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*Ed*

26 September 1959

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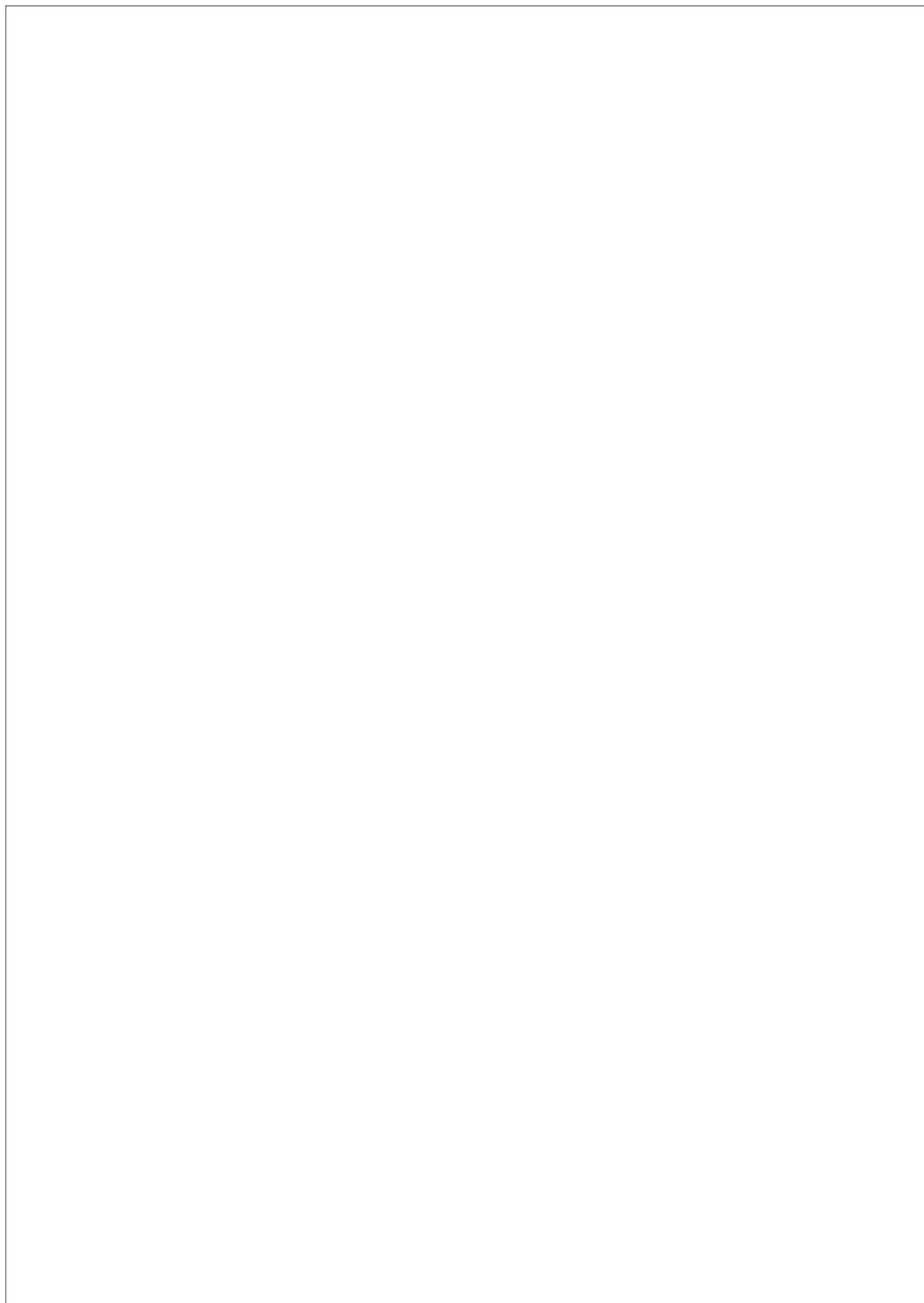
# CENTRAL INTELLIGENCE BULLETIN



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26 SEPTEMBER 1959

**I. THE COMMUNIST BLOC**

Soviet Ambassador Pegov takes moderate approach in meeting with Shah.

**II. ASIA-AFRICA**

Algerian rebels seeking Moroccan and Tunisian endorsement for statement commenting favorably on De Gaulle's self-determination offer but emphasizing need for further clarification.

Iraq--Baath party plans to assassinate Qasim within next two weeks, [redacted]

Laos--Regent Prince Savang blames interior minister and director of police for poor security situation; demands their ouster.

