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18 March 1960

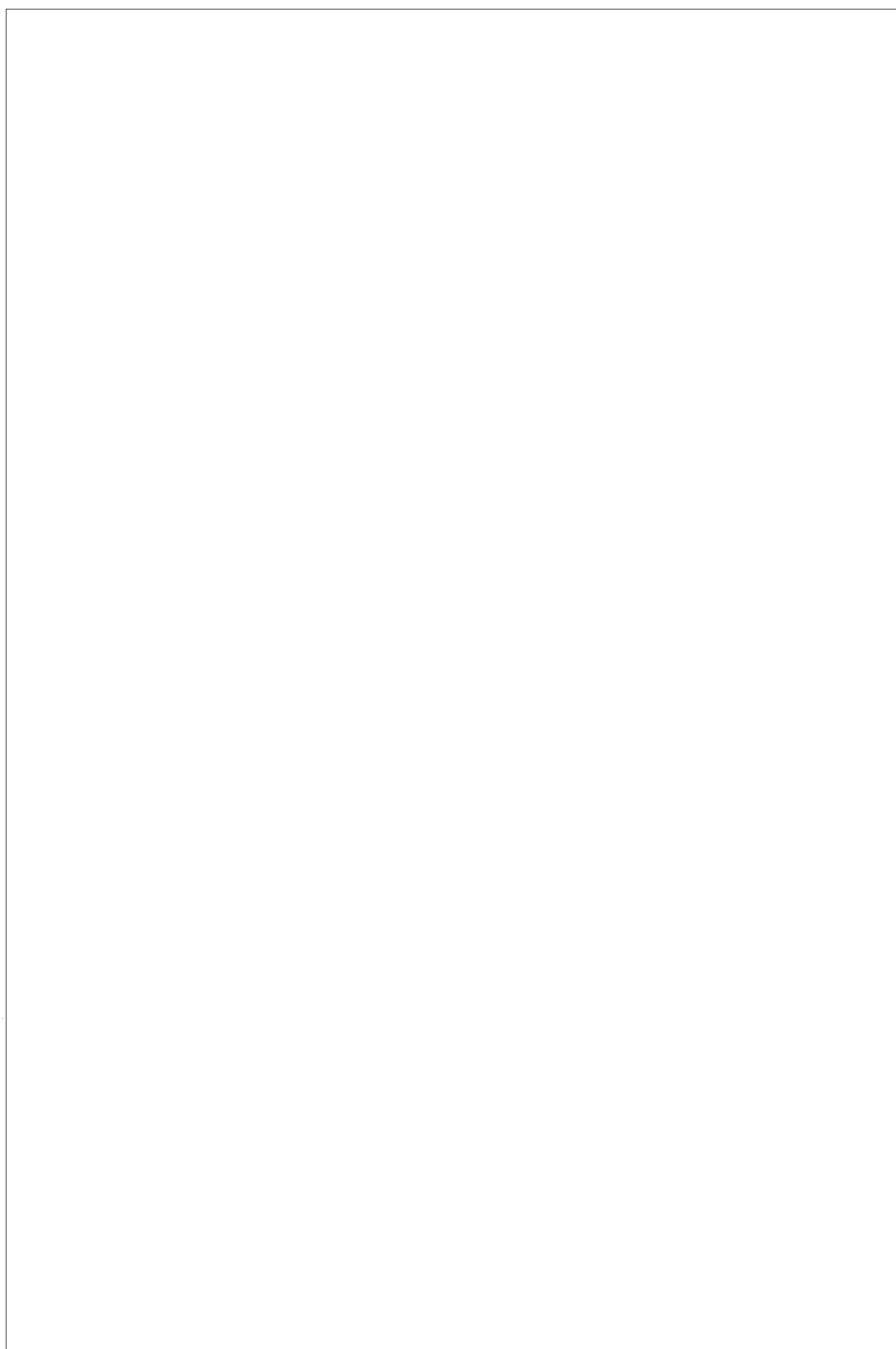
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CENTRAL INTELLIGENCE BULLETIN



