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1 June 1959

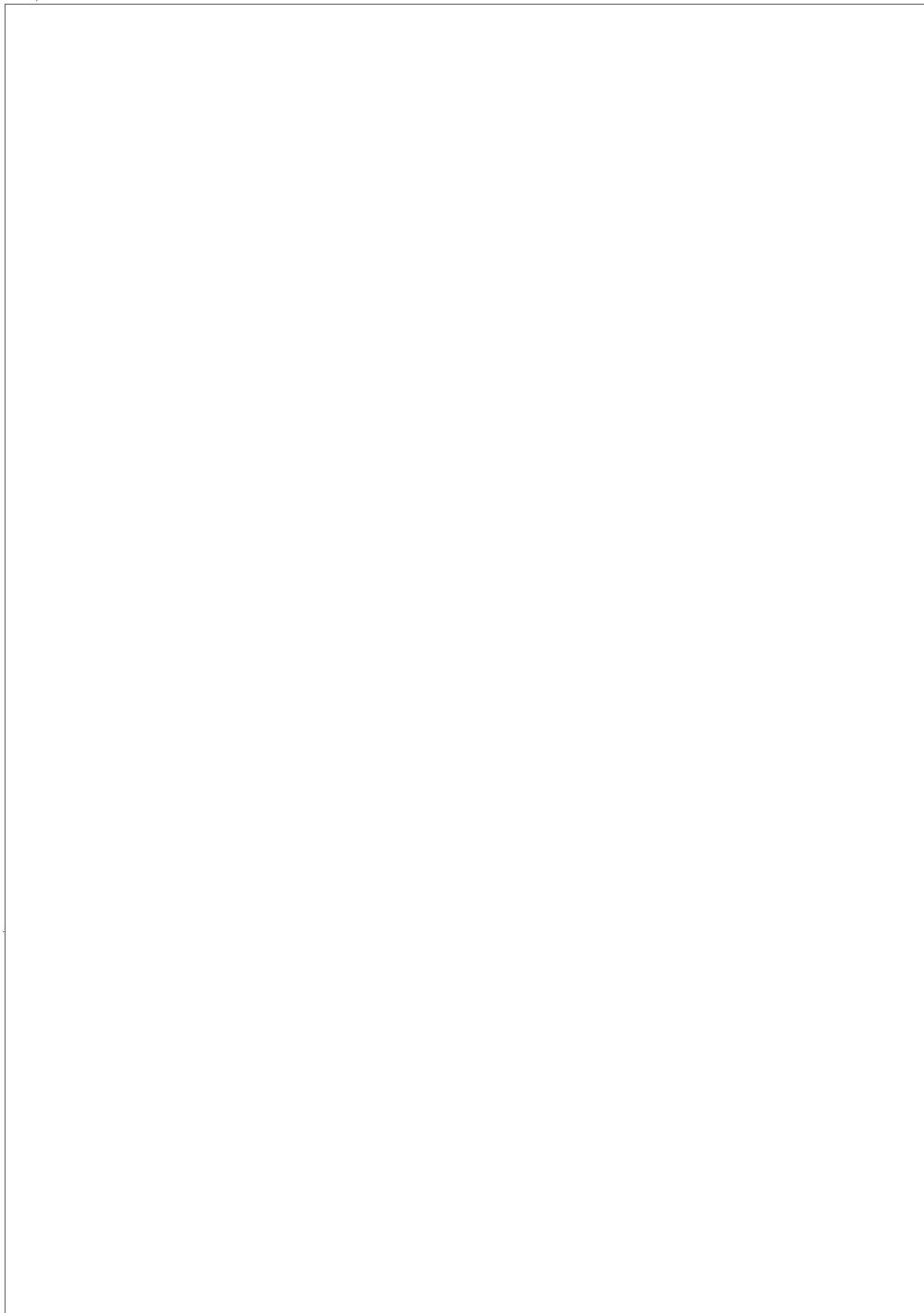
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CENTRAL INTELLIGENCE BULLETIN



