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21 March 1960

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CENTRAL

INTELLIGENCE

BULLETIN



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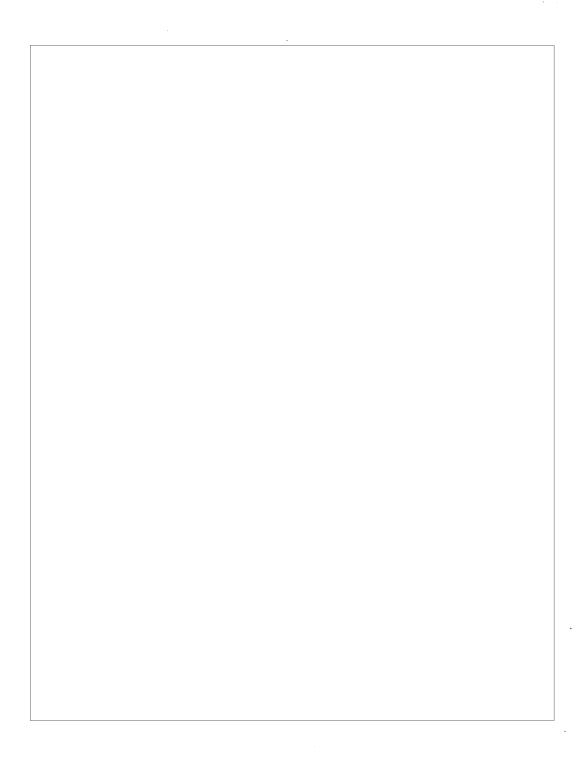
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21 MARCH 1960

I. THE COMMUNIST BLOC

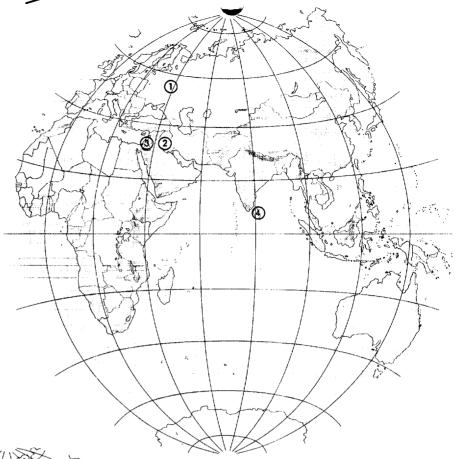
Comment on Soviet proposal of 19 March for a moratorium on underground nuclear tests.

II. ASIA-AFRICA

Intensified security measures noted in Iraq, possibly to head off any show of strength by the Communists.

Iran reported on verge of recognizing Israel.

Moderates win in Ceylon's elections but results leave unstable situation.





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III. THE WEST

(5) Bolivia -- Quick suppression of revolt of 19 March may help government to foster party unity in preparation for May election.

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CENTRAL INTELLIGENCE BULLETIN

21 March 1960

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

USSR: The USSR's proposal of 19 March for a moratorium on small underground nuclear tests not explicitly banned in the US plan appears designed to strengthen Khrushchev's position at the summit in pressing for Western acceptance of the Soviet proposal for a small, fixed number of on-site inspections. Moscow will probably attempt to exploit British inclination to accept a moratorium to increase pressure on the US for an agreement in principle prior to the summit. The Soviet proposal leaves open for bargaining purposes the duration of the moratorium and the post-moratorium status of underground testing if no agreement is reached on improved detection techniques as a result of joint research.)

II. ASIA-AFRICA

Iraq: An intensification of security measures in Iraq during the past week suggests that the Qasim regime may be expecting disturbances between Communist and anti-Communist elements. The regime's recent moves against the Communists have brought on increased criticism of them, and the regime may fear it has pushed the party into a position where the Communists feel they must demonstrate their strength.

(Page 2)

Iran-Israel: Iran is on the verge of according full recognition to Israel,

and Iran, and Tehran, which has no interest in "Islamic solidarity," probably believes that the advantages of recognition outweigh
any adverse Arab reaction? (Page 3)

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Ceylon: While the Ceylonese elections of 19 March resulted in a victory for moderate elements, neither of the two rival parties which won the largest number of seats has enough strength in the new parliament to form a government. If these two parties attempt to join forces in a coalition rather than face the prospect of a new election immediately, the coalition would almost certainly be unstable and probably would not last long. (Page 4)

III. THE WEST

Bolivia: Quick suppression of the revolt in Bolivia on 19 March may help the government foster party unity in preparation for the presidential election scheduled for 22 May. There have been rumors that the affair was staged for this purpose. Further disorders are likely. (Page 5)

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DAILY BRIEF

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I. THE COMMUNIST BLOC

Soviet Nuclear Test Ban Proposal
The Soviet proposal on 19 March for a permanent ban on all tests except small underground explosions, which would be covered by a moratorium pending the results of joint research to improve detection techniques, probably is the final element in a comprehensive counterproposal to the limited treaty introduced by the US on 11 February
By linking acceptance of the American limited treaty to a moratorium and a joint research program, the Soviet leadership is apparently attempting to force the US into the position of having to choose between accepting the moratorium concept or rejecting it and risking an open break with London on the issue. Moscow's latest move follows extensive maneuvering to bring the divergence between the American and British delegations on the moratorium issue into the open. US acceptance of the Soviet scheme would, in effect, result in the comprehensive ban on all tests which the USSR has consistently advocated.
Moscow has been holding the moratorium in reserve since the chief Soviet delegate explored the matter privately with the British delegation last October. Following the introduction of the American threshold proposal, the Soviet Union gradually moved toward the major points in the American position, with- out, however, abandoning its insistence on a fixed quota of on- site inspections?

