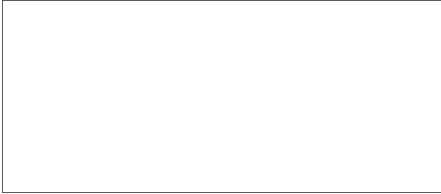


~~TOP SECRET~~

Ed

19 March 1959



Copy No. C 63

3.3(h)(2)
3.5(c)

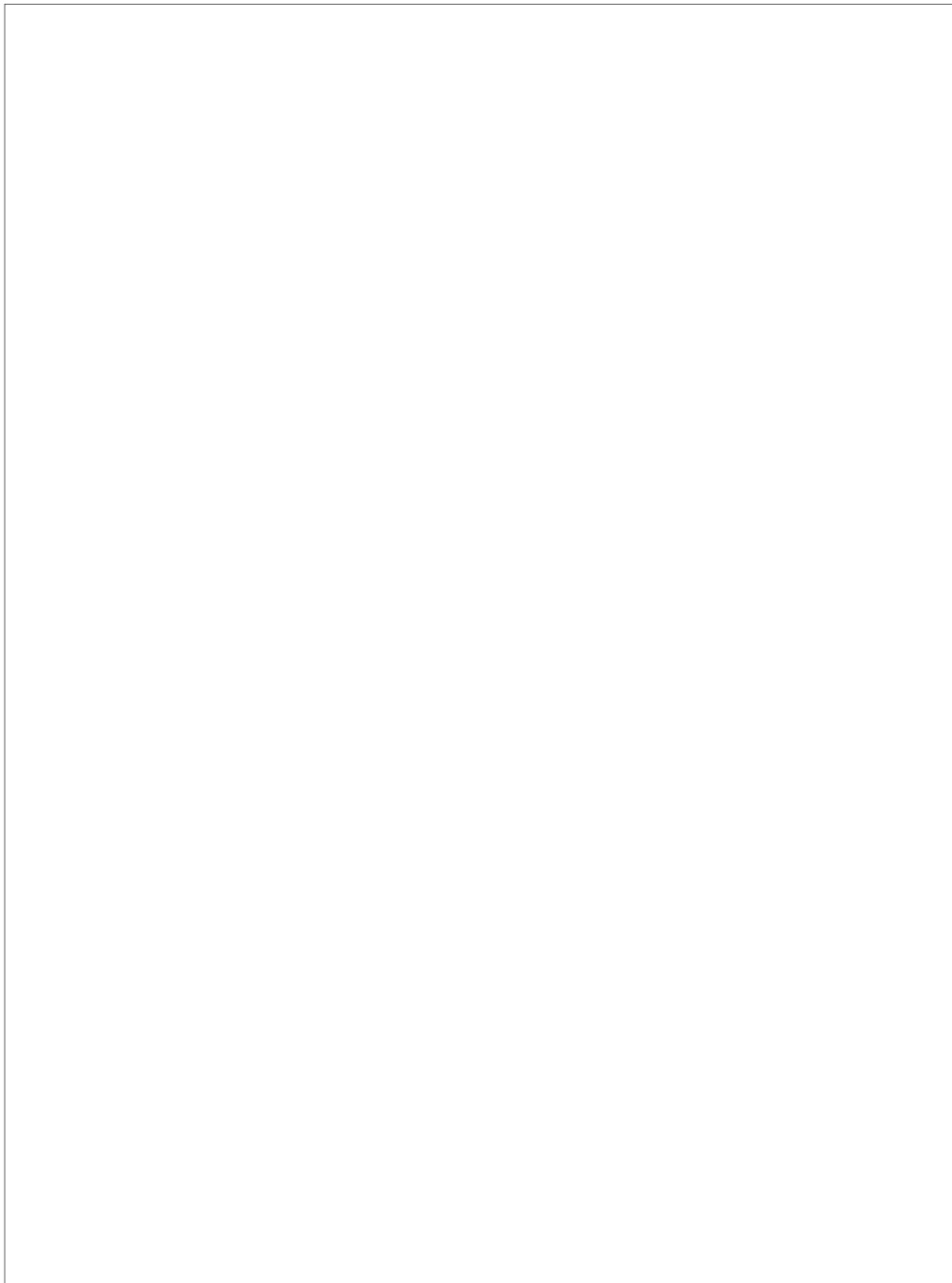
CENTRAL INTELLIGENCE BULLETIN



DOCUMENT NO. 5
NO CHANGE IN CLASS. X
DECLASSIFIED
CLASS. CHANGED TO: TO S, C
NEXT REVIEW DATE: 2010
AUTH: HR 708
DATE: 1/14/80 REVIEWER:



