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CENTRAL INTELLIGENCE BULLETIN

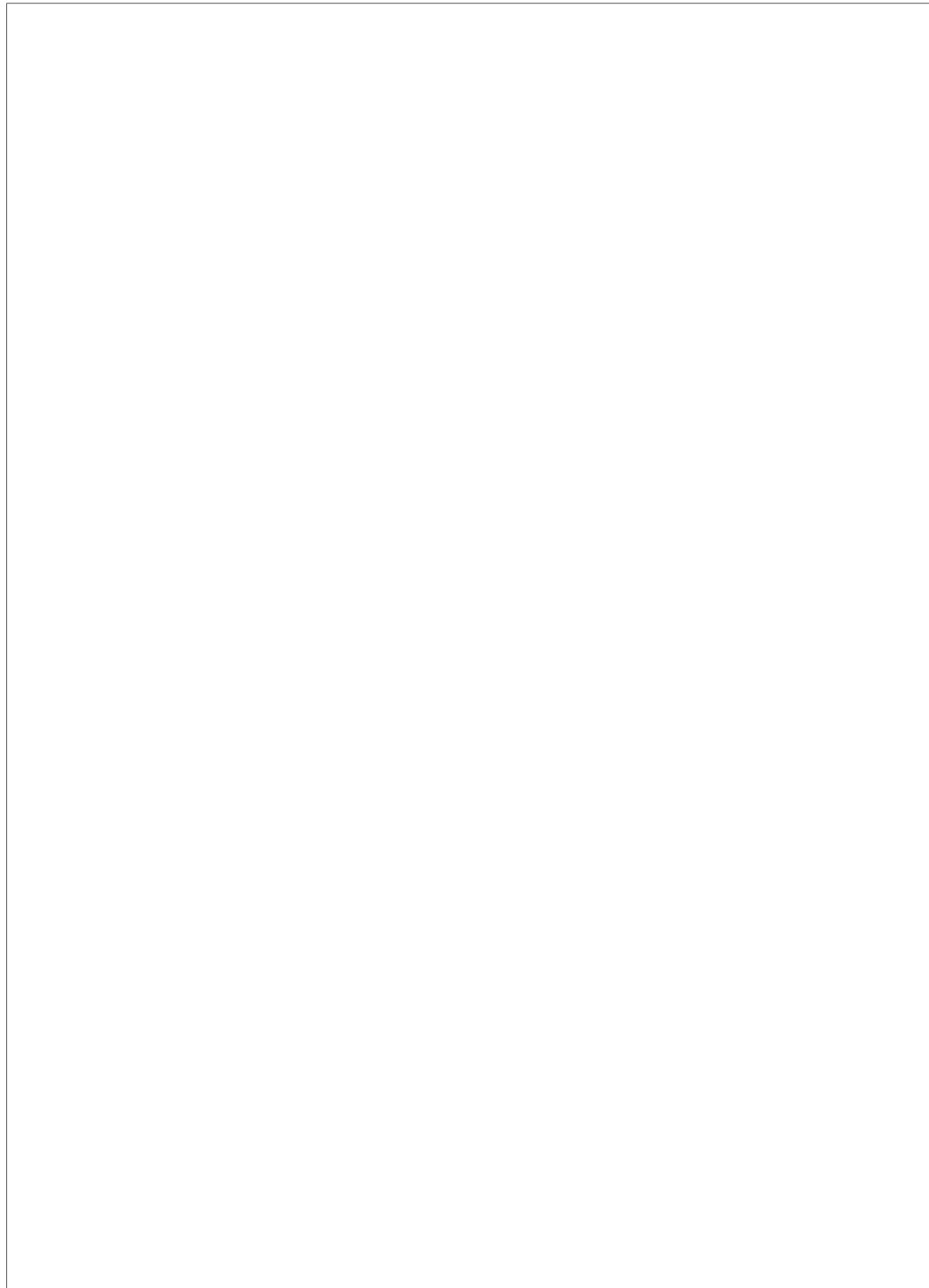


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25 SEPTEMBER 1959

I. THE COMMUNIST BLOC

Peiping's domestic propaganda reflects opposition to Moscow's approach to the US.

