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CENTRAL

INTELLIGENCE

BULLETIN



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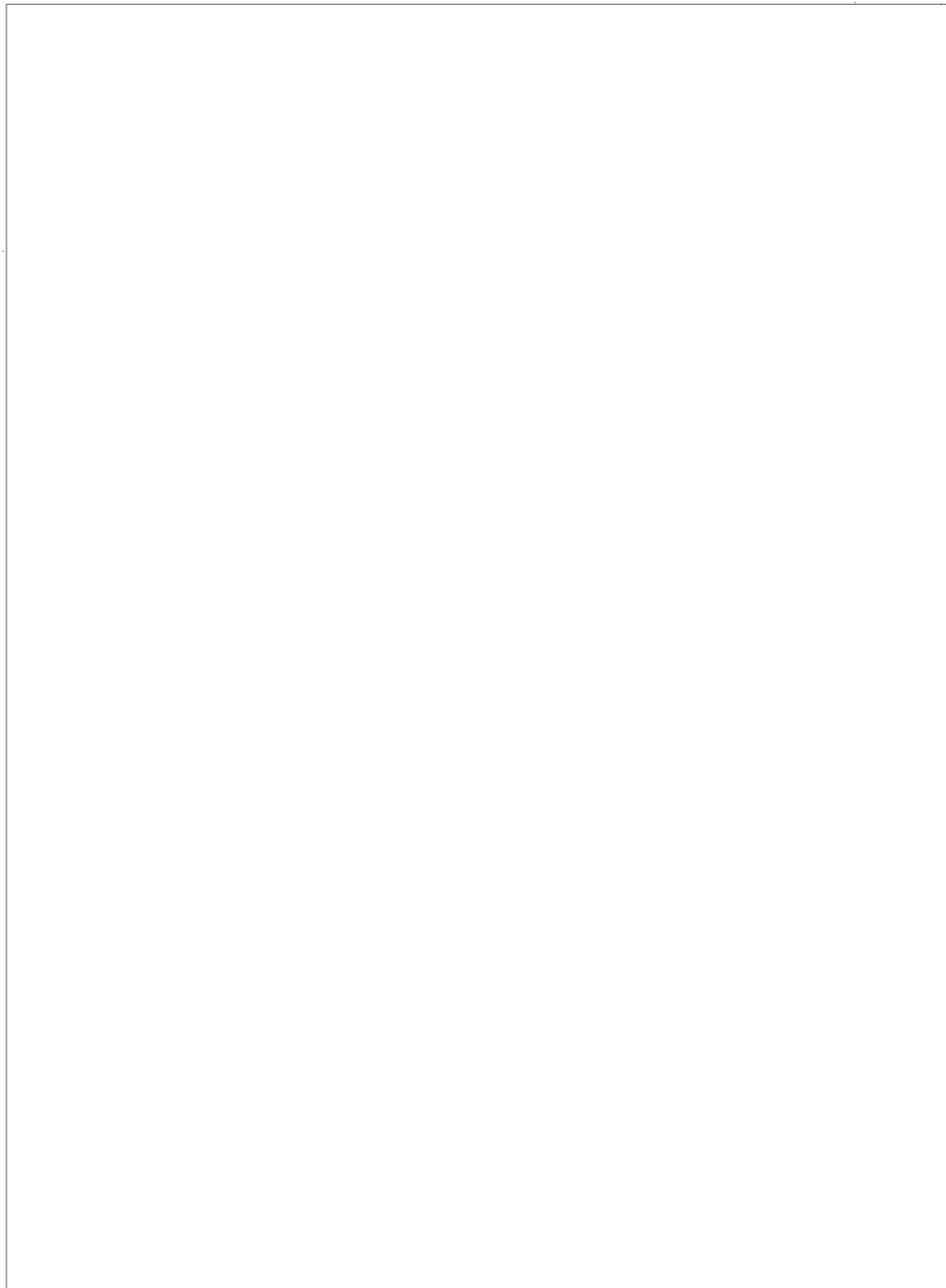
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9 JUNE 1959

**I. THE COMMUNIST BLOC**

Communist China - Burma--Piping receives Burmese proposal for settlement of border problems, but will probably continue its negative attitude.

**II. ASIA-AFRICA**

Relations of Algerian rebels with Tunisia and Morocco increasingly difficult; military fortunes at new low.

Prospects brighten for Tunisian-French agreement on use of Bizerte base.

India--Effort to force Communists out of office in Kerala State planned; violence possible.

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**III. THE WEST**

⑤ West Berlin's mayor apprehensive over effect in city if West German presidential elections are not held there.

