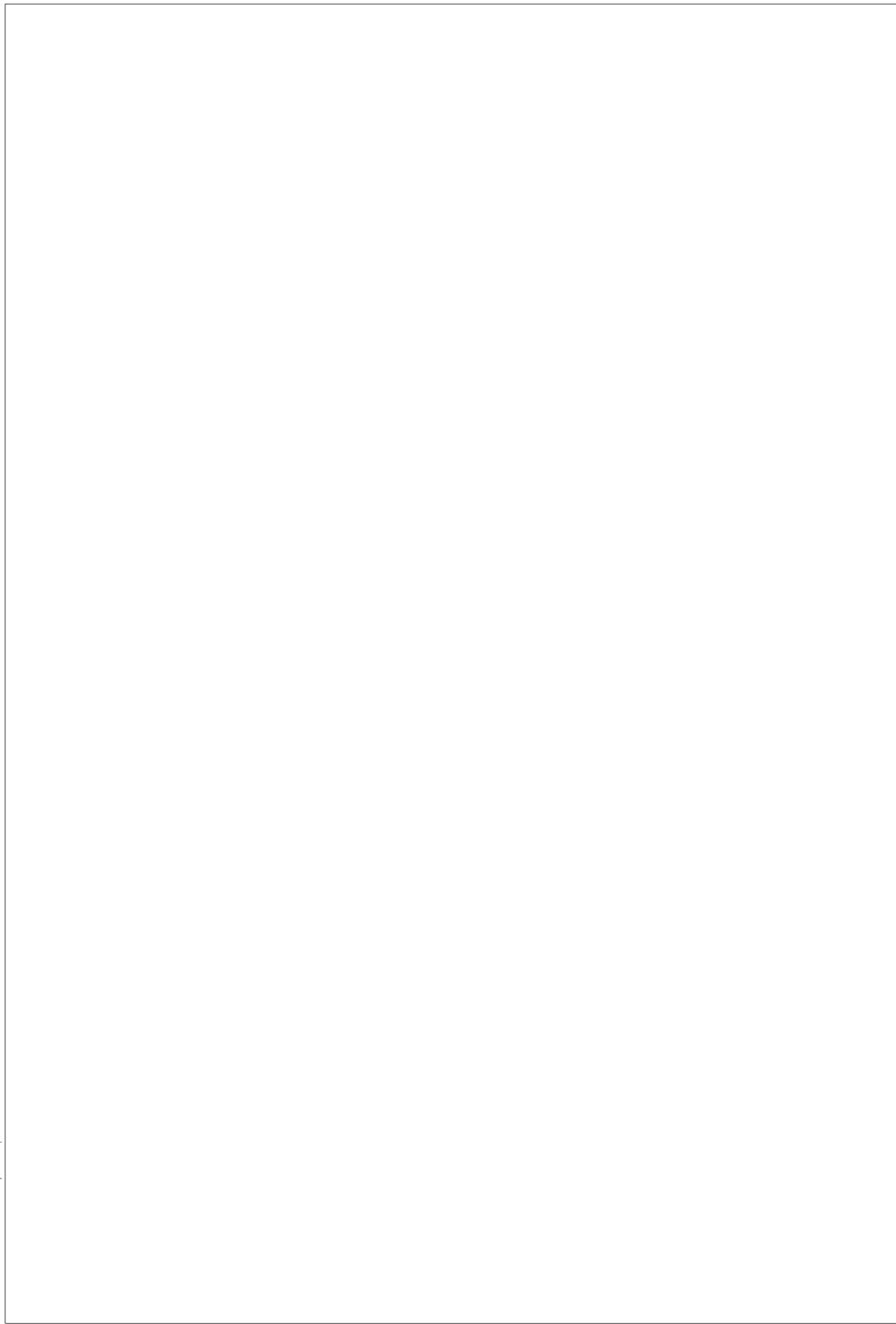
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CENTRAL INTELLIGENCE BULLETIN



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25 MARCH 1959

I. THE COMMUNIST BLOC

Soviet propaganda treatment of
Eisenhower-Macmillan meeting.