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18 MARCH 1960

I. THE COMMUNIST BLOC

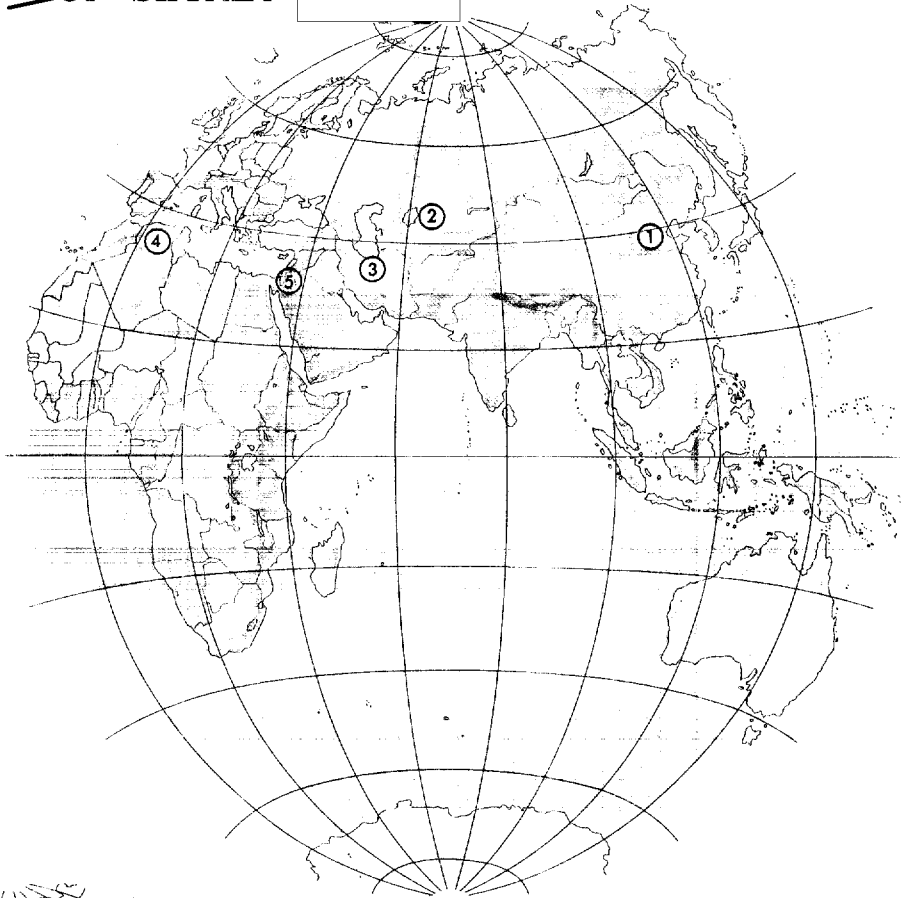
Peiping asks Djakarta to agree to avoid delay in repatriating Chinese and to provide more help in financing their return. ①

USSR successfully fires ICBM to Kamchatka; first such firing since 23 December 1959. ②

II. ASIA-AFRICA

Shah would "not refuse" to meet Khrushchev in Europe provided it is "perfectly clear" Iran has not initiated request. ③

Algerian rebels to develop "closest possible relations" with Communist China. ④



III. THE WEST

UK to help Israel obtain 60 Centurion tanks from South Africa and prepared to ⑤ reaffirm earlier offer

Panamanian foreign minister says nationalization of canal is his government's long-range objective. ⑥



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CENTRAL INTELLIGENCE BULLETIN

18 March 1960

DAILY BRIEF

I. THE COMMUNIST BLOC

SIRAB

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Communist China - Indonesia: Peiping's Foreign Minister Chen Yi has called on Djakarta "to conclude speedily an agreement" by which Indonesia would consent to avoid undue delay in the repatriation of Chinese and to provide more help in financing their return. Indonesia is unlikely to agree to an increased financial share in the repatriation process, but it may reduce its harassment of Chinese who intend to repatriate. [redacted]

[redacted] (Page 1)

