

~~TOP SECRET~~

cd/Ed

7 March 1959

Copy No. C 63

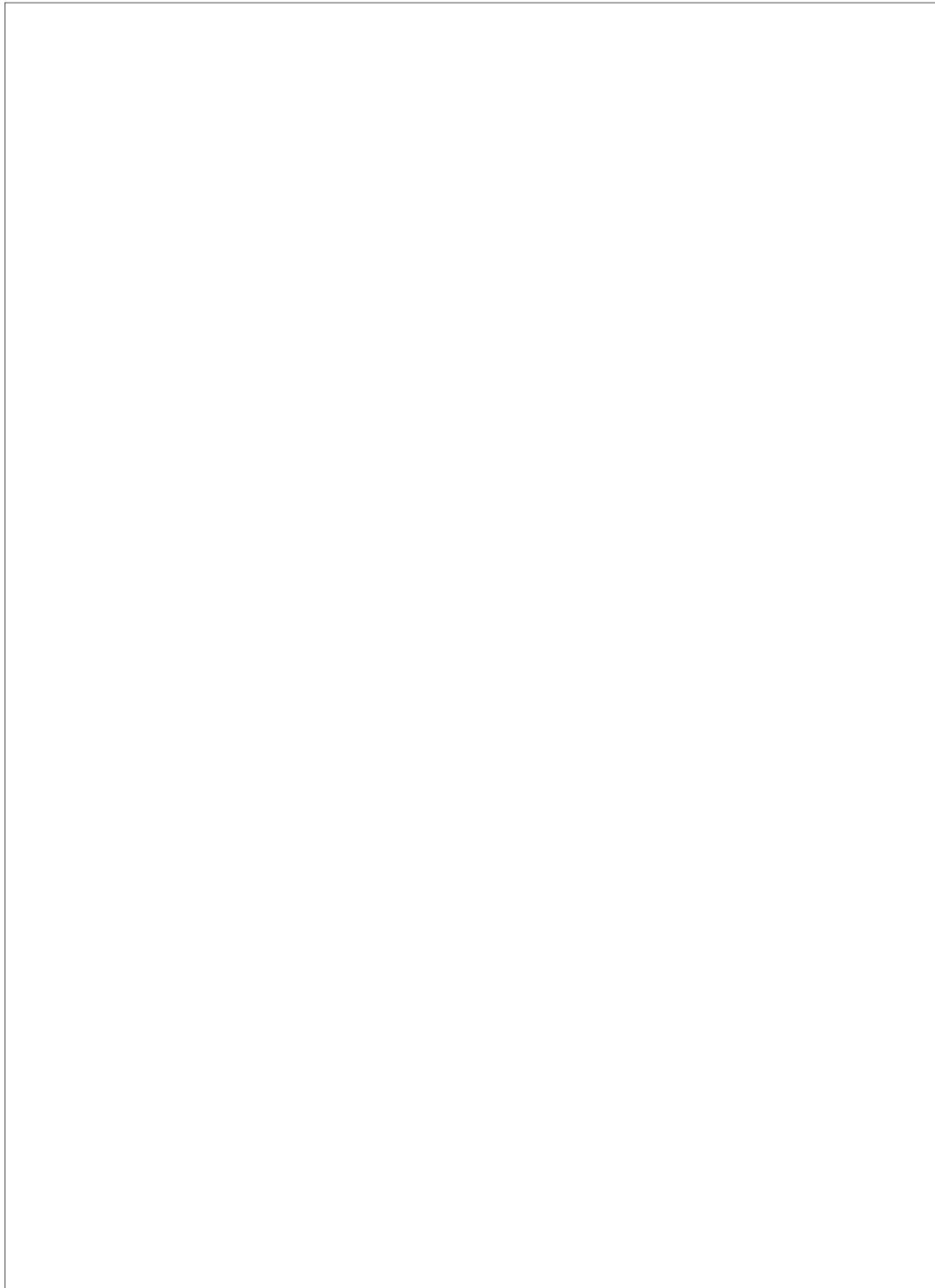
3.3(h)(2)
3.5(c)

CENTRAL INTELLIGENCE BULLETIN



44
X
DOCUMENT NO. _____
NO CHANGE IN CLASS.
DECLASSIFIED
CLASS. CHANGED TO: TS S
NEXT REVIEW DATE: 2010
AUTH: HP 70-2
DATE: 4-4-80 REVIEWER: _____