Chinese Communist naval vessels
appear in Paracel Islands group;
Saigon may react.

II. ASIA-AFRICA

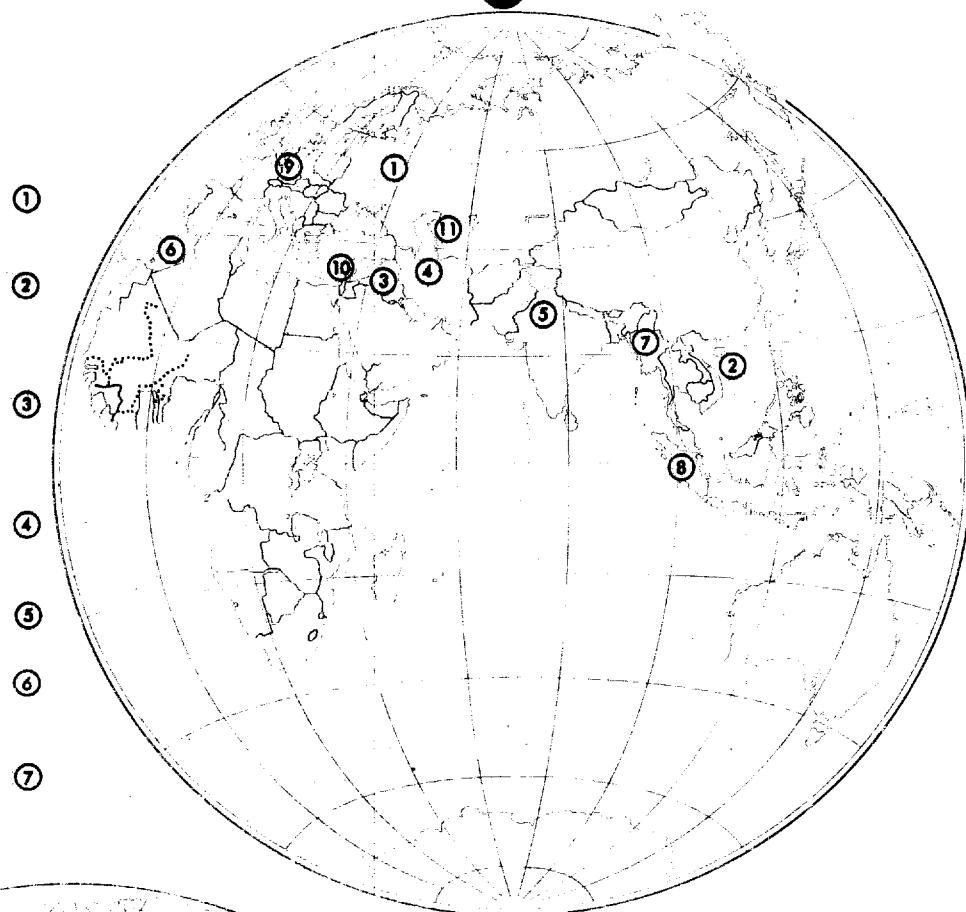
Iraq withdraws from Baghdad Pact.

Turkish and Iranian intelligence
chiefs discuss Iraqi situation; both
countries send Qasim assurances
of support.

Afro-Asian countries show concern
over damage to solidarity caused
by Iraq-UAR dispute.

Chinese Communists prepare to
open embassy in Morocco.

Burma - Ne Win said to be consider-
ing more openly pro-Western
foreign policy.



⑧ Indonesia - Dissidents in Sumatra
continuing attacks on American-
owned rubber estates.

