

~~TOP SECRET~~

3.3(h)(2)

31 January 1959

Copy No. C 63

CENTRAL INTELLIGENCE BULLETIN



DOCUMENT NO. 14
NO CHANGE IN CLASS X
REGULAR LIFE X
CLASSIFICATION BY CD-3
FIRST REVIEW DATE 2010
AUTH. 14-70-2
DATE 1-4-80 REVIEWER [Redacted]

~~TOP SECRET~~



~~TOP SECRET~~

31 JANUARY 1959

I. THE COMMUNIST BLOC

Guided Missile Intelligence Committee statement about Soviet guided-missile submarines.

①

UAR instructs ambassador in Peiping to reject Communist China's offer of arms "with thanks."

②

North Vietnamese message explains Communist intention in Taiwan Strait issue as promoting split between US and Taiwan, not immediate capture of island.

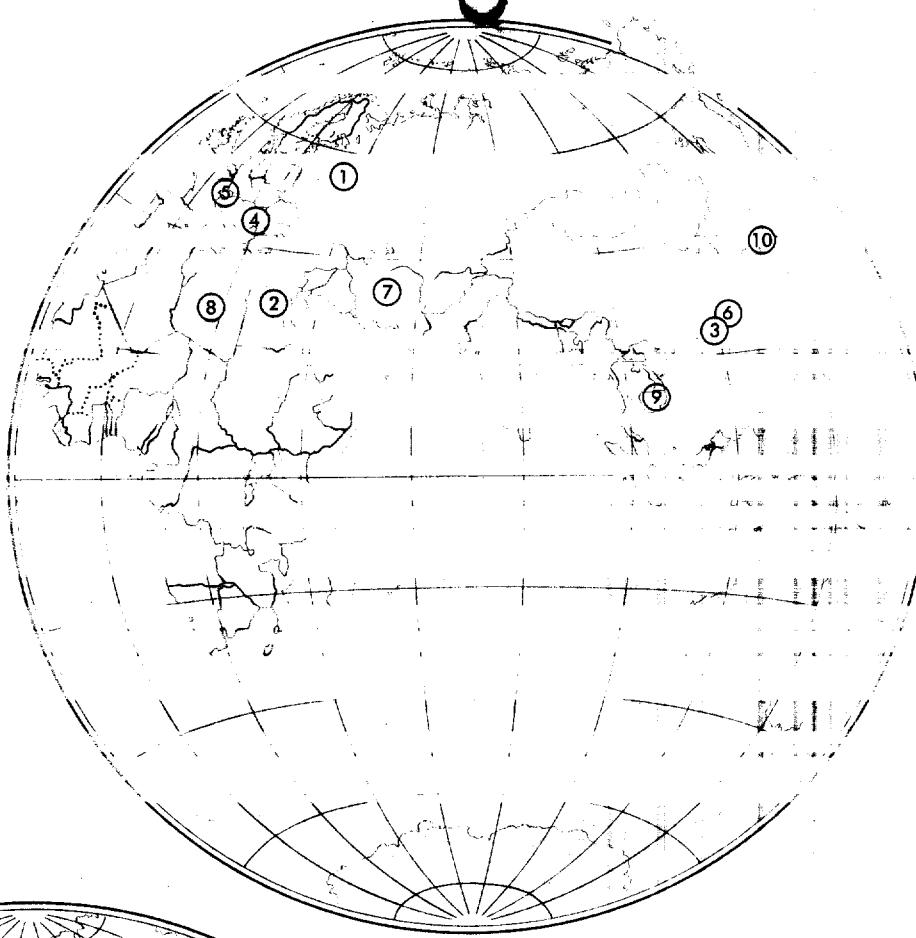
③

Yugoslavs respond to Khrushchev's statements at party congress with severe personal press attacks on Soviet leader.

④

Soviet delegates at Geneva state privately that negotiations should continue until treaty is signed.