~~TOP SECRET~~

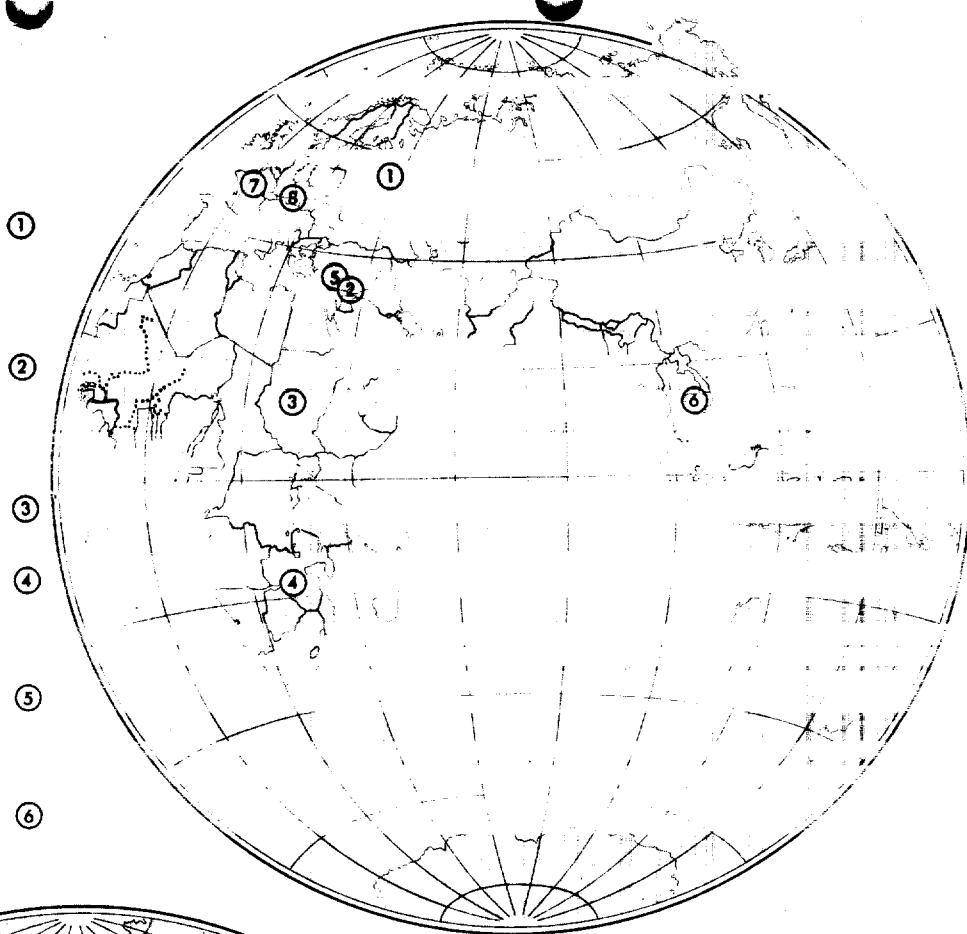


~~TOP SECRET~~

7 MARCH 1959

I. THE COMMUNIST BLOC

USSR building new classes of submarines.

**II. ASIA-AFRICA**

Lebanon - Recent violent incidents highlight tension in Beirut.

Sudan may accept recent Soviet aid offer; military leaders pressing for further reduction in governmental role of Ansar sect and pro-Umma leaders.

Nyasaland - Disorders continue despite government measures.

