

~~TOP SECRET~~

3.5(c)

3.3(h)(2)

Ed
20 August 1959

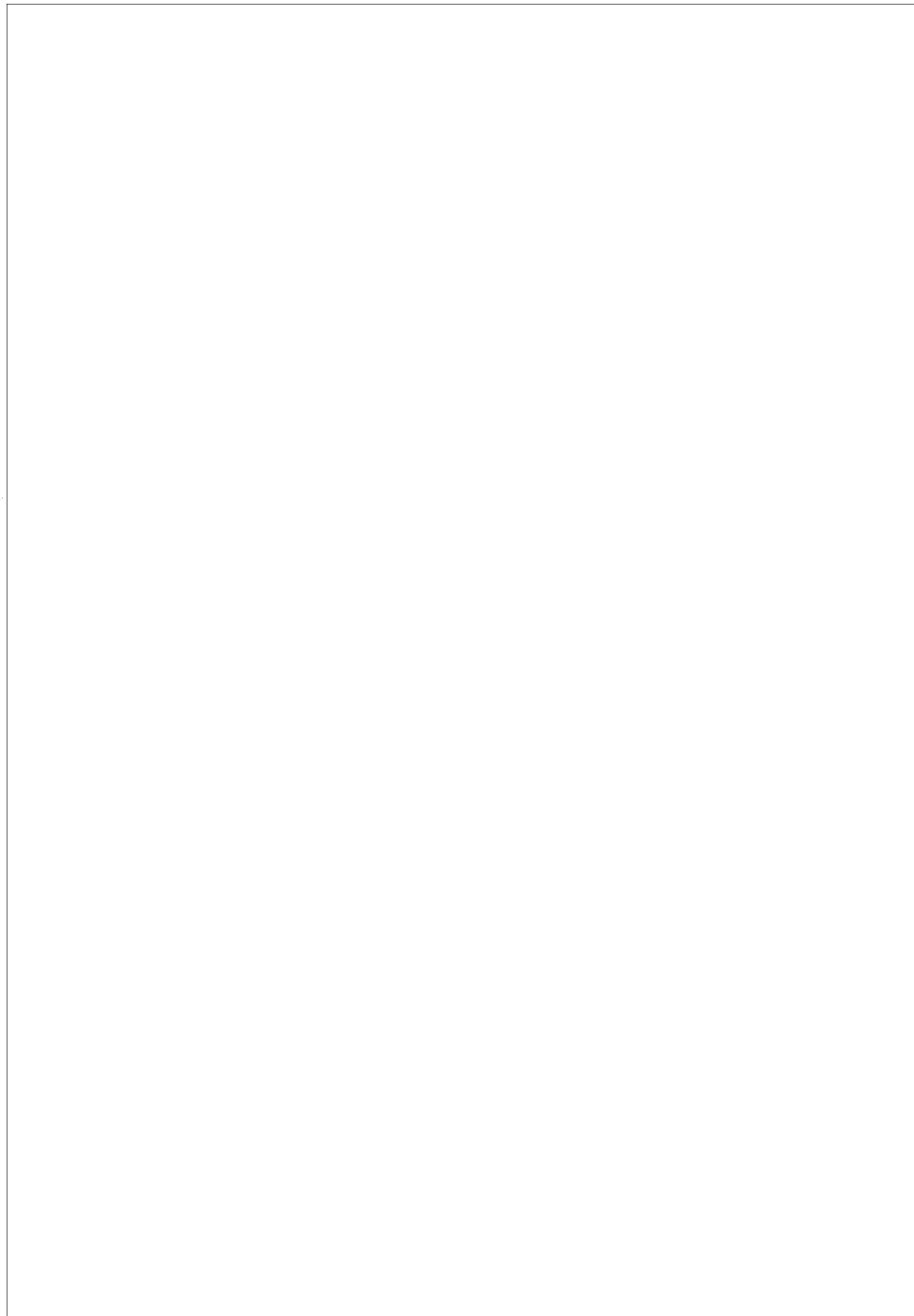
Copy No. C 63

CENTRAL INTELLIGENCE BULLETIN



44
DOCUMENT NO. _____
NO CHANGE IN CLASS.
1 : DECLASSIFIED
CLASS. CHANGED TO: 1S S
NEXT REVIEW DATE: 2010
AUTH: HR 70-2
DATE: 4-74-82 REVIEWER: _____

~~TOP SECRET~~



~~TOP SECRET~~

20 AUGUST 1959

I. THE COMMUNIST BLOC

USSR--Modest harvest prospects may heighten internal criticism of agricultural program.

