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26 January 1959

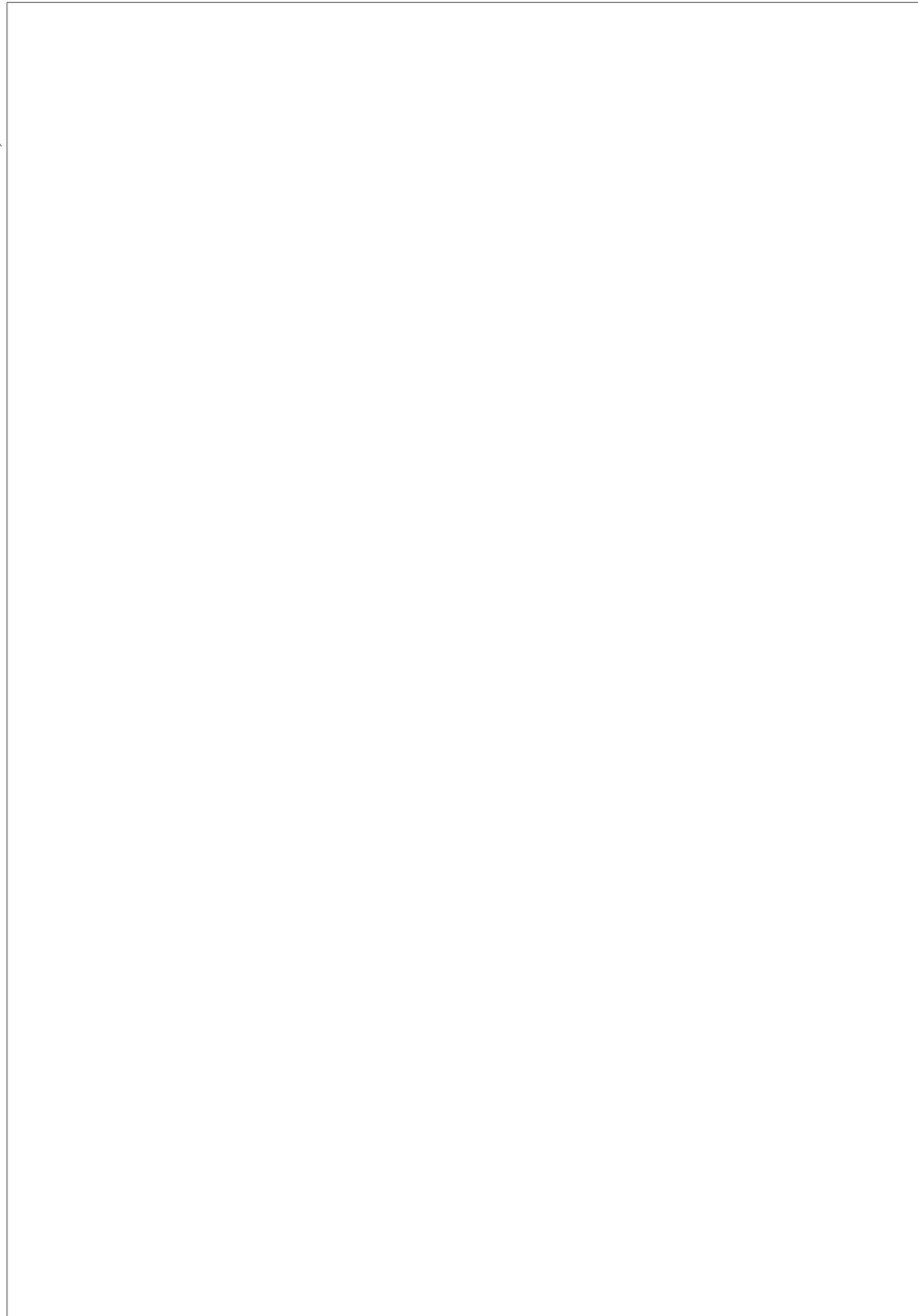
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CENTRAL INTELLIGENCE BULLETIN



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26 JANUARY 1959

I. THE COMMUNIST BLOC

Failure of Mao to attend Soviet Party Congress does not appear significant in itself.