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1 JUNE 1959

I. THE COMMUNIST BLOC

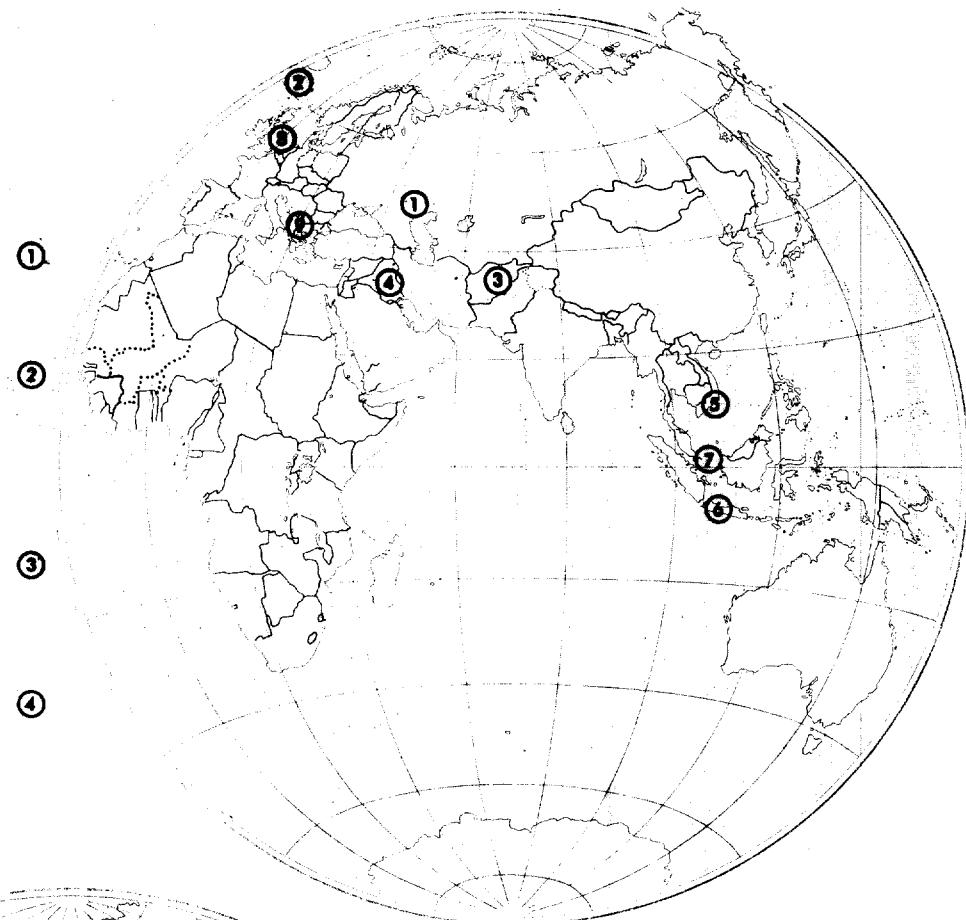
USSR - Tyura Tam ICBM test firing indicates higher altitude, longer flight time than usual.

US antisubmarine units force Soviet submarine in northeast Atlantic to surface.

II. ASIA-AFRICA

New economic agreement expands Soviet operations in southern and western Afghanistan.

Qasim explains cancellation of military and economic agreements with US as step to reduce "animosity."



- ⑤ South Vietnam concerned over new Communist sabotage campaign.
- ⑥ Indonesia - Sukarno's request for return to 1945 constitution falls short of two-thirds vote on first reading.
- ⑦ New Singapore government will be basically anti-Western in outlook.

III. THE WEST

- ⑧ Britain pushes "little free trade area" outside Common Market.

LATE ITEM

- ⑨ Khrushchev and Hoxha issue mild joint statement in Albania. Khrushchev and his defense minister to remain in Albania for several days.

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CENTRAL INTELLIGENCE BULLETIN

1 June 1959

DAILY BRIEF
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I. THE COMMUNIST BLOC

Soviet missile test: Preliminary assessment of evidence indicates a Soviet test ICBM was probably successfully launched on the Tyura Tam Missile Test Range at about 2142 GMT, 30 May 1959. This firing, while following the usual eight-hour countdown procedure, actually consumed about nine hours, because of unknown difficulties in the latter part of the countdown.