~~TOP SECRET~~



~~TOP SECRET~~

19 MARCH 1959

I. THE COMMUNIST BLOC

Peiping accuses Tito of "fabrication"; Belgrade likely to retort in kind despite announcement of new trade agreement with Peiping.

Moscow-Cairo split over Iraq seen certain to widen.

II. ASIA-AFRICA

UAR's continued strong propaganda against Qasim apparently intended to compensate for depletion of UAR assets in Iraq.

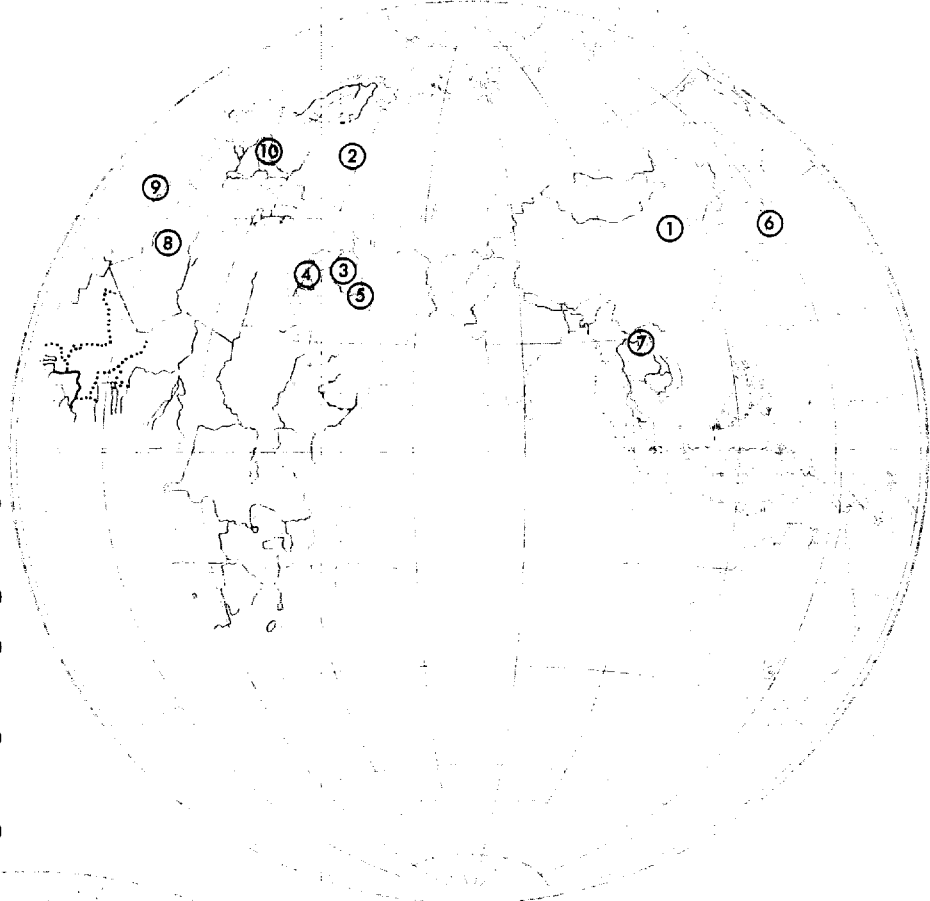
Israel moves tanks into Jerusalem, possibly in anticipation of an upheaval in Jordan.

Kuwait concerned over influx of Iraqis.

Japan - Relations with US likely to be main issue in forthcoming election campaign.

Hammarskjold may seek Indian mediation for Laos - North Vietnam dispute.

