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22 August 1959

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CENTRAL INTELLIGENCE BULLETIN



DOCUMENT NO.

NO CHANGE IN CLASS.

1 DECLASSIFIED

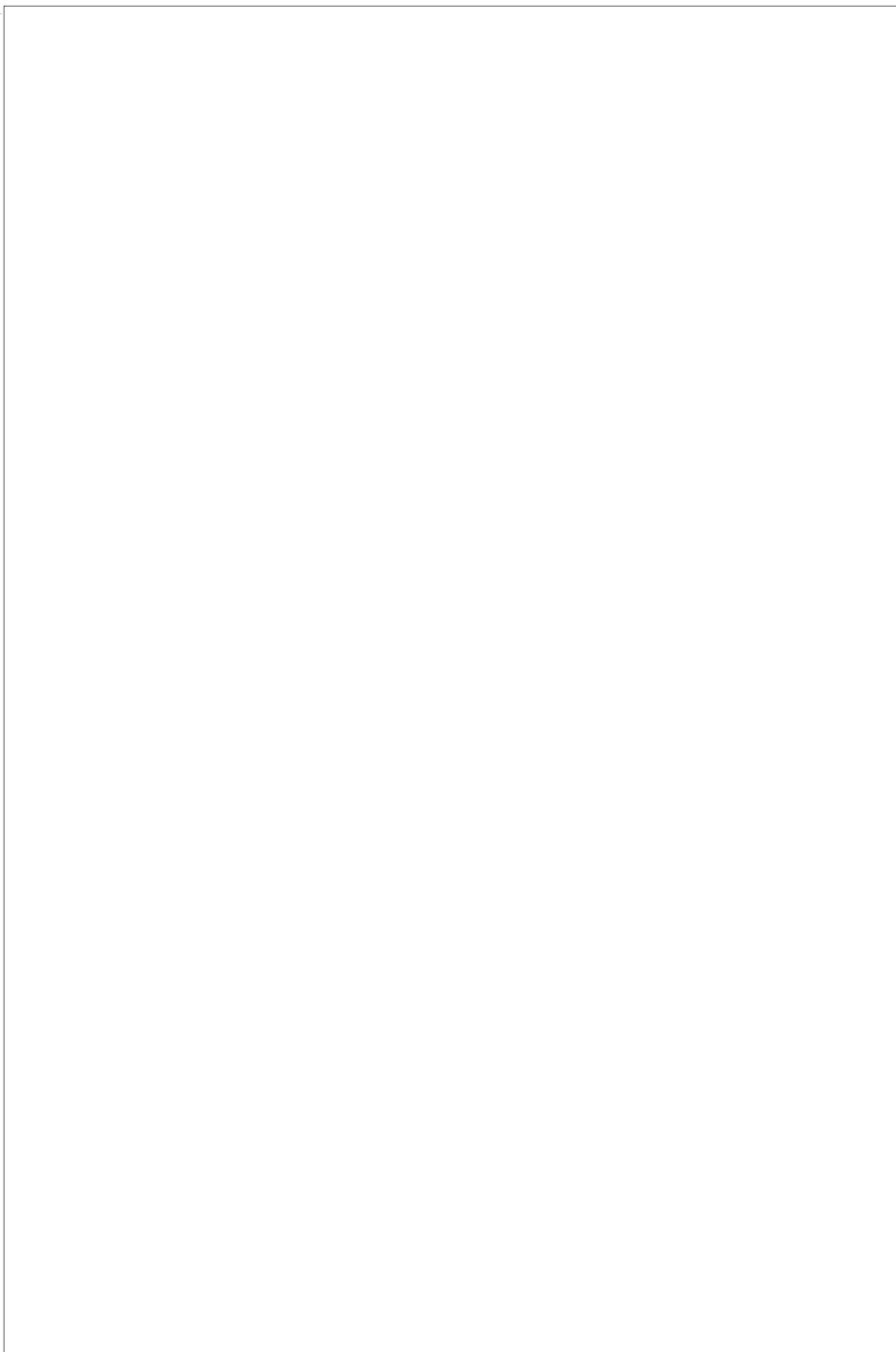
CLASS. CHANGED TO:

NEXT REVIEW DATE:

AUTH. H-10-2

DATE 4/11/82

REVIEWER: ~~TOP SECRET~~



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22 AUGUST 1959

I. THE COMMUNIST BLOC

Extended conference of Chinese Communist leaders has apparently ended.