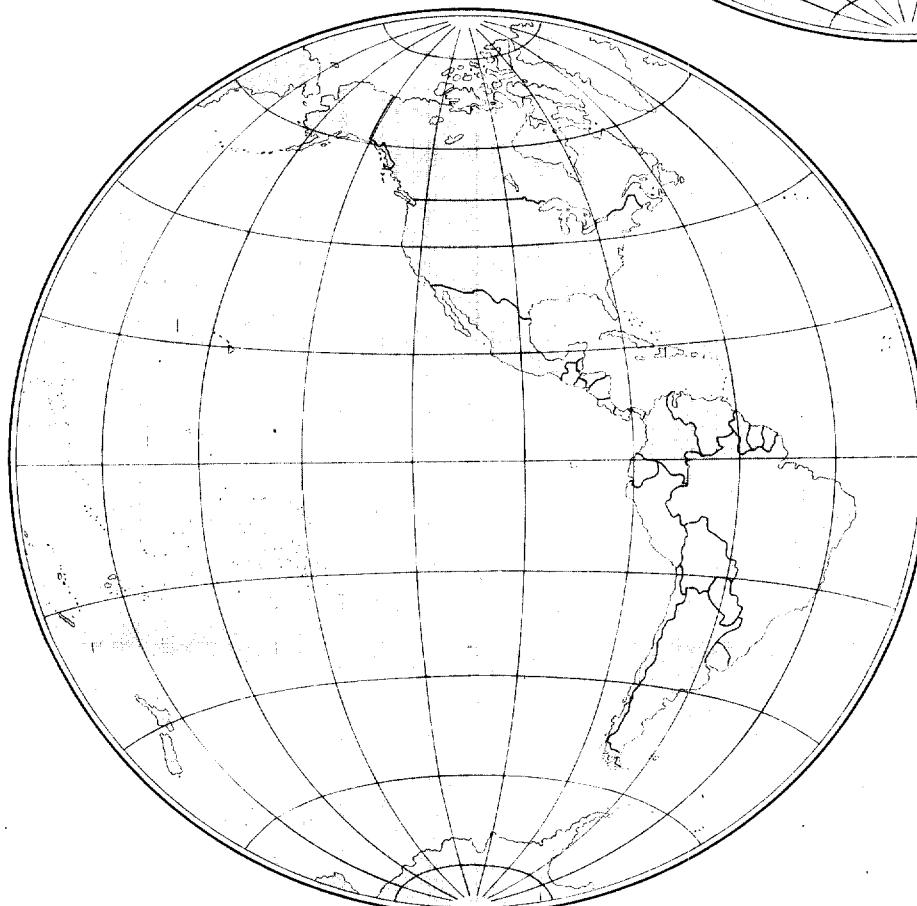
Communist bloc continues efforts to establish closer ties with Guinea.

II. ASIA-AFRICA

Laos--French military attaché in Vientiane tells Argentine member of UN subcommittee there is no foreign military intervention.

Indonesian Foreign Minister to visit Peiping to discuss Djakarta's restrictions on Chinese merchants.

India--Krishna Menon may lose post of Defense Minister.



- ⑥ Japanese Prime Minister threatens to dissolve Diet over disagreement on revision of US-Japan Security Treaty.
- ⑦ Yemeni Crown Prince may go to West Germany for reasons of "health."
- ⑧ Moroccan Crown Prince attempting to suppress left-wing elements.

