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25 March 1960



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CENTRAL INTELLIGENCE BULLETIN



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~~TOP SECRET~~



25 MARCH 1960

I. THE COMMUNIST BLOC

USSR--Comment on 23 March launch of supersonic, aerodynamic vehicle. [redacted]

①

Chou En-lai to visit Southeast Asian countries after his talks with Nehru. [redacted]

②

Peiping's aid agreement with Nepal reflects substantial Chinese effort to increase influence there. [redacted]

③

[redacted] active supervision of Pathet Lao activities in Laos. [redacted]

④

II. ASIA-AFRICA

Iraq--Security forces crack down on Communist and anti-Communist demonstrators. [redacted]

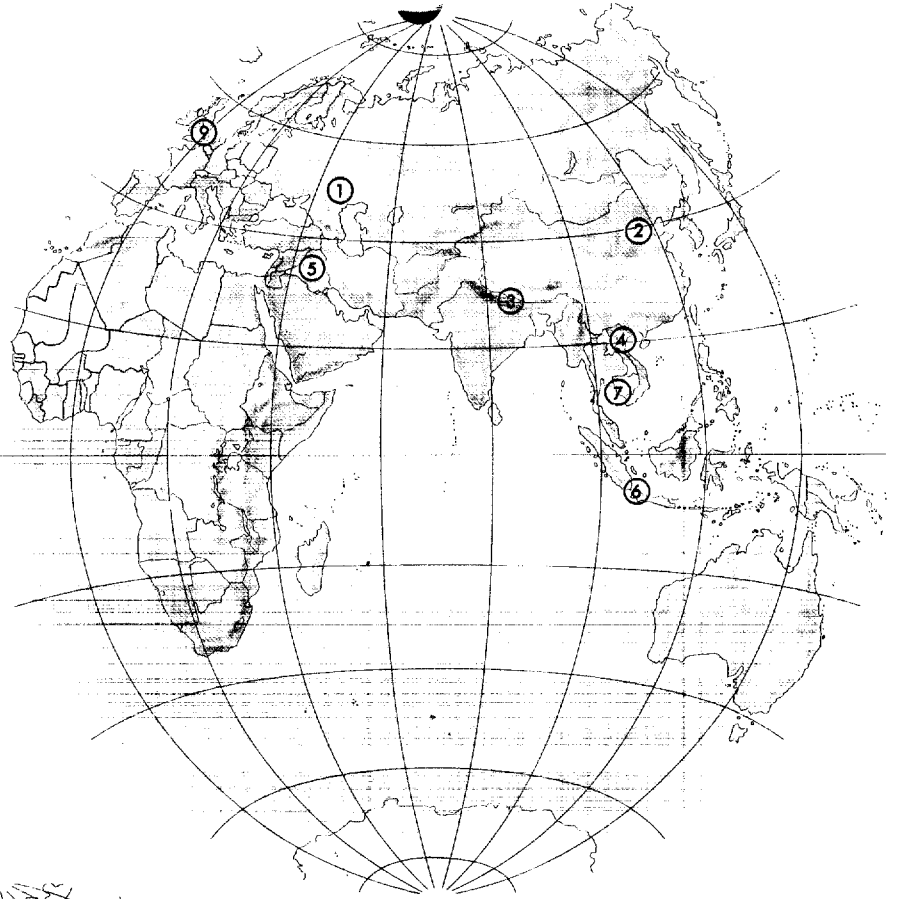
⑤

Semiofficial Indonesian daily blasts Peiping for its critical comment on Djakarta's handling of Overseas Chinese. [redacted]

⑥

South Vietnam's claim to disputed islands puts new strain on its relations with Cambodia. [redacted]

⑦



III. THE WEST

⑧ Cuba planning early purchase of aircraft from UAR. [redacted]

⑨ Adenauer's position on Common Market may intensify anti-German feeling in Britain.