⑤

**II. ASIA-AFRICA**

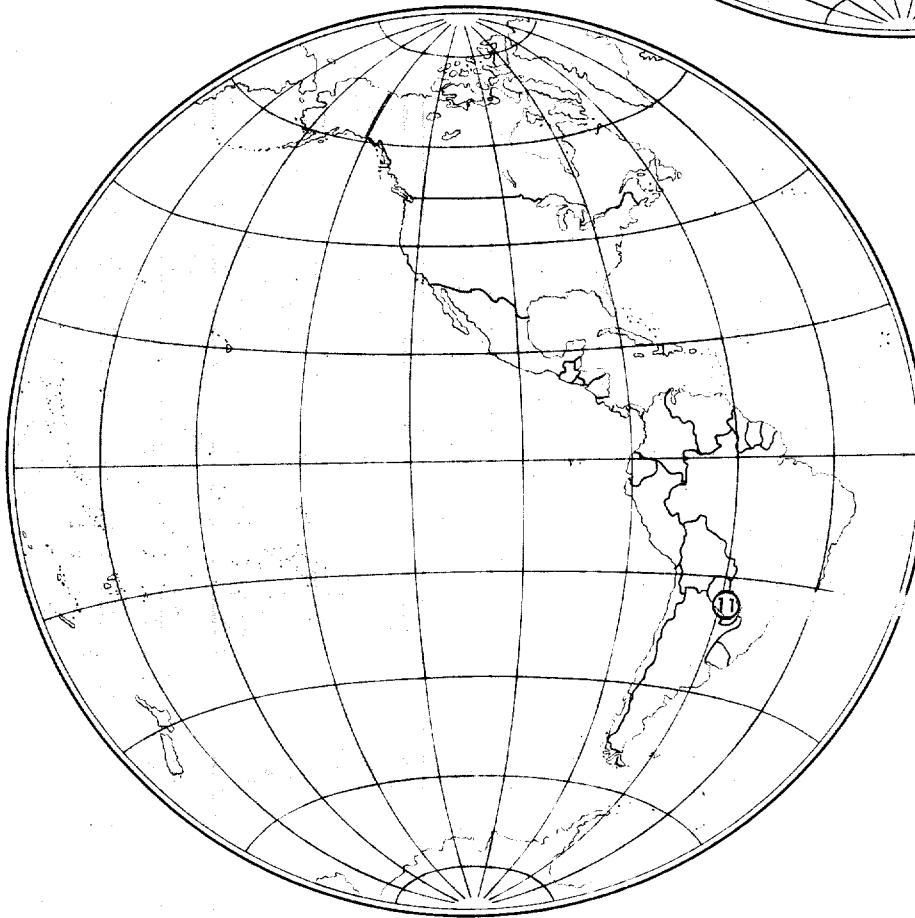
⑥ Chinese Nationalists order interception of Communist shipping in Taiwan Strait area.

⑦ Shah of Iran says he intends to wait one week before deciding on non-aggression pact with USSR.

⑧ Libyan military mission now in Cairo reported discussing acquisition of arms from the USSR.

⑨ Cambodia - Dap Chhuon reported to have approached Thai authorities for support in plot against Sihanouk.

⑩ Japanese - South Korean relations will worsen as a result of Japanese decision to permit Korean residents to depart Japan for North Korea.

**III. THE WEST**

⑪ Paraguay - Attempt to oust President Stroessner may be imminent.

~~TOP SECRET~~

~~TOP SECRET~~

CENTRAL INTELLIGENCE BULLETIN

31 January 1959
SIRAB

DAILY BRIEF

I. THE COMMUNIST BLOC

M
Modified Soviet submarines: The Guided Missile Intelligence Committee has made a preliminary assessment of the evidence concerning the modification of at least three Soviet Z-class submarines. Although there may be other reasons for this modification, GMIC believes that it is a distinct possibility that these submarines have been equipped to fire ballistic missiles having a range of 100 to 200 nautical miles. [redacted] (Page 1)

M
Communist China - UAR: The UAR informed its embassy in Peiping [redacted] to "extend thanks" but that the artillery offered to a UAR military mission [redacted] by Communist China was "not suitable," and that no contract was to be concluded. [redacted]

(Page 2)

North Vietnam: [redacted]

M
Chinese Communist policy in the Taiwan Strait is "to fire at times and cease fire at times" and "not to liberate Quemoy and Matsu immediately." [redacted] Peiping's policy is to "win over world opinion" and create discord between the US and the Chinese Nationalists. [redacted] (Page 3)

fj
Yugoslavia-USSR: Belgrade apparently no longer feels that Khrushchev might act to moderate the bloc-Yugoslav dispute. In response to his statements about Yugoslavia at the party congress, the Yugoslavs have launched the most severe personal attacks against Khrushchev since the dispute was renewed last spring. [redacted] (Page 4)

i

~~TOP SECRET~~

~~TOP SECRET~~

M

USSR-Geneva talks: The chief Soviet delegate at the nuclear test-cessation talks in Geneva told the American and British delegates [redacted] that he does not wish nor intend to break off the negotiations. The number-two man on the Soviet delegation said the USSR also had new data on underground explosions but "could not discuss it until the treaty is signed." Another Soviet delegate admitted that "military authorities" in the USSR did not want to stop tests and would be happy if no treaty were concluded. [redacted]

[redacted]

II. ASIA-AFRICA

OK

*Taiwan Strait situation: [The Chinese Nationalists have informed American officials on Taiwan that orders have been issued for the interception of Chinese Communist shipping in the Taiwan Strait from just north of Matsu to just south of Chinmen. Such action was common prior to last fall but was discontinued shortly after the beginning of the offshore island crisis. If the Nationalists carry out their intentions, the Chinese Communists would probably retaliate by shelling Chinmen heavily and engaging any Nationalist naval craft operating inside the 12-mile limit.] [redacted]

(Page 5)

Iran-USSR:

[redacted]

treaty negotiations with the USSR, will offer to agree not to sign a pending bilateral defense agreement with the US and not to permit Iran to be used as a base against the Soviet Union. In exchange, the Shah will ask for a Soviet guarantee not to attack Iran and to cease hostile propaganda. He says he intends to wait one week before making a final decision on concluding the projected nonaggression pact. The Shah indicated that Iran will remain in the Baghdad Pact and has refused Soviet economic aid. Court Minister Ala says the Shah will be glad to see the American ambassador at any time.] [redacted]

(Page 6)

31 Jan 59

DAILY BRIEF

ii

~~TOP SECRET~~

~~TOP SECRET~~

M
Libya: [A Libyan military mission led by the defense minister is reported to have been meeting with the Soviet military attaché in Cairo and the Egyptian army chief of staff to discuss the acquisition of arms from the USSR. According to earlier reports, the purpose of the Libyan mission's visit to the UAR was to request from Cairo heavy equipment, including tanks and armored cars, which the Libyan Government had unsuccessfully sought from the British.]