No [redacted] this test vehicle had a flight time roughly eight minutes longer than usual, and that this increase in flight time--by nearly one-third--was probably caused by a flight path more elevated than those of previous test firings. Such a flight profile would require increased motor burning times, but beyond this, available data do not allow a determination of the test objectives of this flight [redacted]

No [redacted] Soviet submarine operations: On 30 May a US Navy anti-submarine force operating in the northeast Atlantic between Iceland and the British Isles maintained contact on a Soviet submarine until it surfaced. This submarine was identified from photography as a modified Z-class unit number 82 which may be equipped to fire ballistic missiles. The subsequent northeasterly movement of the submarine and Soviet naval communications indicate that the remaining units of its detachment have returned or are en route to the Northern Fleet base.

[redacted] (Page 1)

1 June 59

DAILY BRIEF

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II. ASIA-AFRICA

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Afghanistan: Afghanistan and the USSR on 28 May signed an economic and technical assistance agreement which includes provision for Soviet assistance to build a 470-mile road from the Soviet border to Kandahar, in southern Afghanistan. This project will expand the Soviet assistance program in western and southern Afghanistan, including the Helmand Valley region, where US assistance is being used to complete a large irrigation project.

The new agreement follows a new Afghan-Soviet arms deal apparently concluded earlier in May.

(Page 2) (Map)

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Iraq: The regime's cancellation of its 1954 military assistance agreement with the United States and of an "economic assistance" agreement--apparently one related to the Baghdad Pact--seems to be another of Prime Minister Qasim's relatively innocuous gestures against "Western imperialism." Neither the military assistance program, which had involved American expenditures of about \$48,000,000, nor agreements related to the Baghdad Pact have been recognized in practice by Iraq since the July 1958 revolution. Qasim explained the cancellations as a step to remove "factors of animosity" between the Iraqi and American peoples.

"a number
of trends" against the Communists and Qasim, but
the opposition elements are uncoordinated and, in at least one case, suspicious of each other.

OK

South Vietnam: The Diem government has urgently requested American advice on coping with new Communist sabotage apparently aimed at disrupting the vital agricultural and land development programs. Communist bands, operating mainly in the delta region west and south of Saigon, in recent months have damaged or destroyed about 40 tractors and a dredge, mostly US aid equipment. Saigon fears the Communists may extend their sabotage to key railway and highway bridges.

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No
Indonesia: The Constituent Assembly's failure to vote re-adoption of the 1945 constitution in its session on 30 May necessitates a second ballot on 1 June and, should the proposal again fail to pass, a third vote on 2 June. On the first ballot the proposal's backers were 47 votes short of the required two-thirds majority. Prime Minister Djuanda on 27 May had delivered a thinly veiled warning that failure to adopt the constitution might precipitate an army coup.

OK
Singapore: The overwhelming victory of the left-wing People's Action party in the 30 May general elections will probably result in early release of a number of the party's extremist leaders jailed for subversion and may thus lead to renewed Communist efforts to take over control of the heavily infiltrated party. Even if more moderate elements retain party control, Singapore's first government under its new status of partial self-government will be basically anti-Western in outlook and might seek to limit the effectiveness of Singapore's large military installations in any international emergency.

(Page 4)

III. THE WEST

No
UK: Having failed to reach agreement with the six-nation Common Market on a Europe-wide free trade area, the Macmillan government now is supporting a Swedish-sponsored proposal for a "little free trade area" to comprise Britain, Sweden, Norway, Denmark, Austria, Switzerland, and Portugal. London will press for an agreement at a working group meeting in Stockholm on 1 June. (London claims the proposal has strong support among most of the seven and has not been unfavorably received by the Common Market countries. There is concern among influential nonofficial British sources, however, that the project will increase rather than reduce tensions between the Common Market countries and the rest of Western Europe.)

