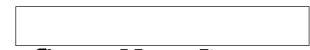


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11 March 1960



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CENTRAL INTELLIGENCE BULLETIN



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11 MARCH 1960

I. THE COMMUNIST BLOC

Trade between USSR and Communist China increased 35 percent in 1959. ①

East Germany appears to be attempting to persuade other states to grant it recognition. ②

II. ASIA-AFRICA

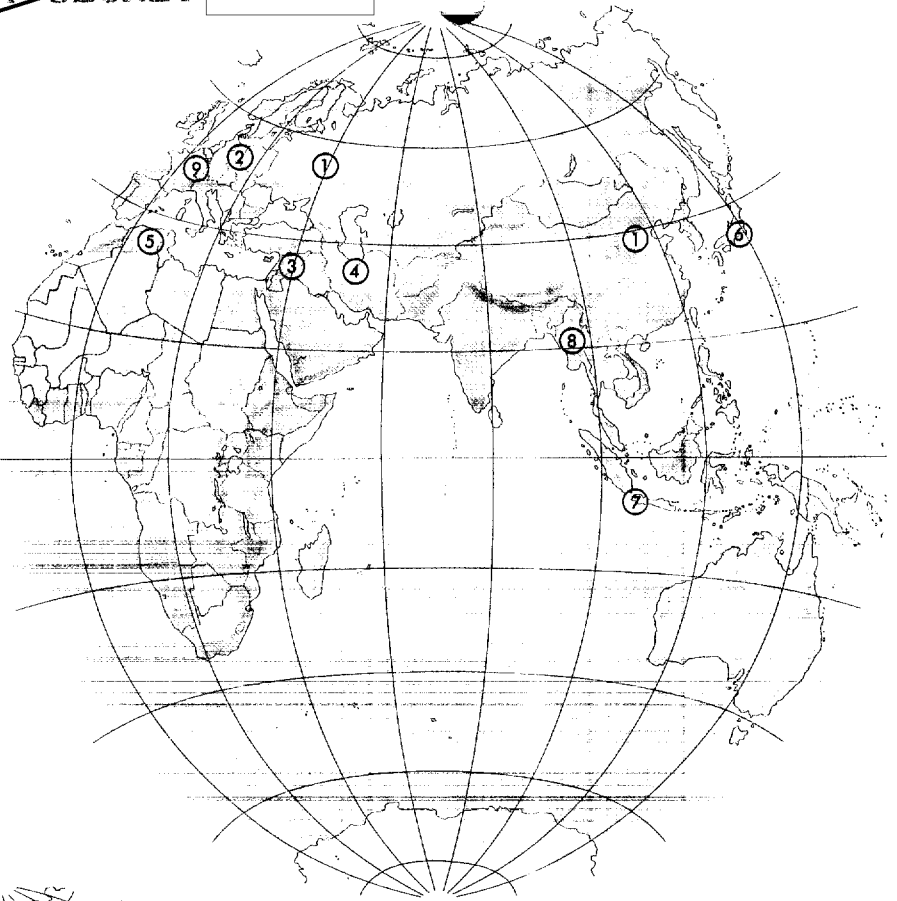
UAR First (Syrian) Army cancels alert status. ③

Iran--Land reform bill personally backed by Shah has met strong opposition. ④

Algeria-USSR--Rebel leader in contact with Soviet and Chinese Communist ambassadors in Cairo. ⑤

Japan--South Korean ambassador says Seoul has promised release by end of March of Japanese fishermen who have completed prison sentences. ⑥

Indonesia accepts invitation to proposed Havana economic conference of underdeveloped countries but delays decision on cosponsorship. ⑦



⑧ Burma to test samples of Soviet small arms. []

III. THE WEST

⑨ De Gaulle to discuss with his top advisers implementation of plans for an independent nuclear deterrent force.



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CENTRAL INTELLIGENCE BULLETIN

11 March 1960

DAILY BRIEF

I. THE COMMUNIST BLOC

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delete East P.