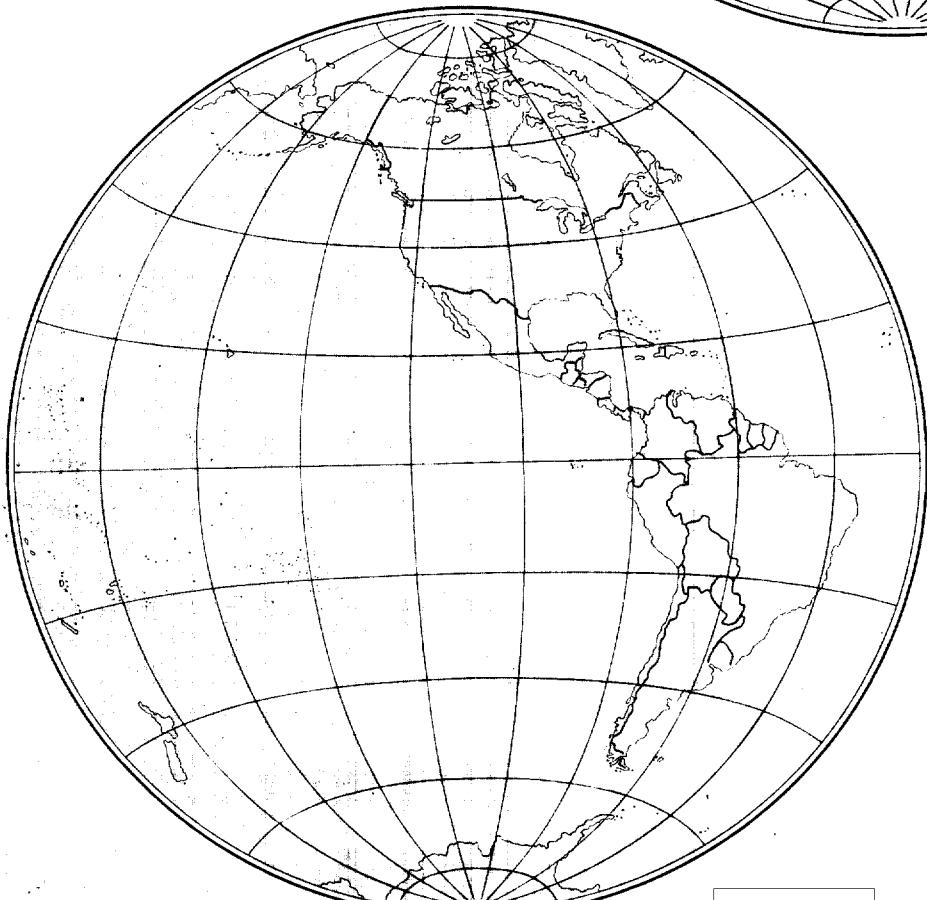
Cyprus - Confidant of Archbishop Makarios stresses need for economic aid to prevent economic deterioration.

Cambodian Government claims that dying dissident General Dap Chhuon made "important revelations" about his plot.

III. THE WEST

⑦ France informs NATO of withdrawal of Mediterranean Fleet from NATO.

⑧ Austria - Increasing dissension in governing coalition leads to decision to hold general elections in May.

~~TOP SECRET~~

SIR AB
CENTRAL INTELLIGENCE BULLETIN

7 March 1959

DAILY BRIEF

I. THE COMMUNIST BLOC

M
USSR:

the USSR continues to emphasize the construction of submarines, although the building programs for the early postwar submarines of the "Z", "W", and "Q" classes had ended by 1957. A new submarine project number was noted in a message of 11 December 1958. Units of this and of at least one other project are believed to be under construction at the Komsomolsk Shipyard in the Far East, and perhaps are also being produced at yards in the western USSR.

(Page 1)

II. ASIA-AFRICA

pk
Lebanon: [Tension in Beirut has been evidenced by recent incidents of violence between Moslem and Christian groups. While responsible leaders of both communities publicly deplore these incidents, the Christian element in particular may attempt to take matters into its own hands.]

(Page 2)

M
Sudan: [The majority of the new Supreme Military Council is likely to urge Premier Abboud to accept a preliminary offer of a long-term, low-interest line of credit made several days ago by a Soviet economic delegation which is still in Khartoum. The army commanders want Abboud to reduce still further the governmental role of Ansar sect and pro-Umma party elements which have favored a more pro-Western outlook; this action could cause a violent counteraction by the Ansar leaders whose tribes represent a significant paramilitary potential.]

(Page 3)

~~TOP SECRET~~¹

W
Nyasaland: African nationalist disorders continue despite the government's stringent administrative and police efforts and its threat to use economic penalties. The isolated demonstrations have become more violent since Hastings Banda's deportation to Southern Rhodesia. More than 30 Africans have been killed by security forces. According to a defense ministry announcement in London, British troops in Kenya are standing by for action in the federation if necessary.

The nationalist effort to free Nyasaland from the settler-dominated Rhodesian federation is receiving increasing propaganda support from UAR and Communist broadcasts as well as from African groups in Ghana and the Union of South Africa.