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LATE ITEM

*USSR-Albania: The Khrushchev-Hoxha communique issued on 31 May, as reflected in Radio Moscow's summary of the statement, is relatively mild in tone. The statement according to the summary, asserts that "prospects for a relaxation of international tensions have improved considerably," in view of negotiations at Geneva and by "agreement to hold summit talks." The statement in general and non-specific terms calls for setting up a "nuclear and rocket weapon-free zone in Central Europe." The communique made no mention of Yugoslavia.

OK
The joint statement apparently brings the "state visit" phase of Khrushchev's Albanian visit to an end. Presidium member Mukhittdinov and other members of Khrushchev's entourage have returned to Moscow, but the Soviet leader and Defense Minister Malinovsky apparently intend to remain in Albania until 6 June, as originally planned.

While no program for the second phase of the visit has been announced, Khrushchev's purpose may be to enhance the military flavor of threats against the establishment of missile bases in Italy and Greece which have marked his visit so far.

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I. THE COMMUNIST BLOC

Soviet Submarine Operations

US antisubmarine forces operating in the northeast Atlantic between Iceland and the British Isles on 30 May detected and maintained contact with a modified Soviet "Z"-class submarine until it surfaced. The submarine, possibly equipped to launch ballistic missiles, was then tracked for approximately 20 hours moving in a northeasterly direction. Shortly after surfacing, crew members of the submarine painted out the pendant number--82. A tarpaulin covered the after portion of the conning tower fairwater where two vertical tubes possibly containing missiles may be located.

Submarine 82 and two other similarly modified "Z"-class submarines had earlier been identified through communications intelligence as elements of a Northern Fleet submarine detachment operating in an area from the Norwegian Sea to the central North Atlantic since 26 April. Soviet submarines have operated in this area almost continuously since July 1958, apparently to increase readiness posture and to provide training in a probable area of wartime operations.

Part of this detachment probably returned to the Kola Gulf about 25 May. [redacted]

[redacted]
remaining elements of this detachment are also returning to the Northern Fleet. [redacted]

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MAJOR ROAD PROJECTS

0 MILES 150

UNCLASSIFIED

IRAN

Kushka

Hera

Hari Rud

Murghab

Farah Rud

Helmand

AFGHANISTAN

Ghazni

KABUL

Jalalabad

Peshawar

Khyber Pass

Rawalpindi

Farah

Kandahar

Chaman

Fort Sandeman

Spin Boldak

Quetta

Zahedan

PAKISTAN

Pul-i-Khumri

JAMMU AND KASHMIR

(Status in dispute)

Black Sea

TURKEY

Caspian Sea

USSR

CHINA

AFGHANISTAN

IRAN

PAK

NE

SYRIA

IRAQ

JORDAN

EGYPT

SAUDI ARABIA

AFRICA

SUDAN

Egypt

ETHIOPIA

BRI. SOM.

SOMALI LAND

Arabian Sea

CE

4703

90 601

90501

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II. ASIA-AFRICA

New Afghan-Soviet Economic Assistance Agreement

Afghanistan and the USSR on 28 May signed an economic and technical assistance agreement which includes provision for Soviet assistance to build a 470-mile road from the Soviet border to Kandahar, according to a TASS announcement on 29 May. The agreement apparently also includes provisions covering other new Soviet projects, not yet identified.

(It follows a new Afghan-Soviet arms deal concluded earlier in May.)

The new Soviet project, which presumably involves improvement of the existing Herat-Kandahar route, will introduce Soviet technical and economic assistance activity on a major scale into southern Afghanistan. Although some Czech and Polish technicians have been working in Kandahar, the major foreign economic assistance work in the area has been carried on by the United States, notably in the Helmand Valley irrigation project and on the Kandahar International Airport.

The new road improvement project appears roughly comparable to an American-financed road project--linking Kabul with Spin Baldak via Kandahar and with the Khyber Pass--which is to cost about \$19,000,000. Although the Soviet project could be paid for out of uncommitted funds from the \$100,000,000 Soviet loan made in 1956, it seems likely it will be carried out under a new credit or on a grant basis. If a new Soviet credit is involved, Kabul has violated assurances given American officials in January 1958 that it would approach the United States first if it decided to seek additional loans.