USSR revises list of areas closed to foreign travel.

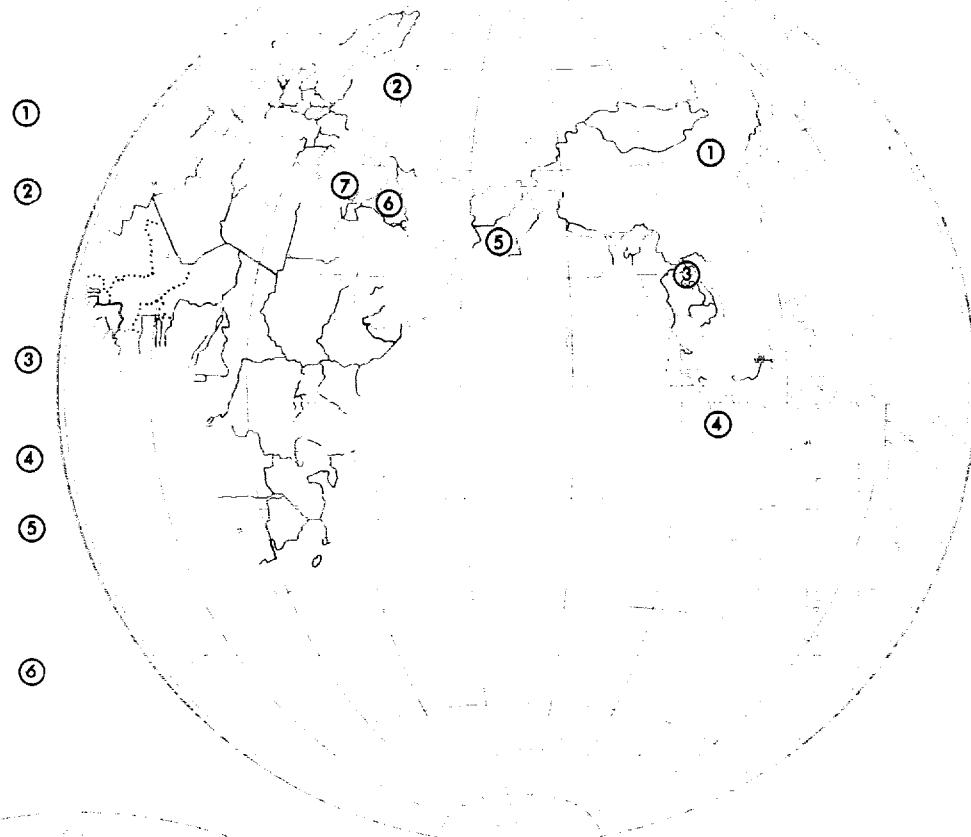
II. ASIA-AFRICA

Laos--Communists continue to increase pressure on government forces.

Indonesian Government reverses decision to prevent annual congress of Communist party.

Opposition to Pakistan's military regime becoming more active.

UAR intelligence continues to report indications of imminent showdown between Qasim and Iraqi military leaders.



III. THE WEST

- ⑦ Cyprus deadlock over constitutional powers of Turkish vice president probably will be referred to Greek, Turkish premiers.
- ⑧ UK again advocates tripartite talks with Trinidad leader to revise US-UK Caribbean bases agreement.
- ⑨ Hammarskjold plans to de-emphasize Khrushchev's visit to UN.
- ⑩ Cuban decree arbitrarily slashes rates of predominantly US-owned electricity utility.

