

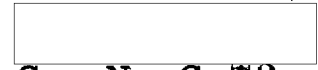
~~TOP SECRET~~

*Ed*



26 July 1960

3.3(h)(2)




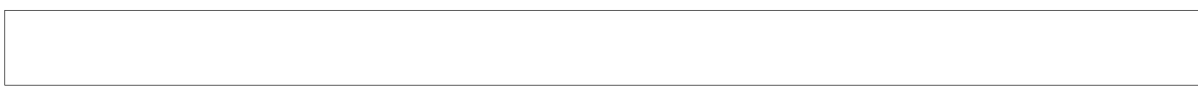
3.5(c)

Copy No. C 73

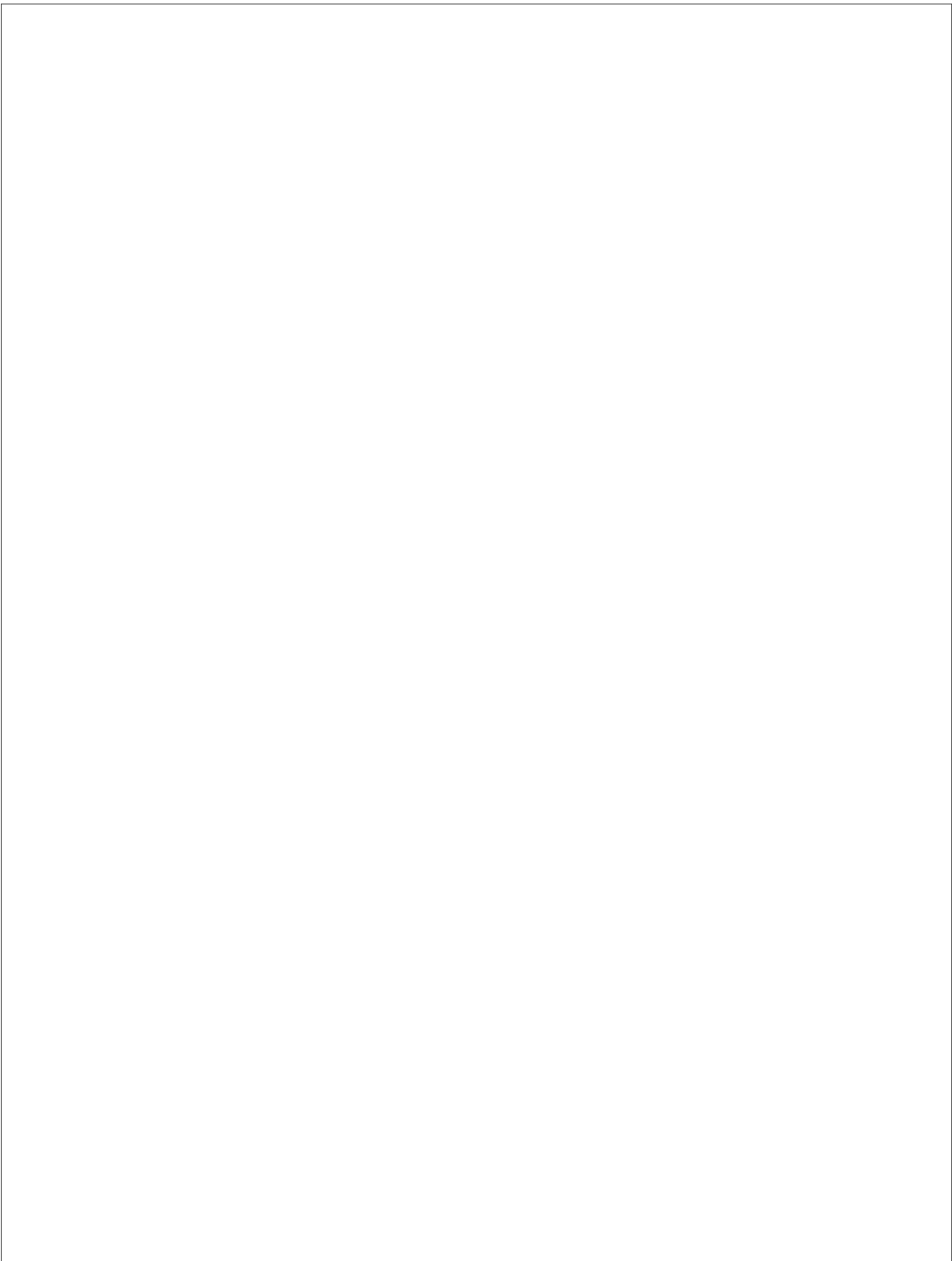
# CENTRAL INTELLIGENCE BULLETIN



DOCUMENT NO. 22  
 NO CHANGE IN CLASS.   
 DECLASSIFIED  
 CLASS. CHANGE TO: TS S C  