Ceylon--Moderate named prime minister following Bandaranaike's death.

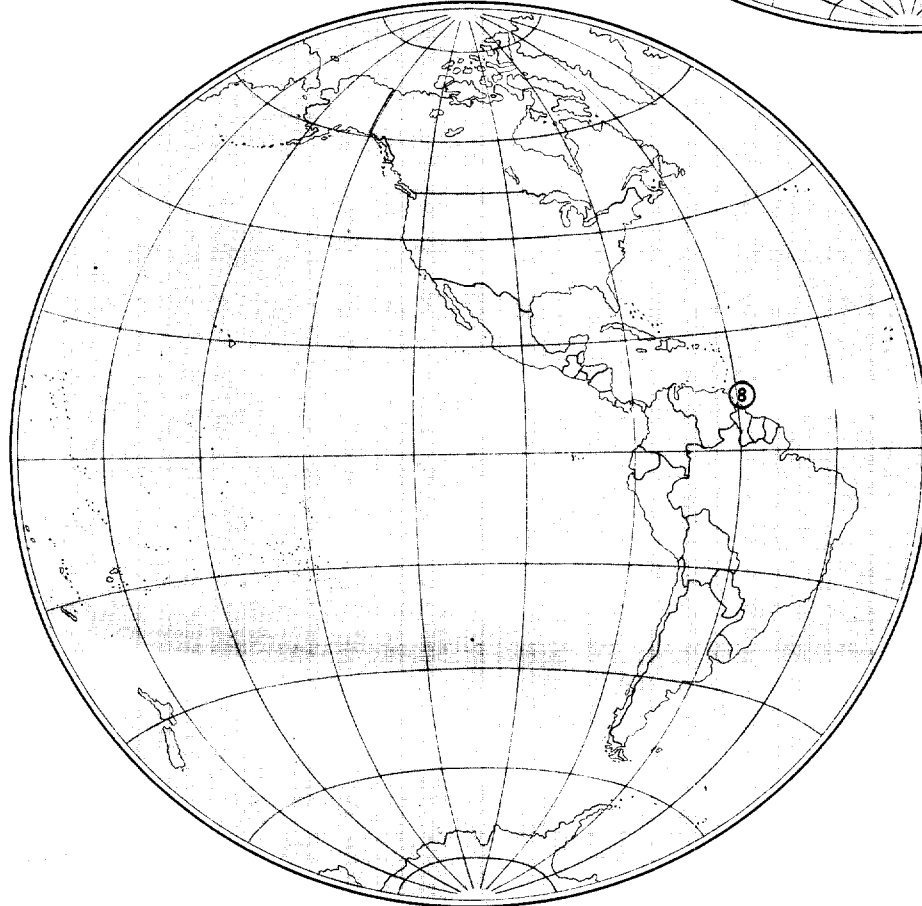
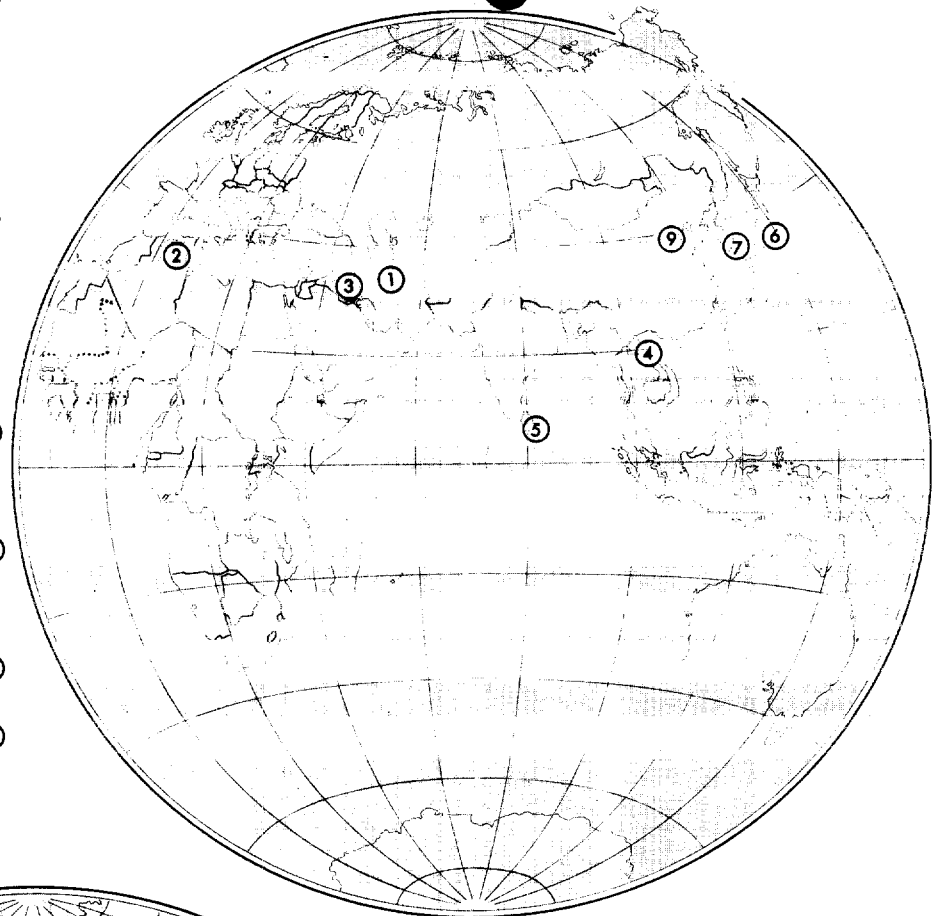
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⑥ Japan--Right-wing Socialist faction decides to remain in party and will support its campaign against revision of security treaty with US.