- ①
- ②
- ③
- ④
- ⑤
- ⑥
- ⑦

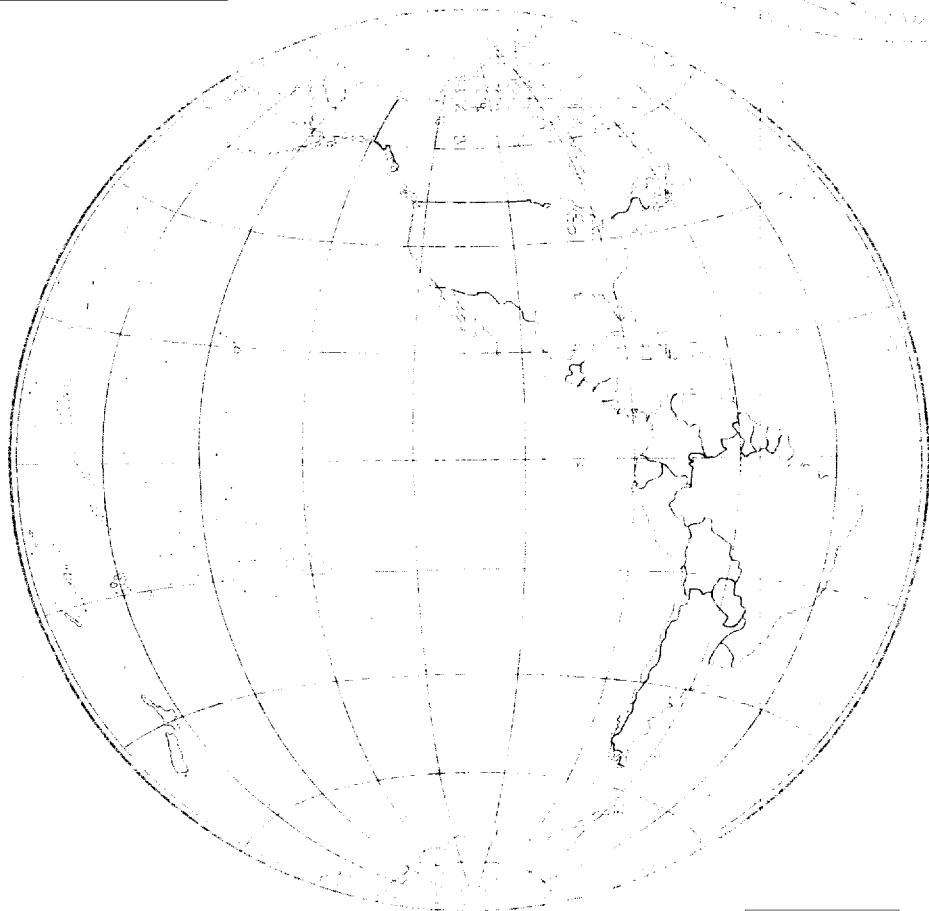


III. THE WEST

⑧ De Gaulle may soon face overt opposition to his Algerian policy. (SECRET NOFORN) Rebels order "counteroffensive" in anticipation of new drive by French Army.

⑨ Portugal - Salazar regime concerned over security situation.

⑩ Decline in West Berlin's industrial order book may reflect political apprehension.



~~TOP SECRET~~

~~TOP SECRET~~

CENTRAL INTELLIGENCE BULLETIN

19 March 1959

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

W Watch Committee conclusion--Berlin: Although the Soviets could turn over Berlin access controls to the East Germans with little or no warning, available evidence does not indicate that they intend to do so in the immediate future. [redacted]

ok Communist China - Yugoslavia: Peiping has formally accused Tito of "fabrication" when he alleged that Premier Chou En-lai had asked Indonesian officials not to welcome him during his recent trip. Tito can be expected to retaliate with further attacks on Peiping in accord with his newly stated policy of answering bloc attacks "blow for blow." Nevertheless, Belgrade announced the signing of the 1959 trade agreement with the Chinese on the same day that Peiping's protest was made.

