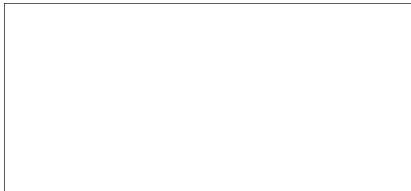


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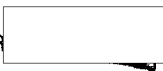


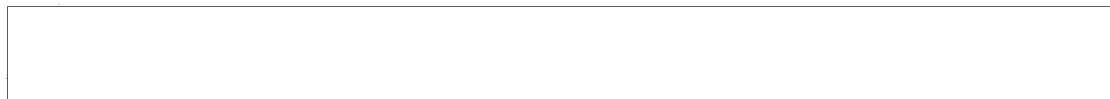
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CENTRAL INTELLIGENCE BULLETIN



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3 JUNE 1959

I. THE COMMUNIST BLOC

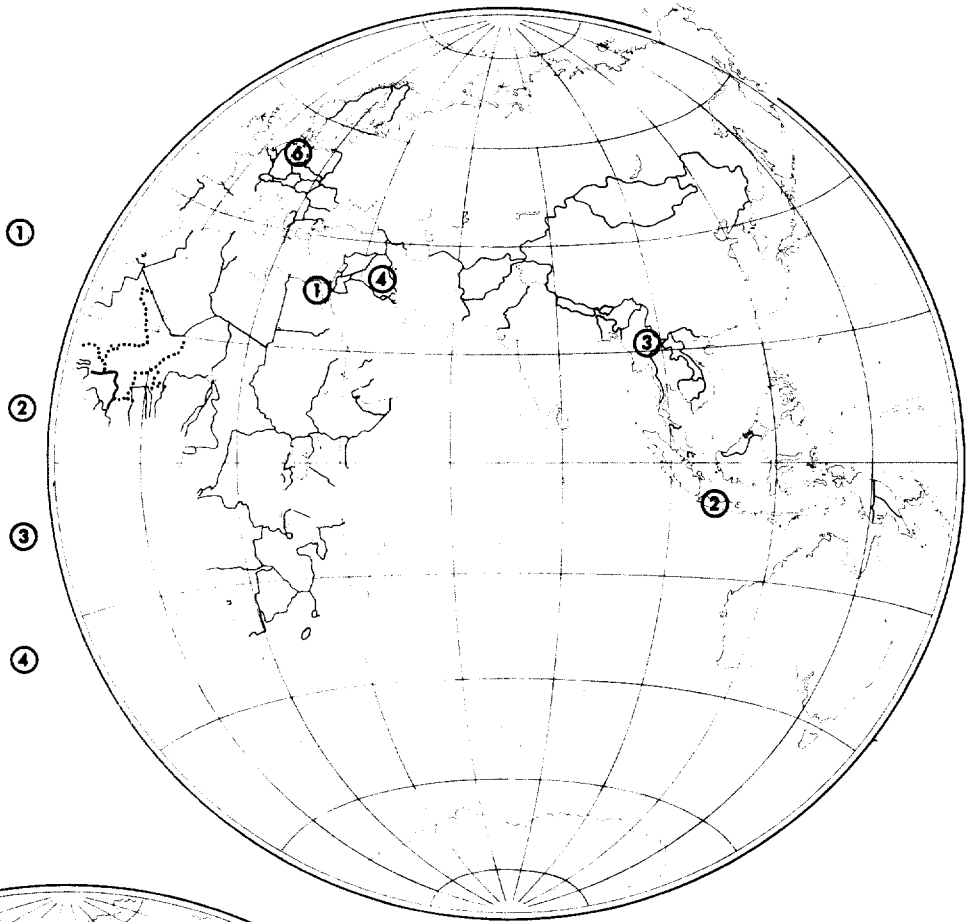
Cooperation between USSR and UAR in international front groups deteriorating.

II. ASIA-AFRICA

Indonesia--Move to restore authoritarian 1945 constitution fails on final reading; army take-over may be imminent.

Burmese trade mission to Moscow will seek practical projects on grant basis in place of proposed cultural center.

Iraq--Rumors persist that action against Communists, with or without Qasim, is imminent.

