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4 March 1959

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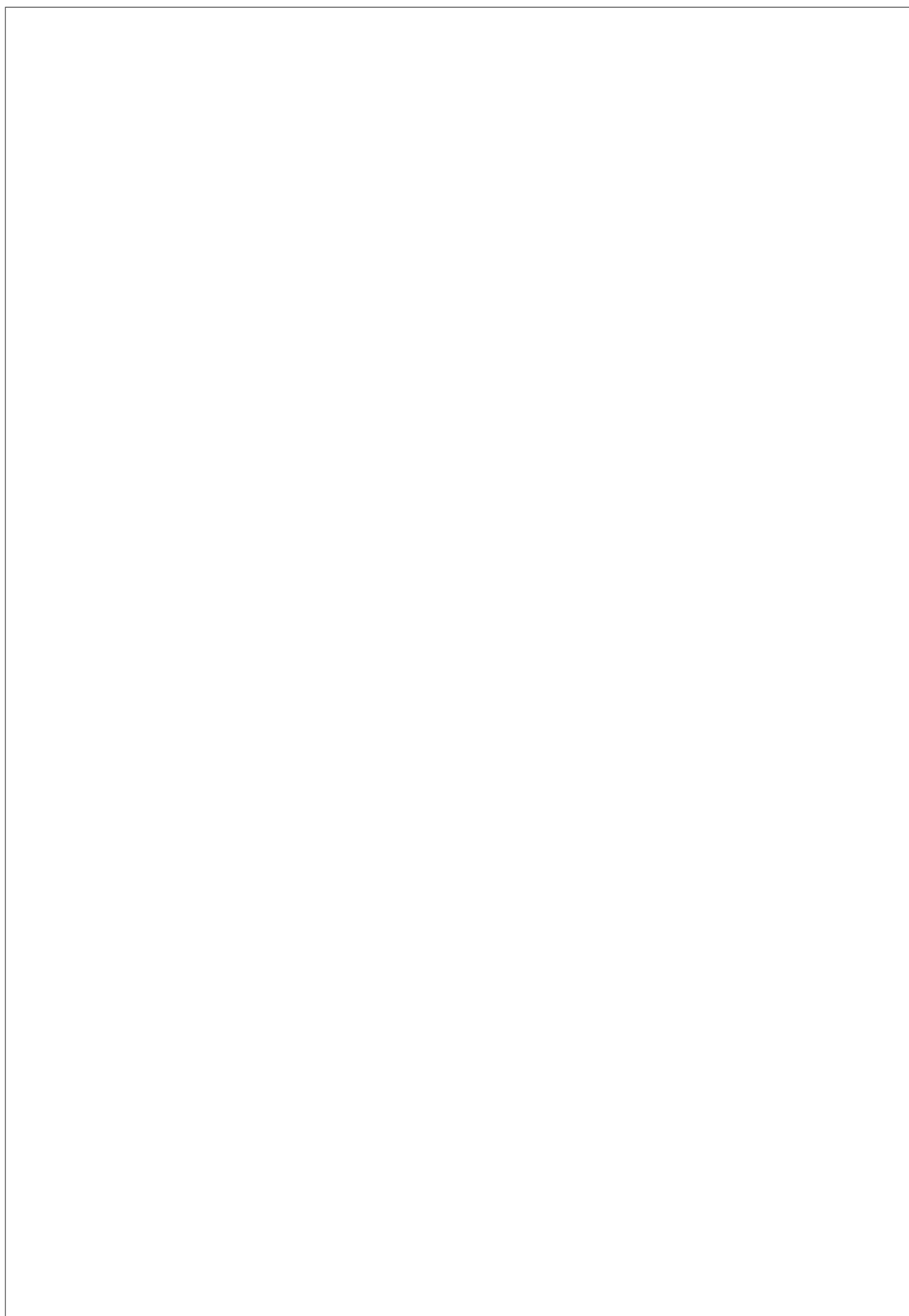
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CENTRAL INTELLIGENCE BULLETIN



DOCUMENT NO. 41
NO CHANGE IN CLASS.
 DECLASSIFIED
CLASS. CHANGED TO: TS S C
NEXT REVIEW DATE: 2010
AUTH: HR 70-2
DATE: 4-4-80 REVIEWER:

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4 MARCH 1959

I. THE COMMUNIST BLOC

Khrushchev offers more aid to India.

