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23 May 1959

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## CENTRAL

# INTELLIGENCE

# BULLETIN



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### CENTRAL INTELLIGENCE BULLETIN

23 May 1959

#### DAILY BRIEF

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#### I. THE COMMUNIST BLOC

USSR-UAR: Negotiations for the Aswan High Dam project have apparently progressed to the point where only Cairo's final approval is needed before construction can commence.

Moscow Radio's broadcast on 21 May of critical remarks made by Khrushchev regarding the UAR may provoke further recriminations between Cairo and Moscow. Nevertheless, the USSR has assured Cairo that "political or ideological differences" with the UAR will not affect "economic cooperation."

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#### II. ASIA-AFRICA

ready to issue orders transferring some pro-Communist army officers and collecting arms which have been issued to the Popular Resistance Force. The Iraqi Communist press meanwhile has retreated somewhat on its demands for official sanction of political party activity and for direct Communist party representation in the cabinet. It has intensified, however, its efforts to remind Qasim of his need for continuing close Communist support against alleged new imperialist— and UAR-sponsored plots and border disturbances. (Page 2)

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Iran-USSR: Iranian officials deny that any preparations are under way for a resumption of treaty talks with the Soviet Union. They told Soviet representatives, however, that once unfriendly Soviet broadcasts cease, Iran would consider any Soviet suggestions for improved relations. The Iranians claim that Moscow is circulating rumors of a possible resumption

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of negotiations in an effort to undermine the confidence of Iran's Baghdad Pact partners. (Page 3)

Burma: [Premier Ne Win has told the American ambassador that his government is attempting to grope its way toward closer alignment with the free world without unduly provoking Communist China. He stated, "When we feel that our position is squared away, we are not going to oppose the United States on cold war issues." Ne Win also asserted he was basically in favor of the governments of South Korea, Taiwan, and South Vietnam and that he would prefer taking no action against Chinese Nationalist irregulars on Burmese soil so long as they avoid provocative action. (Page 4)

#### III. THE WEST

Nicaragua: Revolutionary preparations against the Somoza regime continue. The top Costa Rican Communist and a Nicaraguan opposition leader have independently stated that a rival Nicaraguan faction plans to initiate action soon. Meanwhile, President Somoza has informed opposition leaders that he is open to any proposals designed to avert revolution except those which would require the shortening of his presidential term or "offend the dignity" of his family. (Page 5)

#### LATE ITEM

\*Sudan: (Early on 22 May, Brigadier Shannan and his junior officers' faction set their coup attempt in motion. at least some of the troop movements planned by Shannan had begun. All Sudanese military communications nets have been placed on alert. Counteraction against Shannan's group by government forces led by Brigadier Hasan Bashir Nasir is still possible. Khartoum itself was reported outwardly quiet on the afternoon of 22 May.

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DAILY BRIEF

#### Soviet-UAR Relations

Radio Moscow's broadcast on 21 May of Khrushchev's remarks regarding the UAR, made to Indian journalist Russy Karanjia, may provoke further recriminations between Cairo and Moscow. Khrushchev denied the charges Nasir made to the same journalist in mid-April that Arab Communists are seeking to set up a "Red fertile crescent," and alluded to several issues to which Nasir has reacted strongly in the past. While the Soviet premier emphasized friendship for the UAR, he took the position that it is up to the UAR's leaders to "decide whether they want friendly relations with the Soviet Union." The broadcast account of the interview did not, however, refer to the personal criticisms of Nasir which Karanjia had reported to the UAR

On the same day, Soviet Deputy Foreign Minister Semenov again assured UAR Minister of Public Works Moussa Arafa in Moscow that the USSR will not allow "political or ideological differences" with the UAR to affect "economic cooperation." Arafa was then heading a delegation for technical discussions on the Aswan High Dam project. Semenov also took the opportunity to complain about the "UAR newspaper campaign" and expressed hope that it would end soon.

The talks on the Aswan project, concluded in Moscow on 19 May, were apparently successful, and construction is to commence after Cairo approves the findings of the recent technical discussions, which dealt with Soviet proposals to amend the original agreement in such a manner as to cut construction time and costs. UAR officials have stated that they intend to submit any changes to the High Dam board of consultants which includes one Soviet and a number of Western experts.

In addition to economic aid, three destroyers are to be delivered to the UAR this year, two of them before July. The destroyers presumably are to be provided under an agreement in which Moscow approved the sale of arms and materiel to Cairo at one third of their cost.