⑦ [redacted] President Rhee does not intend to relax appreciably his ban on trade with Japan. [redacted]

**III. THE WEST**

⑧ Conference to decide future course of West Indian federation to open on 28 September.

**LATE ITEM**

Some Chinese Communist military units going on alert status for period around 1 October national holiday. ⑨ [redacted]

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## CENTRAL INTELLIGENCE BULLETIN

26 September 1959

## DAILY BRIEF

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## I. THE COMMUNIST BLOC

USSR-Iran: (Soviet Ambassador Pegov, in his first interview with the Shah since returning to Tehran, stated on 23 September that the USSR hoped Iran would see the "wisdom" of a neutral policy, according to the Shah. Pegov took a moderate line, merely calling the US-Iranian defense agreement a "bad decision" by Iran. The Shah said he told Pegov that, in the event of future negotiations with the USSR, Iran would consult its allies. He also said he told the Soviet ambassador that Iran would be willing to give the USSR a written guarantee that it would not grant missile bases in peacetime. Moscow may seize on this offer as the basis for reopening formal talks with the Iranian Government.)

NO

(Page 1)

## II. ASIA-AFRICA

Algeria: (Rebel leaders, gathered in Tunis, appear to be seeking Moroccan and Tunisian endorsement for a statement which will comment favorably on De Gaulle's offer of self-determination for Algeria while emphasizing the need for clarification on several points. Mohamed Ben Bella, a rebel vice premier now under house arrest in France, has reportedly advised the rebels that De Gaulle's proposals represent a step forward and should not be rejected. The rebels may offer counterproposals, but Paris is unlikely to accept any which imply negotiations beyond a cease-fire.)

OK

(Page 2)

Iraq: The Baath party has decided to attempt the assassination of Qasim within the next two weeks as a preliminary to

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i

~~TOP SECRET~~

~~TOP SECRET~~

a nationalist military coup, [redacted]

[redacted] the army cannot launch a movement before Qasim's assassination [redacted]

[redacted] a Baath representative had been sent to the Syrian border to take delivery of six Czech machine guns. It is quite possible that Qasim is aware of these plans. [redacted]

[redacted] (Page 3)

Laos: (Regent Prince Savang, blaming the poor security situation on the "weakness" of Interior Minister Katay and the director of police, is pushing for their prompt removal. He has suggested that Army Commander General Ouane take charge of the police. Savang is a strong advocate of military ascendancy in the government, but in the past has deferred to Premier Phoui, who opposes ousting Katay on the ground that it would cause a governmental crisis.) [redacted] (Page 4)

OK (Ambassador Whitney in London reports that the British Foreign Office plans an early approach to the United States to stress the desirability of a political solution in Laos, on the assumption that this holds the only hope for peace in that country. The British envisage a UN Security Council invitation to Laos and North Vietnam to comment on the ultimate report of the UN sub-committee in Laos, and then perhaps negotiate a new settlement.) [redacted]