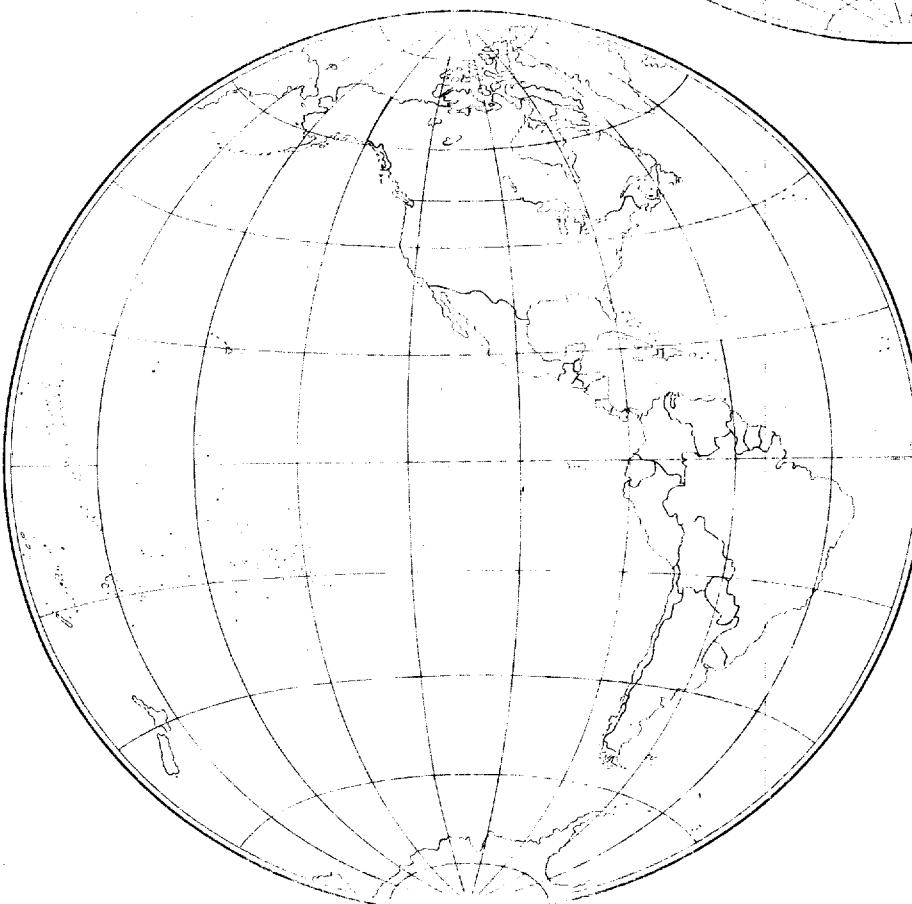
VII. THE WEST

⑨ West Germany - Government and
opposition parties break truce on
foreign policy.

⑩ New tensions developing between
Greek and Turkish Cypriots.

LATE ITEM

⑪ Possible ICBM launch at Tyura
Tam.



CENTRAL INTELLIGENCE BULLETIN

25 March 1959

DAILY BRIEF

SICRAB

I. THE COMMUNIST BLOC

HQ

USSR: Soviet propagandists are claiming that President Eisenhower and Prime Minister Macmillan have, under the pressure of world opinion, at last accepted the Soviet proposal for a summit meeting. Moscow is also stressing alleged differences between American and British views and has credited Macmillan with having persuaded the President to agree to summit talks not dependent on the outcome of a prior foreign ministers' conference. Soviet propaganda says, however, that the two leaders offered no new proposals on Berlin or on measures to reduce international tension, such as military disengagement in Europe.

HQ

Communist China - Paracel Islands: The recent Chinese Communist naval activity in the Paracel Islands and increased naval strength at southern Hainan suggest Peiping's intention of protecting its commercial enterprises in the area from further molestation by the South Vietnamese who, late in February, briefly detained a group of Chinese fishermen. Aerial reconnaissance of the Paracels on 20 March disclosed the presence of a frigate and a PT boat at Woody Island, where the Chinese Communist colony is located. The frigate had departed Woody by 22 March but two small patrol craft remained. South Vietnam has expressed determination to defend its claims in the Paracels and may request a "display of force" by the US 7th Fleet.