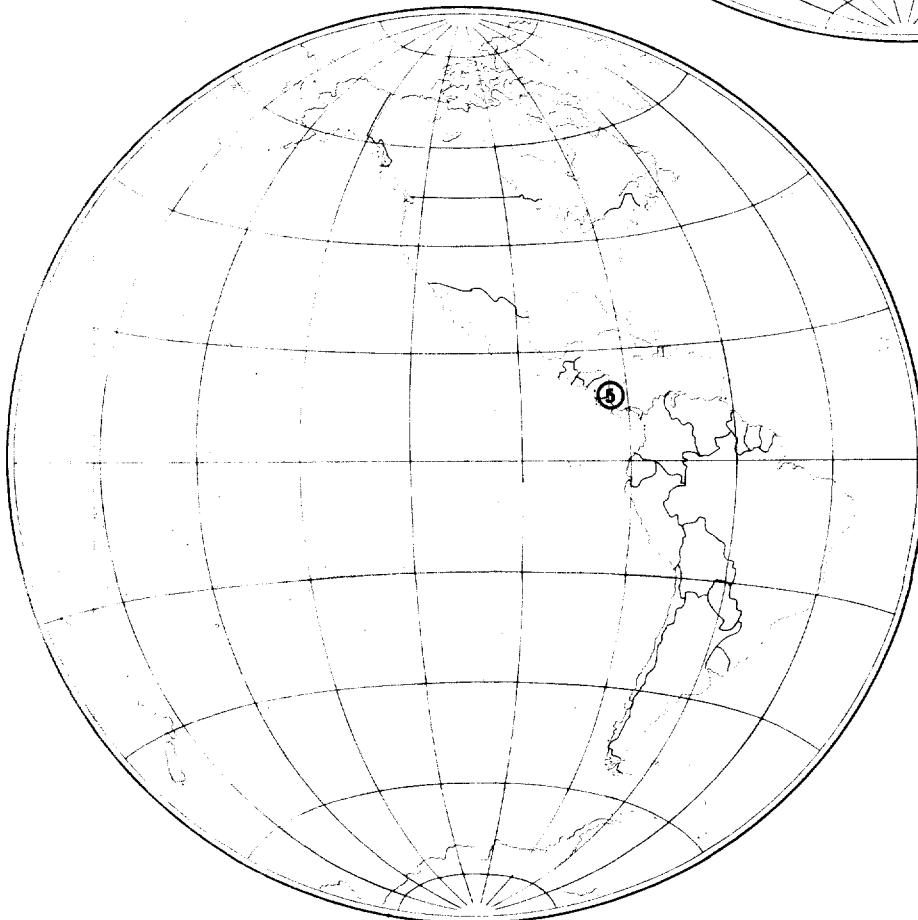


III. THE WEST

⑤ Invasion of Nicaragua may encourage added support for general strike.

IV.

⑥ Conclusions of the special USIB committee on the Berlin situation.



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CENTRAL INTELLIGENCE BULLETIN

3 June 1959

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

OK
USSR-UAR: Soviet-UAR cooperation in international front organizations such as the Afro-Asian "solidarity movement" appears to be steadily deteriorating as a result of Nasir's attacks on Communists and the bloc. The Soviet member of the movement's permanent secretariat is reported to have charged that a 27 May meeting of the "Anti-Colonial Conference" in Cairo was arranged by the UAR "to attack Russia." Cairo has apparently decided not to send a UAR delegation to the Communist World Youth Festival in Vienna this summer. [redacted] (Page 1)

II. ASIA-AFRICA

OK
Indonesia: The Constituent Assembly's failure on final reading to adopt President Sukarno's proposal for a return to the 1945 constitution creates a political stalemate in Indonesia. While some compromise might yet be worked out, Sukarno and the army may impose the 1945 constitution, which gives the executive greater political power. Already army chief Nasution, in what may be a preliminary step, has banned "all political activity in Indonesia." [redacted] (Page 2)

MO
Burma-USSR: A Burmese trade mission, soon to leave for Eastern Europe and the USSR, will ask Moscow to substitute more practical projects for the theater and cultural and sports center which the USSR originally offered as gifts. The U Nu government then insisted on paying for them in rice. The mission instead will seek projects in the fields of irrigation, flood control, or port development on a purely grant basis. The Burmese also plan to ask Soviet agreement to transfer one half of Burma's trade credits with the USSR to China, with whom Burma has a deficit. [redacted] (Page 3)

mc Iraq: Rumors persist in Baghdad of some imminent action by anti-Communist elements against Communist influence and, possibly, against Qasim as well. The rumors, [redacted]

[redacted] do not yet seem to have substantial foundation and probably arise from cooler relations between Qasim and the Communists. [redacted]

[redacted] (Page 4)

III. THE WEST

ND Nicaragua: President Somoza's public admission that revolutionaries have landed may encourage additional labor and other uncommitted groups to join the general strike, which has already attracted considerable support and should reach its peak on 3 June. Despite the imposition of martial law and the arrest of opposition leaders, the government faces serious domestic defiance for the first time in its 25 years. While several external threats remain, the Costa Rican Government has acted swiftly to prevent further attacks from its territory by Nicaraguan revolutionaries.