[redacted] (Page 1)

W USSR-UAR: Moscow has followed up Khrushchev's 16 March criticism of Nasir's anti-Qasim, anti-Communist moves with press and radio charges that Nasir's attacks on the Qasim regime "can be welcomed only by the imperialists." Ambassador Thompson, in commenting on Khrushchev's speech, states that the split between Moscow and Cairo "appears certain to widen." UAR propaganda organs have now begun direct accusations that the USSR wants "to subject the entire Arab area to Communism." [redacted]

II. ASIA-AFRICA

W UAR-Iraq: [Nasir's continuation of a strong propaganda campaign against the Qasim regime apparently is designed to compensate for the defeat the pro-UAR elements in Iraq suffered] [redacted]

i

~~TOP SECRET~~ [redacted]

[with the suppression of the Mosul rising. With UAR assets in Iraq depleted, some UAR officials estimate that it may be a year or more before a new effort against Qasim can be made. The UAR evidently intends nonetheless to maintain as much pressure as it can, [redacted]

*ok -
delete
last sentence
of P 2
add 1st of
P 3*

Israel-Jordan: The UN Truce Supervisory Organization estimated that there were 13 or 14 Israeli tanks in Jerusalem on 17 March. This deployment, in violation of the Israeli-Jordanian armistice agreement, coincides with the withdrawal of certain Jordanian military units from West Jordan [and with reports of an imminent attempt by Bedouin army officers to seize control of the Jordanian Government, possibly abetted by the UAR.] The Israelis, who presumably are aware of these developments, might react to an upheaval in Amman by moving into the Jordanian sector of Jerusalem and possibly West Jordan. [redacted]

(Page 3)

W

Kuwait: The Kuwaiti Government is concerned that a recent influx of an unusual number of Iraqis may presage "fifth column" activity in the oil-rich sheikdom. Some 500 are reported to have entered recently and 4,000 more to be awaiting completion of passport formalities. The American Consulate believes the influx is primarily a reflection of Iraq's economic stagnation but sees an increase in subversive activity as entirely possible. [redacted]

W

Watch Committee conclusion--Middle East: Situations susceptible of direct exploitation by Sino-Soviet bloc hostile action which would jeopardize US interests exist in the Middle East, particularly in Iran and Iraq. The situation in the area remains

19 Mar 59

DAILY BRIEF

ii

~~TOP SECRET~~ [redacted]

~~TOP SECRET~~

precarious, but a deliberate initiation of large-scale hostilities is unlikely in the immediate future.

Iraq: The drift of Iraq toward Communist control is accelerating with the continuing elimination of elements in opposition to the Qasim government.

Jordan: The absence of King Husayn and Prime Minister Rifai from Jordan has provided opportunity for intensified political activity among disaffected elements, and has increased the likelihood of a coup attempt.

ok

Japan: There is increasing likelihood that Japan's ties with the US will be the primary issue in the forthcoming Japanese election campaign. The Socialists apparently are shifting from their policy of "neutrality" and moving toward a pro-Communist line. Not only have they decided to join the Communists in opposition to the US-Japan security treaty, but, in a joint communiqué with Chinese Communist leaders, a Socialist mission in Peiping identified itself generally with the Communist position on Asian questions. (Page 4)

MS

India-Laos: Hammarskjold arrived in New Delhi on 18 March bringing proposals for easing the tension between Laos and North Vietnam which he will discuss with Nehru. The solutions studied during his talks with the Laotian Government include mediation by India, by a third nation mutually acceptable to Vientiane and Hanoi, or by a person nominated by Hammarskjold. Nehru, although reluctant to become deeply involved, may agree to Indian mediation as the most acceptable solution to what he regards as a dangerous problem.

III. THE WEST

ok delete only 2nd reference

France-Algeria: [De Gaulle may soon encounter overt opposition to his Algerian policy from some military and rightist groups. They may be spurred to act soon by leaks of his reported plans to hold a referendum in France on the question of continuing the war, as well as by reports of his efforts to negotiate with rebel leaders. A major rightist demonstration in Algiers on 22 March is likely.] (Page 6)

Meanwhile, the Algerian rebels' minister of defense in Cairo on 11 March observed that De Gaulle has promised peace

19 Mar 59

DAILY BRIEF

iii

~~TOP SECRET~~

~~TOP SECRET~~

no in 1959 but ordered rebel units to prepare a "counteroffensive" against an expected "spring offensive" by the French Army. The rebels have frequently failed to carry out orders from headquarters, but accelerated operations this year against communications facilities and utilities suggest greater determination. [redacted] (Page 5)

no Portugal: [The government still seems worried over the internal security situation. It believes the abortive move against the Salazar regime on 12 March was far more completely organized than at first suspected. Security authorities fear that a major disturbance in Lisbon, particularly if joined by any part of the military, would touch off an uprising that might get out of control.] [redacted] (Page 7)

ok West Berlin: Economic indicators reveal no general deterioration in the past week. For the first time, however, they record a definite decline in new industrial orders which may reflect an increasing apprehension over Berlin's political future. This decline, which is noted in heavy industry as well as consumer-goods orders received during January, will have no immediate effect but may show up in production and employment levels later in the year. [redacted] (Page 8)