 NEXT REVIEW DATE: 2010  
 AUTH: NR T-2  
 DATE: 9 JUN 1980 REVIEWER: 



~~TOP SECRET~~



~~TOP SECRET~~

~~SECRET~~

26 JULY 1960

**I. THE COMMUNIST BLOC**

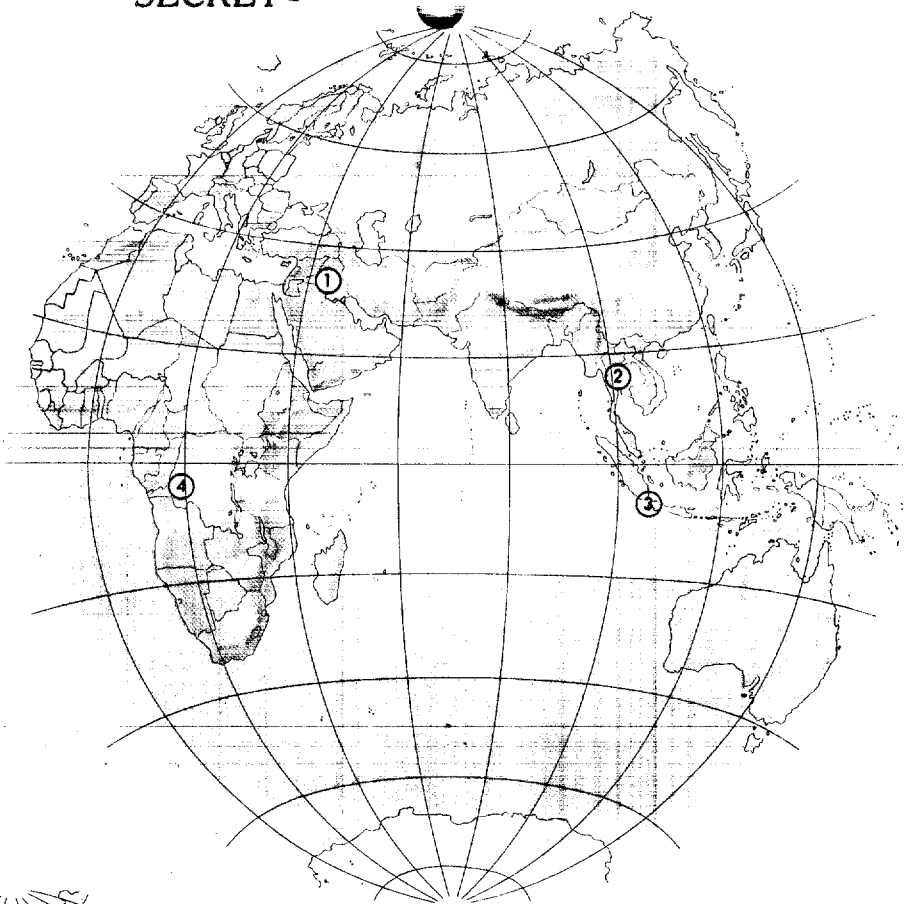
**II. ASIA-AFRICA**

Qasim, in move to improve popular support, creates new dispute with Western-owned Iraq Petroleum Company. ①