CENTRAL INTELLIGENCE BULLETIN

25 March 1960

DAILY BRIEF

I. THE COMMUNIST BLOC

SIRAB

USSR: On 23 March a supersonic, aerodynamic vehicle was launched from the Vladimirovka - Lake Balkhash Test Range, apparently intended to reach the Kamchatka Peninsula. Available evidence does not indicate whether the vehicle reached the Kamchatka area; [redacted]

NO

[redacted]. This was the third operation involving a transcontinental flight of this type of vehicle. One of the previous flights may have reached the intended target area; the other apparently terminated southeast of Tiksi. [redacted]

(Page 1)

NO

Communist China: Peiping has expanded Chou En-lai's trip to India in April into a swing through Southeast Asia, probably in an effort to restore Peiping's prestige and demonstrate its new "reasonableness." [redacted]

[redacted] Chou and Foreign Minister Chen Yi will visit Cambodia in early May and will stop in Hanoi for talks with Ho Chi Minh after stops in Burma, India, and Nepal.

(Page 2)

OK

*Communist China - Nepal: The text of the Sino-Nepalese economic aid agreement signed in Peiping on 21 March and released to the press on 25 March indicates a substantial effort to expand Chinese influence in the Himalayan kingdom. The Chinese have granted Nepal \$21,000,000 in additional aid; will send technicians to help implement the program; and will open an embassy in Katmandu. The Chinese also signed an agreement accepting Nepal's request that the "traditional" boundary be used as a basis for final border demarcation. The establishment of a joint boundary commission undoubtedly will be cited as a precedent by Chou En-lai in his April border talks with Nehru. [redacted] (Page 3)

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~~TOP SECRET~~ [redacted]

~~TOP SECRET~~North Vietnam - Laos: [redacted]

[redacted] a North Vietnamese "agents committee" for Laos was reactivated at least as early as January 1960.

[redacted] forthcoming Laotian elections and with party organization. [redacted]

NO [redacted] contain guidance from a "higher echelon," instructions to create "new bases" as a counter to Laotian Army security sweeps, and arrangements for the disposition of "cadres responsible for training troops during the coming year." [redacted] (Page 4)

II. ASIA-AFRICA

NO Iraq: Violent incidents between Communists and anti-Communists in several parts of Iraq have increased internal tension during the past week. Iraqi security forces, apparently fearful of larger disturbances, have cracked down on demonstrators.

[redacted] (Page 5)

OK Indonesia - Communist China: In a revival of the bitter exchanges between Djakarta and Peiping last fall over the Chinese in Indonesia, a Djakarta daily which frequently reflects government policy has vehemently attacked Peiping radio for criticizing Indonesia's handling of Overseas Chinese repatriates. The paper labeled recent Peiping radio attacks "an open insult" and "a big lie." Djakarta apparently is using this means to answer the 15 March letter from the Chinese foreign minister which accused the Indonesians of persecuting Overseas Chinese and obstructing their repatriation. [redacted] (Page 6)

OK Cambodia - South Vietnam: The recent trend toward improved relations between Phnom Penh and Saigon appears to have received a setback as the result of a formal Vietnamese demand on 9 March that Cambodia renounce its sovereignty over several disputed islands in the Gulf of Siam. Prime Minister Sihanouk denounced the Vietnamese claim and declared that his country would defend itself against invasion and would "not lack friends whose higher interest is to help us." [redacted] (Page 7) (Map)

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DAILY BRIEF

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III. THE WEST

Cuba-UAR: Cuba is planning the early purchase of aircraft from the UAR, which has offered as many as 23 obsolescent British-made jet fighters and numerous lighter planes.

MC [redacted] a Cuban army captain will leave Cuba for Cairo on 25 March, authorized to buy the planes and to continue earlier discussions on the training of Cuban pilots in Egypt. [redacted]

[redacted] (Page 8)

ND Britain-Germany: Differences between Britain and the Common Market (EEC) countries over European economic cooperation may add to anti-German feelings in Britain. Chancellor Adenauer's endorsement of the EEC Commission's recommendations for accelerating completion of the six-nation economic integration has dimmed British hopes for closer coordination between the EEC and the British-backed "Outer Seven" free trade area. The United States is blamed in part for Adenauer's move.] [redacted] (Page 9)

IV. SIGNIFICANT INTELLIGENCE REPORTS AND ESTIMATES

(Available during the preceding week)

Communist Influence in Cuba. SNIE 85-60. 22 Mar 1960.

Outlook in West Germany. NIE 23-60. 22 Mar 1960.