II. ASIA-AFRICA

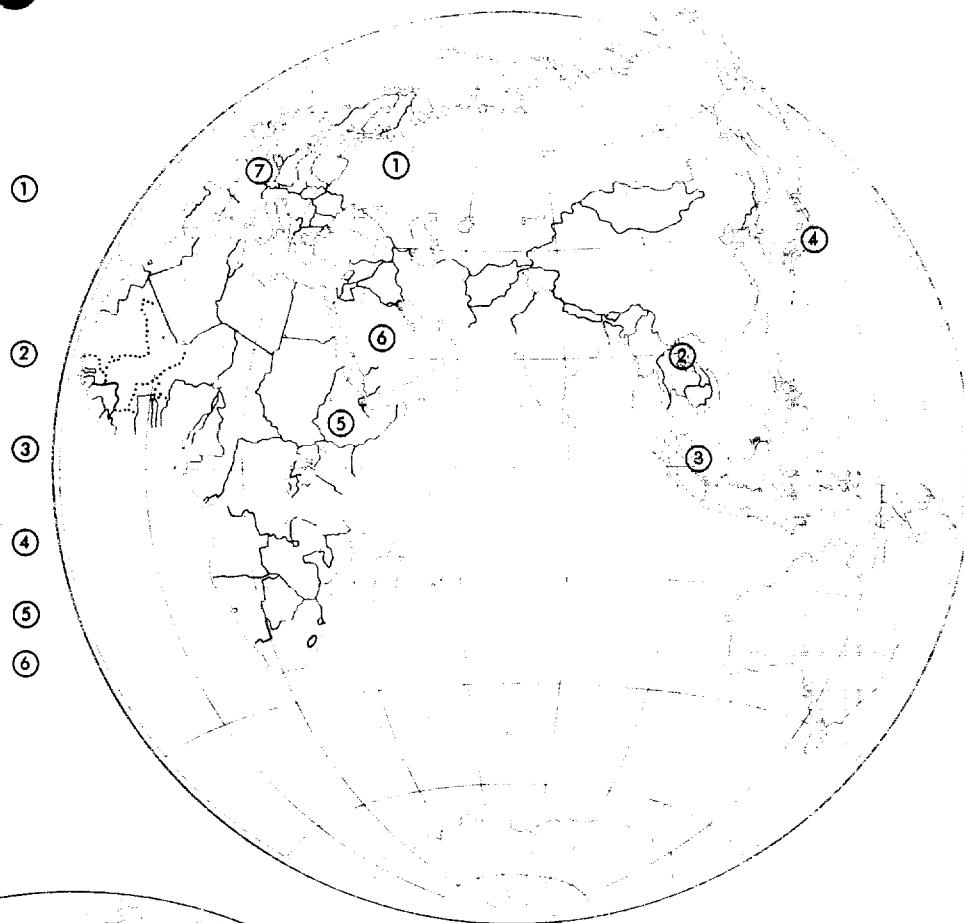
Laos--Communists reportedly discuss plans for violence against US personnel.

Singapore--Pro-Communists pose threat to moderates' position in ruling party.

Rhee government to aid Koreans in Japan planning demonstration on repatriation issue.

Ethiopia--Soviet survey team apparently to arrive in early October.

Saud may visit Nasir in September.

**III. THE WEST**

- (7) Moscow warns De Gaulle against close cooperation with Bonn.
- (8) Paraguay--Exiles in Argentina reported planning early raid on Paraguayan territory.
- (9) Haitian President fears further landings; may request resumption of US patrols.

~~SECRET~~

~~TOP SECRET~~

CENTRAL INTELLIGENCE BULLETIN

20 August 1959

DAILY BRIEF

SIR AB

I. THE COMMUNIST BLOC

OK USSR: Recent information on weather and acreage devoted to grain indicates a possibility that the Soviet grain harvest this year will not only be well below the record 1958 crop but may also be somewhat less than the mediocre 1957 harvest. The modest harvest prospects are likely to heighten criticism of organizational features and shortcomings in the agriculture program.