NO \*Ceylon: Wijeyananda Dahanayake, who was named prime minister on 26 September within a few hours after the death from gunshot wounds of Prime Minister Bandaranaike, is one of the moderate leaders of Bandaranaike's own political party. As a member of this party, which retains the largest representation in parliament though not an absolute majority, Dahanayake will probably be expected to run a caretaker government until new national elections can be arranged. Both moderate and leftist elements in Ceylon may cooperate with Dahanayake if elections are scheduled for the near future. There is a possibility, however, that popular disturbances will occur as a result of a general scramble for position if Dahanayake fails to put together a working majority in parliament or if a call for general elections is delayed. [redacted]

[redacted] (Page 5)

26 Sept 59

DAILY BRIEF

ii

~~TOP SECRET~~

~~TOP SECRET~~

NO

Japan: The right-wing faction of Suehiro Nishio decided on 24 September not to withdraw from the Japanese Socialist party at this time, presumably due to inability to attract sufficient defectors. Moreover, the faction has agreed to support the Socialist party campaign against the revision of the US-Japan security treaty. The Nishio faction's isolation in the party and its refusal to accept any posts mark further progress in the left-wing effort to make the Socialists a "labor class" party with pro-Communist orientation.

South Korea - Japan:

NO

President Rhee does not intend to relax appreciably South Korea's ban on trade with Japan. a recent purchase of Japanese fertilizer is a "special transaction" made necessary by US aid regulations, and does not affect the government's policy. The trade ban was imposed last June in an attempt to press Tokyo into abandoning its program to permit the repatriation of Koreans in Japan to North Korea. It is apparently being maintained by Rhee over the objections of the entire cabinet and has a much more adverse effect on South Korea than on Japan.)

(Page 6)

### III. THE WEST

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West Indies: { A conference to determine the future course of the largely self-governing West Indian federation opens in Port of Spain, Trinidad, on 28 September. Trinidad's demands for a strengthening of federal powers clash with Jamaica's insistence on greater protection for local interests. There is relative unanimity in West Indian circles in the desire for early independence. Trinidad's Premier Eric Williams, however, wants the federation to demand complete independence within the Commonwealth by April 1960. He has assured the US consul general in Port of Spain that he would not "rock any boats on the 'Chag' issue," but he may nevertheless seek support at the conference for his attempts to curtail US use of the naval base at Chaguaramas. }

(Page 7)

26 Sept 59

DAILY BRIEF

iii

~~TOP SECRET~~

~~TOP SECRET~~ [redacted]

## LATE ITEM

\*Chinese Communist Military Activity: [redacted]

[redacted] 1-  
[redacted] some military units are being put on an alert or  
combat-ready status for a period of days around the national  
holiday on 1 October. [redacted]

*NO* [redacted] The activity over the holiday period may reflect  
Communist preparations to counter any possible Chinese Nation-  
alist actions, including overflights to drop propaganda. While  
the Chinese Communists may be preparing to step up military  
activity and have the capability of doing so in the Taiwan Strait  
area with little or no warning, hostile action in the immediate  
future seems unlikely, especially in view of current and sched-  
uled high-level meetings involving the USSR and Communist  
China.) [redacted]

26 Sept 59

DAILY BRIEF

iv

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## I. THE COMMUNIST BLOC


### Soviet Ambassador Urges Shah to Adopt Neutrality

(According to the Shah, Soviet Ambassador Pegov, in a long interview on 23 September--his first since returning to Tehran--stated that the USSR hoped Iran would see the "wisdom" of a policy of neutrality without military agreements with either the West or the bloc. He called Afghanistan an example of a neutral country which derives benefits from both sides.)

(Discussing the talk with Ambassador Wailes, the Shah said Pegov took a generally moderate line, and, in contrast to Khrushchev's condemnation of the US-Iranian defense agreement in his talk with the Iranian ambassador on 2 September, merely called the pact a "bad decision" by Iran. The Shah said he defended the agreement as a purely defensive arrangement and offered to give the USSR a written guarantee that Iran would not grant missile bases to any foreign country in peacetime.)

(Moscow may seize on the Shah's offer as a basis for reopening formal talks with the Iranian Government. While the Shah gave Ambassador Wailes no indication that such talks might be forthcoming, he claimed he also told Pegov that, in event of any future negotiations with the USSR, Iran would feel obliged to consult with its CENTO allies and the United States.)

(Meanwhile, Radio Moscow, which halted its personal criticism of the Shah on 10 September and instead began urging friendly relations in its broadcasts to Iran, has kept up its attacks on Iranian "rulers." The clandestine "National Voice of Iran" and the East German station which acts as a mouthpiece for Tudeh party exiles are maintaining their propaganda pressure on Tehran with calls for the overthrow of the Shah's regime.)