Soviet Attitude and Tactics on the Berlin Problem. SNIE 100-5-60. 22 Mar 1960. [redacted]

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DAILY BRIEF

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~~TOP SECRET~~ [REDACTED]

I. THE COMMUNIST BLOC

Third Transcontinental Flight of Soviet Aerodynamic Vehicle

On 23 March a supersonic aerodynamic vehicle was launched from the Vladimirovka - Lake Balkhash Test Range, with the Kamchatka Peninsula as its apparent destination. An attempt to launch this vehicle, probably that which the Russians call Object 350, was noted on 18 March, but adverse weather conditions and possible launching difficulties caused rescheduling of the operation. Available evidence does not indicate an impact point, but the vehicle could have reached Kamchatka.

[REDACTED] tracking positions and times similar to those noted in transcontinental operations

[REDACTED] the latest available [REDACTED] located it about 300 nautical miles southeast of Tiksi.

[REDACTED] a test program for a vehicle identified as Object 350 have indicated that it is a cruise-type vehicle which, at least at present, is pilotless. It is believed to be rocket boosted and to have a chemical ram-jet engine producing a cruising speed on the order of Mach 3, an altitude capability of at least 65,000 feet, and a range of more than 3,000 nautical miles.

Object 350 might be a surface-launched, supersonic, cruise-type weapon or reconnaissance system. [REDACTED]

[REDACTED]

~~TOP SECRET~~ [REDACTED]

~~TOP SECRET~~ [REDACTED]Premier Chou En-lai to Tour Southeast Asia

The Chinese Communists have expanded Chou En-lai's mid-April visit to India into a swing through Southeast Asia, probably in a major effort to recover prestige lost in 1959 through the suppression of the Tibetan revolt and the armed border clashes with India. [REDACTED]

[REDACTED] Chou and Foreign Minister Chen Yi, after stops in Burma, India, and Nepal, will visit Cambodia in early May and then proceed to Hanoi for talks with Ho Chi Minh.

Chou will attempt to confirm Peiping's new "reasonableness," as demonstrated in its recent boundary agreement with Burma and Nepal. Chinese Communist propaganda to the area has increasingly stressed the "Bandung spirit" and China's "need" for a peaceful environment in order to build its economy.

Since Chou's swing through the area in late 1956, no top-level Chinese delegation has toured Southeast Asia. Peiping may feel the need to follow up the recent series of high-level Soviet visits. The Soviet delegations gave Peiping virtually no support for its recent pose of "reasonableness" and maintained a neutral attitude toward Chinese disputes with India and Indonesia.

In Hanoi, Chou and Foreign Minister Chen Yi undoubtedly will discuss with Ho Chi Minh the situation in Laos, particularly the effort by the Neo Lao Hak Sat to function as a legal political party. [REDACTED]

[REDACTED]

~~TOP SECRET~~ [REDACTED]

The text of the Sino-Nepalese economic aid agreement signed by the prime ministers of the two countries in Peiping on 21 March and released to the press on 25 March indicates a substantial effort to expand Chinese influence in the Himalayan border kingdom. Peiping will give Katmandu an additional \$21,000,000 in economic aid during the next three years, bringing total Chinese grant aid since 1956 to \$33,600,000. Chinese Communist "experts and technicians" will be sent to Nepal to help implement the aid program, and Nepalese will receive technical training in China. Peiping, which for at least a year has been seeking permission to open an embassy in Katmandu, now has Prime Minister Koirala's agreement. The Nepalese will establish an embassy in Peiping.

Katmandu probably gave its approval for a resident embassy and the entry of Chinese construction technicians in return for the increased financial aid. Nepalese officials have been wary of any influx of bloc experts, however, and probably will limit the admission of Chinese technicians to the minimum necessary to carry out the projects involved.

The Chinese Communists also signed an agreement on 21 March accepting Nepal's request that the "traditional" boundary be used as a basis for final border demarcation. A joint boundary commission will set out boundary markers and work out exact border alignment in those areas where boundary lines shown on Chinese and Nepalese maps do not coincide. In those areas, "actual jurisdiction" over the ground will determine which side gets the territory or, if there is disagreement as to who currently has jurisdiction, the matter will be settled on "the principles of mutual benefit and friendship." These clauses leave Peiping room to prolong final demarcation, yet acknowledge the Chinese position that jurisdiction is a significant factor in determining ownership. The Chinese have repeatedly advanced this contention to the Indians, and when Chou visits Nehru for border talks in April he undoubtedly will cite the border commission and jurisdiction aspects of the agreement with Nepal as a suitable precedent for future agreement with India.