[redacted] (Page 6)

IV. CONCLUSIONS OF SPECIAL USIB COMMITTEE ON BERLIN SITUATION

OK 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 are 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. There is no indication of any change in the basic Soviet position at Geneva, but Khrushchev in Tirana appeared to introduce a harder line by categorically rejecting all parts of the Western package plan for Berlin.

3 June 59

DAILY BRIEF

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2. So long as the USSR estimates that negotiations at Geneva are promising or that the prospects for a summit meeting are good, it will probably not go so far as to turn over access controls to the GDR. However, negotiations may be reaching a stage where the USSR might consider it to be advantageous to increase the threats of such action. The actual physical transfer of controls could be accomplished with little or no warning.

3. While there are no reliable indications of a bloc intent to deny Allied or West German access to West Berlin, or to seal off West Berlin in the immediate future, the USSR could take such actions with little or no warning.

4. There have been no significant changes in Soviet capabilities to respond to possible Western actions in the event of turnover, harassment, or blockade.

5. The rumor in West Berlin that the US might give up RIAS has resulted in declining staff morale. RIAS is an important symbol of the US position in Berlin.

3 June 59

DAILY BRIEF

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I. THE COMMUNIST BLOC

Soviet-UAR Cooperation in International Fronts Declining

The rift between Moscow and Cairo produced by Nasir's attacks on Communists and the bloc has caused a steady deterioration in Soviet-UAR cooperation in international front organizations. The Afro-Asian solidarity movement, which has depended on the cooperation of the UAR and other Afro-Asian countries with the Communists, has been particularly affected.

The Soviet member of the movement's permanent secretariat has charged, [redacted] that the meeting on 27 May in Cairo of the "Anti-Colonial Conference" had been arranged by the UAR "to attack Russia." Earlier, the Soviet and Chinese Communist members of the secretariat were reliably reported to have frustrated UAR efforts to enlist Afro-Asian support for Nasir's campaign against Iraq.

The national solidarity committees on which the international organization theoretically is based have also encountered difficulties, because the committees of some neutralist countries such as India apparently are split between Communist and neutralist elements as a result of Nasir's charges. A critical period for the movement may well occur when preparations are begun for a second "Solidarity Conference"--a repeat of the December 1957 meeting held in Cairo--and for the Afro-Asian Women's Conference. Both are scheduled for later this year.

There are indications of frictions between Cairo and Moscow in other international front activities. Cairo has apparently decided not to send a delegation to the Communist-run World Youth Festival in Vienna this summer. [redacted]

[redacted]

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II. ASIA-AFRICA

Political Stalemate in Indonesia

The Constituent Assembly's third rejection on 2 June of President Sukarno's proposal for the readoption of the 1945 constitution has created a political stalemate in Indonesia. Opposition to the constitution, under which both Sukarno and the army would gain increased political power at the expense of party activity, came from the Moslem parties, including the pivotal Nahdlatul Ulama party, which insisted on the incorporation of religious guarantees for the Islamic religion. The initiative now returns to President Sukarno and the army.

Sukarno, now in the United States, will be met and briefed at his next major stop--Tokyo--probably on 6 June by Ruslan Abdulgani, head of the appointive national council and a Sukarno confidant. It has been speculated that the President's two-month world tour was timed to keep him uninvolved in the political maneuvers attending the constitutional debates and free to work out new arrangements if necessary.

Although further attempts at compromise cannot be ruled out, army leaders have consistently hinted that they would take action to enforce the 1945 constitution if necessary, [redacted] Army Chief of Staff General Nasution was assured nationwide officer support for some such move [redacted] Nasution on 2 June banned all political activity, possibly as a preliminary move to further action. Prime Minister Djuanda had told the assembly that failure to accept the constitution might precipitate "undesirable events" similar to those which "have taken place in neighboring countries"--obviously a thinly veiled warning of an army take-over. [redacted]



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Burma to Seek Adjustments in Its Economic Relations With USSR

A Burmese mission, which will soon leave for Eastern Europe, will go on to Moscow to ask the USSR to substitute more economically practical projects for the theater and cultural and sports center originally offered by Bulganin and Khrushchev in 1955. While the projects were offered as gifts, former Prime Minister U Nu later insisted that Burma pay for them in 20 annual payments of rice. A technological institute, hotel, and hospital included in this offer are well on their way toward completion, but the Burmese Government delayed initiation of the other two projects for budgetary reasons.

The mission has been instructed to obtain projects in the fields of irrigation, flood control, or port development, all on a grant basis. This reflects Prime Minister Ne Win's strong preference for grant aid as opposed to loans. Moscow presumably will treat the Burmese request sympathetically.

The mission will also seek Soviet approval for the transfer of half of Burma's unexpended trade credits to its account with Communist China, with which it has a trade deficit. Burma's credits with the USSR now stand at about \$4,000,000 and may be doubled by the end of the year. While these credits have been used in the past to pay for purchases from Czechoslovakia, Peiping recently indicated it did not wish to participate in a similar transaction which would "encroach upon the USSR's market."