⑥ Nicaragua--Government position stronger, but incidents continue and further incursions by exiles possible.

⑦ Leftist gains in Sicily election pose problems for Christian Democrats.

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## CENTRAL INTELLIGENCE BULLETIN

9 June 1959

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## DAILY BRIEF

## I. THE COMMUNIST BLOC

Communist China - Burma: Burma presented on 4 June a "package deal" for settlement of the Sino-Burmese border problem.

Foreign Minister Chen Yi, upon receiving the proposal, told the Burmese ambassador on 4 June that it would require study and that "whether the question of conceding a little portion here or there, or this way or that way, is agreed upon or not, it is the friendship that really counts." Prime Minister Ne Win had previously stated that this package deal was his "final offer." Peiping will probably continue to take a delaying and generally negative attitude.

(Page 1)

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## II. ASIA-AFRICA

Algeria: The Algerian rebels are having increasing difficulty in their relations with Morocco and Tunisia. Moroccan authorities have reportedly told the rebel defense minister that Rabat is no longer able to furnish the rebels with other than token logistical support.) At the same time, Tunisia has been actively attempting to control rebel units which have crossed into Tunisia, and there have been several clashes between rebel and Tunisian troops.

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concern and dissatisfaction over supply and manpower shortages, as well as impaired confidence in rebel political leadership. Rebel military fortunes seem to have reached a new low.

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Tunisia-France: Tunisia and France have begun talks concerning the French base at Bizerte, and prospects for a provisional agreement governing continued French use of Bizerte as

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an air-naval installation appear to have brightened. Tunis aims, however, to make such an agreement dependent upon the satisfactory settlement of other outstanding French-Tunisian problems.)

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*OK*  
India: The Congress party and other non-Communist groups in Kerala State plan to launch a major effort on 12 June to force the Communist government out of office. The Congress drive is expected to tie in with agitation by the Catholic community and at least one influential Hindu group over unpopular Communist education policies. (Local Congress leaders are under pressure from Nehru to keep their demonstrations nonviolent, but violence is likely if extremists among the agitators are successful in provoking Communist police units into using force.) Serious disturbances could lead New Delhi to suspend parliamentary government in Kerala and invoke President's Rule.

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### III. THE WEST

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West Berlin: Mayor Brandt is extremely concerned over reports that Bonn does not now plan to hold the 1 July presidential election in West Berlin. He feels that failure to hold the election in West Berlin as previously planned will be interpreted in the city as a Western retreat. East Germany has already attempted to exploit differences between Bonn and Berlin on this question by hinting on 6 June at a temporary blockade of West German traffic to Berlin if the election is held there.

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Nicaragua: The government's position has become stronger over the past few days. The small rebel groups which landed from Costa Rica early last week have failed thus far to achieve any military objective, but they are still at large. Minor incidents of civil resistance are still occurring. Nicaraguan exiles in El Salvador, Venezuela, and other countries continue their plotting and may attempt further incursions.

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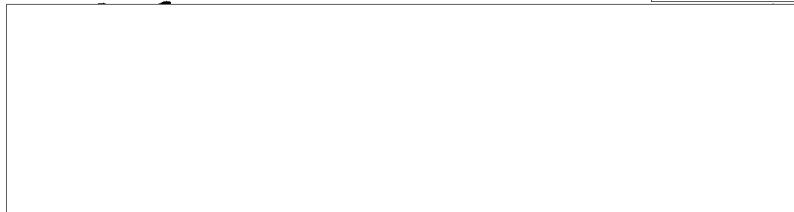
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\*Italy: Gains by the extreme left in the Sicilian regional elections on 7 June will make it increasingly difficult for the Christian Democrats to form a governing giunta. The Communists and Nenni Socialists each picked up a seat, giving them 21 and 11 respectively in the 90-member regional assembly. The Christian Democrats gained two seats with a total of 34, but the party formed by dissident ex-Christian Democrats under Silvio Milazzo, who has been governing Sicily with a Communist-supported coalition of Socialists, Monarchists and neo-Fascists, increased its representation from five to nine.

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In view of his gains, Milazzo is likely to seek to retain his position with support from the left and extreme right, and may well refuse Christian Democratic overtures urging his return to the fold. If rebuffed by Milazzo, the Christian Democrats would probably make an approach to the right, which now has 12 seats and might be induced to duplicate the support it gives Premier Segni's national government. The rightists' price for this support would perhaps include rightist participation in the Segni government.

Moscow radio, in commenting on the elections, criticized "interference" by the clergy and hailed the results as "another blow to the Christian-Democratic monopoly." 