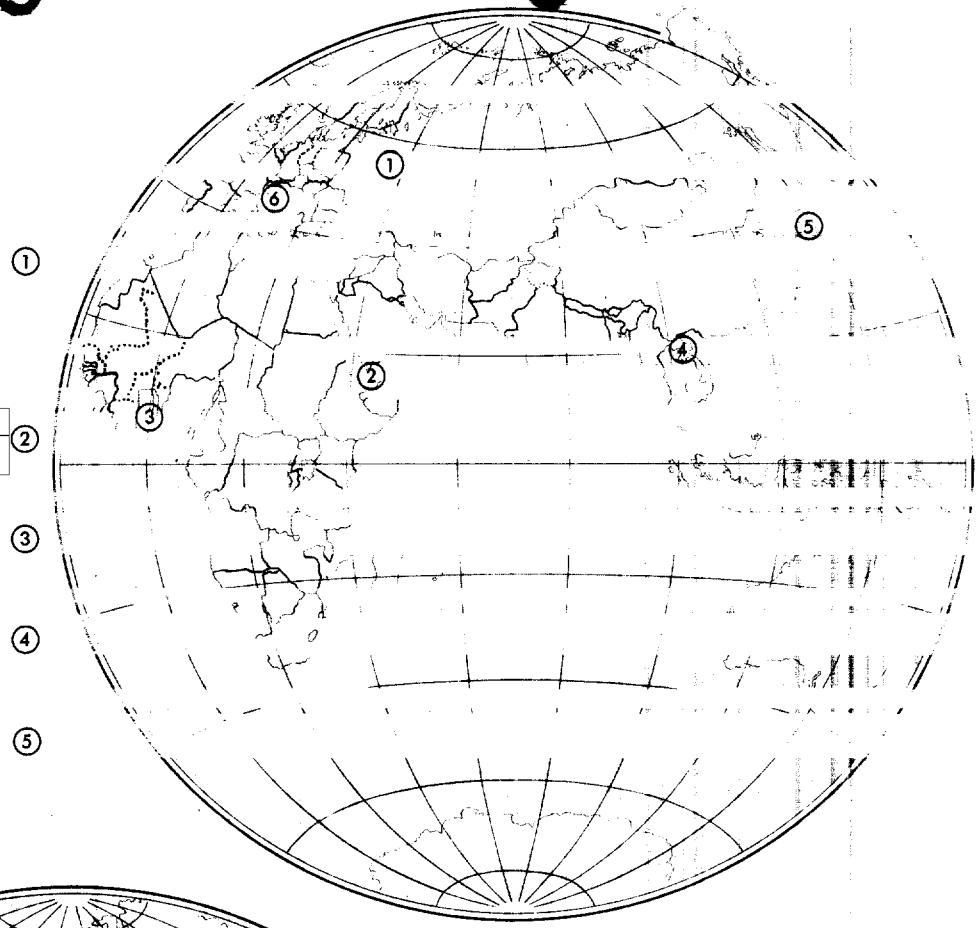
II. ASIA-AFRICA

Yemen may be close to open struggle over succession issue.