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CENTRAL INTELLIGENCE BULLETIN

25 September 1959

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DAILY BRIEF

I. THE COMMUNIST BLOC

OK

Communist China - USSR: Peiping's domestic propaganda continues to reflect a degree of opposition to Moscow's more moderate approach to the United States. An article in the current issue of the Chinese theoretical journal Red Flag implicitly criticizes Moscow by attacking "Chinese bourgeois elements" who had been reluctant to continue "sharp struggles against US imperialism" and by condemning the "heinous US aggressor" as a threat that must be destroyed. The article reaffirms Peiping's determination eventually to "liberate" Taiwan, but it does not threaten immediate action. [redacted] (Page 1)

OK

Communist bloc - Guinea: Continuing efforts by the Communist bloc to cater to Guinea's desire for international status and to establish close political and economic ties were reflected in the speeches and display of friendship by the bloc delegates at the recent congress of President Sekou Touré's Democratic party--Guinea's only political party. The absence of Western delegates enabled the specially invited bloc delegations to further the impression that achievements by the Touré regime during Guinea's first year of independence have been largely due to bloc assistance. (One member of the Soviet delegation is [redacted]

[redacted] planning to remain in Conakry as TASS correspondent to establish an office for news-gathering throughout West Africa.)

[redacted] (Page 2)

KU

II. ASIA-AFRICA

Laos: [The Argentine representative on the UN subcommittee, General Ahrens, has been advised [redacted] by the French military attaché in Vientiane that there has been no real foreign military intervention in Laos and that Laos' appeal to the UN was possibly inspired by the policy aims of 'a certain large power.' The Laotian

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(Government's mounting dissatisfaction with the French is reflected in Premier Phoui's bitter complaints about France's attitude and the "do nothing" performance of French military advisers with the Laotian Army.)

(*The Laotian Army commander may have taken the first step in a plan to redeploy some units from Sam Neua Province to Luang Prabang in the belief that the rebels may shift their operations from the border areas to the Laotian interior. According to late press reports, the airlift of a paratroop battalion from Sam Neua to Luang Prabang now is in progress.)

(Page 3)

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Indonesia: Indonesian Foreign Minister Subandrio will visit China, possibly in October, at Peiping's invitation, to discuss Djakarta's recently imposed restrictions on Chinese business. Although Indonesia has received two strong protests from Peiping regarding the treatment of local Chinese merchants, Subandrio says the Indonesian Government will not retreat from its position.

(Page 4)

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Krishna Menon: Top government leaders in New Delhi are continuing to press Nehru to dismiss Defense Minister Krishna Menon. Nehru reportedly has told his cabinet colleagues he will respect their desires that Menon be removed from the Defense Ministry, and President Prasad has stated that Menon's chances of continuing to hold his post are nil. The subject of Menon's dismissal recently became a burning issue when army commander General Thimayya charged Menon with interfering in army affairs for personal and political reasons and with countermanding military measures ordered by Thimayya in defense of the Indo-Tibetan border. There is some possibility of a general cabinet shuffle within the next few months which would retain Menon in a less critical post.)

K

Japan: Japanese Prime Minister Kishi has warned factional leaders in his Liberal-Democratic party that he will dissolve the Diet if the party cannot agree on terms for revising the US-Japan Security Treaty. Recent attempts by anti-Kishi conservative leaders to undermine Kishi on the treaty issue have not succeeded, but the treaty question has been revived following the visit of former

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Japanese Prime Minister Ishibashi to Peiping. Ishibashi agreed with the Chinese leaders that the treaty is an impediment to closer Sino-Japanese relations. Kishi apparently is confident that the financial strain of an election and the probability that the electorate would support him on the treaty will keep his party in line.

(Page 5)

UAR-Yemen:

"the Imam is destroying everything which Badr did," and it is expected that the Yemeni military schools will be closed and the Egyptians sent home. The UAR deputy stated that the Crown Prince will go to West Germany, allegedly for reasons of health, from where he will contact President Nasir. The Imam has carried out several executions and mutilations of dissident individuals, reportedly to the disgust of some of the populace. but no one has yet dared oppose him.

OK
H.O. Morocco Crown Prince Moulay Hassan

he is attempting to goad left-wing elements into violence so that the army, which is being deployed, can suppress them. The prince, who has been unsuccessful in persuading the King to act against the left, may be taking advantage of the King's uncertain health. Right-wing Moroccans, also urging the King to suppress the leftists, claim that Cairo is subsidizing the leftists to promote a revolution.)