USSR-Communist China: The extensive character of economic relations between Peiping and Moscow is underscored by a statement of Soviet Foreign Trade Minister Patolichev showing that trade between the two countries rose 35 percent last year to more than \$2 billion. Communist China thus replaced East Germany in 1959 as the Soviet Union's largest trading partner, accounting for some 20 percent of all Soviet foreign trade. The USSR now accounts for about one half of Communist China's foreign trade.

[redacted] (Page 1)

OK
substitute "other states" for "nations" in line 3.

East Germany: [Following up its announcement of recognition by Guinea, the East German regime is reportedly taking steps which suggest that it is attempting to persuade other states to grant it recognition.] [redacted]

[redacted] Foreign Ministry officials are being dispatched to Iraq and Finland, while the East German roving "ambassador" to the Arab states was hastily recalled to Berlin from the Leipzig Fair and sent back to Cairo.] [redacted] (Page 2)

II. ASIA-AFRICA

OK

UAR-Israel: The reported cancellation of the UAR First (Syrian) Army's alert status is further evidence of a relaxation of tension. [redacted] (Page 3)

NO

Iran: [The land reform bill to which the Shah has given his personal backing has met strong opposition from a combination of landlords and religious leaders. Premier Eqbal has failed to get support for the measure in Parliament. Forcing the proposal through Parliament, which the Shah may feel impelled to do, would further alienate a substantial portion of the] [redacted]

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[traditional supporters of the regime, while at the same time it would not gain the support of liberal reformist elements.]

(Page 4)

Algeria-USSR:

making contact with the Soviet and Chinese Communist ambassadors in Cairo and referred to a proposed Algerian delegation to Moscow. The rebels might hope to use reception of such a delegation in Moscow to demonstrate that Khrushchev's visit to France does not imply full support for De Gaulle's Algerian policy. The delegation might also attempt to make arrangements for arms deliveries from bloc countries.

(Page 5)

*South Korea - Japan: [In the face of threatened Japanese countermeasures, South Korean Ambassador Yu informed Japanese officials on 10 March that Seoul has authorized him to promise the release by the end of March of all detained Japanese fishermen who have completed prison sentences for fishing within the Rhee line. Tokyo, however, remains skeptical, in view of Yu's record of unauthorized commitments and unfulfilled promises.]

Tokyo informed its diplomatic missions that if South Korea should "again dillydally" about the release, "we shall have to give particular study to measures to protect our fishing vessels and the matter of laying the problem before the United Nations."

(Page 6)

Indonesia-Cuba: Indonesia has accepted an invitation to attend the proposed Havana economic conference of underdeveloped countries next summer but is stalling on Cuba's request that Indonesia cosponsor the conference,

President Sukarno is scheduled to visit Cuba in early May and may discuss the matter at that time.

(Page 7)

Burma-USSR: The Burmese Government has decided to test samples of six types of Soviet small arms offered last January.

the Burmese ambassador

11 Mar 60

DAILY BRIEF

ii

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~~TOP SECRET~~ [REDACTED]

in Moscow has been instructed to ask that the arms and ammunition be dispatched by Soviet ship or aircraft direct to Rangoon, thus avoiding "undesirable publicity." Burma may be considering purchasing these weapons for its police forces, which already have small quantities of bloc materiel. [REDACTED]

(Page 8)

III. THE WEST

NO France: [REDACTED] De Gaulle is to discuss with his top financial and military advisers on 11 March the implementation of existing plans for development of an independent French nuclear deterrent force. Military leaders, professing to share the concern of civilian spokesmen over the ruinous financial burden an independent nuclear program would impose on France, and worried over the time needed to create it, are readying a proposal to revise NATO to internationalize the development, production, emplacement, and use of modern weapons. Under such a system France at least would have a greater voice in the use of nuclear weapons.) [REDACTED] (Page 9)