PK
Cyprus. A Greek Cypriot spokesman said [redacted] Archbishop Makarios has approached the American consul in Nicosia on the "new republic's" need for economic aid. The Cypriot spokesman insisted that the gap which will be left by the sharp reduction of the British military establishment must be filled by foreign assistance. He also argued that only this would prevent economic deterioration which could be exploited by the sizable Communist element. Requests for aid will undoubtedly be made; the British garrison is expected to be reduced gradually from 30,000 to 5,000. [redacted]

(Page 4)

Cambodia: The government has announced that dissident General Dap Chhuon made "important revelations" before dying of wounds inflicted during his capture by government troops on 3 March. Whether or not any "confession" was made, the announcement indicates Premier Sihanouk intends to gain as much propaganda advantage as possible from South Vietnamese, Thai, and implied US complicity in Chhuon's plot. [redacted]

W
) (Page 5)

III. THE WEST

France-NATO: The French permanent representative to NATO officially informed Secretary General Spaak and the other permanent representatives on 6 March that France is withdrawing its Mediterranean Fleet from NATO. [redacted]

TOP SECRET

ok

Austria: The breakup of the Austrian coalition on 6 March and the decision to call general elections in early May are the culmination of months of increasing dissension between the conservative People's party and the moderate Socialists. The elections are expected to be hotly contested between the two parties, which have jointly governed Austria since 1945, and the post-election reconstitution of the coalition may be more difficult than after previous elections.

(Page 6)

7 Mar 59

DAILY BRIEF

iii

~~TOP SECRET~~

I. THE COMMUNIST BLOC

USSR Building New Class of Submarines

The USSR has apparently continued to place strong emphasis on the construction of submarines, although the building programs for the early postwar submarines of the "Z", "W", and "Q" classes had ended by 1957.

Four new submarine project numbers have been noted in communications since 1956. The latest of these, number 658, is under construction at Komsomolsk in the Far East,

Units are also being built at Komsomolsk under project 629. Project 641 has been noted once in communications from Komsomolsk, but its status is unknown. Project 633 was mentioned once in traffic concerning warship construction in Communist China.

Inasmuch as the Komsomolsk Shipyard has consistently been the last to participate in new major shipbuilding programs since World War II, it is likely that production of at least two of the new classes is already under way at shipyards in the western USSR.

[redacted] two submarine projects by designers' names, and visual observation reports have established the existence of one and possibly two new classes of submarines. Some or all of these probably correspond to the numbered projects. [redacted]

~~TOP SECRET~~

II. ASIA-AFRICA

The Lebanese Situation

[The continued Moslem-Christian tension, which erupted in violent rioting in Beirut on 22 and 27 February, has brought Lebanon to the point where another incident could cause widespread civil disorders. The recent murder of three Christians may lead to reprisals by the Christian community unless the government promptly prosecutes the culprits.]

[Members of the extreme Moslem Najjada and the "Popular Resistance," egged on by agents of the Syrian Deuxieme Bureau, are likely to create additional incidents which will further inflame the populace and might break up the cabinet. The Christian Phalange, whose leader Pierre Jumayyil is a member of the four-man cabinet, may feel obliged to retaliate. Former President Chamoun, still the acknowledged leader of the Christians in time of crisis, is probably seeking to exploit the situation, and his political enemy, Minister of Interior Edde, is likely to lose stature.]

[President Shihab has endeavored to shift responsibility for the security situation to the cabinet, but the cabinet's sectarian balance (2 Moslems and 2 Christians) may force him to make decisions he would like to avoid.]

[While the Lebanese security forces are numerically strong enough to suppress any disorders, they are divided along the same religious lines as the rest of the country. Despite President Shihab's belief that a "reorganization" of the security forces is the solution to the critical threat to internal security, it is doubtful that any amount of "reorganization" would create the will among security personnel to carry out vigorous action against their co-religionists.]

~~SECRET~~

Sudanese Situation

Ethe majority of the Sudan's new Supreme Military Council is likely to press Premier Abboud for a quick demonstration of "positive neutrality" and for rapid action to cope with the serious economic situation. Negotiations with the Soviet economic delegation, which is still in Khartoum, will probably be resumed with greater vigor, and may result in acceptance of a long-term low-interest Soviet credit--repayable in Sudanese cotton--for industrial and agricultural projects.