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III. SIGNIFICANT INTELLIGENCE REPORTS AND ESTIMATES

(Available during the preceding week)

Outlook for Afghanistan. NIE 53-59. 22 Sept 59.

Situation in Laos. SNIE 68-2-59. 18 Sept 59.

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I. THE COMMUNIST BLOC

Peiping Concerned Over Implications of Current Soviet Policy

An article in the mid-September issue of Red Flag, top Chinese Communist theoretical journal, provides further indication that Peiping is concerned over Moscow's current posture on relaxation of international tension, symbolized by the exchange of visits with President Eisenhower. Peiping probably fears Chinese objectives in both foreign and domestic policies will be undercut. The Red Flag article demonstrates the high value the Chinese Communists place on using the threat of US "aggression" to goad their people into ever greater efforts toward internal development. The article implicitly criticizes Soviet policy by attacking "Chinese elements of the bourgeoisie" who were afraid of sharp and continued "struggle" to destroy imperialism.

Warning the Chinese against using any signs of improved Soviet-American relations as an excuse to relax, the article states, "Face to face with the US aggressor, the Chinese people are forced to intensify their work and build economically backward China into an advanced, industrialized, and socialist power." Red Flag cited Peiping's action in the Korean hostilities as an example of how to defeat "imperialism" with "sharp struggle," pointing out the internal progress made as a result of the attendant "despise America" campaign.

The condemnation of the US as a "heinous aggressor" incapable of "repenting" suggests the Chinese are convinced that unremitting political opposition to the United States is the only means of reducing US influence in the Far East. Red Flag reaffirmed Peiping's determination eventually to "liberate" Taiwan, but it made no threat of immediate action. The article suggested "liberation" might be "detoured" for some time, as the US was still a "real tiger" capable of inflicting injury.

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~~SECRET~~Soviet Bloc Delegates Prominent at Guinea Congress

Delegations from the USSR, Eastern European countries, and the French Communist party were particularly prominent at the annual congress of President Sekou Touré's Democratic party which was held in Conakry during mid-September. The "especially invited" delegations attempted through speeches and displays of "friendship" to strengthen the bloc's recent economic and political gains in Guinea and to further bloc influence in other African states. Efforts to consolidate the impression that achievements during the Touré regime's first year of independence have been largely due to assistance from the bloc were facilitated by the absence of Western delegates. Most of the independent African states were represented, but invitations apparently were not extended to Western countries.

The American Embassy in Conakry believes that the invitations--a departure from Guinea's professed policy of neutrality--resulted from Touré's gratitude for aid from bloc countries, as well as adroit maneuvering by the bloc. The UAR ambassador to Guinea expressed serious concern to US officials in early September over the degree of influence the bloc had attained there.

A Guinean Foreign Ministry official recently stated that Communist China may establish an embassy in Conakry before the end of 1959. The USSR, Czechoslovakia, and Bulgaria now have diplomatic missions in Guinea.

[redacted] one Soviet delegate will remain in Conakry to establish a TASS office for news-gathering throughout West Africa. Pravda's correspondent and Peiping's NCNA representative in Accra are both accredited to Guinea.
[redacted]
[redacted]

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II. ASIA-AFRICA

French Official in Laos Questions Foreign Intervention

[redacted] there has been no real foreign military intervention in Laos and that Laos' appeal to the UN was possibly inspired by the policy aims of "a certain large power"--presumably a reference to the United States [redacted]

[redacted] the US, France, and Britain should do their utmost to maintain a united front and avoid giving conflicting opinions to subcommittee members.

[redacted] action runs counter to assurances of French Embassy members that they would do everything possible to help the Laotian Government present its case to the subcommittee.)