Another Soviet arms shipment near-
ing Iraq.

II. ASIA-AFRICA

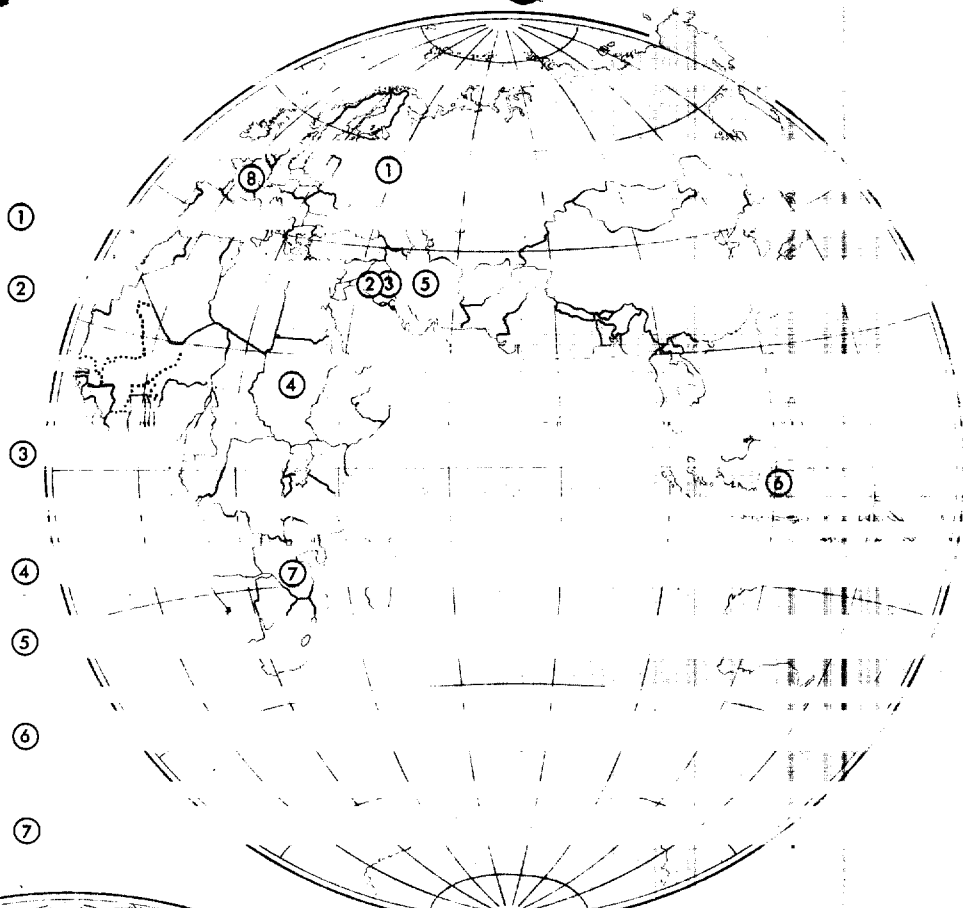
Qasim criticizes Nasir; moves to
replace Nasir as champion of Al-
gerian rebels.

Sudan - Abboud summons military
commanders to conference in at-
tempt to end army rift.

Iran may ask UN to consider Soviet
propaganda threat.