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CENTRAL INTELLIGENCE BULLETIN

22 August 1959

DAILY BRIEF

I. THE COMMUNIST BLOC

Communist China: The high-level meeting of Communist China's senior party leaders, which has reportedly been in session outside Peiping for the past several weeks, may have ended. A Peiping news item of 21 August on a reception for Ho Chi Minh revealed that several members of the party politburo, including Liu Shao-chi and Chou En-lai, Mao's principal lieutenants, were back in the capital. While no public pronouncements on the proceedings have been released by the Communists, the trend of current press comment suggests that economic matters were included in the discussion, and that the meeting decided to reaffirm the regime's hurry-up economic programs.

USSR: Four of the five cities closed by the USSR on 18 August to foreign travel contain major military production facilities. The six border cities which were opened to foreign visitors at the same time are centers of Soviet minority nationality groups and are relatively unimportant militarily.

(Page 1) (Map)

II. ASIA-AFRICA

Laos: Communist forces are continuing to increase their pressure on government troops in Sam Neua Province, according to Laotian officials. [They assert that enemy groups, recently augmented by elements of a rebel Pathet Lao battalion, are maneuvering to cut off the province.] (SECRET NOFORN)

While further study of the intercepted messages reported in this publication on 18 August as evidence of North Vietnamese

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support of the Laotian Communists shows they were erroneously translated, this does not change the basic assessment that such support almost certainly exists.

(Page 2)

OK
Indonesia: The government's decision to permit the Indonesian Communist party to convene its sixth national congress on 7 September is a Communist victory. The rescheduling of the congress from its earlier date of 22 August, after a reported decision to prohibit any meeting, appears to have resulted from a decision by President Sukarno to overrule army wishes for cancellation.

(Page 4)

No
Pakistan: Recent efforts to discredit the Ayub government indicate that opposition to military rule is becoming more active. In mid-August ousted politicians sought to distribute anti-government posters in West Pakistan. Rumors are now being spread of impending revolt in East Pakistan and of a planned Soviet- or Afghan-supported tribal uprising in West Pakistan in October to overthrow Ayub. Such dissatisfaction, however, is not sufficiently widespread to pose a serious threat to the regime at this time.

(Page 5)

No
Iraq: There are persistent reports, [redacted] that a crisis is developing in the relations between Prime Minister Qasim and leading anti-Communist army officers such as Major General Abdi, the military governor general. Differences between Qasim and this group allegedly were brought to a head by the current trial of Brigadier Tabaqchali and by Qasim's support for the "People's Court" president, Colonel Mahdawi. According to these reports, this army group is planning a coup for some time in the near future. Qasim may be forewarned of this movement, however, and [UAR officials themselves reportedly believe the group does not have substantial backing.] At the same time, [redacted] the Iraqi Army has been alerted to new Communist-inspired disorders aimed at liquidating anti-Communist officers.

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DAILY BRIEF

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III. THE WEST

NO

Cyprus: [The Greek-Turkish deadlock over an interpretation of executive powers in the prospective constitution for Cyprus has become worse. The dispute will probably be referred immediately to the Greek and Turkish premiers. Unless the issue is quickly resolved, the original schedule of events leading to independence by next February will be disrupted and communal tensions may be revived.]

NO

Britain - West Indies: [London has reverted to its earlier advocacy of associating the West Indies Federation, and especially Trinidad's anti-American Premier Eric Williams, in any review of the 1941 US-UK Caribbean bases agreement. The British seem convinced that Williams will emerge as the future leader of the year-old Federation and must be placated lest he abrogate the agreement later. They fear that a flat US refusal to discuss revision might even result in physical action against the major Chaguaramas base in Trinidad.]

(Page 7)

OK

UN-- Khrushchev's visit: UN Secretary General Hammarskjold plans to play down the importance of the Soviet premier's visit to the General Assembly this September. He has scheduled Khrushchev's address to the assembly for 18 September rather than the opening day, 15 September, which the USSR reportedly preferred. Moreover, Hammarskjold plans to include Khrushchev in his regular dinner for heads of all UN delegations rather than give the separate dinner usually accorded "heads of state" visiting UN headquarters.