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#### Qasim May be Moving to Reduce Communist Influence in Iraq

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### Iran Rejecting Soviet Suggestions to Resume Treaty Talks

Iranian Acting Foreign Minister Sadr told a US Embassy official in Tehran recently that Iran has no plans to resume negotiations with the USSR on a nonaggression pact. The breaking off of the talks on 10 February precipitated the current radio propaganda battle between Iran and the USSR.

The Soviet chargé in Tehran recently intimated that the USSR is still interested in concluding such a pact, but wants Iran to take the initiative. The USSR appears to be trying to maneuver Iran into sending a delegation to Moscow for this purpose. Sadr told the chargé that Iran insists on the cessation of unfriendly Soviet propaganda broadcasts before further Soviet proposals can be considered. Once the broadcasts cease, Iran would be willing to listen to any suggestions the USSR desires to make.

In a separate discussion with a US Embassy official, Director General Afshar of the Iranian Foreign Ministry said he believes that the USSR will continue to try to undermine the confidence of the other Baghdad Pact members in Iran by circulating reports that Iran is looking for an opportunity to resume treaty talks.

The fact that the Shah undertook negotiations with the USSR in January without consulting his allies raises doubts as to the sincerity of the above statements. At the time Iran signed a bilateral defense agreement with the United States, there was the unwritten understanding that Iran would not conclude a non-aggression treaty with the USSR.

Meanwhile, the secretary gener with Gromyko in Geneva complaints from Iran regarding Soviet propagat	which he has received	_



### Ne Win Reiterates Wish to Bring Burma Into Closer Association With West

(In a long conversation with Ambassador McConaughy just prior to his return to the US for consultations, Prime Minister. Ne Win reconfirmed his government's policy of groping its way toward closer alignment with the free world without unduly provoking Communist China. These remarks were made in the course of a general discussion of US aid, but they were in keeping with views he has long been known to hold.)

Ne Win said that once his government gets "squared away"—that is, after the insurgent problem has been eliminated and a final effort made to reach a border settlement with Communist China—"we are not going to oppose the United States on coldwar issues." He added that he is basically in favor of the governments of Korea, Nationalist China, and South Vietnam and would prefer not to take action against the Chinese Nationalist irregulars on Burmese territory as long as they avoid attacking Burmese people and do not cross the border into Communist China. Ne Win further asserted that he does not consider the "Chiang Kaishek government" a government in exile and admitted that, contrary to the official Burmese position, he believes it would be a catastrophe for Taiwan to come under Chinese Communist control.

When asked whether the government which succeeds him could be counted on to maintain any movement toward the West he set in motion, Ne Win said that if the Ba Swe - Kyaw Nyein faction of the Anti-Fascist People's Freedom League wins the elections scheduled to be held in early 1960, policy continuity would be assured. Ne Win said that if U Nu were unexpectedly returned to power, "all bets would be off." He clearly considered this unlikely, however, and other unfavorable remarks he made regarding Nu strongly suggest that the prime minister and his army colleagues would go to great lengths to prevent Nu's reassumption of power.



#### III. THE WEST

#### Nicaraguan Revolutionaries May Attack Soon

Enrique Lacayo Farfan, Nicaraguan revolutionary leader,
a rival revolution-
ary, Rafael Somarriba, will begin an offensive from his hiding
place inside Nicaragua within ten days. Lacayo said Somarriba
has a force of between 100 and 150 men, including some Cuban
and Mexican students, who have been infiltrating into Nicaragua in
small groups for some time. Somarriba, a former Nicaraguan
officer and now a leading member of the pro-Communist exile
group in Cuba, was named military commander of his group by
Major Ernesto "Che" Guevara of Cuba. Somarriba left Cuba
for Mexico on 22 April and may have subsequently entered
Nicaragua. There is no confirmation of this or other recent
reports that revolutionaries have successfully infiltrated Nicaragua,
but this could be accomplished with relative ease, especially in
the sparsely populated area near the Honduran border.

Lacayo, who was agreed upon last March as the leader of a number of opposition factions within Nicaragua and in exile, says Somarriba is not a Communist and he may consider a deal with Somarriba's group in Cuba.

On 16 May, Costa Rican Communist leader Manuel Mora informed his party's political commission that the revolution in Nicaragua would probably begin in a few weeks. He also indicated that the revolutionaries had already infiltrated into the country. The revolutionaries are undoubtedly aware that their operation will stand much less chance of being frustrated by OAS action if it can be made to appear a purely internal uprising.

Meanwhile, Nicaraguan President Somoza has informed op-
position leaders that he will consider any proposals designed to
avert revolution except those requiring the shortening of his presi-
dential termwhich ends in 1963.



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