(Page 1) (Chart)

II. ASIA-AFRICA

Laos: The Laotian Army,

NO surprised a group of Communists last week on the outskirts of Vientiane discussing plans for terrorist action against American personnel and the US Embassy in Vientiane. The group escaped capture. This report is considered probably true both as regards the raid and the subject under Communist discussion.

(Page 2)

NO Watch Committee conclusion--Laos: Lao Government forces continue their efforts against dissident elements in the northern part of Sam Neua and the eastern portion of Phong Saly provinces. Dissident activity with probable North Vietnamese support and guidance continues. The North Vietnamese, by providing guidance and logistic assistance to the dissident elements in Laos, have the capability of intensifying operations through these elements to the extent of threatening seriously the internal security of the country.

~~TOP SECRET~~

~~TOP SECRET~~

*No
Yes* *Indicates*

Singapore: The growing activity and influence of pro-Communists in the ruling People's Action party of Singapore are posing a threat to continued control of the party by its "moderate" wing. Extreme leftist leader Lim Chin Siong has reportedly begun an "all-out operation" to organize the labor movement of Singapore as a base of power for taking over the party and government. Prime Minister Lee Kuan Yew is considering moves to curb the pro-Communists but appears hesitant because of their wide following. [redacted]

(Page 4)

No

South Korea - Japan: The Rhee government has ordered its ambassador in Tokyo to give money and advice to pro-South Koreans planning a demonstration against the repatriation of Korean residents in Japan to North Korea. The demonstration is to be staged on the arrival on 23 August of Marcel Junod, vice president of the International Committee of the Red Cross, and is designed to impress him with the difficulty he will encounter in the repatriation procedures and "how Japan has misrepresented the situation." Seoul also hopes to counter the expected demonstration by pro-Communist Koreans welcoming Junod. [redacted]

(Page 5)

Ethiopia: A Soviet advance technical survey team now is apparently expected to arrive in early October to investigate the economic and technical needs of Ethiopia. [redacted]

No

discussions apparently were held in Moscow during Haile Selassie's visit there last month on Soviet participation in establishing a pharmaceutical plant in Ethiopia and assisting in an agricultural development program. These two projects presumably would account for about half of the \$100,000,000 Soviet credit recently extended to Addis Ababa. [redacted]

(Page 6)

No

Watch Committee conclusion--Middle East: Situations susceptible of direct exploitation by Sino-Soviet bloc action which would jeopardize US interests exist in the Middle East, particularly in Iraq and Iran. The initiation of significant hostilities is unlikely in this area in the immediate future. [redacted]

20 Aug 59

DAILY BRIEF

ii

~~TOP SECRET~~

~~TOP SECRET~~

Saudi Arabia - UAR: King Saud reportedly will visit President Nasir in early September while en route home from medical treatment in Germany. It is doubtful that such a visit would signify any change in the King's fear and hatred of Nasir, but would indicate that Saud feels he needs to refurbish his prestige and outshine his prime minister, Crown Prince Faysal, by a public show of friendship with the UAR leader.

Faysal, in trying to carry out his fiscal reforms, is still refusing to pay Saud's personal debts.

III. THE WEST

*France-USSR: [Soviet ambassador Vinogradov, in his visit to President de Gaulle on 16 August, delivered an aide-memoire couched in "relatively stiff" terms and warning that continued close French cooperation with West Germany might result in France's isolation on the international scene,

No [The note contained nothing regarding a possible exchange of visits between De Gaulle and Khrushchev, though the subject may have been broached orally. According to press reports, the document also warned of the consequences of French determination to build a nuclear bomb, and was accompanied by a personal letter from Khrushchev in which he expressed his respect for the French President.]