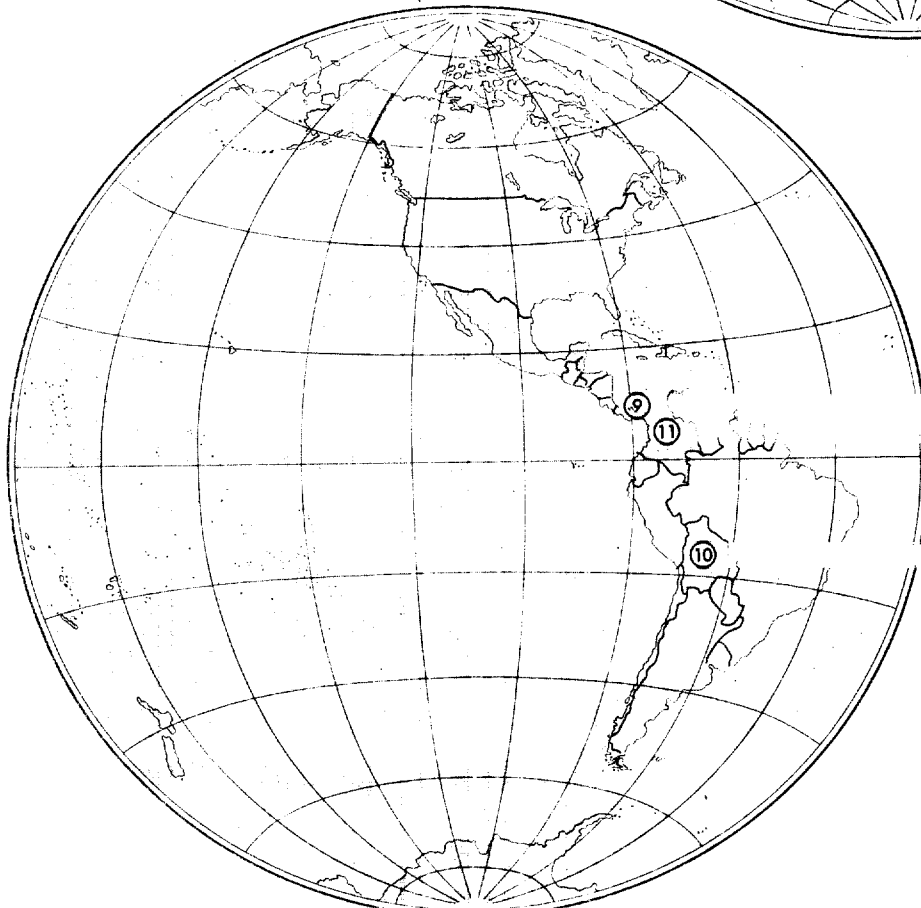
Indonesia - Dissidence continues in
North Celebes; government troops
reinforced.

Nyasaland - Government efforts to
end disorders may provoke more
violence.



III. THE WEST

- ⑧ French NATO representative ex-
pects instructions to notify NATO
of French fleet withdrawal.
- ⑨ Panama - Dissatisfaction and coup
plotting continues; government ar-
rests conspirators in National Guard.
- ⑩ Bolivia - New anti-American vio-
lence likely.
- ⑪ Colombia - Students stage large-
scale and violent antigovernment
demonstration.



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CENTRAL INTELLIGENCE BULLETIN

4 March 1959

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

USSR-India: [redacted]

[redacted]

OK

[redacted] to assist in the development of the pharmaceutical industry and in the construction of an oil refinery with a capacity of about 45,000 barrels a day at Barauni. The Soviet mission may also offer additional support for India's third five-year plan (1961-66) which probably will continue to emphasize government rather than private investment. [redacted]
(Page 1)

USSR-Iraq: [redacted]

NO

another shipment of Soviet arms is expected to arrive in Iraq soon. This will be the fifth shipment since last November when the Soviet-Iraqi arms agreement, reportedly in the amount of \$168,000,000, was concluded. The first four shipments were limited to land armaments; the agreement also calls for deliveries of aircraft and motor torpedo boats. [redacted]

[redacted]

II. ASIA-AFRICA

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7-3

Iraq: Prime Minister Qasim in a speech on 2 March replied publicly for the first time to UAR propaganda attacks on his policies. Without mentioning Nasir by name, Qasim accused him of refusing to give full support to the Algerian rebels and in general of obstructing Arab cooperation in foreign, economic, and military policies. In using the Algerian issue, Qasim has seized

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on one of Nasir's vulnerabilities. Relations between Nasir and the Algerian rebels appear to have deteriorated recently and Qasim has the opportunity to replace Nasir as the champion of the rebel cause. Closer relations between Baghdad and the Algerian leaders would also provide opportunity for increased Communist contacts with the Algerians. [redacted] (Page 3)

No
Sudan: [All Sudanese military commanders have been ordered to Khartoum for a conference on 7 March. The conference, which is to be chaired by Prime Minister Abboud, presumably is an attempt to resolve the split in the army command following the abortive coup attempt on 2 March. If the split persists, opportunity for anti-Western elements to exploit the situation will increase.] [redacted] (Page 5)