11 Mar 60

DAILY BRIEF

iii

~~TOP SECRET~~ [REDACTED]

~~SECRET~~ [REDACTED]

I. THE COMMUNIST BLOC

Sino-Soviet Trade Rise Underscores Close Economic Relations Between Moscow and Peiping

Despite evidence of political friction between the USSR and Communist China, Peiping and Moscow continue to expand their economic ties. Last year, trade between the two countries rose 35 percent to more than \$2 billion. This total, which exceeds by \$250,000,000 the previously announced 1959 trade target, now accounts for about 50 percent of China's total foreign trade and 20 percent of Moscow's.

In replacing East Germany as the largest single trading partner of the USSR, China apparently put even greater emphasis on its trade with the USSR last year in order to continue debt repayment and increase the flow of vital Soviet industrial materials, equipment, and plants for the Chinese program of industrialization. During the latter half of 1958, the brisk economic activity of the "leap forward" in China had already resulted in an 18-percent increase in Sino-Soviet trade.

China's machinery and equipment imports alone from the USSR in 1959 were valued at about \$600,000,000, making up more than half of total Chinese imports from the Soviet Union. Their importance to Chinese economic plans is ample reason for Peiping to nurture close economic relations with Moscow. [REDACTED]

The 1959 increase in Soviet exports to China included large shipments of Soviet goods on military contracts, [REDACTED]
[REDACTED] Although neither the total volume of these shipments nor the type of goods is known, they probably included machinery and equipment for the construction of military production facilities rather than military end items. [REDACTED]
[REDACTED]

[REDACTED]

~~SECRET~~ [REDACTED]

~~SECRET~~East Germany Moves to Secure Recognition From
Uncommitted Countries

Following up its announcement of de jure recognition by Guinea, the East German regime is reportedly taking steps which suggest that it is attempting to persuade nations to grant recognition. Several high-ranking East German officials are being sent on special missions to uncommitted countries, [redacted]

Richard Gyptner, the regime's "ambassador to the Arab states," cut short his stay at the Leipzig Fair and returned to Cairo to begin a tour of a number of Middle East and African countries. Wolfgang Kieseewetter, the Foreign Ministry's general director, accompanied the East German trade representative to Baghdad when the latter returned to his post from a visit to East Berlin. The purpose of Kieseewetter's trip was not disclosed, but he will probably attempt to elicit some measure of diplomatic recognition from Iraq. Another high-ranking Foreign Ministry official will leave shortly for Finland on an "important matter."

The Guinean ambassador, after calling on East German President Pieck, went to the Leipzig Fair and, on 9 March, talked with party boss Walter Ulbricht. The latter attacked Bonn's threats to sever relations with Guinea as "reminiscent of the old colonial methods of German imperialists," and told the ambassador that East Germany considers it is a "routine matter for every state to establish relations with all other states." The East German press has unleashed a scurrilous campaign against West Germany for allegedly using "the most filthy insults and evil racial discrimination" against Guinea and all the African peoples.

Bonn has so far withheld action, pending official notification of the Guinean move or clarification of ambiguous statements of Guinean President Touré. However, the West German cabinet on 9 March authorized Foreign Minister von Brentano to break diplomatic and economic ties with Guinea unless Conakry indicates within 48 hours that it has not extended diplomatic recognition to the East German regime.

[redacted]

[redacted]

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II. ASIA-AFRICA

Arab-Israeli Situation

The tension arising from Syrian-Israeli border incidents of last month has been considerably reduced by recent relaxation of the UAR military posture. Some Egyptian Air Force units deployed during the crisis have returned to their permanent bases, and some ground units sent to the Sinai Peninsula have also returned. Reliable sources report that the Syrian Army alert has been canceled and various units have been withdrawn from the Syrian-Israeli front. A reconnaissance of Israel's northern border area and the Gaza area to the south conducted by the American air attaché in Tel Aviv has revealed a "normal" situation. Egyptian forces still remain defensively deployed in large numbers in the Sinai, however, and serious incidents could still occur.