OK Paraguay: President Stroessner has been warned that exiles living in Argentina plan to launch a raid into Paraguayan territory on 23 August. Stroessner, whose government has been under increasing attack as the last remaining dictatorship in South America, is confident he can repel the raid but is reported to fear assassination attempts. The Argentine Government has cooperated with Stroessner in impeding past raids from Argentine territory. (Page 7)

No Haiti: Opposition elements in Port-au-Prince are considering committing acts of terrorism to whip up enthusiasm for the small invasion group which landed on Haiti's southern

20 Aug 59

DAILY BRIEF

iii

~~TOP SECRET~~

~~TOP SECRET~~

peninsula on 13 August, even though the identity of the invaders has not yet been clarified. President Duvalier fears further landings, and has told US Ambassador Drew that he plans to request the US to resume informal air and sea patrols along Haiti's coast.

Haiti may also request assistance from the Inter-American Peace Committee under the new powers granted that committee during the foreign ministers' meeting in Santiago.]

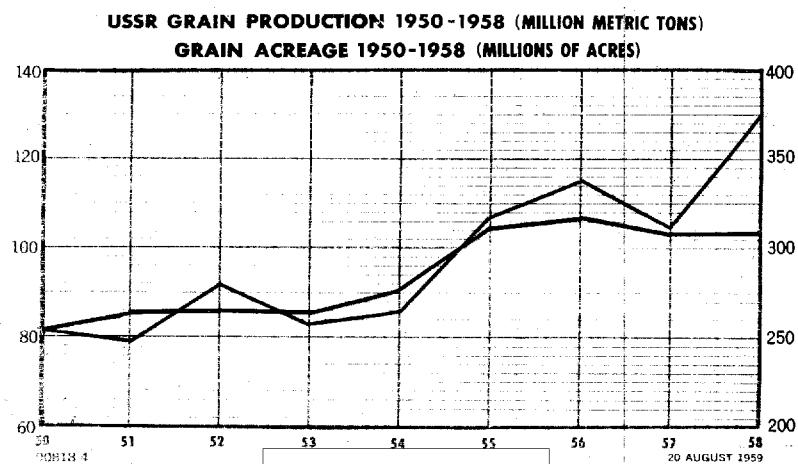
(Page 8)

20 Aug 59

DAILY BRIEF

iv

~~TOP SECRET~~



~~CONFIDENTIAL~~

I. THE COMMUNIST BLOC

Poor Grain Crop Expected in the USSR

According to present prospects, the USSR's 1959 grain crop may fall short of the 105,000,000 tons harvested in 1957--a mediocre year--and will be well below last year's record harvest of about 130,000,000 metric tons.

Except in the eastern portion of the New Lands, weather this year has not been favorable for grain yields. Soil moisture reserves were limited at the beginning of the growing season, and rainfall during the critical months of May, June, and July was less than half of normal.

Late crops such as sugar beets, sunflowers, and potatoes, as well as the production of livestock feed, probably have also been adversely affected. However, the weather during the remainder of the season may still alter the late crop picture considerably.

Because Soviet agricultural production has been much higher since the New Lands were first brought into use in 1954 and 1955, the poor prospects will not create a domestic food shortage. Soviet efforts to catch up with the US in production of livestock products will be affected, however, by the smaller feed supply, and less grain will be available for export. The poor prospects for this year, the first of the Seven-Year Plan, will probably heighten criticism of shortcomings in agriculture and be used by Khrushchev to justify speeding up his agricultural reforms.

~~CONFIDENTIAL~~

~~SECRET~~

II. ASIA-AFRICA

Laos

The Laotian Army,

[The Laotian Army surprised a group of 12 Communist cadres one evening last week discussing plans for terrorist activity against Americans and the American Embassy in Vientiane. The group, which included two Vietnamese Communist agents from northeastern Thailand, escaped. Lending weight to this report is the Laotian Army's discovery of an arms cache in Vientiane on 13 August at a residence occupied by members of a Communist-front organization.]

[The American army attaché in Vientiane states that fragmentary information from Laotian army intelligence indicates recently increased partisan activity in northern Laos. Laotian military officials state that the guerrillas have broken down into smaller groups and are spreading out over larger areas in Sam Neua.]