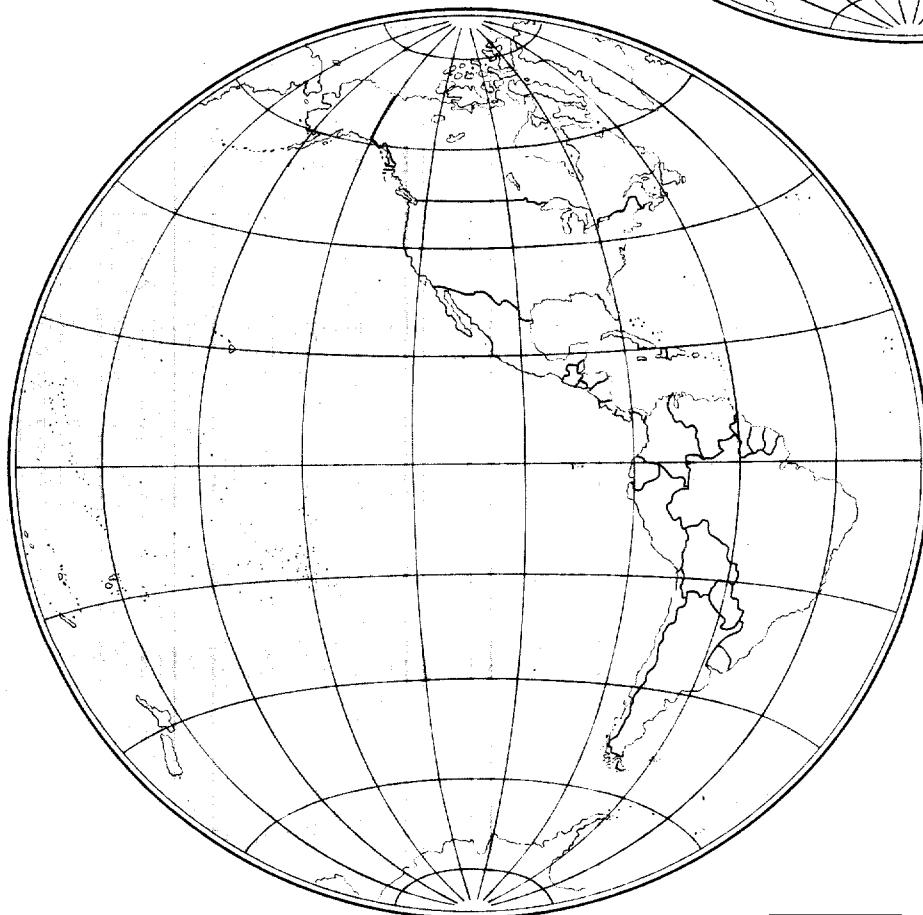
Ghana moving toward expanded diplomatic and commercial relations with Sino-Soviet bloc.

New Laotian cabinet reflects increasing strength of the army and young reformers.

Japan - Kishi, although temporarily secure as prime minister, faces continued dissension in his own party.

**III. THE WEST**

⑥ Italian Premier Fanfani threatening to resign.

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CENTRAL INTELLIGENCE BULLETIN

26 January 1959

SIRAB

DAILY BRIEF

I. THE COMMUNIST BLOC

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Communist China: Chou En-lai, third-ranking member of the Chinese Communist party, is leading Peiping's delegation to the Soviet 21st Party Congress, although delegations from other bloc countries are being headed by their party first secretaries. Mao Tse-tung has never attended a Soviet party congress and the Chinese appear to have been rotating their representation at such functions among the leaders ranking immediately under Mao. Therefore, the failure of Mao to attend this congress does not in itself seem significant. It is possible that while in Moscow Chou may, as premier, participate in some phase of the negotiations on the 1959 Sino-Soviet trade pact which has been under discussion for several months.

II. ASIA-AFRICA

WD

Yemen: arms and funds for Yemeni dissidents were arriving in Yemen from Saudi Arabia, while the Imam on his side was attempting to raise several thousand armed tribesmen. His government appears to be facing increased instability, and the country may well be close to an open struggle intended to block the succession of pro-Soviet Crown Prince Badr.

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OK

Ghana - Sino-Soviet bloc: Ghana now is apparently ready to exchange diplomatic missions with the USSR and may also soon conclude formal trade agreements and exchange permanent commercial missions with Poland and Czechoslovakia.

Some type of economic arrangement with East Germany may

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[also be imminent.] Prime Minister Nkrumah, who is reportedly being encouraged by Cairo to expand his contacts with certain of the satellites, may feel such a step at this time would increase pressure on potential Western sources of financing for Ghana's development program.

(Page 3)

No
Laos: [The new reflects the increasing reformers. Prime efforts to pack the previous cabinet but officers. Although wood and several op ernment is. on bala

Japan: Prime term as president while less decisive tion for the time bei slightly more than one

No
 Kenzo Matsumura is evidence of significant intraparty dissatisfaction with Kishi and will preclude his exercise of firm control of the party and government. Factional leaders will be alert for any pretext on which to renew their challenge of Kishi.

III. THE WEST

*Italy: Premier Fanfani

No
 is seriously considering resigning within the next few days. He fears that as a result of the recent Nenni Socialist congress, enough Democratic Socialist deputies will desert the government to erase its slim parliamentary margin. Fanfani charges that President Gronchi--who is known to favor a

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DAILY BRIEF

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rapprochement between the Christian Democrats and a reunified Socialist party--wants to topple his cabinet and force new elections during 1959. The immediate consequence of a Fanfani resignation at this time would probably be a minority Christian Democratic government, with the question of new elections delayed until after the Christian Democratic party congress in mid-April.