Koirala's main objective had been to secure Peiping's recognition of the customary boundary following the Himayalan watershed in order to forestall any border incidents and possible entanglement in the Sino-Indian dispute. He probably feels that the border and aid agreements consolidate Nepal's neutral position and balance its relations with the major powers in such a way as to gain maximum benefit from each.

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~~TOP SECRET~~North Vietnamese Supervision of Pathet Lao

[redacted]
 [redacted] Hanoi's "agents committee" in Laos has been reactivated since at least 1 January 1960. This body supervised the operations of the Pathet Lao before the latter agreed to integrate its forces with the Royal Government in late 1957, following which the majority of the Vietnamese cadre withdrew from Laos.

Hanoi may be trying to exert greater direct control over the Pathet Lao as a substitute for the guidance formerly given by Prince Souphannouvong and other Neo Lao Hak Sat (NLHS) leaders who are now in jail. [redacted]

[redacted] the forthcoming Laotian election and with NLHS party organization and activities.

[redacted]
 [redacted] provided guidance on the political line to be taken in connection with the Laotian government crisis.

[redacted] exhorted "all units" to "create new bases" to counter "Laotian Army security sweeps" and to "direct the people in the struggle in order to compel Phoui to give effect to the agreement signed." Phoui was premier at the time. The agreements referred to are presumably the 1954 Geneva agreements and the 1957 Pathet Lao - Royal Laotian Government integration agreement.

[redacted] a number of "cadres who will be responsible for training the troops during the coming year." [redacted]

[redacted]

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~~TOP SECRET~~ [REDACTED]

II. ASIA-AFRICA

Internal Disturbances Increase Tension in Iraq

The tense situation in Iraq appears to have grown out of the Communist-inspired strikes and threats of a general strike last week, as well as arrests of strike leaders by the Qasim regime. Scattered clashes between Communists and anti-Communists occurred subsequently throughout the country. [REDACTED]

[REDACTED] Security forces have cracked down heavily on disturbances in Baghdad and Basra. [REDACTED]

In clashes in Baghdad in which several participants were killed, troops are reported to have fired on demonstrators for the first time since the 1958 revolution. A violent clash in Basra on 19 March resulted in 15 injured and up to 75 arrests, according to the American Consulate there. The consulate reports that the Basra port union has threatened to strike if its leaders are not released. Incidents have occurred in southern Iraq and in the north along the Turkish border, but rumors of troubles in Mosul have not been substantiated. [REDACTED]

As a result of pressures by anti-Communist regime elements, the Communists may fear they will soon face outright suppression. [REDACTED]

[REDACTED]

~~TOP SECRET~~ [REDACTED]

~~CONFIDENTIAL~~Indonesia Threatens Further Obstruction of Overseas Chinese Repatriation