In an apparent effort to build up psychological tension over Laos, a Chinese Communist diplomat told a Western journalist on 13 August that Peiping is preparing to test American strength in Laos and that a fight between "the US and Chinese Communists on the Indochina peninsula" will be unavoidable if the Americans do not withdraw. This source has sometimes passed misleading but tension-building information to the West. For example, he warned repeatedly in late 1958 and early 1959 that the offshore islands would be "liberated" last spring. Radio Peiping has, however, warned repeatedly that military intervention in Laos by the US or a SEATO power would be regarded as a threat to the security of China.

[The USSR is maintaining its position that the Laotian ICC should be reconvened in order to deal with the crisis. The Soviet ambassador to the UK reacted negatively to the British]

~~SECRET~~

~~SECRET~~

[proposal that an observer be appointed by UN Secretary General Hammarskjold on the recommendation of the UK and the USSR as cochairmen. He took the position that Vientiane's refusal to accept the ICC is contrary to the Geneva agreements, but "grudgingly" agreed to pass the British proposal to Moscow. If Moscow refuses to approve the proposal, as seems likely, Hammarskjold will probably refuse to take any action without a mandate from the UN.]

Moscow charged in a radiobroadcast on 18 August that Admiral Burke's statement regarding the possibility of US Navy involvement in the Laotian conflict demonstrates "once again" that the US "is prepared to embark on a military adventure" in Southeast Asia to retain Laos "within the sphere of its military blocs."

~~SECRET~~

~~SECRET~~Increasing Pro-Communist Activity in Singapore

[There are signs that key pro-Communists in the ruling People's Action party (PAP) of Singapore, who were released from jail in June, have not kept their pledges to submit to the direction of the PAP executive committee and are, instead, actively undermining the party's "moderate" leadership. The growing influence of the extremists in labor and student circles appears to make a fight for control of the party inevitable. One recent report states that the pro-Communists are holding meetings to map their strategy against Prime Minister Lee Kuan Yew.]

[The primary threat to Prime Minister Lee's leadership comes from Lim Chin Siong, who is the principal hero of left-wing Chinese youth. He is said to have begun an "all-out operation" to organize the labor movement as a base of power for taking over the party and the government. Lee is apparently uncertain how to curb Lim's power without making a martyr of him. During recent weeks he has reportedly considered several courses of action, including rearresting Lim, or sending him to Europe to study trade-union activities.]

[Despite the risks involved, Lee's prospects for curbing extremist activities are probably better now--soon after electoral victory--than they will be in the future when it becomes obvious that his government will be unable to solve many of Singapore's pressing political and economic problems.]

~~SECRET~~

~~TOP SECRET~~

Seoul Supports Protest Demonstration by Pro - South Korean Group in Japan

Seoul has ordered its ambassador in Tokyo to assist Mindan, the union of anti-Communist Koreans in Japan, in staging a demonstration protesting the repatriation of Koreans from Japan to North Korea. The demonstration is to take place on the arrival on 23 August of Marcel Junod, vice president of the International Committee of the Red Cross, to impress him with the difficulty he will encounter in the repatriation procedures and "how Japan has misrepresented the situation." The ambassador was instructed to make \$2,800 available to support the demonstration, which Seoul hopes will counter the expected welcome demonstration by pro-Communist Koreans. He was also instructed to prevent any harm to Junod.

Over 600,000 Koreans reside in Japan; about 30,000 belong to Mindan and approximately 130,000 are members of Chosen Soren, a pro-Communist organization. [The Japanese police reportedly have been alerted to the demonstrations and plan to provide for Junod's safety. However, should violence break out between the two Korean groups, the police allegedly will not interfere except to protect the general public. At the same time, Japanese authorities have expressed concern over information that South Korean agents may attempt to disable the repatriation ships in Niigata harbor. They fear that any incidents involving the ships, which will be under the Soviet flag, would lead to complications.]

The proposed demonstration is unlikely to influence ICRC's decision to participate in the repatriation. [ICRC officials have confidentially expressed their annoyance with Seoul's obstructionist tactics and they probably would regard the demonstration in the same light.]

~~TOP SECRET~~

~~TOP SECRET~~Soviet Specialists to Visit Ethiopia

The Ethiopian Government will soon process "120 tourist visas" for members of a technical survey team from the USSR, [redacted] The Soviet specialists, who are expected in Addis Ababa about 1 October, reportedly will conduct a three-month survey to determine specific uses for the \$100,000,000 economic credit recently extended to Ethiopia.