(Joint efforts by the West to strengthen Laos against the threat of a Communist take-over have for some time been hampered by the widening gulf between the Phoui Sananikone government and French representatives in Laos. The situation has been aggravated by the openly skeptical attitude taken by the French toward Laotian Army reports on the fighting and on the degree of North Vietnamese involvement, and by the French tendency to blame Phoui and his colleagues for the current crisis)

(Overriding concern with East-West relations generally and with developments in Algeria have all but eliminated high-level French comment on the Laotian situation. Paris apparently accepts French Ambassador Gassouin's analysis of internal political difficulties in Laos and his denial of evidence of real foreign military intervention, but does not comprehend the extent to which French-Laotian relations have deteriorated. Foreign Minister Couve de Murville, however, recently said that Gassouin would be replaced by the end of the year in what may be an attempt to remove one of the major causes of friction) [redacted]

[redacted]

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~~TOP SECRET~~Sino-Indonesian Discussions Pending on Overseas Chinese

Indonesian Foreign Minister Subandrio plans to visit China possibly in October--at Peiping's invitation--primarily to discuss Djakarta's recently imposed restrictions on Chinese business but with possible mention of the dual citizenship treaty and Chinese credits to Indonesia. Subandrio told the American ambassador he had received two strong protests from the Chinese Communist Government against treatment of local merchants. He said the second protest was very sharply worded. The Soviet ambassador had also protested, and the Indonesian Communist party secretary general had asked the government to modify its anti-Chinese measures.

The subject of protest is a ban on alien retail businesses in rural areas effective 1 January. These businesses have until 30 September to file their intention to close, to transfer to Indonesian nationals, or to move to urban areas. It is estimated that approximately 25,000 businesses--most of them Chinese--will be affected.

[redacted]
[redacted] the ban must be enforced. He told the American ambassador on 21 September that although Djakarta does not wish a showdown with Peiping at this time, it cannot retreat. He is considering future anti-Chinese measures, such as closing the Djakarta branch of the Bank of China, and has advised President Sukarno that, in view of Communist China's growing strength, the Chinese problem in Indonesia must be "solved" within five years.

Other aspects of Sino-Indonesian relations are the agreement abolishing dual citizenship which, although signed in 1955 and ratified by both governments, has yet to be implemented, and a \$30,-000,000 Chinese credit to Indonesia. In mid-September the Chinese [redacted], promised speedy settlement of a drawing on this credit for a textile factory. [redacted]

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Kishi Calls for Conservative Unity on US-Japan Security Treaty Revision

Japanese Prime Minister Kishi has warned factional leaders in his Liberal Democratic party (LDP) that he will dissolve the Diet and call a parliamentary election unless they maintain unity on terms for revising the US-Japan Security Treaty.

Kishi, well aware that rivals within the party would like to unseat him by undermining his position on a major policy issue, is attempting to minimize the effect of a joint communiqué issued in Peiping by former Japanese Prime Minister Ishibashi and Chinese Communist Premier Chou En-lai. Ishibashi agreed with Peiping leaders that the security treaty is an impediment to closer Sino-Japanese relations.

The revised security treaty is still under negotiation, but it is expected to be submitted to the Diet for ratification sometime after the regular session convenes in December. Kishi said he would proceed with the Diet deliberations even if the Socialists boycott the proceedings, but he probably is concerned over a possible conservative split and coalition with the Socialists which could block ratification.

Kishi told the LDP leaders that Japan "stands at a crossroads between neutralism and freedom and must clearly align itself on the side of the free world." He said he would take full responsibility for unifying public and party opinion and would not hesitate to stake his political life on ratification. Kishi apparently is confident that the financial strain of an election and the probability that the electorate would endorse him on the treaty issue will keep his party in line.

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Moroccan Leftists May Be Goaded to Violence

(Moroccan Crown Prince Moulay Hassan [redacted]

[redacted] he is attempting to goad left-wing elements into violence so that he can use carefully deployed units of the Royal Army, of which he is Chief of Staff, to suppress them. King Mohamed V has heretofore refused to permit suppression, but now he is very sick. The prince may be taking advantage of this to create a situation serious enough to warrant suppression of the newly organized National Union of Popular Forces (UNFR). [redacted]

(Adherents of the Istiqlal party, which has refused to participate in the Ibrahim government, have also urged the King to repress the leftists. [redacted]

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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

Director, National Aeronautics and Space Administration

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 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

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