19 Mar 59

DAILY BRIEF

iv

~~TOP SECRET~~ [redacted]

~~SECRET~~

I. THE COMMUNIST BLOC

Peiping Protests Tito Remarks

Peiping formally accused Tito, in a note given to the Yugoslav chargé on 18 March, of "fabrication" in stating that Premier Chou En-lai had asked Indonesians "not to welcome" the Yugoslav President. In denying that Chou made this statement, the Chinese may be trying to undermine the credibility of Tito's comments to Asian leaders. During his recent tour, Tito attempted, in an effort to build stronger ties with "neutrals," to stimulate greater apprehension of Peiping and the implacably hostile nature of its "Stalinist" brand of Communism.

Diplomatic relations between the two countries have been "frozen" at chargé level since mid-1958, but the Chinese protest does not seem to foreshadow a complete rupture. The 1959 Sino-Yugoslav trade agreement was signed the same day the protest was made. While the trade goal of \$7,000,000 in this agreement is 60 percent lower than in 1958, trade between the two countries has largely been artificial since it began in 1956. [By signing it, Peiping continues to parallel Khrushchev, who said Belgrade would be fought "every step of the way" on ideological matters without breaking off other relations, including trade. Communist China may consider renewal of the agreement a useful device to counter charges that the bloc's external trade relations are affected by ideological considerations.]

Belgrade is certain to retaliate with even more violent attacks against Peiping in accord with its newly stated policy of answering bloc attacks "blow for blow." As in its strained relations with Tirana, however, Belgrade also will be careful not to break diplomatic ties because of the damage this would cause to its international advocacy of coexistence among all states.

~~SECRET~~

II. ASIA-AFRICA

UAR-Iraqi Situation [REDACTED]

[UAR propaganda attacks on Qasim and the Baghdad regime are becoming more widespread and intense, following Nasir's series of anti-Communist speeches beginning in Damascus on 11 March. The attacks, besides attempting to rally Arab opinion against Iraq, are probably designed to cover the almost total defeat of pro-UAR forces in the Mosul uprising. The abortive revolt appears to have thrown Cairo officials into a mood of pessimism, with one top regime figure predicting that it may be a year or more before a new effort against Qasim can be made. [REDACTED]

"nationalists" there are completely intimidated, UAR personnel themselves fear kidnaping, and UAR students are seeking a UAR Embassy guarantee of "their future and their lives."]

[Propaganda media in the two capitals have sunk to new lows in their attacks on each other's head of state. Col. Mahdawi, the pro-Communist president of the Baghdad "people's court," has again called on Syria to revolt against the Nasir regime, adding that the Iraqi people are ready to help in the "liberation."]

[The UAR has sent only limited military reinforcements into eastern Syria, but UAR-Iraqi air incidents may ensue if Syria attempts to intercept Iraqi reconnaissance flights along the Syrian border. [REDACTED] the Syrians have established an operation center and possibly a fighter detachment at an airfield in eastern Syria, and will attempt to intercept intruding Iraqi aircraft. [REDACTED]

~~TOP SECRET~~ [REDACTED]

~~SECRET~~

Israelis Move Tanks Into Jerusalem

UN truce officials and American consular personnel have observed Israeli tanks moving individually by night into Jerusalem during the past two weeks. The UN Truce Supervisory Organization estimated that 13 or 14 tanks had arrived as of 17 March.

Their presence in Jerusalem, in violation of the Israeli-Jordanian General Armistice Agreement, could be related to Israeli anticipation of an upheaval in Jordan.

[Bedouin army officers reportedly may attempt to take over the government during the absence of both King Husayn and Prime Minister Rifai, who left on 18 March to join the King in the United States.]