II. ASIA-AFRICA

HQ

Iraq: The Qasim regime's announcement of withdrawal from the Baghdad Pact, although a long-expected development, is likely to be interpreted in Iraq and the UAR as a concession to Communist demands that this step could no longer wait. The

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announcement as such will have little practical effect, since Iraq has not participated in any pact activities since the July revolution. Other and more significant Communist demands include arming the Popular Resistance Force and the execution of imprisoned leaders of the Nuri government

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Afro-Asian Bloc: Various Asian and African countries are showing concern over the split in their bloc caused by the UAR-Iraq quarrel. Some of them, including Indonesia and Saudi Arabia, have volunteered their good offices in an effort to restore good relations.

HQ
Continued efforts to patch up the dispute seem likely, since the quarrel might affect adversely the atmosphere of good fellowship at the Afro-Asian Solidarity Conference scheduled to be held next month in India.

MOROCCO - Communist China: Four Chinese Communist officials arrived in Morocco on 23 March to set up an embassy. Agreement has been granted for an ambassador who may arrive to inaugurate the Chinese Communist pavilion at the Casablanca International Fair next month. This would be the first Chinese Communist ambassador in Africa except for the one at Cairo.

OK
(Page 2)

Burma: The Ne Win government, already following a strongly anti-Communist policy internally, wishes to adopt a more openly pro-Western posture in international affairs.

HQ

25 Mar 59

DAILY BRIEF

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[redacted] Ne Win, however, is said to be reluctant to make this change without a "concrete indication" the United States will provide Burma with grant aid as a means of justifying this course in the eyes of the Burmese people.] [redacted]

(Page 3)

OK
Indonesia: Dissident troops in Sumatra are continuing destructive attacks against American-owned rubber estates. The Goodyear Wingfoot estate south of Medan, the largest rubber estate in Sumatra, has suffered considerable property damage in three raids this year, the most recent occurring on 20 March. Attacks on other foreign-owned estates, including US Rubber, have also been carried out, presumably in an attempt to deny their revenues to the central government.

[redacted] (Page 4)

III. THE WEST

No
West Germany: The conflict between Chancellor Adenauer's government and the opposition parties over the Social Democrats' new unification plan, calling for talks with East Germany and eventual troop withdrawals, has put an end to the four-month political truce on foreign policy. In addition, there continues to be evidence of disagreement within the governing Christian Democrats. A Social Democratic leader believes that Bundestag president Gerstenmaier, who has long been hostile to Adenauer's foreign policy, may be attempting to line up opposition to the chancellor in his own party in order to force a greater flexibility in the government's unification policy.

[redacted] (Page 5)

H.O.
Cyprus: A Turkish Cypriot economic boycott against the Greek Cypriots, enforced by intimidation, is causing new strains in communal relations on the island. The boycott is designed, according to the Turks, to build up the economic status of their community. Greek Cypriot retaliation, which is likely to occur, would further embitter relations.

[redacted] (Page 6)

IV. CONCLUSIONS OF SPECIAL USIB COMMITTEE ON BERLIN SITUATION

The USIB has taken note of the following conclusions reached by its special committee on the Berlin situation. The committee pointed out that its conclusions were to be used in context with SNIE 100-2-59 (24 February 1959) and with the review of that estimate in SNIE 100-2/1-59 (17 March 1959):