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## I. THE COMMUNIST BLOC

### Peiping Hints at Further Stalling in Sino-Burmese Border Negotiations

Foreign Minister Chen Yi hinted to the Burmese ambassador on 4 June that the "package deal" Rangoon was presenting may not be acceptable to Communist China as the basis for settlement of the Sino-Burmese border question. Chen, in pointing out that the proposal had to be "accepted in whole and not in part," expressed the need to study it and indicated that there might be no solution to the border issue for some time. Chen claimed that "interested" racial minorities must be consulted regarding any border settlement. Peiping has previously made a formal claim to Tibetan-populated areas of Burma, a demand rejected by the Burmese on the grounds that it would involve ceding a "big portion" of northern Burma.

Chen repeatedly stressed the need for amicable Sino-Burmese relations and stated that whether the question of "conceding a little portion here or there" is agreed upon or not, "it is the friendship that really counts." [redacted] The Chinese Communists are probably unwilling to give the Ne Win government the domestic prestige to be gained from a quick border settlement.

(Prime Minister Ne Win told the American ambassador in mid-May that this "package deal," agreed upon by all of Burma's major political leaders and not subject to further negotiations, would be Burma's "final offer." He further stated that this offer would be withdrawn by December and hinted that Burma would then proceed to adopt a harder line in its relations with Communist China. On another occasion Ne Win promised that once the border issue was disposed of, one way or the other, Burma would not "mince any words" about its true feelings toward China. According to another report, cancellation of Communist China's civil air landing rights in Burma is among the specific retaliatory measures Ne Win may have in mind.) [redacted]

[redacted]

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## II. ASIA-AFRICA

Algerian Rebel Difficulties

Rebel military problems in the four-and-a-half-year-old Algerian war have lately been compounded by diminished support of the rebel cause from Morocco and Tunisia. The Tunisian Government, concerned over rebel efforts to involve Tunisia in the fighting, has begun a campaign designed to contain rebel units in the border area. Several armed clashes have resulted, and one rebel message reported that "relations with the Tunisians could not be worse."

(Moroccan officials have also moved to curtail rebel activities and have hinted to rebel Defense Minister Belkacem Krim that they may discontinue logistical support of the rebel army. A combination of Tunisian border patrols and increasingly effective French border barriers has seriously affected rebel efforts to bring supplies in from Tunisia, and the rebels' already severe supply problems would be heightened should they be unable to take up the slack in Morocco.) Both Morocco and Tunisia, however, will probably continue to lend diplomatic and propaganda support to the rebels.

Within Algeria, the rebels continue to face problems of morale and discipline.

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### Tunisia and France Negotiating on Bizerte

Tunisia and France have at last begun serious talks looking toward a provisional agreement governing France's continued use of its important military base at Bizerte. Preliminary discussions on the subject were held last fall in accordance with an agreement reached in June 1958 under which all French forces were withdrawn from Tunisia except (the approximately 15,000) [redacted] army, air, and naval personnel remaining at Bizerte. These talks soon lapsed, however, because President Bourguiba felt they were inopportune in view of Tunisia's difficulties with the UAR and the Algerian rebels.

Both Tunis and Paris now appear genuinely anxious to come to terms on Bizerte. France now recognizes that nothing more extensive than an interim agreement is possible while the Algerian war continues, and it appears willing to accept the Tunisian concept that Bizerte shall be exclusively an air-naval installation. However, the generalized discussions which have taken place so far reveal apparently serious differences between the two governments relative to arrangements for protecting the base-- especially as to the location of antiaircraft defenses.) [redacted]

(Tunisia's intention to make a Bizerte agreement dependent on satisfactory settlement of a wide range of outstanding French-Tunisian problems seems certain to complicate and drag out a possible solution on Bizerte.) In this connection, the Tunisians are focusing their present efforts and attention on the high-level economic and financial discussions which began in Tunis several weeks ago. After a promising start, these discussions, which were temporarily suspended on 30 May, now may be in jeopardy as a result of Tunisian efforts to broaden them well beyond the scope originally envisaged.

Any serious and highly publicized incident involving Tunisian personnel and French forces based at Bizerte or operating against Algerian rebels along the Algerian-Tunisian frontier would also probably upset the present delicate negotiations. [redacted]

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Indian Congress Party Plans Major Drive to Oust Communist Government in Kerala

The Congress party branch in Kerala State plans, in co-operation with other groups opposing the Communist government there, to launch a major campaign on 12 June aimed at eventually forcing the Communists out of office. This drive is expected to tie in with separate agitation planned by the Hindu Nair and Catholic communities to begin on 15 June to protest the Communists' unpopular education policies. Leaders of these groups decided some time ago that when the annual school vacation ends in June they would refuse to reopen the large number of private schools under their control.