The Israelis are believed to have excellent intelligence sources in Jordan and presumably are aware of the dissident activity. Israel might exploit any large-scale disturbance by occupying the balance of Jerusalem and possibly even West Jordan, especially if it appeared that the disturbance was backed by the UAR. Jordanian strength near the city has been reduced by the recent withdrawal of an infantry regiment from the Jerusalem area.

~~SECRET~~

Japanese Socialists Adopt Pro-Communist Line

The Japanese Socialists apparently are shifting from a policy of "neutrality" and adopting a strong pro-Communist line which they hope will increase their popular appeal in important forthcoming elections in Japan. Socialist Secretary General Inejiro Asanuma, who headed a Socialist mission to Peiping, on 17 March issued a joint communiqué with Chinese Communist leaders in which he accepted the Communist position on many Asian issues.

Among these are Peiping's denunciation of the Kishi government, the view that the "liberation" of Taiwan is an internal matter, Communist China's call for a nuclear-free zone in Asia, and the substitution of a four-power collective-security pact for the Sino-Soviet and US-Japan security treaties. Earlier Asanuma had termed the United States the "common enemy" of Japan and China for its "occupation" of Okinawa and Taiwan.

Asanuma's actions, in conjunction with the recent Socialist decision to form a united front with the Communist party, the leftist Sohyo labor federation, and other leftists in an all-out attack on the US-Japan security treaty, point to the likelihood that the upper-house elections in June will be contested on the issues of Japan's ties with the United States and with Communist China. Thus far, however, the Japanese press has been strongly critical of the Socialist moves.

Peiping's stand, accepted by Asanuma, that trade and political issues must be "settled simultaneously" is intended to emphasize that any temporary, limited trade which may be arranged is merely a "relief measure." Apparently the Chinese Communists fear that any limited agreement, such as that proposed for Japan's lacquer industry, could be construed in Japan as a concession and would therefore justify Kishi's "wait-and-see" policy. In the communiqué the Chinese Communists went even beyond their previous position, saying that at present the solution of political questions "must be given preference."

~~CONFIDENTIAL~~

~~TOP SECRET~~Algerian Rebels Prepare for Counteroffensive

The Algerian rebels' minister of defense has ordered rebel units in Tunisia and Morocco to prepare a counteroffensive against an anticipated spring drive by the French Army. [redacted]

He ordered sabotage activity against communications lines, mines, and oil trains, and demoralization of regroupment centers where the French Army has resettled large numbers of Algerian Moslems. Rebel units were also instructed to lay ambushes, to prevent the recruiting of Moslem auxiliaries by the French Army, and to maintain intensive activity against the electrified barriers along both the Tunisian and Moroccan borders.

Although the rebels have frequently failed to carry out their military plans, operations against communications facilities and utilities have accelerated since early this year. [redacted] preparations were under way for a Saharan offensive to prevent the completion of the two 24-inch pipelines now under construction to move Algerian oil. [The French Government is reported by an untested source to have information of Libyan-based rebel planes which may be used to bomb Saharan oil installations.] [redacted]

Anticipating that their best efforts can only prolong the military stalemate, rebel leaders are concentrating on lining up more effective diplomatic support while reportedly maintaining contacts with representatives of President de Gaulle. Rebel president Ferhat Abbas and some of his ministers have already visited Saudi Arabia and Libya, [where they contacted the Soviet Embassy as well as the Libyan Government.] He will head a delegation expected to call at the 13 other capitals which have recognized his provisional government and visit India, which has not granted recognition. [redacted]

[redacted]

[redacted]

~~TOP SECRET~~

~~SECRET~~

III. THE WEST

Overt French Military and Rightist Opposition to De Gaulle
On Algeria Likely

[There are indications that some die-hard elements in the French armed forces may join rightist civilian groups in openly opposing De Gaulle's Algerian policy. Army General Massu on 1 March, in his first "political speech" in recent months, described the May 1958 revolt by French military leaders in Algeria as "an event of profound significance which still escapes many" and referred pointedly to the integration of Algeria with France as one of its objectives. Air Force Chief of Staff General Jouhaud, who was born in Algeria and played a leading role in the revolt, is reported to have made more visits to Algeria recently than his position warrants. There have been numerous army complaints recently that efforts to win the support of the mass of the Moslem population are severely handicapped by De Gaulle's continued refusal to espouse "integration."]