1. The USSR will not turn over access controls to the GDR in the near future. However, the USSR continues to carry out measures necessary to a withdrawal of its forces from East Berlin, and the physical transfer of access controls could be accomplished with little or no advance warning.
2. A strong effort to play down the appearance of an ultimatum in the Soviet position on Berlin and to emphasize the prospects for negotiations has been increasingly evident in Soviet and East German statements and propaganda since Khrushchev's German visit. This may reflect a Soviet conclusion that the prospects for improving the USSR's position through negotiations have increased.
3. There are no reliable indications of a bloc intent in the near future to harass or blockade Allied or West German access to West Berlin, or to seal off West Berlin from the East. However, the USSR could take such actions with little or no warning.
4. [Chancellor Adenauer is reported to have told his party's Bundestag faction on 16 March that he is willing to extend de facto recognition to the East German Government provided that in negotiating this concession the status quo in Berlin can be maintained.]
5. The situation in West Berlin remains basically unchanged. (SECRET NOFORN)

LATE ITEM

HJ

*USSR: A valid launch operation was undertaken on the Tyura Tam Missile Test Range beginning at 1100 hours EST on 24 March. The countdown proceeded smoothly until two hours before the scheduled launch. Several delays occurred, however, and the launch was not made until 0027 hours EST on 25 March. The nature of the evidence available as of 0500 hours 25 March indicates that the vehicle is an ICBM.

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DAILY BRIEF

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

II. ASIA-AFRICA

Turkish and Iranian Intelligence Leaders Discuss Iraq

[The Turks, seeing Nasir as the primary danger in the Middle East, minimize the danger that Qasim will fall completely under Communist influence. They also avoid pressure that might drive Qasim further into the Communist camp. Last October the Turks played down anti-Turkish violence in Kirkuk, despite their concern for Iraq's Turkish-speaking minority of 75,000. Turkey might intervene, however, if order broke down in Iraq, or if the Kurds or any other Iraqi faction mistreated the Turkish-speaking minority.]

[Although the Turks have publicly denied that there is any infiltration from Iraq,

armed members of the Barzani Kurdish tribe had entered Turkish territory to spread propaganda. The border commander was ordered to tighten controls.]

[Iran, on the other hand, fearing encirclement by hostile states and the possible encouragement of dissident factions at home, is genuinely concerned over the possibility of a Communist takeover in Iraq. It feels no direct threat from Egypt, however, with which it has recently been trying to improve relations.]

Communist China Establishes Embassy in Morocco

Four Chinese Communist officials arrived in Casablanca on 23 March to establish an embassy in Rabat in accordance with an intergovernmental agreement announced on 31 October. Last month King Mohamed V granted agreement for Pai Jen, who has been an assistant to the Chinese Communist minister of foreign trade and was appointed as Peiping's first ambassador to Morocco on 19 February. Pai, who may be a Chinese Moslem, probably will arrive in time to inaugurate the Chinese Communist pavilion at the Casablanca International Fair opening on 24 April.

Moroccans have been intensely interested in China's economic and social development, and the observations of various Moroccans who have visited China since 1956 have been widely publicized. A \$24,300,000 trade agreement signed on 27 October is the second between Morocco and Communist China but is the first providing for balanced trade. Morocco expects to offset its purchases of green tea with exports of canned goods and raw and processed phosphates.

Rabat may delay the establishment of an embassy in Peiping, both because of the expense involved and because of a shortage of trained diplomatic personnel.

~~CONFIDENTIAL~~

Burma Reportedly Considering More Open Alignment With West

[The Burmese Government desires to change its foreign policy from neutralism to a more openly anti-Communist position,

[the government is reluctant to take such action without a concrete indication that it will receive grant aid from the US as a means of justifying this policy switch to the Burmese people.]

[Ne Win has sent U Law Yone, the editor of the influential Rangoon daily Nation, to Washington as his "personal emissary," probably to obtain such an assurance and to pave the way for subsequent formal requests for funds. In contrast to his predecessor U Nu, Ne Win is opposed to additional loan assistance as constituting too heavy a budgetary strain on the government. In preparing Law Yone for his mission, Ne Win said that once the Sino-Burma border dispute is settled, Burma will "mince no words" about Communism and Communist China. The prime minister indicated that he planned to press for an early decision on the question by giving Peiping a month in which to answer Burma's "final" offer, after which negotiations would be broken off.]