During the Emperor's visit to Moscow in July, talks were held on Soviet participation in a \$44,000,000 project designed to train 15,000 Ethiopian war veterans in agriculture and to provide equipment for their farms. [redacted]

[redacted] the USSR may establish a \$4,000,000 pharmaceutical plant in Addis Ababa. The remainder of the Soviet credit probably will be used to finance industrial enterprises, [to produce paper and cement, among other things.]

[The arrival of Soviet technicians in Addis Ababa can be expected to intensify unrest among a number of Ethiopian officials who in mid-July were reported to be plotting to depose the Emperor because of his apparent intention to develop close ties with Moscow. According to leaders of this group, who profess friendship for the US, the position of pro-Western elements in Ethiopia is deteriorating rapidly and unless the plotters act soon, other dissatisfied elements within the military forces may take matters into their own hands.]

[In addition to the Soviet credit, a Czech line of credit--reputedly amounting to \$20,000,000--was extended to Ethiopia this summer during Haile Selassie's tour of Europe. This aid presumably will be used to supplement Moscow's aid to fulfill Ethiopia's Five-Year Plan.] In keeping with the bloc's increased interest in Ethiopia, a "special delegation" from Poland will travel to Addis Ababa in mid-September, presumably to investigate the possibility of increased trade. [redacted]

OK

~~TOP SECRET~~

~~SECRET~~

III. THE WEST

Paraguayan Exiles Plan New Raid Against Stroessner Government

Paraguayan exiles living in Argentina reportedly plan a raid against the Stroessner government on 23 August. They probably hope to highlight Paraguay's status as the last remaining dictatorship in South America at a time when the Latin American press will be reviewing the antidictatorship resolutions adopted by the Santiago meeting of foreign ministers.

Stroessner has been warned of the scheduled attempt and reportedly has information that the exiles are poorly armed. He is confident he can repel the invaders, who probably are few in number, but is concerned over a possible assassination attempt. Demonstrations may occur if the controversial antigovernment priest, Father Talavera, returns to Asuncion this week end as he reportedly plans.

The Stroessner regime has been extremely sensitive to the growing antidictatorship pressure both within Paraguay and in Latin America generally, but has been inept in its attempts to pave the way for a change in Paraguay's tradition of one-party rule. Government reform moves earlier this year brought a crisis in the ruling Colorado party and an increase in plotting among extremist elements who saw reform as a threat to their plans for outright revolt. In May, Stroessner dissolved Congress and reimposed a state of siege after a one-month experiment in governing without it.

Just before the Santiago meeting, Stroessner signed decrees scheduling the election of a new congress on 14 February 1960 and providing for the participation of established, non-Communist opposition parties. Simultaneously the Colorado party announced a convention on 19 September to elect replacements for party officials who resigned during the May crisis.

~~SECRET~~

~~SECRET~~Developments in Haiti

The opposition to Haitian President Francois Duvalier is considering acts of terrorism in Port-au-Prince in support of the small force of unidentified invaders who landed on the southern peninsula on 13 August. Port-au-Prince has reacted calmly to news of the invasion, and there have been no bombing incidents there since 25 July, possibly because of strong government action to suppress a campaign of terrorism which began in mid-June.

Haitian military forces have apparently established the general location of the invasion group as being a few miles south of the alleged landing site, and troops have been instructed to "try to make contact again, come what may." There has been no previous indication that Haitian troops had encountered the invaders and no reports of skirmishes.

President Duvalier, who anticipates further landings, informed US Ambassador Drew on 18 August that he plans to request the United States to resume informal air and sea patrols along the Haitian coast. Haiti will almost certainly refuse or ignore the offer of Dominican President Hector Trujillo to give "full cooperation" in repelling the invasion.

[Haiti may also request assistance from the Inter-American Peace Committee (IAPC) under powers granted the committee during the foreign ministers' meeting in Santiago. Foreign Minister Mars may ask an IAPC delegation to go to Haiti to investigate the situation rather than make a formal appeal to the Council of the Organization of American States, as originally contemplated.]

~~SECRET~~

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

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~~