Thailand opposed to any increase in American military aid to Cambodia. ②

Sukarno may be considering nationalizing two more companies with Dutch interests as counter to scheduled Dutch naval visit to West New Guinea. ③

The situation in the Congo. ④



~~SECRET~~

~~SECRET~~

## CENTRAL INTELLIGENCE BULLETIN

26 July 1960

## DAILY BRIEF

## I. THE COMMUNIST BLOC

## II. ASIA-AFRICA

*SIRAB*

*OK*

Iraq: In a move aimed at bolstering his flagging popular support, Qasim has charged the management of the Western-owned Iraq Petroleum Company with arbitrary breach of its agreements with the Iraqi Government at the expense of the "rights of the Iraqi people." His statement, broadcast on 21 July, and a Baghdad radio attack of 24 July, are sweeping distortions of the facts concerning the company's decision to reduce production in southern Iraq because of an exorbitant increase in Iraqi port dues on oil exports. Qasim says the government will negotiate before adopting any "restrictive measures," but he has chosen to make this the most serious dispute between the government and the oil company since he took over two years ago. [redacted] (Page 1)

*NO*

Thailand: Thailand has expressed strong opposition to any increase in American aid to Cambodia, despite Prince Sihanouk's threat to turn to the Communist bloc if Cambodia's defense "needs" are not met. The acting foreign minister, in conversation with the American ambassador, argued that the Thai people would not understand America's favoring of a neutral over a loyal ally, particularly as Cambodia already receives proportionately more than Thailand.

*OK delete last sent of FBI*

[redacted]

Indonesia: The Indonesian Government may be considering early nationalization of the Shell and Unilever companies, which have some Dutch capital and field personnel. [redacted] such a proposal was to be introduced in Indonesia's Supreme Advisory Council at the instigation of the Communist labor federation, and that it has Sukarno's approval as a

1

~~SECRET~~

~~SECRET~~

countermove to the visit of Dutch naval units to West New Guinea next month. The Indonesian Government has been unable to maintain production levels in other Dutch enterprises seized since late 1957, and this would be weighed against a political need for an anti-Dutch move. [redacted] (Page 2)

*OK  
delete  
1st sent  
of FP3*

\*Congo: With approximately 7,500 UN troops now in the Congo, and with Belgian forces still policing large sectors of the interior, the Congo security situation continues to improve. Any prospect for a coup attempt by anti-Lumumba elements during the Congo premier's visit to the US appears to have diminished with the adjourning of the Congo Senate, a stronghold of anti-Lumumba sentiment.

Brussels' reported willingness to permit a UN presence in Katanga and Premier Tshombé's call for a loosely joined but united Congo federation, suggests that neither Belgium nor Tshombé now wants to press the issue of Katanga's independence. [redacted]

[redacted] (Page 3)

26 July 60

DAILY BRIEF

ii

~~SECRET~~

~~CONFIDENTIAL~~Qasim's Dispute With the Iraq Petroleum Company

The management of the Iraq Petroleum Company (IPC) has reduced exports of Iraqi oil through the Persian Gulf to about 25 percent of the normal level in response to a unilateral move by the Iraqi Government to raise port dues on oil exports from 6.5 cents per ton to about 78 cents per ton. These exports come from production in Iraq's southern fields, of which Rumayla and Zubayr are by far the largest.

After failing in efforts to have Premier Qasim revoke the decision on port dues, the Western-owned company formally informed the Iraqi Government in a letter dated 20 July that it was suspending production at Rumayla and cutting it back at Zubayr by about one third. The output from the southern fields normally accounts for more than 30 percent of total production in Iraq and last year provided some \$70,000,000 of oil revenues to the government. The cutback of production to its present level entails a loss of revenue to the government of more than \$4,000,000 per month. Had production and exports continued at the normal level, the Iraqi Government would have obtained new income of roughly \$750,000 per month from the increase in port dues.

