



28 MARCH 1959

I. THE COMMUNIST BLOC

GMAIC comments on 25 March Soviet ICBM firing.

Rumania to resume Jewish emigration to Israel, but date not yet specified; strong Arab resentment likely.

II. ASIA-AFRICA

US Embassy in Baghdad assesses situation in Iraq.

Kuwait - Iraqi developments and domestic problems lead ruling family to improve relations with Britain.

India interested in collective Asian measures to meet <u>Chinese Communist</u> economic threat.

Thailand plans meeting of non-Communist Southeast Asian leaders to promote regional cooperation.



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CENTRAL INTELLIGENCE BULLETIN

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28 March 1959

DAILY BRIEF

I. THE COMMUNIST BLOC

USSR: The Guided Missile and Astronautics Intelligence Committee issued on 27 March the following statement concerning the most recent Soviet ICBM launching:

The Soviets launched a test ICBM about 0030 EST, Wednesday, 25 March 1959. Although analyses of COMINT, ELINT, and RADINT indicate it reached the vicinity of the impact area, they do not indicate anything concerning the success or failure of re-entry. The new radar on Shemya reported sighting this ICBM. If re-entry was successful, preliminary data indicate impact would have been in the coastal area some 100 miles northeast of Klyuchi.

This could have been the same missile that was scheduled to be launched on 20 February but canceled at the last instant. There were numerous delays in the countdown, totaling about five and one-half hours --more than in any previous launching.

During the first 20 months of the ICBM flighttest program, the Soviet boxscore was as follows:

> --six test ICBMs at least generally successful.

- --two others may have been successful (these were the first two, considered dual purpose ICBM/earth satellite).
- --two launchings canceled at the last minute.
- --two others successfully launched which failed shortly thereafter.

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Rumania-Israel: Rumanian officials have stated that Jewish emigration to Israel will be resumed, but the date has not yet been specified, according to an Israeli official. In a recent meeting in Bucharest between officials of the two governments, the Rumanians attributed the current stoppage to "unfavorable publicity." A resumption of the emigration, which has been halted for nearly a month, would lead to strong Arab resentment and protests.

II. ASIA-AFRICA

<u>Iraq</u>: The American Embassy in Baghdad, assessing the situation as it has developed since the Mosul revolt, believes there is grave danger that "in the short run" Iraq will come under preponderantly Communist control. The embassy feels that although popular and military loyalties are still primarily attached to Qasim, Communist control of the press and popular organizations, together with the growth of Communist cadres in the army and bureaucracy, present a clear possibility that the Communists could nullify Qasim's popular appeal if he attempted a showdown with them. The embassy further believes that Nasir no longer has the assets to reverse the trend in Iraq, and that a successful military coup against Qasim is unlikely. (Page 1)

Kuwait: Members of Kuwait's ruling Subah family have shown increasing awareness of their total dependence on Brit ish military protection. As a consequence of developments in Iraq and last month's local manifestation of nationalist hostility to Subah rule, the younger Subah sheiks have united behind their elders, while British-Subah relations have improved markedly. (Page 3)

India - Communist China: Indian diplomats in Peiping are distressed by developments in Tibet. They have suggested to other Asian representatives that India, Ceylon, Burma, and

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other countries organize to meet the threats, particularly economic. posed by growing Chinese Communist strength.

(New Delhi also is showing more interest than in the past in a Colombo powers economic meeting to prepare the way for a larger economic conference later this year.) Any new Indian attitude favoring collective measures to meet Chinese economic growth and trade would underscore increasing apprehension over Peiping's intentions in Asia. It is unlikely, however, that New Delhi would take any action that would significantly worsen its relations with Peiping.

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Southeast Asia: A new effort to promote regional cooperation in Southeast Asia is planned by Thailand. The Thai foreign minister hopes to call within several months a meeting of Southeast Asian leaders from Thailand, Burma, Laos, Cambodia, South Vietnam, Malaya, and possibly Singapore to discuss regional security, economic problems, and the establishment of a permanent association. The regional grouping may be expanded later to include the Philippines and Indonesia. (Page 5)

Singapore: British officials are taking military precautions against possible violence in Singapore which may result from the local government's recent action against the city coun cil. The council, dominated by the Communist-infiltrated People's Action party, was stripped of its administrative functions on 26 March. The British believe disorders may be instigated by secret society elements close to the government or by Malay extremists rather than by the People's Action party, which would not want to jeopardize its good election prospects.]

III. THE WEST

France: (De Gaulle is now thinking of a separate Western defense organization for Africa. He apparently realizes that an $\mathcal{N}^{(1)}$

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extension of NATO to Africa would be unacceptable to several NATO members, and has given up the idea of attempting to revise the NATO charter in this respect.]