Reports on the proceedings of the 5 March meeting of army commanders, which determined the composition of the new Supreme Military Council, suggest strong pressure within the council to reduce further the governmental roles of Brigadier Generals Wahab and Hamid, the two remaining strong representatives of the Ansar sect and Umma party in the cabinet. Any such decision, at the urging of the army commanders, might result in forceful counteraction by Ansar and Umma leaders. Ansar head Sayyid Abd al-Rahman al-Mahdi continues to have the capability to form a significant paramilitary force from the militant Ansar tribesmen and simultaneously to disrupt the regular military forces through an appeal to the large number of Ansar troops in the army.

Pro-Egyptian sentiment in the new Supreme Council is greater than in the former council, but its extent is not clear. According to one report, the dissident officers asked at the 5 March meeting for the release of Major Kibayda, who is serving a long jail sentence for his involvement in an Egyptian-sponsored coup plan in May 1957.

~~SECRET~~

Cyprus Economic Problems

Zenon Rossides, a Greek Cypriot spokesman and economic confidant of Archbishop Makarios, has approached the American consulate general in Nicosia on the "new republic's" need for substantial economic aid. Citing the planned reduction of British forces from almost 30,000 to about 5,000 men and the expected departure of a large percentage of the British community, Rossides stated it was "imperative" to fill the gap which would be created by the sharp reduction in British military and civilian spending. Rossides called for large-scale capital from "governmental" sources for such projects as road building, irrigation projects, and tourist facilities.

Without substantial foreign aid, the Cypriot economy is incapable of maintaining the relatively high standard of living of the past several years. World prices for copper and agricultural products--Cyprus' chief exports--are falling, and unemployment has been increasing as Britain has slowed construction of military bases. The island's chronic balance-of-payments deficit--upwards of \$20,000, 000--formerly has been met by British aid.

A sharp decline in Cypriot living standards following British withdrawal would probably strengthen the island's Communist element.

~~CONFIDENTIAL~~

Cambodia Claims Dap Chhuon Made "Revelations"

The Cambodian Government announced that the dissident General Dap Chhuon was fatally wounded on 3 March while attempting to flee into Thailand, and had made "important revelations" before dying.

The announcement, whether or not Chhuon made any "confession," indicates Premier Sihanouk's intent to extract as much political and propaganda advantage as possible from external complicity in Chhuon's plot to overthrow him. Sihanouk has already publicly accused South Vietnam and, to a lesser degree, Thailand as co-conspirators, [and has implied his suspicions that the US is also involved. He may hope to hold the purported confession as a club to extract maximum Western support for his position as undisputed Cambodian ruler, or to justify closer relations later with the Sino-Soviet bloc]

[From prisoners and documents seized at Chhuon's headquarters in Siem Reap last month, Sihanouk may have learned of a reported unwarranted assertion to Chhuon earlier by the former Vietnamese representative in Cambodia to the effect that the US had given tacit assurances it would support Chhuon after his coup was begun. While Sihanouk apparently wants to maintain overt friendly relations with the West, he has continued to make thinly veiled references to the involvement of certain "large powers of the free world."]

~~SECRET~~

III. THE WEST

Austrian Coalition Collapses

The decision of Chancellor Raab's conservative People's party to force the reluctant Socialists into general elections in early May is the culmination of months of increasing friction between the two parties which have governed Austria since 1945. For a variety of reasons, including differences over economic policies and personality conflicts, relations between the two parties have steadily worsened since the presidential elections of 1957. A previous agreement advanced to October 1959 the elections due in 1960, but Raab apparently now has been convinced there is no possibility of maintaining a workable government until that time.

Reconstitution of the coalition after the elections may be more difficult than ever before, especially if the results significantly alter the present balance between the two major parties. Both have tended recently to harp on historic issues which divide them; there have been signs of public dissatisfaction with the corruption which has developed during the coalition's long tenure; and the People's party in particular has been impatient with its long association with the Socialists. In view of the virtual civil war which prevailed between the Catholic and Socialist parties in Austria between World War I and II, many observers fear that failure to re-establish the coalition could result in a seriously unstable situation.

There are no major differences on foreign policy between the coalition parties, both of which are strongly pro-Western, and Austria's military neutrality is not likely to be a campaign issue. The Socialists may, however, question the reliability of Raab, who has been accused of "flirting" with the Soviet Union on a number of occasions.

~~CONFIDENTIAL~~

~~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

~~CONFIDENTIAL~~

~~TOP SECRET~~

~~TOP SECRET~~