Despite the relaxation of border tension, the UAR press and radio campaign against Israel has abated only slightly from its peak earlier this week. Taking its lead from Nasir's inflammatory speeches in Syria, UAR propaganda has viciously denounced alleged Western involvement in recent crisis, the tripartite declaration of 1950 guaranteeing Arab-Israeli borders, and Israeli Prime Minister Ben-Gurion's visit to the United States. These attacks have been echoed throughout the Arab world.

The Arabs appear deeply concerned over the possibility of Israeli success in gaining assurances of new Western support, particularly in connection with plans for diversion of the Jordan waters. The Arab League, in meetings in Cairo which ended early last week, reflected this apprehension by adopting a resolution to establish a "special organization" for "utilizing the waters of the Jordan River in the interest of the Arab countries." Arab fears that the West will furnish Israel with additional arms and military equipment have also been widely expressed.

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~~SECRET~~Iranian Land Reforms Run Into Difficulty

[Strong opposition has developed during the Shah's absence from Tehran to the government-backed land reform bill now before the Majlis. Landowners and religious leaders have much to lose if the bill is passed and implemented. The American Embassy in Tehran feels that the Shah and the opposition will try to avoid a showdown, but that in any real test of strength the Shah would probably win. If he retreats--possibly dismissing Prime Minister Eqbal as the scapegoat--and the land bill is defeated, the religious leaders may consider the time ripe to attempt to regain their political power.]

[The Shah began land reform with distribution of some 2,000,000 acres of crown lands in 1951. This project will probably be finished by the end of 1961. Distribution of some 6,500,000 acres of public land started in 1958. He now seeks to distribute some 22,000,000 acres of private holdings, probably in the belief that lack of land reform in Iraq was a main cause of the revolution there.]

[Ayatollah Borujerdi, Iran's religious leader, has warned the Shah that distribution of land violates religious tenets and could spark a broad general uprising. Ayatollah Behbehani, leading cleric in Tehran, supports Borujerdi. Shrines and other religious foundations control large areas of land, and the clerics probably see their holdings as a target for distribution should the other programs be successful.]

[Pressure to pass the bill would probably alienate many conservatives who have traditionally been the mainstay of the monarchy, without winning the Shah any significant support from liberal and reform-minded elements who usually have rejected reform measures by the Shah as tactics designed to cover up his own corruption and derelictions.]

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~~TOP SECRET~~ [REDACTED]Algerian Rebels May Send Delegation to USSR

Contacts between Algerian rebel Vice Premier Belkacem Krim and the Soviet and Chinese Communist ambassadors in Cairo appear related to a forthcoming Algerian mission to the USSR and possibly Communist China. [REDACTED]

[REDACTED] "I saw the ambassador of People's China. The interview with the Soviet ambassador has already been requested. . . . Let me know immediately the composition of the delegation for the USSR and the approximate date."

Although the rebels have hitherto been wary in their contacts with the bloc, they have lately stepped up efforts to "internationalize" the Algerian war. In January they indicated for the first time that they would accept in the National Liberation Army "volunteers" from Arab League nations. While the rebels probably do not desire Communist volunteers, they face a serious shortage of arms and ammunition within Algeria, and they may seek to explore in Moscow the possibility of obtaining arms through one or more of the European satellites. An Algerian mission to Peiping was promised \$5,000,000 worth of military aid in January 1959. Apart from some radio sets, however, little is believed to have been delivered.