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Bolivia: Juan Lechin, the country's key labor leader and an important leftist member of the Bolivian Senate, is scheduled to go to Moscow at Soviet expense for the May Day celebrations. Lechin's presence in Moscow will give the USSR the opportunity to suggest the possibility of Soviet economic assistance in view of Bolivia's current economic difficulties. Lechin left La Paz and went abroad on 23 March. ((Page 8)

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

II. ASIA-AFRICA

Communist Strength in Iraq

The American Embassy in Baghdad, assessing local Communist strength, believes 1959 will be "the year of the bear" in Iraq. It sees grave danger that "in the short run" Iraq will come under preponderantly Communist control and, in view of events since the Mosul revolt, thinks it highly doubtful whether Qasim, in spite of his popular standing, could reverse the trend even if he wished to.

The Communists now dominate the press, radio, and the growing and proliferating "mass organizations," such as trade unions, students' unions, the teachers' association, and the league for women's rights. They appear to have almost complete control of the Popular Resistance Force, which has shown itself willing and able to defy civil and military authority in some parts of the country.

Already strongly entrenched in the ministries of Economics, Development, Agriculture, Education, and National Guidance, Communist sympathizers appear to be making new inroads throughout the bureaucracy. The Ministry of Economics under Ibrahim Kubba is well embarked on a program to tie Iraq as closely as possible to the Soviet bloc. In addition to agreeing to large-scale Soviet aid for economic development, Kubba's ministry has succeeded in discouraging foreign and domestic private investment, leaving the way open for the growth of state capitalism. Prime Minister Qasim in his press conference of 24 March hinted at a new specific measure in this field by announcing that Iraq would study nationalization of France's share in the Iraqi Petroleum Company.



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The Iraqi Communist party continues to work behind a "popular front" facade and appears to be attempting to entrench itself in a government still headed by Qasim and containing other elements. Moscow has apparently been concerned that open manifestations of Communist control in Baghdad would invite possible retaliation, as well as harm Soviet relations with other Arab and Asian countries.

Communist gains have been accompanied by a sweeping campaign of purges and arrests of non-Communist elements and central and local government officials. Estimates of the number arrested since 7 March run as high as 15,000. Key army officers, suspected of complicity in the Mosul affair, or of independent, nationalist attitudes, have been arrested or displaced.

Despite Qasim's personally cordial attitude, American Embassy personnel are being subjected to new "security" controls and harassments; several Iraqis employed by the embassy have been arrested, and American staff members are under recurrent surveillance. Foreigners in Baghdad conclude that "the iron curtain is descending."

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Developments in Kuwait

(The growth of Communist influence in heighboring in aq,) together with last month's public call by Kuwaiti nationalists for an end to rule by the Subah family, have impressed the Subah sheiks with their total dependence on British military protection. At the same time, the younger "liberal" Subahs have rallied in support of the family's old guard.]

(Relations between the Kuwaiti Government and the British have grown more cordial than at any time in the last year, according to the American consul in Kuwait. The British military adviser's association with the British Government is no longer being played down by the Kuwaitis.]

Kuwaiti authorities have cracked down hard on anti-Qasim activity by pro-UAR Kuwaiti nationalists, and otherwise striven to avoid antagonizing Iraq. The main impetus to the curtailment of nationalist activity was the public attack on the Subah regime at a nationalist rally on 1 February honoring formation of the UAR. If the Subahs' firm repressive action is not followed by a meaningful attempt to liberalize the apparatus of government, however, the heretofore moderate nationalist opposition may be driven to advocate more uncompromising resistance. The Ruler of Kuwait has balanced his action by informing the Egyptian-dominated Arab League of readiness to contribute \$14,000,000 to the Arab Economic Organization

While the pro-UAR nationalists have been temporarily brought under control, a Kuwaiti Government official has reported a sharp increase in complaints to the Ruler by Iraqis resident in Kuwait. The official fears that the pattern may reflect Communist inspiration, and the American consul comments that the Kuwaiti public security department is not adequately staffed for effective countersubversion work



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Sino-Indian Relations

India is increasingly concerned over Communist China's foreign political and economic policies during the past year,

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The Burmese ambassador says Indian diplomats in Peiping have freely expressed their disapproval of Peiping's "nonchalant" attitude regarding the settlement of Sino-Indian border disputes and its suppression of the Tibetan revolt.

Another major source of concern to the Indians apparently is the threat posed by Communist China's domestic economic progress and competitive foreign trade. Indian officials in Peiping reportedly have suggested to other Asian representatives there that India, Ceylon, Burma, and other nations take collective economic measures to counter this threat.

While this proposal for collective action may reflect only personal views, it is nevertheless the first suggestion by official Indian circles for joint protective measures against Chinese Communist economic competition. It probably reflects New Delhi's recognition that India cannot for long maintain the fiction of completely friendly relations with **P**eiping.