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II. ASIA-AFRICA

Algerian Rebels Delay Response to De Gaulle

Algerian rebel leaders meeting in Tunis appear to be seeking Moroccan and Tunisian support for a statement which will refer favorably to De Gaulle's program for Algerian self-determination but emphasize the need for clarification in several areas. The American Embassy in Tunis notes, however, that consultations between rebel representatives and Moroccan officials in Rabat could lead to a stiffening of the rebels' position if their representatives are influenced by Cairo-oriented Moroccan elements. In any case, Algerian efforts to extract further concessions from De Gaulle will probably be firmly opposed by Paris.

Members of the rebel cabinet are said to be agreed that the French proposals cannot be rejected out of hand--a view reportedly concurred in by Mohamed Ben Bella, an influential vice premier of the dissident government who is currently under house arrest in France.

In Algiers, the implication of possible Algerian independence in De Gaulle's proposals reportedly has caused "genuine and profound concern" among Europeans and pro-French Moslems, despite De Gaulle's assurances that their rights would be respected. Elsewhere in Algeria, the French Army continues to claim progress in its effort to pacify rebel strongholds in the Kabylie Mountains, and may inaugurate a simultaneous effort in the area of the Tunisian border.

In an apparent effort to undercut the rebels, Messali Hadj, leader of a splinter Algerian independence party, gave qualified endorsement to the De Gaulle proposals on 20 September. Messali, who was the target of an unsuccessful rebel assassination attempt on 17 September, stated that the concept of total independence for Algeria was outdated, but that community status--much as advocated by De Gaulle--would be acceptable.

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Assassination of Iraqi Prime Minister Planned

Pro-UAR Baathists in Iraq have decided to attempt the assassination of Prime Minister Qasim within the next two weeks, [redacted]

[redacted] In summing up the situation in Iraq, [redacted] anti-Qasim army elements feel they cannot act prior to Qasim's assassination. Since no one in the army wants to do the job, the Baathists apparently feel that they must prod the army into taking over. This suggests that the army is now so divided and disorganized that it is immobilized and without strong leaders. Baathist leaders have decided to inform "all military men and high officials concerned in the matter" that the Baath will carry out the assassination.

[redacted] army elements had planned a coup against Qasim on 19-20 September, but that the execution of Brigadier Tabaqchali and 12 other officers on 20 September disrupted the plan. Clandestine UAR operations against Qasim have been going on for some time. [redacted]

[redacted] a Baathist representative had been sent to the Syrian border to take delivery of six Czech machine guns. [redacted]

[redacted] the delivery of 13 sub-machine guns and some revolvers to Iraq. [redacted]

[redacted] "hand grenades and armor-piercing machine guns" be handed over to an Iraqi agent in northern Syria.

Qasim is probably aware of some of the UAR's activities against him, and he may have been warned of the Baathist assassination plans. [redacted]

Qasim hastened the execution of the officers because of his suspicions that a coup movement was afoot. [redacted]

[redacted]

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~~SECRET~~Laotian Prince Regent Pressing for Removal of Interior Minister

(Prince Regent Savang, at a recent Defense Council meeting, pressed for the early removal of Interior Minister Katay and the director of police under him, blaming the two officials for the poor security conditions now existing in Laos. Savang suggested that General Ouane, the armed forces commander, be designated police director general. Premier Phoui opposed the proposal on the ground that Katay's ouster would provoke a government crisis.)

(Savang, whose succession to his ailing father's throne was virtually assured when he was named regent last month, has been a strong advocate of military ascendancy in the government. In the wake of Communist military successes in Sam Neua Province in early September, Savang proposed that the country be placed under a state of siege; this would have greatly enhanced the army's power in civil affairs. Phoui, however, persuaded the government to declare a state of emergency, a much more limited measure.)

(Phoui and Katay are co-leaders of the Rally of the Lao People (RLP), a conservative coalition which shares power with the army-backed, reformist Committee for the Defense of the National Interests (CDNI). The retention of Katay, despite his frequently contentious attitude, is therefore important to Phoui in fending off pressures for greater army participation in the government. While in the past Savang has deferred to Phoui, his newly enhanced status as regent may encourage him to insist on Katay's removal.)