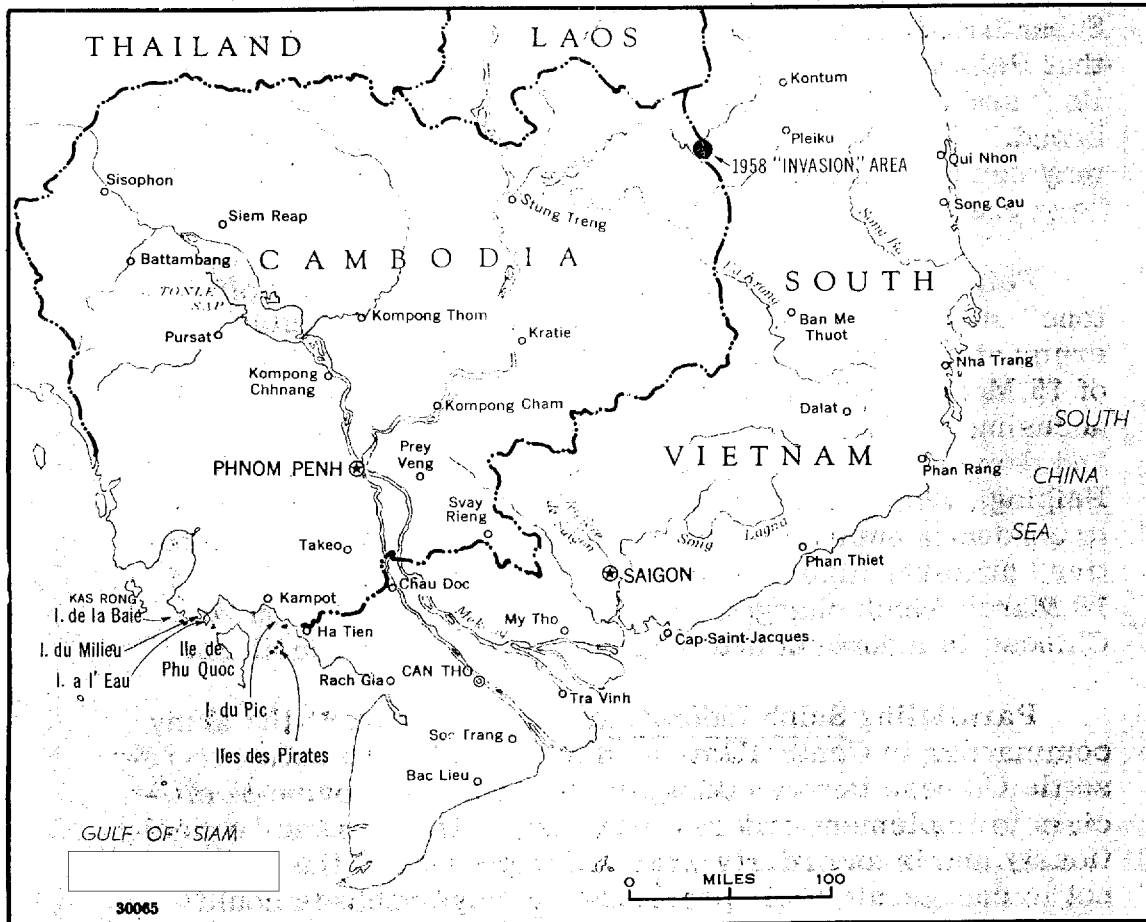
In an apparent revival of bitter Sino-Indonesian exchanges, a Djakarta daily--Suluh Indonesia, which frequently reflects government policy--on 24 March vehemently attacked Radio Peiping for alleging that Djakarta obstructs the repatriation of Overseas Chinese and that Indonesian Foreign Minister Subandrio does not keep his promises. The paper charged that Peiping radio propaganda was "an open insult," "a big lie," and was "aimed at undermining Indonesia's prestige abroad." The daily concluded that "such base propaganda" may cause "unnecessary delays and obstructions that could have been avoided."

Peiping's news agency has noted the "seemingly official tone" of the Suluh Indonesia editorial. The Indonesian Government apparently is using this means to answer the letter of 15 March to Subandrio from the Chinese foreign minister accusing the Indonesians of persecuting Overseas Chinese and demanding a speedy agreement on repatriation. Radio Peiping, which carried the letter and which has continued to conduct a querulous campaign on Indonesia's "uncooperative" attitude, also broadcast a People's Daily editorial of 18 March which charged that the "wanton persecution" of Chinese in Indonesia had reached "ferocious proportions."

Paralleling Suluh Indonesia's blast, however, the army commander in Central Java--where most of the action to re-settle Chinese is now taking place--ordered provincial officials to implement orders pertaining to the Chinese "expeditiously and in an orderly way." He appealed to the Chinese not to exaggerate their problems, as any excesses could create tension between Indonesia and friendly countries.

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Cambodian - South Vietnamese Relations Strained by Territorial Claims

The recent trend toward improved relations between Cambodia and South Vietnam threatens to be reversed by Saigon's renewed claim to several small offshore islands in the Gulf of Siam presently under Cambodian control. Phnom Penh has reacted strongly to a note of 9 March demanding that Cambodia renounce its rights of sovereignty over Ile de la Baie, Ile du Milieu, Ile a l'Eau, Ile du Pic, and the Iles des Pirates, all lying in an arc between the Cambodian - South Vietnamese shoreline and the large island of Phu Quoc, which is under Vietnamese control. Disputes between the two countries over ownership of these islands, which were arbitrarily attached to Cambodia for administrative purposes under French colonial rule in 1939, have flared intermittently in recent years.