Increasing apprehension regarding Communist China's economic position may also be partially responsible for India's recent interest in a Colombo powers economic meeting in May to prepare for a proposed economic conference of Afro-Asian nations later this year. Indian Prime Minister Nehru has resisted such conferences since 1955, and had previously rejected Ceylon's proposal for a Bandung-type or Colombo powers economic meeting. Nehru may now believe that a meeting of the Colombo powers--India, Pakistan, Ceylon, Burma, and Indonesia--and possibly other Southeast Asian nations would provide an opportunity to discuss means of countering Communist China's economic growth and expanding commercial activities in the area.



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Thailand Plans to Sponsor Southeast Asian Regional Meeting

Thai Foreign Minister Thanat, with the full support of Premier Marshal Sarit, is planning to invite the heads of government from non-Communist Southeast Asian mainland countries to a conference to develop regional cooperation, discuss mutual economic problems, and, if possible, establish a permanent regional secretariat with a program of annual meetings. The first meeting is projected to coincide with the visit of Malay's acting premier, Dato Razak, to Bangkok in late April or early May; if necessary arrangements cannot be completed by then, the meeting may be held in June or July.

The Thai foreign minister expects no difficulty in gaining approval from Malaya, Burma, and Laos. He feels, however, that South Vietnamese - Cambodian antipathy may present a problem. Invitations may also be extended to the Philippines and Indonesia.

The Thais hope to reduce regional tension arising from differing national policies ranging from neutralism to close Western alignment. Thanat indicated that a major selling point for regional association would be the strength to be gained against Communism by closer cooperation. This first Thai initiative toward regional leadership follows similar proposals for area cooperation by Malayan Prime Minister Abdul Rahman and Philippine President Garcia.

Although the proposed regional organization would have no connection with SEATO, it could provide an improved climate for SEATO operations in the area.

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British Fear Disorders in Singapore

The British fear violence may develop in Singapore as a result of the government's take-over on 26 March of the administrative functions of the city council, which is dominated by the Communist-infiltrated People's Action party (PAP). In a precautionary move, the British commanding officer has canceled all leave and travel out of Singapore for captains and above.

The British believe disorders will not be instigated by PAP, which presumably would not want to jeopardize its good prospects in the general elections planned for 30 May. They apparently fear, however, further provocations against PAP by the Lim Yew Hock government, possibly by secret society gangsters, which might lead to violence. Any disorders would provide Chief Minister Lim an opportunity to proscribe PAP or might force the British to postpone the elections.

The British were probably involved in, or may even have planned, provocation tactics roughly similar to this in the fall of 1956, when riots were touched off which led to the arrest of key left-wing leaders of PAP. Now, however, the British appear reconciled to a PAP election victory and are fearful of any actions which might jeopardize their chances of working with the party's moderate wing led by Secretary General Lee Kuan Yew.)

(The British probably fear they will not be forewarned of any covert action which the Singapore Government might plan because of the growing coolness between the chief minister and the governor.)

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III. THE WEST

De Gaulle Reported Thinking of Separate Defense Organization For Africa

De Gaulle, who believes organization of the defense of Africa is an "essential buttress" to NATO, may soon propose establishing a separate defense organization for that continent, according to his diplomatic adviser. Whether this defense arrangement would include African countries or countries with African interests other than France, Britain, and the United States would be determined in tripartite discussions. De Gaulle apparently realizes that an extension of NATO to Africa would be unacceptable to several NATO members, and has given up the idea of attempting to revise the NATO charter in this respect.)

The French President's thinking appears to have shifted since 11 March when French Chief of Staff General Ely, apparently quoting a government policy paper, had indicated to General Norstad that De Gaulle would soon propose creation of a NATO southern command to cover the Western Mediterranean, Algeria, and perhaps the Sahara. The North Atlantic treaty includes the Algerian departments in the NATO area, but the French withdrew them from the NATO command structure in 1954. At a press conference on 25 March, De Gaulle stated that NATO's "area" does not extend south of the Mediterranean, and in any case he seems to have a much broader area in mind for the new organization. [

The ranking career official in the Foreign Ministry, Secretary General Louis Joxe, will attend the tripartite talks on Africa scheduled in Washington next month.



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Key Bolivian Leader May Visit Moscow

Juan Lechin, key labor leader in Bolivia and an important leftist member of the Bolivian Senate, is scheduled to go to Moscow at Soviet expense for the May Day celebrations. His presence in Moscow will give Soviet officials an opportunity to suggest the possibility of economic assistance.

Lechin may have wanted to leave Bolivia at this time to dissociate himself from an impending renewal of the struggle between the Bolivian Government and the armed miners over the unfreezing of mine commissary prices. The implementation of the commissary decree of 13 March is to begin on 1 April, although it reportedly will be restricted at first to certain miners long loyal to the government.

The crisis arising from the struggle over frozen commissary prices in early March caused the US Embassy to start sending American dependents out of the country. The government decree permitted the US Government to release ICA funds of \$500,000 to Bolivia, but the Bolivian Central Bank still has a deficit of \$2,000,000.



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