(Page 8)

OK

Cuba: The Cuban Government on 19 August issued a decree ordering a 30-percent reduction in electric rates of the predominantly American-owned Cuban Electric Company, which supplies about 90 percent of the country's electric power. The company was not given a promised opportunity to refute the findings of a government commission that has been investigating it for several months. Government officials are believed considering a plan for permanent supervision, and the company president fears the government plans to take over the company eventually.

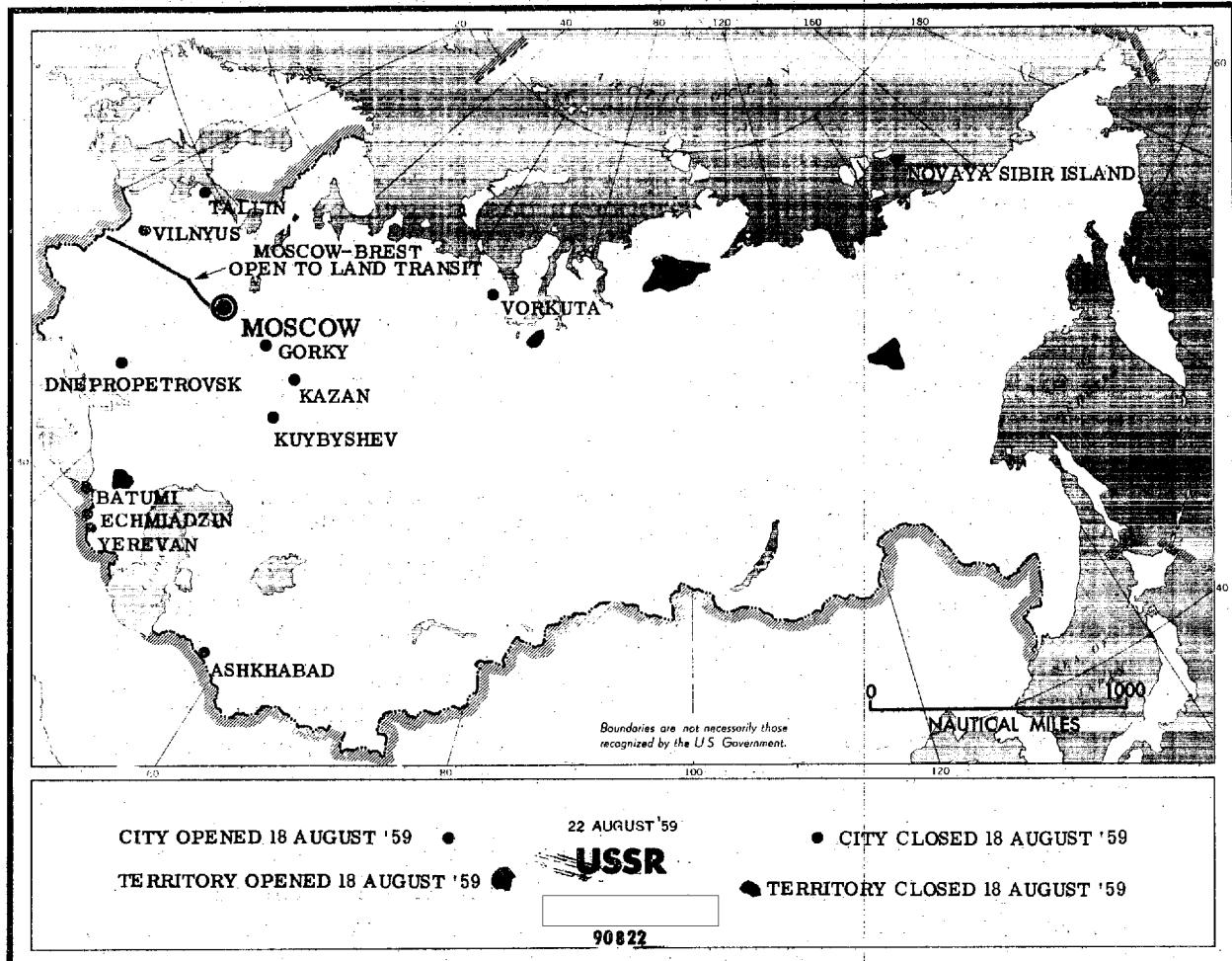
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DAILY BRIEF