No
Iran-USSR: [Iran has informed UN Secretary General Hammarskjold that if Soviet press and radio attacks continue, it will be "compelled" to take the matter before the United Nations. Hammarskjold has advised the Soviet UN delegate of Iran's concern and has indicated that he will discuss the subject during his forthcoming trip to Moscow.] [redacted] (Page 6)
Nojain

110
Indonesia (North Celebes): Dissidence in Indonesia's North Celebes continues to be a severe problem for the government and a steady drain on its energies. In recent weeks, rebel troops in Celebes have demonstrated increased aggressiveness which has forced the government to bolster its hard-pressed units there with air and ground reinforcements from Java. The dissidents, apparently in control of most of the countryside, have recently threatened Manado, the former rebel capital, and its nearby airfield. [redacted] (Page 7)

OK
Rhodesia-Nyasaland: [The actions taken on 3 March by the Nyasaland Government against African nationalists included the arrest of extremist leader Hastings Banda, who has been seeking the role of martyr as a means of increasing the influence of African extremists throughout the federation. A campaign of] [redacted]

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DAILY BRIEF

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(civil disobedience and antiwhite violence may follow, particularly in Nyasaland where the government's crackdown has already provoked new rioting. The situation in the federation has become a partisan issue in British politics; the expulsion and rough handling of a visiting British Labor MP by federation authorities may spur demands for a complete reappraisal of London's Central African policy.) (Page 9)

III. THE WEST

No
 *France: (The French representative to NATO expects instructions, probably on 4 March, to notify NATO of De Gaulle's recent decision to withdraw the French fleet from its present status in NATO. The representative added that every effort would be made to keep the move secret, and that from "a military point of view" the fleet would still cooperate with the NATO commands.)

OK
 Panama: Open dissatisfaction with President Ernesto de la Guardia has caused dissension within the governing coalition party and is probably encouraging activity among numerous groups known to be plotting to overthrow the government. A number of officers and soldiers and three civilians were arrested on 2 March and accused of plotting a coup. They were said to be planning seizure of guard commandants who have been De la Guardia's chief support. (Page 10)

No
 *Bolivia: A scheduled mass demonstration at the funeral on 4 March of a student killed in Monday's rioting may incite new anti-American riots and increase Bolivian instability. The central labor organization, which has participated in recent riots and is led by President Siles' powerful left-wing rival, apparently plans to join the demonstration. Meanwhile, US prestige is reported to be suffering badly in provincial cities where usually friendly elements have become almost indifferent to anti-American violence. (Page 12)

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DAILY BRIEF

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OK

*Colombia: A large-scale and violent antigovernment demonstration by students in Bogota on 3 March may be part of a developing nationwide plan by opposition elements to undermine the authority of President Lleras' national-front government of Conservatives and Liberals. Since early January Communist agitators have been in the forefront of periodic demonstrations against increased bus fares, a bona fide public grievance which dissident Conservatives and possibly followers of former dictator Rojas are attempting to magnify. [redacted]

(Page 13)

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DAILY BRIEF

iv

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I. THE COMMUNIST BLOC

Additional Soviet Aid for India Reported

[redacted] Negotiations for this and other assistance apparently are being carried on by a Soviet mission in New Delhi.]

[redacted] Soviet premier [redacted] lauds Nehru's qualities of leadership. Soviet leaders are making a concerted effort to ease Indian irritation resulting from a widely circulated magazine article by Pavel Yudin, the Soviet ambassador in Peiping, which criticized Nehru's views on Communism and contrasted India's relatively slow economic progress with Communist China's "marvelous successes."]

[redacted] a long-term \$25,000,000 loan will be granted for the development of the pharmaceutical industry. Soviet technicians have been studying this project for over a year and late in 1958 recommended that this aid be granted. American and West German private funds already are being invested in the Indian pharmaceutical development program.]

[Khrushchev also promised Soviet equipment and technical aid for the construction of an oil refinery with a capacity of about 45,000 barrels a day at Barauni. In February the Indian minister of mines told the American Embassy and free-world bidders that he was "committed" to accept the Soviet offer on this project. Construction cost of the refinery is estimated at more than \$80,000,000, of which about \$60,000,000 will be required in foreign exchange.]