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II. ASIA-AFRICA

Qasim Tightens Internal Security

The Qasim regime intensified its security precautions
during the past week. The alert of military intelligence cen-
ters throughout Iraq.
has been accompanied by an increase in military pa-
trols in Baghdad and a step-up in army training.
Qasim may fear that the widespread criticism of the Communists, following the regime's recent moves against them, will compel the party to attempt a reassertion of its strength, leading to renewed disturbances between Communist and anti-Communist elements. The newspaper Ittihad al-Shaab, representing the "orthodox" Communists whom Qasim has refused to recognize as the legal Iraqi Communist party, is continuing its sniping at the regime. This group is considered to have been behind the recent strikes and labor unrest.
Ittihad al-Shaab is also carrying on its campaign against the Qasim-approved Communist party led by Daud Sayigh, who has had difficulty retaining a significant following. Sayigh's attempts to persuade Iraq's two other licensed political parties—the National Democratic party and the United Democratic Party of Kurdistan—to join him in a national front have also apparently failed. All three legal parties are now virtually dormant, and Qasim, having thus far failed to revive genuine political life in Iraq, appears to be falling back on the army for his chief support.

Iran Plans Full Official Recognition of Israel

Iran is about to accord full recognition to Israel,

The Iraqi

chargé in Tehran quotes the Iranian foreign minister as saying that Iranian public opinion demands that Tehran cease supporting the Arabs because they have not helped Iran in the Persian Gulf.

Iran has never felt a sense of "Moslem solidarity" with the Arab states and is disturbed by both UAR and Iraqi appeals to its Arab minorities. In addition, refusal of the Arab states to support Iran's claims to Bahrein, Arab action in renaming the Persian Gulf the Arab Gulf and, earlier, the lack of Arab support in the oil dispute with Britain have all served to keep Arab-Iranian relations cool.

Iran has long given de facto recognition to Israel, and for several years an unofficial Israeli representative has been in Iran, where there is a sizable Jewish community. An Iranian Foreign Ministry official told the American Embassy recently that an Iranian representative was in Israel handling Iran's affairs there. Iran probably expects that any adverse Arab reaction to Tehran's recognition of Israel will be offset by increased trade, Israeli investment in Iran. and possibly technical assistance from Israel.

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Moderate Elements Victorious in Ceylon's National Elections

Moderate candidates soundly defeated the leftists in Ceylon's parliamentary elections on 19 March. The relatively conservative United National party (UNP) and the moderate socialist Sri Lanka Freedom party (SLFP) won 50 and 46 of the 151 contested seats respectively. The two rival parties may choose to join forces in a coalition government rather than face immediate new elections with interim control by the governor general. Such a coalition government would be unstable in view of personal rivalries and policy disagreements.

Should UNP leader Dudley Senanayake refuse to head a coalition government, as he said he would throughout the campaign, the governor general could ask the next ranking UNP member or possibly the SLFP leader to form a government. Neither alternative would be likely to succeed for long, however, and new elections would probably soon result.

The three main leftist parties are not in a position to make a bid for leadership, either singly or in a coalition. The Trotskyite party, which won second place in the 1956 elections, has suffered considerable losses, probably as a result of reaction against the frequent strikes it organized during the past three years as well as the general trend in favor of the moderate parties. Former Agriculture Minister Philip Gunawardena's Marxist party has made a poor showing despite its strong appeal to Ceylon's majority Singhalese-Buddhist community. The Communist party ranks lowest of the main parties, having won only three seats.



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III. THE WEST

The Bolivian Revolt

Quick suppression of the revolt led by the national police chief in La Paz on 19 March may help the government foster party unity in preparation for the presidential election scheduled for 22 May, but further disorders are still likely. Army, air force, and civilian militia units immediately rallied to the government's support despite recent serious feuding within these units over the rival presidential candidacies of Victor Paz Estenssoro, who appears to have majority support, and Walter Guevara, candidate of a right-wing splinter of the government party.

The police chief was appointed to his post in May 1959 before Guevara left the government and has recently been reported plotting with members of Guevara's splinter group, the air force, and the rightist Bolivian Socialist Falange. He may have hoped that his move would spark a nationwide rebellion in favor of Guevara, who is virtually certain to lose next May's election to Paz Estenssoro and Paz's leftist running-mate, labor leader Juan Lechin.

There are rumors that the 19 March revolt was staged by the government, which has in the past appeared to use revelations of the ever-present right-wing plotting for its own ends. Reports of casualties, however, including the colonel who was second in command of the insurgents, cast doubt on these rumors.



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