In contrast to his previous and generally successful tactics of private negotiation of differences with IPC, Qasim this time has launched a propaganda attack. He is presumably trying to use this issue to bolster his flagging popular support. On the basis of a sweeping distortion of the facts, he has accused the company of a breach of its agreements with the Iraqi Government at the expense of the "rights of the Iraqi people." He has singled out IPC's new chief representative in Iraq for special criticism, but has declared that Iraq will undertake negotiations before adopting any "restrictive measures."

~~CONFIDENTIAL~~

~~TOP SECRET~~Indonesia May Nationalize Shell and Unilever

The Indonesian Government may be considering the nationalization of two foreign companies--Shell and Unilever--which have some Dutch capital and field personnel. [redacted]

[redacted] such a proposal was to be introduced in Indonesia's Supreme Advisory Council at the instigation of the Communist labor federation, SOBSI, as a countermove to the August visit of Dutch naval units to West New Guinea. President Sukarno, who reportedly desires to nationalize all foreign capital eventually, [redacted] to have approved the proposal but [redacted] to have withheld his "complete backing." [redacted]

[redacted] General Nasution, army chief of staff and concurrently minister of national security, agrees "in principle" that the oil industry should be nationalized. [redacted]

The Indonesian Government has been unable to maintain production levels in the former Dutch enterprises which it has seized since late 1957. Shell produces 20 percent of Indonesia's crude oil and supplies approximately 70 percent of refined petroleum products required domestically. Unilever, one of the few large manufacturers in Indonesia, is a major supplier of margarine and cooking oil for the domestic market. Disruption of the activities of these companies would further aggravate the deterioration of the Indonesian economy at consumer levels and would affect two products vital to the ordinary household--kerosene and cooking oil. These factors presumably will be weighed by the Indonesian Government against the political need for an anti-Dutch move in reaching a decision.

Capital, other than Dutch, in the two companies is principally British. Under a 1959 decree, there would be compensation for non-Dutch capital in nationalized enterprises.

~~TOP SECRET~~

~~SECRET~~

### The Situation in the Congo

With approximately 7,500 UN troops now in the Congo--out of a total of 12,000 committed--the security situation continues to improve. In the interior, however, the major responsibility for security continues to rest with the Belgians, whose total forces in the Congo number about 10,000.

Brussels' reported willingness to permit a UN presence in Katanga, together with Katanga Premier Tshombé's remarks endorsing a Congo federation of autonomous states, suggests that neither party will press the issue of Katanga's "independence." Tshombé announced Katanga's secession from the Congo on 11 July, but has yet to gain formal recognition even from Belgium.

[redacted] Congo Premier Lumumba views his present visit to the United Nations, expected to last at least a week, as incidental to an appeal to the United States for large-scale aid. [redacted] if he does not receive what he asks, Lumumba may well turn to the bloc. [redacted]

[redacted] Lumumba recently stated to Ghana's President Nkrumah that while Soviet troops were no longer required in the Congo, he would probably accept Soviet equipment and other assistance. ]

In an unexplained move, the Congo Senate on 22 July voted itself a three-week vacation. The lower house had agreed the previous day to adjourn until 1 September. The action by the Senate--which has been the main center of criticism directed at Lumumba's leftist policies--suggests that Lumumba's opponents will await the results of his trip before considering further action. Lumumba reportedly desires to abolish the Senate and establish a unicameral legislature, and he might take advantage of the Senate's adjournment to take action against it. [redacted]

~~SECRET~~



~~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

Director, Office of Civil and Defense Mobilization

Director, National Aeronautics and Space Administration

Special Assistant for Security Operations Coordination

Chairman, 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 Political Affairs

The Deputy Under Secretary of State for Political Affairs

The Deputy Under Secretary of State 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

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

Commandant, United States Marine Corps

Assistant to Secretary of Defense for Special Operations

Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of Army

Director of Naval Intelligence, Department of Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

Supreme Allied Commander, Europe

Commander in Chief, Pacific

**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

~~CONFIDENTIAL~~

~~TOP SECRET~~

~~TOP SECRET~~