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I. THE COMMUNIST BLOC

Changes in Soviet Closed Areas

Four of the five cities closed to foreign travel by the Soviet Ministry of Foreign Affairs on 18 August have important military production facilities. Aircraft plants at Kuybyshev and Kazan have been important centers of long-range bomber production, and these cities are also believed to be associated with the Soviet missile program. Gorky is known for its submarine yard and fighter aircraft factory; it too is probably involved in the missile program. Dnepropetrovsk is strongly suspected to be a site of IRBM production and has an aviation-parts plant. The Arctic city of Vorkuta, notorious as a major forced-labor camp during the Stalinist period, is the location of a Soviet Long Range Air Force base and is on the rail line to Polyarny Ural, a location suspected of being associated with the program for producing intercontinental ballistic missiles and earth satellite vehicles.

The Arctic island of Novaya Sibir and remote areas in northwestern and east central Siberia also have now been closed. These areas are virtually inaccessible, and had not been visited by Westerners prior to the closing.

This is the first revision of travel restrictions since August 1957, although ostensibly open areas have frequently been closed to foreigners "for reasons of a temporary nature."

Of the six cities opened to foreign travel, three--Batumi, Yerevan, and Echmiadzin--are on the Turkish border. Vilnyus and Tallin are Baltic capitals and Ashkhabad is on the Iranian border. Their opening indicates a decline in the regime's uneasiness over the stability of the minority areas. Riga--the other Baltic capital--and areas along the Soviet-Rumanian border were opened to Western travel in 1957.

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II. ASIA-AFRICA

Laos

[Government troops in Sam Neua Province are under increased pressure from Communist forces, according to Laotian officials. Communist strength there reportedly has been augmented recently by elements of the Communist battalion which rebelled in May. These troops are said by government sources to have moved northward from a refuge on the North Vietnam border in North-Central Laos in an operation to isolate Sam Neua.]

[Control over a strategic area of Xieng Khouang Province near the North Vietnamese border is passing to Communist irregulars while government troops usually remain in urban areas,

[many of the local residents, predominantly members of the Meo ethnic minority, were prepared to support the regime if government administrators manifested concern over their welfare.]

Although it is believed that the North Vietnamese are supplying logistical aid and direction to the Laotian insurgents, firm evidence of North Vietnamese involvement in this respect is still lacking:

Peiping continues to reiterate its charges that the US is the instigator of the Laotian crisis and remains adamantly opposed

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to proposals to send UN observers into Laos. Peiping appears to be trying to rebut US official statements that Communist China and North Vietnam are responsible for the Laotian crisis, thus manifesting a certain sensitivity to the charge.

The Diem government in Saigon, meanwhile, is becoming increasingly concerned over the possible spread of Communist insurgency in Laos southward to provinces adjacent to South Vietnam. In response to alleged Laotian requests for assistance, South Vietnam reportedly is considering ways to augment covertly the counter-guerrilla and counter-subversive capabilities of the Laotian Government in these provinces. Such assistance, probably in the form of a limited number of Vietnamese military personnel disguised as civic action cadres of the Laotian Army, or operating under some other cover, would risk triggering violent counteraction by Hanoi which already links South Vietnam with the "US war plot in Laos." NOTE

Communist propagandists in Xieng Khouang Province reportedly are telling the people that if the Laotian Government accepts assistance from South Vietnam, the Communist Laotians will request support from North Vietnam.]