The rebels may also hope that the USSR, by receiving their delegation, will demonstrate that Khrushchev's visit to France does not imply full support of De Gaulle's Algerian policy. It appears unlikely that Moscow would offset Khrushchev's efforts to cultivate De Gaulle before the summit conference by demonstrative reception of an Algerian delegation. [REDACTED]

[REDACTED] the visit to Moscow is not yet set, and the USSR may stall at least until after Khrushchev's visit to France. Khrushchev on 31 October cautiously endorsed De Gaulle's Algerian program. In December 1958, Algerian rebel leaders stopped in Moscow on the way to Peiping, but apparently made no official contacts with any of the Soviet leaders. [REDACTED]

[REDACTED]

[REDACTED]

~~TOP SECRET~~ [REDACTED]

~~TOP SECRET~~ [REDACTED]South Korea Makes New Offer to Japan [REDACTED]

[The Japanese Foreign Ministry has informed American Ambassador MacArthur that it has recommended acceptance of South Korean Ambassador Yu Tae-ha's offer on 10 March to release by the end of March Japanese fishermen who have completed their sentences for fishing within the unilaterally imposed "Rhee line." The fishermen would be exchanged for illegal Korean entrants detained in Japan. Yu said his offer had been authorized by Seoul. South Korea was unprepared to commit itself at this time to the automatic release of fishermen who completed their sentences in the future, but was willing to continue negotiations for agreement to such a provision. Seoul now is holding 214 Japanese fishermen seized in the disputed area, including 166 who have completed the prison terms imposed by South Korean courts.]

[Japan, however, remains skeptical of Yu's offer in view of his record of unauthorized commitments and unfulfilled promises. [REDACTED] Tokyo informed its diplomatic missions [REDACTED] that if South Korea should "again dillydally" about the release of the fishermen, "we shall have to give particular study to measures to protect our fishing vessels and the matter of laying the problem before the United Nations." [REDACTED] Japan has already announced that after 1 April, Japanese patrol boats in the Rhee line area will mount three-inch guns, although there is no indication that orders lifting restrictions on firing have yet been issued.]

[REDACTED] in a meeting with American Ambassador McConaughy in Seoul, Rhee made no specific commitment on release of the fishermen. The preceding day the South Korean acting foreign minister had strongly implied that Japanese cancellation of the North Korean repatriation program continued to be Seoul's prior objective. Ambassador McConaughy inferred that the acting minister was paraphrasing Rhee's instructions to Yu just prior to the latter's departure for Tokyo.] [REDACTED]

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Indonesia Willing to Attend Havana Conference

Indonesia apparently has some reservations about accepting Cuba's invitation to cosponsor the proposed Havana economic conference of underdeveloped countries tentatively scheduled for late summer. [REDACTED]

[REDACTED] Indonesia plans to attend the conference "if it is held," but that cosponsorship "must be considered further." The Foreign Ministry stated that if Indonesia acted as cosponsor, it would be "responsible for the other Southeast Asian nations," apparently meaning that it would be in the position of representing these governments whether or not they attend.

The Philippines has decided not to attend, and Malaya is not to be invited. [Thailand is not opposing the conference but will not decide whether to attend until it has a more definite understanding of what might be accomplished.] Other Southeast Asian governments have not indicated their attitude. [REDACTED]

Indonesia's former chief UN delegate, Ali Sastroamidjojo, visited Cuba in January--shortly before Castro proposed the gathering--and apparently gave the Cuban Government considerable encouragement on the subject of calling the conference. President Sukarno is scheduled to visit Cuba from 9 to 14 May, at which time he will probably discuss the matter of Indonesia's cosponsorship. Other countries asked to cosponsor the congress include the UAR, Mexico, and Venezuela, but none has committed itself.

According to present plans, the conference is to be composed of underdeveloped Asian, African, and Latin American nations which are members of the United Nations. Suggested subjects for discussion include industrialization and consolidation of national economy, agrarian reform, revision of prices and markets for raw materials, and the use of international credit organizations. [REDACTED]

[REDACTED]

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Burma to Test Soviet Small Arms

The Burmese Government has decided to test samples of six types of small arms which apparently were delivered to the Burmese Embassy in Moscow early in February [REDACTED] [REDACTED] the Burmese Government, "after careful consideration from all angles," instructed its ambassador to request that the Soviet Government ship the material direct to Rangoon by Soviet vessel or plane-- in order to prevent transit through any third country and thus "preclude undesirable publicity." From the extended Burmese deliberation, it appears that the USSR may have provided the initiative for this transaction.