[It is possible that in addition to the specific Khrushchev aid proposals, the Soviet delegation in New Delhi will indicate]

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CENTRAL INTELLIGENCE BULLETIN

Page 1

[other areas where future Soviet assistance may be granted.
Soviet-bloc aid already extended and accepted by India
totals \$304,000,000.]

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II. ASIA-AFRICA

Iraqi Prime Minister Publicly Criticizes Nasir

Iraqi Prime Minister Qasim now has publicly criticized UAR President Nasir. In a speech to Iraqi reserve officers on 2 March, Qasim made point-by-point charges against the UAR and Nasir, although he mentioned neither by name. Denying that Iraqi Communists are a dangerous force, Qasim called them "sons of the country" no different from other Arab nationalists.

Attacking the "mercenary" UAR press, which has been carrying on a propaganda campaign against the Iraqi regime, Qasim charged that it had created discord between the Arab countries. Nasir, whose relations with the Algerian rebels appear to have been deteriorating recently, was accused of refusing to give them full support in their struggle against the "oppressive" French forces. Evidently hoping to supplant Nasir as the champion of the Algerian rebel cause, Qasim used the attack on Nasir as a springboard to announce a \$5,600,000 annual budget allocation for the Algerian cause.

[REDACTED]

Qasim failed to mention that Iraq had pledged this amount at the Arab League meeting last October, at the same time that the UAR pledged \$16,000,000 to the league budget for subsidizing the Algerians.

[REDACTED]

In addition to the financial grant, Qasim promised the Algerians extensive arms shipments, as well as military training. This closer collaboration between Iraq and the Algerian rebels could provide the Communists with increased Algerian contacts. Qasim also used the Algerian question to accuse Nasir of sabotaging the Arab nationalist cause by his failure to sever economic and political relations with France. Echoing recent Iraqi Communist propaganda, Qasim

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charged Nasir with "autocratic and dictatorial rule," and promised that Iraq would be ruled by the "people." A reference to Syria intimated that the bond between the Iraqi nationalists and those of Syria was stronger than that between Egypt and Syria. Qasim stated that Iraqi nationalists had supported Syrian nationalists long before Nasir had arrived on the Arab political scene. [REDACTED]

[REDACTED]

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Sudanese Situation

[The abortive coup attempt of 2 March has left the Abboud military government seriously split. Before the attempt, the Supreme Military Council was reported almost evenly divided over the demands of the dissidents for changes in the ruling council's personnel.]

[The council's decision after the coup attempt, simply to order the dissidents back to their military commands makes further trouble very likely. Major General Abd al-Wahab, and the three other council members whom the conspirators temporarily "arrested" and sought to oust, have pressed Premier Abboud to take disciplinary action. In this they have been joined by Umma party leader Khalil and Sayyid Abd al-Rahman al-Mahdi, leader of the Ansar religious sect.]

[Abboud himself, continuing his public denials that anything untoward has taken place, is trying to smooth over the situation and hold his government together. If the split persists, the way will be open for an intensification of the behind-the-scenes struggle between leaders of the two major religious sects and for new maneuvering by the leaders of the suspended but still influential political parties.]

[The coup effort itself points up the increasing dissatisfaction in the Sudanese officer corps with the regime. Abboud's summoning of all military commanders to a conference in Khartoum on 7 March is presumably designed to re-establish support for his government throughout this key group.]

[There has been no indication of United Arab Republic involvement in the coup attempt. Continued sharp differences within the Sudanese military government, however, would provide new opportunities for the extension of UAR influence through pro-Egyptian army officers and through the political party leaders who are recipients of Egyptian subsidies.]

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Iran-USSR

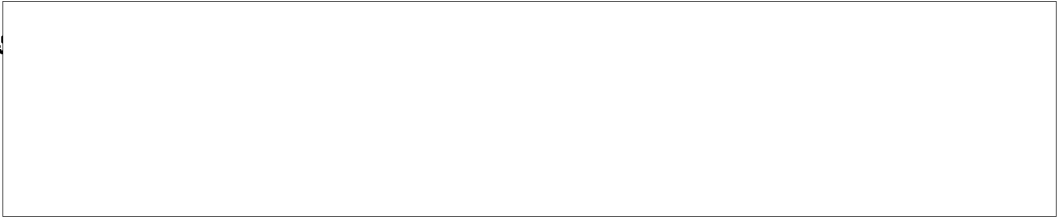
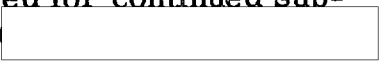


[Iran is threatening to complain to the United Nations if the violent Soviet radio and press campaigns against the Shah and other Iranian leaders continue. The Iranian delegate to the United Nations gave this information to Secretary General Hammarskjold on 2 March and the latter reportedly informed Soviet delegate Sobolev of the contemplated Iranian action. Hammarskjold also plans to discuss the question with Soviet officials following his arrival in Moscow on 24 March.]