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DAILY BRIEF

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I. THE COMMUNIST BLOC**No Back-up Material****II. ASIA-AFRICA****Developments in Yemen**

Recent fragmentary reports from Yemen indicate that the country is faced with increased instability and may well be close to open struggle. The harsh regime of Imam Ahmad has long been the object of conspiracies. The current widespread opposition, however, is primarily directed at the Imam's incompetent son, pro-Soviet Crown Prince Badr, whose claim to succession is opposed by leaders of Yemen's patrician tribes who traditionally elect each new Imam. These chieftains appear generally to support the present Imam's brother, Prince Hasan, head of Yemen's UN delegation.

Popular dissatisfaction in Yemen is furthered by the deterioration in the effectiveness of the government, which has been unable to provide relief in Yemen's serious famine. Since 1955, the government has accepted approximately \$65,000,000 in military and economic aid credits from the Sino-Soviet bloc, apparently without regard to its ability to repay. Yemen, virtually bankrupt, has failed to meet obligations due Saudi Arabia, Czechoslovakia, Communist China, and the USSR. About 350 Sino-Soviet bloc personnel are now in Yemen. A major factor in Yemen's arms deals with the bloc was Badr's hope that the modern weapons would encourage army loyalty and permit effective control of rebellious tribes. Successful opposition to Badr would probably require some army support.

In mid-December, [redacted] the Imam was warned by a trusted official in the northern capital of Sana that there was a new conspiracy against him. Following this, Yemeni authorities arrested a number of officials

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and army officers suspected of plotting to overthrow the regime. Despite these precautions, the Imam and Badr grew increasingly concerned during January. At that time, [redacted]

[redacted], the Imam reinforced the guards around his palaces, certain airfields and the radio station, attempted to raise several thousand armed tribesmen, and forbade Yemeni nationals to travel to Saudi Arabia. [redacted]

[redacted] Saudi silver coins were pouring into Sana together with arms from Saudi Arabia. [redacted]

described the situation as permeated with unrest, and said that several important northern Yemeni tribes had agreed in the event of a coup against the government to seize government stores of weapons and ammunition near the capital. These tribes also apparently oppose the government's association with Egypt in the United Arab States--the loose federation of the UAR and Yemen. [redacted]

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Ghana Expanding Contacts With Sino-Soviet Bloc

Prime Minister Nkrumah's government is expanding its contacts and appears likely soon to conclude its first real political and economic ties with the Sino-Soviet bloc. Nkrumah indicated in a 14 January press conference that Ghana now is prepared to implement the agreement which it reached a year ago with the USSR to exchange diplomatic missions at embassy level "in due course." Since then the USSR is believed to have maintained pressure for an early exchange through its embassy in London and through such special instruments as the Soviet observer-delegation to the recent All-African Peoples' Conference in Accra.

Meanwhile, [three of the] European satellites are making an apparently concerted effort to induce Ghana to increase its economic ties with the bloc--heretofore limited essentially to commercial transactions accounting for only about two percent of Ghana's foreign trade. Poland, which has had a trade group in Accra this month, and Czechoslovakia, which sent such a delegation to Ghana in November, appear to be pressing for formal trade agreements and an exchange of permanent commercial representatives. [In addition, Czechoslovakia and East Germany, which sent a trade mission of its own to Accra last week, are reported offering to install a variety of light industries, presumably at attractive prices.]

While some general arrangements may be announced shortly, many, if not all of the agreements, will probably not take final shape until spring when Ghana apparently intends to send a trade and good-will mission to eastern Europe. Except in the case of East Germany--with which Nkrumah will certainly deal more cautiously in view of the importance of West Germany as a market for Ghana's principal export, cocoa--such economic arrangements might soon lead to formal diplomatic ties as well.

Although some key Ghanaian officials appear to have been impressed by essentially economic arguments for closer relations with the bloc, Nkrumah may also feel such a course at this

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time would step up pressure on potential Western sources for financing Ghana's development program--particularly its ambitious \$850,000,000 Volta River hydroelectric-aluminum project. [Nkrumah]

[redacted] encouraged by Nasir to establish diplomatic relations with certain satellite countries.

[redacted]

[redacted]

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~~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

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