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## New Prime Minister Appointed in Ceylon

Wijeyananda Dahanayake, 57-year-old Education Minister and acting party leader in the lower house of parliament was appointed Prime Minister on 26 September following the death of Solomon Bandaranaike from gunshot wounds a few hours earlier. Dahanayake in recent months has emerged as one of the moderate leaders of Bandaranaike's Sri Lanka Freedom party, and played an important part in ousting far-leftist Food Minister Philip Goonawardene earlier this year. As leader in the house, Dahanayake was the logical successor to Bandaranaike.

It seems likely that Governor General Goonetilleke appointed the new prime minister on the understanding that Dahanayake would merely run a caretaker government pending new national elections. Bandaranaike had lost his coalition's absolute majority in parliament, retaining only a working majority of about eight independent and appointed members, and there had been two recent parliamentary efforts to overthrow him. Nevertheless, both leftist and moderate political parties in Ceylon might cooperate temporarily with Dahanayake if promised new elections in the near future.

Should Dahanayake attempt to assume Bandaranaike's mantle and retain control of parliament until the regularly scheduled elections in 1961, however, he would almost certainly encounter a storm of opposition. His effort would be opposed by numerous groups who had been unwilling to challenge Bandaranaike at the polls but who would be eager to unseat his leaderless party. Among these groups would be powerful Buddhist and conservative elements. Ceylon's leftist parties would also wish to capitalize on the situation and increase their holdings in parliament. The efforts of both conservative and leftist groups would be aided by the strong possibility that Bandaranaike's dwindling parliamentary party will disintegrate further following his death. Should Dahanayake be seriously challenged, Governor General Goonetilleke might ask Dudley Senanayake, leader of the moderate United National party, to try to create a new coalition.

Goonetilleke, apparently aware that maneuvering by power-seeking opposition parties might create popular disturbances, has alerted Ceylon's regular and reserve military forces, and police have been located strategically throughout Colombo. The public thus far has remained calm.

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[REDACTED]

### Seoul Not Planning to Lift Ban on Japanese Trade

[REDACTED]

[REDACTED] Seoul is not planning an extensive relaxation of its ban on trade with Japan. [REDACTED]

[REDACTED] the purchase of \$4,214,000 worth of Japanese fertilizer essential for the fall planting "is a special transaction" and does not affect the government's policy on the over-all suspension of trade. President Rhee assented to carrying out the transaction only when Washington refused to waive its requirement of competitive bids for US-financed purchases.)

(Rhee ordered all trade with Japan suspended last June in retaliation for Tokyo's decision to permit the repatriation of Koreans in Japan to North Korea. Rhee has resisted any major relaxation of the boycott, despite the realization of his cabinet that the ban is having a far greater adverse effect on South Korea than Japan. The suspension of trade appears to have been painful only to a few isolated Japanese industries.)

(Rhee has apparently not lost hope that he can still block the repatriation of Koreans in Japan to North Korea, scheduled to commence on 10 November. Although the ban runs contrary to the American objective of developing export markets for South Korea, Rhee has often said [REDACTED] that the US investment in South Korea is so large he can do just about as he pleases.) [REDACTED]

[REDACTED]

[REDACTED]

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### III. THE WEST


#### West Indies Constitutional Conference

(A crucial constitutional conference among members of the West Indies federation opens in Port of Spain, Trinidad, on 28 September. Differences between strongly profederalist forces, led by Trinidad's anti-American premier, Eric Williams, and the antifederalist Jamaicans could result in the breakup of the largely self-governing federation, only a year and a half old.)

(Jamaica's "states rights" demands constitute the principal threat. Jamaica, the strongest single unit, insists that power to levy income taxes and excise duties be reserved to the separate islands. Diametrically opposed is Trinidad's comprehensive plan for more federal powers and activities which would involve an annual budget nearly 15 times the present size. Jamaica also wants increased representation in closer accord with the size of its population. Smaller islands will promote compromises in order to ensure that neither Jamaica nor Trinidad secedes.)

(Differences over a date for complete independence within the Commonwealth, the second major topic, are more likely to be resolved. The earliest date--April 1960--has been proposed by Williams. Independence is almost sure to come between 1961 and 1965, according to a high British Colonial Office official, for London is prepared to grant independence if there is an effective government which can pay the way.)

(Although not on the agenda, the question of US bases in the West Indies will color the discussions. Williams assured the US consul general in Port of Spain on 24 September that he will continue his present moderation at the conference; nevertheless, he may be expected to seek support for his efforts to curtail American use of the major military base at Chaguaramas.) 


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