[French military and rightist groups, who regard any proposed settlement of the Algerian problem short of complete victory as "abandonment," are probably being spurred toward early action by leaks of De Gaulle's previously reported intention to hold a referendum in France on the question of continuing the war. There is increasing evidence that a majority of the public wants an end to the war and would probably support a "liberal" solution if De Gaulle proposed one. Rumors of secret French-rebel contacts also have upset these military and rightist circles.]

[Extremist European settlers in Algeria, particularly veterans' organizations, have become openly hostile to De Gaulle, and are regrouping, as a result of the government's clemency measures toward Algerian rebels and of the announcement that the municipal elections in April will be conducted under a new law favoring Moslem candidates. Although De Gaulle's steps to split the military-settler front of 1958 had appeared successful, the settlers are continuing their efforts to regain military support and are likely to stage a major demonstration in Algiers on 22 March when Jouhaud decorates air force reservists there.]

—SECRET

~~SECRET~~

Salazar Regime Concerned Over Ramifications of Recently Thwarted Plot [redacted]

[The Portuguese Government reportedly is still concerned over the political situation, although police forestalled a move against the Salazar regime planned for 12 March. [redacted]

[redacted] the authorities have evidence that the abortive plot was more completely organized than first realized, and are particularly concerned over what they regard as complicity on the part of at least one military commander in the Lisbon area.]

[redacted] the plotters intended to seize arms stores and attack the headquarters of the international security police, the Republican Guard, and the Lisbon city hall as well as the President's palace and Premier Salazar's residence. Some military support was expected. In the event of success, leaders of the revolt planned to set up a military junta, which would include oppositionist leader General Humberto Delgado, now in asylum at the Brazilian Embassy in Lisbon.]

[The security police fear that a major disturbance in Lisbon, particularly if supported by some of the military, might well spark a revolt in the rest of the country that would severely tax the government's repressive powers. The American Embassy in Lisbon believes further attempts against the regime cannot be ruled out, although the authorities appear at this time to have the situation under control.] [redacted]

~~SECRET~~

Decline in West Berlin Industrial Orders Noted for First Time

Economic indicators for West Berlin reveal no general deterioration during the past week. For the first time, however, there has been a definite decline in new industrial orders. The index number for new orders for January fell to 184 compared with 218 in December and 203 in January of last year. Large declines were reported in comparison with this time last year in structural steel, transportation equipment, machinery, and electrical equipment. For the electrical industry, Berlin's largest manufacturer with 30 percent of the industrial output and labor force, new orders dropped from an index of 240 in January 1958 to 194 in January 1959.

The downturn reflects a lower volume of orders not only from West German markets but locally and for export to foreign countries. The consumer-goods industry also registered some declines in paper products, printing, leather goods, and textiles. However, new orders for chemicals, ceramics, building materials, and iron and steel products increased.

American officials in Berlin report that some of the decline may be due to economic factors in West Germany, as well as to increasing pessimism over the city's future. Because of backlogs, the effect of the declines will not be noticeable in the levels of production and employment for several months. It is estimated that a 50-percent decline in new orders would almost double Berlin's present unemployment figure of approximately 90,000.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~**THE PRESIDENT****The Vice President****Executive Offices of the White House****Special Assistant for National Security Affairs****Scientific Adviser to the President****Director of the Budget****Office of Defense and Civilian Mobilization****Special Assistant for Security Operations Coordination****Board of Consultants on Foreign Intelligence Activities****Special Assistant for Foreign Economic Policy****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 Economic Affairs****The Deputy Under Secretary for Political Affairs****The Deputy Under Secretary 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****The Chairman, The Joint Chiefs of Staff****Commandant, United States Marine Corps****The Director, The Joint Staff****Chief of Staff, United States Army****Chief of Naval Operations, United States Navy****Chief of Staff, United States Air Force****Assistant to Secretary of Defense for Special Operations****Director for Intelligence, The Joint Staff****Assistant Chief of Staff for Intelligence, Department of the Army****Director of Naval Intelligence, Department of the Navy****Assistant Chief of Staff, Intelligence, Department of the Air Force****Supreme Allied Commander, Europe****Commander in Chief, Pacific****The Department of the Interior****The Secretary of the Interior****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****United States Information Agency****The Director**~~CONFIDENTIAL~~

~~TOP SECRET~~

~~TOP SECRET~~