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Communist Sabotage Campaign in South Vietnam

The Diem government in South Vietnam, increasingly alarmed by indications that the Communist underground may be passing to a new phase of serious violence, has appealed urgently for American advice on countermeasures. President Diem has acknowledged that Vietnam's security forces are having difficulty trying to suppress new Communist tactics involving sabotage of vital agricultural equipment, principally American aid items.

An explosive charge on 22 May severely damaged a dredge and killed a crew member in a province bordering on Cambodia west of Saigon. Nearly 40 tractors and bulldozers have been damaged or destroyed during the past several months by Communist machine-gun fire, burning, land mines, and explosives. (An apparently authentic Vietnamese Communist document calling for increased sabotage of agricultural equipment was captured recently.)

These incidents seem to be part of a concerted campaign by the Communists to disrupt South Vietnam's agricultural and land development programs. The Diem government is counting heavily on these programs to consolidate its political and economic position. It fears the Communist sabotage will be extended to destruction of strategic rail and highway bridges. An attempt to blow up a new road bridge in central Vietnam has been reported by the American Consulate in Hue. (There is also concern over possibly increased Communist terrorism aimed at undermining confidence in the Diem government in the National Assembly elections to be held in a few months.)

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~~CONFIDENTIAL~~

Leftist Party Wins Overwhelming Victory in Singapore Elections

Lee Kuan Yew, "moderate" secretary general of the Communist-infiltrated People's Action party (PAP), is slated to become the first prime minister of the new partially self-governing State of Singapore as a result of his party's sweeping victory in the 30 May general elections. The PAP won 43 of the 51 seats in the legislative assembly, Chief Minister Lim Yew Hock's moderate Singapore People's Alliance (SPA) won four, the United Malay National Organization - Malayan Chinese Association won three, and one independent was elected. Although Lim kept his own seat, the PAP landslide destroys his minimum pre-election goal of emerging from the elections with at least enough strength to head an effective moderate opposition in the assembly.

As soon as a PAP victory became apparent, Lee Kuan Yew renewed his threat not to form a government unless the British governor releases a number of key pro-Communist PAP leaders arrested in 1956-57. The British will probably acquiesce to avoid a stalemate in which no government could be formed. Submission to Lee's demands, however, will be a blow to British prestige and cast doubt on London's ability to counter future PAP actions. Furthermore, freedom for the extremist leaders, several of whom enjoy great personal popularity, will enhance Communist prospects of taking over the leadership of the already heavily infiltrated party.

Even if the more moderate elements retain control of the PAP's central executive committee, the new government of Singapore will be basically anti-Western in outlook and will be in an excellent position to try to neutralize Singapore's large military installations in any international emergency.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

III. THE WEST

Britain to Press for a "Little Free Trade Area"

The Macmillan government is supporting a Swedish-sponsored proposal for a "little free trade area" to comprise Britain, Sweden, Norway, Denmark, Austria, Switzerland, and Portugal. London will press for an agreement at a working group meeting in Stockholm beginning on 1 June.

[redacted] Stockholm is firmly convinced that unless such an organization is formed, Sweden would be forced to make individual arrangements with the Common Market countries. [redacted]

[redacted] except for Denmark, the other proposed members shared similar views. A senior British Foreign Office official commented to the American Embassy that informal reaction from Common Market countries has not been as unfavorable as expected.)

(In nonofficial UK circles, however, there is considerable apprehension that the new project may increase rather than reduce tensions between the two groups. Many industrial leaders as well as the influential Economist believe that the Common Market countries may consider the proposal "retaliatory" and a move on London's part to exploit well-known divisions within the Common Market on the suggested Europe-wide free trade area, which the UK has been pushing unsuccessfully since 1956.) [redacted]

~~CONFIDENTIAL~~

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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
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
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Commandant, United States Marine Corps
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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
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The Director

United States Information Agency
The Director

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