NO

*USSR: [At approximately 1854 EST 17 March 1960, a probable ICBM test vehicle was successfully launched on the Tyura Tam Missile Test Range. [redacted]

[redacted] The last ICBM firing to this area occurred on 23 December 1959. To date, 18 probable ICBM test vehicles have reached the Kamchatka impact area; six others have impacted at various extended ranges in the Pacific.] [redacted]

II. ASIA-AFRICA

Iran-USSR: [redacted]

NO

[redacted] the Shah would "not refuse to meet" with Khrushchev in Europe after the summit conference, provided it is "perfectly clear" that Iran had not initiated the request. Foreign Minister Aram indicated, however, that the Shah prefers that an effort to normalize relations be made by Prime Minister Eqbal or Aram, rather than by the Shah himself. [redacted] (Page 2)

OK

Algeria - Communist China: [A campaign by the Algerian rebels to establish diplomatic missions in friendly countries will include the development of the "closest possible relations" with] [redacted]

~~TOP SECRET~~ [redacted]

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Communist China, [redacted] Although the rebels are wary of Communist efforts to infiltrate their movement, they appear impressed by Peiping's potential as a source of funds and materiel as well as of propaganda support. Peiping has openly encouraged Algerian resistance and recently cited the Algerian war as an example of "vital significance to the entire African liberation movement." [redacted] (Page 3)

III. THE WEST

[redacted]

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[redacted] (Page 4)

Panama: Nationalization of the Panama Canal is the long-range objective of the Panamanian Government, [redacted]

[redacted]

[redacted] Moreno had criticized those who advocate internationalization of the canal. Moreno added that his country's immediate goals were to obtain an increase in the annual payment to Panama and what he called full US compliance with the terms of the 1936 and 1955 agreements governing US policies in the Canal Zone, particularly the extension to Panamanian employees of all benefits enjoyed by American workers in the zone. [redacted] (Page 5)

NO

18 Mar 60

DAILY BRIEF

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~~CONFIDENTIAL~~

I. THE COMMUNIST BLOC

Peiping Asks Djakarta for Formal Agreement on Chinese Repatriation

Peiping's Foreign Minister Chen Yi complained in a letter to Djakarta on 15 March that many Chinese in Indonesia who desire repatriation to the mainland have been subjected to delay in travel and unnecessary restrictions on the amount of money and belongings they may take out of Indonesia. He said he doubted that such difficulties are "intended by the leaders of the Indonesian Government," but he requested the conclusion of a six-point agreement which would include Indonesian compensation for financial losses and provision of "shipping facilities" for the return of Chinese to the mainland.

Chinese Communist Ambassador Huang Chen has apparently been pressing Djakarta privately along these lines. The public request for a formal agreement is probably intended to bring additional pressure on the Indonesian Government and prove to the Chinese in Indonesia that China is still actively engaged in promoting their welfare. Having secured an initial propaganda gain in the repatriation of some 6,000 Chinese, Peiping is probably anxious to have Djakarta share in the cost of further repatriations.

Although Indonesia can be expected to resist the negotiation of a formal agreement on the procedures for repatriation, it may reduce the harassment and speed the departure of returning Chinese.

[redacted]
[redacted] that Communist China had gained a propaganda victory by providing Overseas Chinese with a haven in China when things became difficult for them abroad. [redacted]

[redacted]

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~~TOP SECRET~~ [REDACTED]

II. ASIA-AFRICA

Shah of Iran Willing to Meet Khrushchev in Europe

The Shah, in an effort to break the deadlock in Iranian-Soviet relations, has agreed to a recent suggestion by his ambassador to Moscow, Masud-Ansari, that the Shah and Khrushchev meet in Europe this spring. The Shah stipulated, however, that it must be "perfectly clear" that Iran had not taken the initiative.

Iranian Foreign Minister Aram informed Ansari [REDACTED] that the Shah would prefer that the effort to normalize relations be made through a visit to the USSR by Prime Minister Eqbal or the foreign minister. When Ansari sounds out Soviet officials on the possibility of a high-level meeting, he is instructed to say that "normal, friendly" relations can be resumed if the USSR stops its propaganda attacks on Iran before such a meeting.