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~~SECRET~~Indonesian Communist Party Congress Rescheduled

The Indonesian Communist party has scored a victory in gaining the army's reluctant approval for the convening of the party's sixth national congress on 7 September. Although behind-the-scenes maneuvers have not been reported, the explanation for the Communists' success appears to be a combination of Communist bluff, an army mistake, and interference by President Sukarno in behalf of the party.

The party had earlier applied for and received army permission to convene the congress on 22 August. This permission apparently had been granted in ignorance of the scope of the meeting and in line with the government's decision to ease the ban on political activity. When Defense Minister General Nasution later informally requested that the congress be "indefinitely postponed," Party Secretary Aidit ignored the request, claiming that permission had already been granted. There are indications that at this point, President Sukarno overruled army efforts to withdraw the previously granted permission and possibly suggested the compromise date of 7 September.

The party is anxious to hold the congress, having repeatedly postponed it--largely as a result of army pressure--from its initially scheduled date in mid-1958. With an increased membership and a domestic situation less favorable to Communist interests, party leaders wish to brief cadres and to lay down revised tactical lines. The party constitution calls for a national congress every three years if possible, and none has been held since March 1954. Representatives of foreign Communist parties are reported to have arrived in Djakarta for the meeting, but [redacted] they will not be permitted to attend. [redacted]

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~~SECRET~~Opposition to Pakistani Military Rule Becoming More Active

[Recent efforts to label the Ayub government as unpopular indicate increasingly active opposition to military rule in Pakistan. Several Pakistani tribal leaders appear to be trying to embarrass the government by disseminating reports of plots for a coordinated tribal uprising to overthrow President Ayub. These leaders probably fear the loss of much of their traditional authority as a result of the government's land reform program, and other measures which will extend the government's authority at their expense. They are unlikely to get sufficient support, however, to risk an open challenge to the government.]

[In addition, some ousted party politicians are apparently the source of rumors that the government fears a violent uprising in East Pakistan in the near future. These dissidents have become sufficiently frustrated by the regime to try distributing antigovernment posters in West Pakistan. The government discovered this plot in mid-August and made several arrests.]

[The dissidents, especially those from the tribes, may attempt to enlist the support of the Afghan Government. Since the military take-over in Pakistan last October, Kabul has stepped up its Pushtoonistan campaign, demanding self-determination for Pushtu tribes living in Pakistan. Afghan propaganda has played up recent disturbances in the southern Pakistani tribal area of Baluchistan, and Afghan Prime Minister Daud has expressed his concern over recent agitation in Dir, a Pakistani border state north of the Khyber Pass.]

[The Afghans are likely to increase their propaganda support of the tribes in Pakistan, especially during the Afghan independence celebrations which are to begin on 24 August. Such support would worsen further Afghan-Pakistani relations, Kabul would not, however want to provoke a strong Pakistani counteraction which could leave Kabul entirely dependent on Soviet good-will and support.]

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Iraqi Army Allegedly Planning Anti-Qasim Coup

[redacted] unconfirmed reports that anti-Communist army officers are planning a coup which would relegate Prime Minister Qasim to the position of a figurehead. These reports are accompanied by rumors that a crisis has developed between Qasim and leading anti-Communist army officers--including Military Governor General Abdi--over the current treason trial of Brigadier Tabaqchali and Qasim's full endorsement of "People's Court" president Col. Mahdawi.

[redacted] the coup will be attempted at the end of August or early in September, [a UAR official in Beirut reportedly feels that the group planning the action has not sufficient backing among the officer corps or enlisted men to be successful.] [redacted]

The plotters apparently do not plan any radical change in the command structure of the Iraqi Army or of the facade of civilian government. Among those who would remain in their present posts are Qasim, as prime minister and defense minister, the members of the present Sovereignty Council, Military Governor General Abdi, and the commanders of the 3rd and 4th Divisions. The military governor of Baghdad, Major General Tariq Said Fahmi, would be elevated to the post of "commander in chief of the army." The pro-Communist chief of the air force, Jalal Awqati, would be replaced by Col. Yusuf Aziz, present commander of the Baghdad air base.