Cambodian Foreign Minister Son Sann, denying South Vietnam's right even to Phu Quoc, has stigmatized Saigon's note as "revealing the annexationist aims of Vietnam"; Prime Minister Sihanouk has called it another example of the "good will" illustrated in Thai occupation of a disputed border monastery and the Vietnamese "invasion" of Stung Treng Province in 1958.

Cambodia has maintained small garrisons on these islands since 1958, and Sihanouk has announced Cambodia will fight if necessary to retain them. In a recent speech he clearly implied he would turn to Peiping for assistance if hard pressed. French diplomats close to Sihanouk are impressed by his "calm but determined" attitude and fear that South Vietnam's action will lead him to make some further move toward the Communist bloc.

The furor over the Vietnamese note, allegedly intended only to reiterate Vietnamese claims "for the record" before the Law of the Sea Conference in Geneva, may prevent or make useless the impending visit to Phnom Penh by a South Vietnamese ministerial delegation headed by Vice President Tho for the purpose of ironing out long-standing problems between the two countries.

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~~TOP SECRET~~ [REDACTED]

III. THE WEST

Cuba to Buy Military Aircraft From UAR

Cuba has evidently decided to purchase from the UAR at least some of the military planes Castro so insistently seeks. [REDACTED]

[REDACTED] Captain Victor Pina Cardoso would arrive in Cairo before the end of March with authorization to buy "the planes." Pina Cardoso, who makes frequent arms-purchasing trips for Castro, will also discuss pilot training for 30 to 50 Cubans whom Nasir's government has said it would accept in September.

Cairo [REDACTED]

[REDACTED] had available for sale to Cuba some 23 obsolescent British-made jet fighters, numerous trainers, and ammunition for all the planes. [REDACTED] issue an invitation from the commander of the UAR Air Force to a responsible Cuban official to visit Cairo for discussion of the sale.

[REDACTED] the Cuban Embassy in Cairo will not be notified of the mission and Pina will directly contact the UAR Air Force commander. This confirms other indications that Che Guevara, who evidently directs Castro's very substantial arms-purchasing program, does not want too many other Cuban officials to discover the extent of the purchases.

The aircraft are not mentioned in [REDACTED] a long-term commercial agreement discussed with Castro officials by UAR Deputy Foreign Minister Sabri during his visit to Cuba from 9 to 16 March. Thus they may have to be paid for in foreign exchange funds, of which the Castro government is still critically short despite its success in selling the year's sugar crop. [REDACTED]

~~TOP SECRET~~ [REDACTED]

~~CONFIDENTIAL~~Difficulties in Anglo-German Relations

[Differences between Britain and the Common Market (EEC) countries over European economic cooperation may provide a new irritant to Anglo-German relations. Chancellor Adenauer's endorsement on 15 March of accelerating the completion of EEC integration has dimmed British hopes for greater coordination between the British-backed European Free Trade Association, or Outer Seven, and the EEC.]

[There had been doubt whether Bonn would approve the EEC Commission's recommendations of 3 March for lowering members' internal and external tariffs more rapidly and for taking the first step toward the common external tariff on 1 July 1960, rather than on 1 January 1962 as scheduled. The latter move would raise duties in the Benelux countries and perhaps in West Germany--areas which account for two thirds of Britain's EEC trade. Under the acceleration proposals, Bonn would also have to restore the 25-percent reduction of customs duties it made in 1957. The British had hoped that before these moves took place, the impact of the discrimination could be reduced by arrangements between the two groupings, and they had pinned their hopes on Economics Minister Erhard and other influential West Germans who oppose the acceleration. Adenauer's endorsement is blamed partly on the United States.]

[Anglo-German relations could be further harmed if the British Government sponsors access by members of Parliament to the American-operated Berlin Document Center's records on Nazi party and affiliated organizations. Although the British Foreign Office is aware of the dangers of indiscriminate use of material on former Nazis now prominent in the Federal Republic, one official believes that Foreign Secretary Lloyd's inclination to avoid parliamentary attacks for "shielding Nazis" might cause him to give in.]

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