[The Soviet propaganda campaign against Iran began immediately after the 10 February collapse of Iranian-Soviet negotiations for a nonaggression pact. The Shah has reacted angrily but with increasing apprehension to the Soviet attacks which, in Iranian eyes, have become open attempts at inciting the Iranian population to revolt.]

[Iranian leaders originally discussed the possibility of severing diplomatic relations with the USSR. Subsequently, they have concentrated attention on the Soviet-Iranian Treaty of 1921, which permitted the USSR to move troops into Iran under certain conditions. Threats to denounce the pertinent articles of the treaty have been followed by a Foreign Ministry statement that Iran finds those articles no longer applicable.]

[The present warning to Hammarskjold may be designed primarily to emphasize to him and to Western leaders the increasing danger faced by Iran and its need for continued support in the face of Soviet provocations.]



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Dissidence Remains Severe Problem in Indonesia

The Indonesian Army continues to be pressed by dissidents of the Provisional Republic of Indonesia (PRRI) in Sumatra and North Celebes. At the same time, it is faced with the continuing guerrilla activities in South Celebes and Java of the Darul Islam, the long-standing Moslem dissident group. Army chief Nasution's concern over the general state of insecurity and over army losses, which are estimated to total about 7,500 men since the PRRI rebellion began one year ago, is reflected in his recent emergency decree ordering two-year compulsory military service for all males between 18 and 23 years of age.

[About 1,200 government reinforcements left Java on 25 February for Celebes, where] both the PRRI rebels and the Darul Islam have recently become more aggressive. Other units and aircraft have been flown to the area.

[communications and supply lines disrupted and the former rebel capital of Manado and its nearby airfield threatened. Three days later the rebels still controlled the Manado water supply, and rebel fire on a nearby port was forcing government supply ships to enter only at night.

The North Celebes dissidents were described in another recent government message as having "heavy arms, new weapons, and good reserves of ammunition." [These rebels, who were resupplied by ship from Taiwan in mid-January, were said to have been planning attacks on all major towns.] In South Celebes, government troops have been engaged for several weeks in containing the activities of the Muzakkar dissidents, the Celebes affiliates of the Darul Islam.

[the PRRI dissidents there are continuing their sporadic attacks on government-held towns and outposts. In addition, they recently resumed their raids on foreign-owned rubber estates south of Medan. A US Rubber estate was attacked on 24 January, and Goodyear's Wingfoot estate was raided on 28 January and again one month later. Each incident]

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[involved considerable property damage.] Government forces [redacted] have placed high priority on re-establishing security in the estates area to ensure continued production and revenues.

[The Sumatran dissidents, who have been in a severe supply position for some time. are now attempting to arrange a resupply by ship.] [redacted] they are also attempting to arrange an alliance with the Darul Islam - affiliated dissidents in northernmost Sumatra, but to date have made little real progress.

On Java itself, where the Darul Islam movement is based, guerrilla depredations continue at a high rate, [and the group is reported planning increased efforts over the next few months.] [redacted]

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~~SECRET~~Situation Deteriorating in Nyasaland

[The government of the British protectorate of Nyasaland on 3 March took action against the African nationalists who have been provoking disorders since January. The governor, apparently yielding to pressure from the settler-dominated governments of Southern Rhodesia and the Federation of Rhodesia and Nyasaland, proclaimed a state of emergency, banned African nationalist parties, arrested prominent nationalist leaders, and deported extremist Dr. Hastings Banda to Southern Rhodesia. This action provoked a renewal of nationalist rioting which caused at least 20 African deaths.]

[Banda's deportation will make him a martyr in the eyes of his followers and may increase the influence of African extremists throughout the federation. Meanwhile the continued Nyasaland disorders tend to harden the racial attitudes of European settlers. Banda's arrest may lead to a campaign of civil disobedience aimed at disrupting transport. Extremists may assassinate some Europeans to get arms and ammunition.]