The original Soviet package consisted of two units each of two types of carbine, a rifle, two light machine guns, and a heavy machine gun, as well as five "sets" of ammunition per weapon. In order to test the three types of machine gun, the Burmese Government is asking for an additional 10,000 rounds of ammunition for each.

Inasmuch as the basic equipment of the Burmese Army is primarily of British origin and the army command is seeking to standardize its equipment, the Soviet equipment probably is not being considered for army use. Should the tests prove satisfactory, however, some purchases might be contemplated for Burma's police forces, which already have a limited amount of bloc small arms and transport equipment. Burma still has unexpended credits, resulting from the USSR's failure to fulfill its barter trade commitments. [REDACTED]

[REDACTED]

[REDACTED]

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III. THE WEST

French Nuclear Deterrent Program

[The implications of De Gaulle's plans to develop an independent French nuclear deterrent force, have been under study by his top financial and military advisers in preparation for their meeting with him on 11 March to discuss implementation of the program. Long-range plans call for creation of a nuclear striking force to include thermonuclear weapons and to be "susceptible of being deployed at any moment and in any place." De Gaulle expects to have Mirage IV-A bombers between 1963 and 1965 with IRBMs as the eventual delivery weapon. Interest in developing an independent nuclear weapons system stems from the conclusion of French officials that France or French interests conceivably could become a pawn in the battle between East and West, or that France's allies might not risk defending France in certain circumstances where to do so would invite a missile attack on their own territory.]

[French economic experts have expressed the view that the cost of an independent nuclear program--which they estimate would triple France's military expenditures--would be a "ruinous" burden. Parliamentary discussion in November of the 1960 budget, which contained some appropriations for work on delivery systems as well as nuclear development, revealed extensive concern among the deputies about "how much time and money" the program would take and doubts as to what purpose an independent nuclear "striking force" would serve.]

[A group of high-level military officers, who seem primarily concerned over French vulnerability during the time required to develop a national deterrent, have prepared an alternative plan. It calls for a revision of NATO so that the development, production, emplacement, and use of modern weapons would be controlled by an international planning staff. Asserting that NATO is based on an outmoded system in which these matters have]

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[remained under national control, the plan by implication criticizes America's virtually unilateral control over NATO's actual use of nuclear weapons. Retired Air Force General Gallois, the originator of the paper for the military group, is well known as a proponent of "double control" of such weapons, involving a shared control between the possessor and the host country.]

[It is most probable that the internationalization envisaged by this plan would be limited to "nuclear" powers, which now would include France. The importance France attaches to De Gaulle's demand for tripartite coordination of global strategy will be emphasized in a speech to be given in Germany on 11 March by French General Billotte. Billotte is expected to outline secret military conversations in 1947 which, he says, committed France, the UK, and the US to elaborate a common strategy involving the "entire world" and specifically acknowledged French responsibilities in the Mediterranean and Pacific areas and in Africa.]

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Scientific Adviser to the President

Director of the Budget

Director, Office of Civil and Defense Mobilization

Director, National Aeronautics and Space Administration

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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 Political Affairs

The Deputy Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Administration

The Counselor

Director, International Cooperation Administration

The Director of Intelligence and Research

The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

Assistant Secretary of Defense for International Security Affairs

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

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Commandant, United States Marine Corps

The Director, The Joint Staff

Chief of Staff, United States Army

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Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of Army

Director of Naval Intelligence, Department of Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

Supreme Allied Commander, Europe

Commander in Chief, Pacific

The Department of Commerce

The Secretary of Commerce

Federal Bureau of Investigation

The Director

Atomic Energy Commission

The Chairman

National Security Agency

The Director

National Indications Center

The Director

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