Qasim may be forewarned of the plotters' plans, either by his own intelligence sources or possibly by the Communists. Disclosure would be likely to result in a new series of "treason" trials and renewed charges of UAR plotting to overthrow the Qasim regime.

[redacted] "confirmed information" has reached Iraqi Army headquarters that the Communists are planning large demonstrations against Abdi throughout Iraq between 21 and 25 August. Army and police units have been ordered to stand by. [redacted]

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III. THE WEST

Britain Renews Support of Caribbean Bases Conference

[The British Government is again advocating that the West Indies Federation, and especially Trinidad's anti-American Premier Eric Williams, participate in a review of the 1941 US-UK Caribbean base agreement. In early August some officials, impressed with the difficulties of dealing with Williams, seemed intent on undermining him. Since then, the Colonial Office and Foreign Office have evidently concluded that there is nothing they can do to curb Williams short of revoking the constitution of the year-old Federation--a step London is loath to take without extreme provocation.]

[The British seem convinced that the demagogic Williams will emerge as leader of the Federation, perhaps in 1963 when it is expected to attain complete independence. The present federal prime minister, Sir Grantley Adams of Barbados, and the leader of the majority Federal Labor party, Norman Manley of Jamaica, have reached an age when they may not retain their influence for long. Williams, meanwhile, seems to be gaining greater support.]

[London maintains that if Williams could be associated with a slightly revised agreement now, he would honor it later, despite his clear opposition to US retention of the major Chaguaramas base on Trinidad. Otherwise, the British fear, he would demand sweeping changes. They argue that a "completely negative" US response to the Federation's request for a conference on revision might cause Williams to initiate physical action against the Chaguaramas base. The US Consulate General in Port of Spain has also warned that Williams might try to obstruct American use of the base.]

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~~CONFIDENTIAL~~Hammarskjold's Attitude Toward Khrushchev's UN Visit

UN Secretary General Hammarskjold plans to play down the importance of Khrushchev's visit to the UN General Assembly this September. He has informed the Soviet delegation that the Soviet premier's speech to the assembly has definitely been set for 18 September, although the USSR had indicated a preference for the 15th, the opening day of this session.

Moreover, Hammarskjold does not want to give a dinner in honor of Khrushchev, but intends merely to invite him to the usual dinner for heads of all UN delegations and cabinet officers present. The customary toast will thus be to the heads of all delegations and not directly to the Soviet premier, who will, however, be the ranking guest. Hammarskjold believes this plan will meet all the protocol requirements of Khrushchev's visit without unduly emphasizing his presence at the UN.

UN protocol requires the secretary general to give a formal dinner or luncheon for all heads of state who visit UN headquarters. He may also accord such honors to other high-ranking persons, if he desires. The fact that Khrushchev is not officially listed as head of state permits Hammarskjold to play down his visit to the UN.

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Cuba Orders American-owned Electric Company to Slash
Rates 30 Percent

On 19 August, the Cuban Government decreed a 30-percent reduction in the rates charged by the predominantly American-owned Cuban Electric Company, which supplies about 90 percent of the country's electric power. The decree was issued without giving the company a prior opportunity to refute the findings of a government investigating commission as had been promised both to US Ambassador Bonsal and to company officials. The government also instructed all electric companies to continue their development and expansion plans.

The company president, who says the firm cannot operate on the basis of the new rates, fears that the decree may be part of a government expropriation plan. Government leaders are known to be considering a plan for permanent supervision of the utility and last June were reported by a company attorney to be drafting a forced-lease agreement under which the government would take over operations.

The government's action is in line with its policy of forcing down the cost of living by arbitrarily decreeing reductions in rents, mortgage interest rates, and food prices. Other American-owned corporations in Cuba have already been affected or are likely to be in the future by the policies of the highly nationalistic government. Prime Minister Castro has frequently condemned the "monopolistic foreign interests" in Cuba.

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