[The Nyasaland governor admits that police action cannot control the situation and believes that constitutional reform to increase African participation in the government is needed. In February, a top Colonial Office official canceled plans to come to Nyasaland to discuss reforms when he was unable to obtain Banda's cooperation.]

[In London, the British Labor party's criticism of present policy will increase as a result of the Rhodesian Government's forcible deportation of Labor MP Stonehouse, who was touring the area under African nationalist sponsorship. Although top levels of the British Government have become increasingly concerned over general African problems and there appears to be growing sentiment that a complete reappraisal of London's Central African policy is needed, the Colonial Office is believed to have no specific program at this time.]

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III. THE WEST

Renewed Opposition to Panamanian President

A struggle for control of Panama's governing coalition party (CPN) has again raised political tensions which may result in renewed attempts to oust President de la Guardia. One such attempt was apparently uncovered on 2 March when the commandants of Panama's armed force, the National Guard, arrested nearly 40 guard officers and men and several civilians.

Leaders of the majority faction in the CPN, UN delegate Alejandro Remon and Second Vice President Barletta, have criticized recent presidential appointments, but their real target may be former President Ricardo Arias, now ambassador to Washington, who is making a determined bid for the impending CPN presidential nomination. Arias, an acknowledged leader of the coalition's other major faction--to which De la Guardia belongs, is probably the most powerful member politically and economically of the oligarchy which has ruled Panama since its independence from Colombia in 1903.

Remon, who also has presidential ambitions, has evidently lost power in the past year, most recently when De la Guardia replaced the corrupt and Remon-dominated Panama City municipal council on 24 February in response to public pressure. If Remon becomes convinced that his influence in the administration and the coalition is seriously threatened, he might try to make a deal with dissident First Vice President Diaz, who has been involved in several attempts to oust De la Guardia. The civilians arrested on 2 March were Diaz followers, but he is not known to have been involved.

The three powerful guard commandants have political and personal ties with various critics of the President. However,

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they probably will continue, at least for a time, to support De la Guardia, who has not interfered with their side activities in his attempts to improve Panama's government.

[Redacted]

[Redacted]

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New Anti-American Rioting May Occur in Bolivia

A scheduled mass demonstration at a funeral on 4 March of a student killed in Monday's rioting may incite new anti-American violence and increase Bolivian instability. The central labor organization, which has participated in recent riots and is led by President Siles' powerful left-wing rival, has indicated it will march with students escorting the body. A group of armed miners who usually support President Siles are expected to arrive in La Paz and may clash with the demonstrators. The regular armed forces would be unable to control a clash between the two groups.

[A simultaneous demonstration protesting the Time magazine article is planned for the provincial city of Cochabamba on 4 March.] The American consulate there reports that the national government has ordered all local department heads, party leaders, and police to give the strongest protection to US citizens and property, but that US prestige is suffering badly and normally friendly elements have become almost indifferent to anti-American violence.

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Student Violence in Colombia

A sizable and violent student demonstration in Bogota on 3 March against recent increases in city bus fares reportedly caused serious damage and injuries and may be part of a developing plan by opposition elements to undermine President Lleras' coalition government of Liberals and Conservatives. Since early January, Communist agitators have been prominent in periodic student-worker demonstrations against the fare increases and they were probably involved in recent serious rioting in provincial cities. Since regaining legal status in late 1957, the Communists have displayed increasing capability for exploiting popular unrest and strikes. Colombia's second largest labor organization, in which Communists have won a strong minority influence, now has reversed its initial decision to support the fare increases.

Dissident Conservative elements apparently have been supporting the demonstrators in an effort to embarrass the government. In addition, followers of former dictator Rojas, now on trial for misconduct during his presidential term, may be expected to support any opposition activity against the government. Rojas himself was placed under detention last December for alleged plotting to overthrow the incumbent regime.

The government's use of strong repressive measures against the demonstrators is likely to erode its popular support and stimulate non-Communist opposition activity. On the other hand, the government is likely to lose considerable face and establish a precedent for mass agitation against its authority if it backs down on the fare increases. Indecision could provoke additional and more serious violence.

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