[Redacted]

[Redacted]

~~TOP SECRET~~ [Redacted]

Rumors of Imminent Coup Attempt in Iraq

[redacted]
[redacted] widespread rumors in Iraq that anti-Communist groups are preparing for forceful action. According to one version, a combination of military, tribal, and "nationalist" political figures intends to move both to overthrow the Qasim regime and to wipe out Communist power. [redacted] an army group headed by the military governor general and the commander of the First Division plans action to replace the present government with a non-Communist military council, retaining Qasim as its chairman.

Such rumors do not yet seem to have substantial foundation and probably stem from cooled relations between Qasim and the Iraqi Communist party and from persisting reports that Qasim has begun to remove some extreme pro-Communists from influential positions. In late May, for example, [redacted] Lieutenant Colonel Ghadhban al-Saad, formerly of Qasim's office staff, had been sent to Moscow as military attaché; that Qasim's military aide, Colonel Wafsi Tahir, and Director of Radio Baghdad Salim Fakhri were to be exiled to the Iraqi Embassy in Bonn; and that Director of Military Planning Brigadier Taha al-Shaykh Ahmad was to be sent as ambassador to Peiping. [redacted] Qasim had torn up a list of 60 officers whom Colonel Ahmad proposed for retirement.

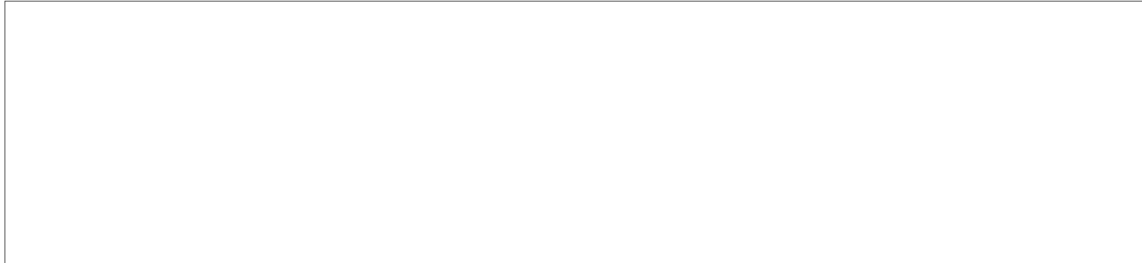
There has been some resurgence in the activities of anti-Communist, pro-UAR elements in Iraq, and the UAR Embassy is in contact with them. They do not, however, appear to have the necessary strength or support for a successful coup attempt.

In view of the widespread rumors, the director general of Iraqi police recently ordered special precautions, and several companies of police reserves who had been temporarily assigned

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to Mosul have been sent to Baghdad. [redacted]
[redacted] units from all army divisions are to be stationed around
Baghdad continuously for the next few days. [redacted]

An Iranian newspaper on 2 June reported that an Iraqi brigade had revolted on the night of 1 June and had attempted to march against Baghdad. Other Iraqi Army units put down the revolt, the paper said. There has been no confirmation of this news story. (UNCLASSIFIED)



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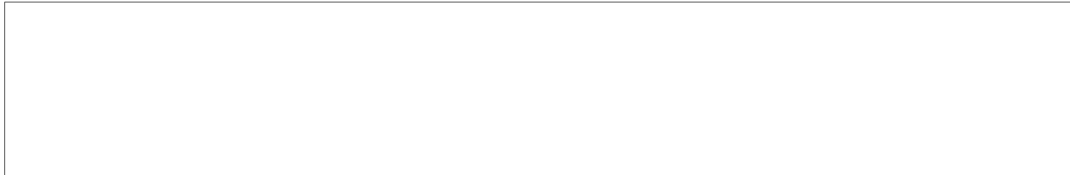
III. THE WEST

Situation in Nicaragua

President Somoza's public admission that revolutionaries have landed may encourage additional labor and other uncommitted groups to join the general strike, which has already attracted more support than anticipated and should reach its peak on 3 June. Despite the imposition of martial law and the arrest of opposition leaders, the government faces serious domestic defiance for the first time in 25 years.

There are apparently no immediate plans to call for action by the Organization of American States, since President Echandi of Costa Rica has already acted to prevent the many Nicaraguan exiles in his country from further attacks on Nicaragua by land or air.

The National Guard under General Anastasio Somoza, Jr., is considered capable of containing the small rebel groups reported to have landed. It apparently remains loyal, although several former guard officers have recently taken refuge in Costa Rica and may have joined the exiles.



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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

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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

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The Director

United States Information Agency

The Director

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