[Ne Win told Law Yone Burma cannot commit itself to adhering to SEATO at this time, although he personally is glad that there is such an organization.]

[Ne Win and his military followers have the domestic power and prestige to alter Burma's international course.] (SECRET NO FURTHER DISSEMINATION)

~~SECRET~~

Indonesian Dissidents Continue Attacks on American-owned
Rubber Estates

A group of 50 armed rebels attacked the Goodyear Wingfoot estate south of Medan on 20 March, beat several of the company personnel, and caused considerable property damage. Estate guards failed to challenge the rebels, and a call to nearby army troops for assistance was unanswered.

Wingfoot, the largest rubber estate in Sumatra, has been attacked about once a month during the past year. The local Indonesian Army commander recently proposed replacement of the estate guards at Wingfoot with regular army troops for one year if Goodyear will bear the expense. The proposal envisages regular pay by Wingfoot for the soldiers as well as a bonus scheme if and when production increases as dissidence decreases.

Other foreign-owned estates have been subjected to similar attacks. The latest attack on the US Rubber Company estate occurred on 24 February when a large rebel force burned laborers' houses and threatened the workers with physical harm if they continued to live or work on the estate. An attack on a British-managed estate on 1 March involved the first instance of violence against a European. This particular attack resulted in the management's closing of the estate, the third such closure in the immediate area.

The dissidents' aim is obstruction or even paralysis of production in this region--the most important estate area in Indonesia--and the resultant reduction of government revenues.

~~CONFIDENTIAL~~

III. THE WEST

West German Social Democrats Break Political Truce On Foreign Policy

[The conflict between Chancellor Adenauer's government and the opposition Social Democratic party (SPD) over the SPD's 19 March proposal on unification and European security marks the end of the four-month political truce on foreign policy. The SPD leadership, following an unsuccessful meeting with Adenauer on 23 March, may force the first major foreign-policy debate in the Bundestag since the opening of the Berlin crisis. Bundestag President Gerstenmaier, a deputy chairman of Adenauer's Christian Democratic Union (CDU), is meeting with all party leaders, presumably to forestall a bitter parliamentary debate.]

[There continues to be some question whether the CDU would be united in such a debate. SPD deputy party chairman Wehner is reported to believe that Gerstenmaier is also trying to form an anti-Adenauer group in the chancellor's party in order to force a change in the government's unification policy and may be seeking SPD support for this move. Gerstenmaier and Adenauer have long differed over whether to negotiate a peace treaty prior to unification as Gerstenmaier proposes. Gerstenmaier may feel that the time has come to challenge Adenauer's leadership, following the chancellor's 16 March statement to CDU leaders that he would accept some de facto recognition of East Germany in return for retaining the status quo in Berlin.]

[Gerstenmaier and some CDU dissidents probably feel that such a move will freeze the division of Germany, and now may seek support from other anti-Adenauer elements within the CDU who would consider a government of national unity with the opposition. Chances of successfully challenging Adenauer at the moment appear remote.]

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New Tensions Developing Between Greek and Turkish Cypriots

A Turkish Cypriot boycott of Greek Cypriot business establishments is causing new strains between the two ethnic groups. Turkish Cypriot leaders say the widespread boycott is designed to strengthen the economic status of the Turkish minority to a point where they will no longer be "the serfs of Greeks." This statement is indicative of Turkish sensitivity to the Greek Cypriots' generally higher standard of living. Turkish Cypriot leaders have further embittered relations by publicly proclaiming that the ultimate guarantee of their status depends on the strength of the Turkish troops stationed on Cyprus.

If the Turks continue their boycott, the Greek community will probably seek economic retaliation. Economic warfare between the two communities would seriously endanger the orderly transition to independence.

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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

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