(The national leadership of the Congress party has instructed the Kerala branch not to participate officially in the school demonstrations, but has consented to the opposition front's political agitation on condition that it remain nonviolent. Prime Minister Nehru has had some misgivings about the campaign, apparently because there is little assurance that the Congress party is strong enough to win the elections which would eventually follow ouster of the Communist government.)

(Communist leaders have also shown growing concern over the planned demonstrations. They have put off the reopening date for schools from 1 June to 15 June and have appealed--apparently without success--for additional standby army contingents for use in an emergency. A section of the national Communist leadership reportedly argued at a recent party conclave in Kerala in favor of resignation of the Communist government, on grounds that its conduct had already had a detrimental effect on the party in the rest of India and that the forceful measures needed to contain the coming agitation would further damage Communist prestige.)

A showdown in Kerala seems likely in the near future. Continued demonstrations by various groups may lead to violence, particularly if extremist agitators provoke Communist police units into using force. Serious disturbances could lead New Delhi to suspend parliamentary government in Kerala and invoke President's Rule.

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## III. THE WEST

West Berlin Mayor Opposes Transferring Presidential Election

(West Berlin's Mayor Willy Brandt informed American officials on 4 June that he was extremely concerned over reports that Bonn was planning to transfer the 1 July West German presidential election from Berlin to Bonn. He feels that since it had been announced that the election, as in 1954, would be held in Berlin, a reversal of plans now would be interpreted as a Western retreat and place a severe strain on West Berlin morale.)

(Brandt was also distressed over reports that President Heuss would cancel his 17 June visit to West Berlin to open the reconstructed residence for the Federal President. He also complained that constant speculation on possible Western concessions at Geneva is hurting morale, and that West Berliners are giving more attention to "discouraging" press reports from Geneva.)

Chancellor Adenauer has favored moving the election from Berlin to Bonn to avoid any possibility of incidents. A majority of the CDU apparently shares Adenauer's view, but the opposition parties are attacking the government's hesitation and claiming Allied intervention is responsible. The final decision on convoking the National Assembly of 1,038 presidential electors is the legal responsibility of Bundestag President Gerstenmaier, who is reported to favor Berlin.

East Germany is attempting to exploit these differences by hinting at a temporary blockade of West German "transport" to the city if the elections are held in Berlin. East German propaganda chief Eisler claimed on 6 June that he had received proposals for such a blockade from East German workers. Eisler's additional hint of increased taxes on traffic to Berlin suggests that East Germany plans to make the election site the subject for a war of nerves, in the hope that Bonn's decision to hold the elections elsewhere could be presented as unwillingness to support West Berlin in the face of East German opposition.

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~~SECRET~~Nicaraguan Government at Least Temporarily Strengthened

The position of Nicaraguan President Luis Somoza has been strengthened by the lack of military success by the two small rebel groups which landed from Costa Rica early last week and by the weakening of the business strike in the capital. However, minor incidents of civil resistance are still occurring in the capital, and Nicaraguan exiles in El Salvador, Venezuela, and other nearby countries continue plotting.

The rebels, estimated [redacted] to number about 70, are still at large in two widely separated locations about 75 to 100 miles east of Managua. Composed chiefly of adherents of the opposition Conservative party, the rebels have apparently not aroused the widespread support they expected despite the fact that the areas in which they landed have long been regarded as Conservative strongholds.

Meanwhile, in the capital city, the businessmen's strike, which at its peak last week affected up to 70 percent of the city's business, has dwindled as the result of negotiations between business leaders and the government, and the threat of reprisals. Students, however, are threatening a strike for 9 June to protest the "intervention" of the Organization of American States in the crisis, and many physicians are reported still on strike. Isolated minor terroristic acts continue--at least some of them probably efforts by the Conservatives to arouse a generally apathetic public.

Nicaraguan rebel leader Enrique Lacayo Farfan is believed to have left Costa Rica on 6 June for Venezuela where he and former Costa Rican President Figueres, who is also in Caracas, can be expected to make every effort to obtain aid for the rebels. Communist-controlled Nicaraguan exile groups there have asked for maximum Venezuelan support for the Nicaraguan revolution. A well-armed Nicaraguan exile group in El Salvador and another in Guatemala were planning on 4 June to move through Honduras into Nicaragua, [redacted]

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