The Foreign Ministry suggested that the Shah could meet Khrushchev in Austria when Khrushchev is returning to the USSR from the summit conference. The Shah is scheduled to arrive in Austria on 16 May for a six-day visit.

Aram also informed Ansari that India's ambassador to Iran, Kaul, who claims to be "unofficially and privately" in contact with the Soviet chargé in Tehran, in late February had proposed a visit to Moscow by Aram or Eqbal in order to pave the way for an improvement in relations. Aram has since told Kaul that if an official Soviet invitation were issued, it would be accepted. Such an invitation, however, would have to have "no strings," and relations would have to return to normal. Apparently neither Kaul nor the Soviet chargé has replied. [REDACTED]

[REDACTED]

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~~SECRET~~Algerian Rebel Diplomatic Offensive [REDACTED]

[A campaign by the Algerian rebel government to establish diplomatic missions in friendly countries will include the development of the "closest possible relations" with Communist China, [REDACTED] Although the Algerians are wary of Communist efforts to infiltrate their movement, they appear impressed by Peiping's potential as a source of funds and possibly of materiel.]

[Communist China will welcome closer contacts with the rebels and probably will attempt to increase Chinese influence among the more extreme elements in the FLN. The Chinese have encouraged continued Algerian resistance and recently cited the Algerian war as an example "of vital significance in the African people's fight for independence." Peiping views this "fight" as a desirable means both for weakening "colonial powers" and for enhancing Communist China's reputation as champion of nationalist independence movements.]

[The rebel "diplomatic offensive" will reportedly emphasize the North African and Islamic character of the Algerian independence movement. The rebels want to demonstrate their willingness to continue the war in the wake of De Gaulle's recent emphasis on pacification, and they appear to view Peiping as a potentially lucrative source of material aid as well as propaganda support. [REDACTED] has observed that although no substantial arms shipments have reached the rebels from China, despite aid commitments made as long ago as January 1959, Peiping has provided funds and may provide more to compensate for the undelivered arms.]

[Although the Algerians plan to send a mission to the USSR and are "considering" the appointment of an ambassador there, Moscow is unlikely to change its policy of limiting relations to unofficial contacts.] [REDACTED]

[REDACTED]

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~~TOP SECRET~~ [redacted]

III. THE WEST



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~~TOP SECRET~~Panama to Seek Eventual Nationalization of Canal

Panamanian Foreign Minister Miguel Moreno stated on 11 March during an official visit to Cairo that Panama's ultimate objective regarding the Panama Canal is "nationalization pure and simple." [REDACTED]

[REDACTED] Moreno said that while nationalization was "still a long-range goal," Panama's immediate objectives were to obtain a sizable increase in the \$1,930,000 annual payment to Panama, and what he called full US compliance with the terms of the 1936 and 1955 agreements governing US policies in the Canal Zone, particularly the extension to Panamanian workers in the zone of the benefits enjoyed by US employees there. Two other clauses of the 1955 agreement were implemented on 15 March when the Canal Zone administration terminated most purchases from third countries and restricted the sale of luxury items in Canal Zone commissaries.

[REDACTED] during a press conference in Cairo, Moreno had criticized certain circles which advocate internationalization of the canal, and declared that the canal is an essential part of Panama's national territory. This concept closely reflects the views of most Panamanians, who consider the canal Panama's most valuable national asset and feel that Panamanian interests would suffer considerably from international control of the waterway, even if administered by the Organization of American States.

The Panamanian foreign minister's four-day visit to Cairo came as the climax of a ten-nation good-will tour of Asian, Middle Eastern, and European countries, devoted primarily to publicizing Panama's grievances over US policies in the Canal Zone. [REDACTED] Moreno indicated he would travel next to Damascus to interview President Nasir, whose Suez Canal policy was extolled by the foreign minister as "an example for small nations struggling to free themselves from the political and economic interference of the great powers." ([REDACTED])

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