M
Cambodia: [External and internal plotting against the Sihanouk regime may soon be coordinated. General Dap Chhuon, commander in northwestern Cambodia, is reported to have approached Thai authorities for the first time and to have urgently requested their support for his efforts. Daily anti-Sihanouk broadcasts from a mobile station on the Thai-Cambodian border are scheduled to begin next week.]

(Page 7)

OK
Japan-Korea: Foreign Minister Fujiyama's announcement on 30 January that the Japanese Government will permit Korean residents in Japan to depart for North Korea, if they desire, probably will be used by Syngman Rhee as an excuse to break off negotiations for normalization of relations. The Japanese move probably stemmed from impatience at lack of progress in the negotiations.] (Page 8)

III. THE WEST

M
*Paraguay: Opposition elements, including some within Paraguay's ruling Colorado party, have stepped up their plotting and, [plan an attempt to remove President Stroessner within the next few days. Stroessner is known to be aware of at least some of the plots against his administration and has taken special security measures, particularly since the Castro victory in Cuba.]

31 Jan 59

DAILY BRIEF

iii

~~TOP SECRET~~

~~TOP SECRET~~

I. THE COMMUNIST BLOC

Possible Soviet Ballistic Missile Submarines

At least three Soviet Z-class submarines in the Northern Fleet and perhaps one or more in the Far East have been modified and are markedly different from others in this class. This modification, which may date back to 1956, involves an extensive alteration of the conning tower fairwater. The fairwater has been enlarged and two circular covers or domes are on top of the after portion of this structure.

[redacted] the three Northern Fleet units identified as modified Z-class boats operate in a somewhat different manner from other submarines of that fleet. One of these units is now on patrol in the northeast Atlantic.

The Guided Missile Intelligence Committee has made a preliminary assessment of the evidence concerning these submarines. Although there may be other reasons for this modification, GMIC believes that it is a distinct possibility these units have been equipped to fire ballistic missiles. If equipped for this purpose, it is estimated that each submarine can carry two missiles having a 100- to 200-nautical-mile range with circular error probability of 2 to 4 nautical miles and a payload of 1,000 pounds. The two domes on top of the conning tower could be the covers of vertical tubes for launching these missiles. These modifications to the Z class could serve the dual role of providing the USSR a limited operational capability and serving as a research and development system for a later, more advanced missile and submarine system.

It is estimated that the USSR has 18 Z-class submarines. Four and possibly five of this class are in the Pacific Fleet, 11 or 12 are in the Northern Fleet, and the remainder are in the Baltic Fleet. [redacted]

~~TOP SECRET~~

~~TOP SECRET~~Chinese Communist Arms Offer Refused by UAR

[redacted]
[redacted] the artillery offered to the UAR by the Chinese People's Republic is "not suitable," and that no contract is to be concluded. [redacted]

A UAR military mission, described as a coastal defense committee, in early December witnessed a demonstration in China of 122-mm. and 152-mm. artillery pieces. The mission planned to begin discussing a draft agreement with Peiping for the purchase of these arms in mid-December. [redacted]

~~TOP SECRET~~

~~TOP SECRET~~Hanoi Discusses Peiping's Taiwan Strait Strategy

[redacted] a "conflict" between the United States and Nationalist China might be sharpened by current Chinese Communist tactics--"to fire at times and cease fire at times" and "not to liberate Quemoy and Matsu immediately." The "conflict" stems from the alleged US desire for a withdrawal of Nationalist forces from the two island groups in order "to build up Taiwan into a separate China" and the opposition to this by Chiang Kai-shek, who is attempting to "maintain the status quo."

[redacted] Peiping's policy was to "win over world opinion" and that if the United States maintains its position, "it will be held in contempt." The American position is already increasingly unpopular among Chinese on Chinmen, Matsu, and Taiwan. This line of reasoning suggests that the Chinese Communists are counting on a long-term political effort together with some military pressure to prevent a "two-Chinas" situation from developing.

[redacted] by drawing certain parallels between the situation in South Vietnam and the Taiwan Strait. [redacted] indicates close coordination between Peiping and Hanoi. [redacted] the United States has aroused the suspicion of its smaller allies since, "If it wants to remain, it remains; if it wants to withdraw, it withdraws." [redacted]

~~TOP SECRET~~

~~CONFIDENTIAL~~Yugoslavs Lash Back at Khrushchev

In retaliation for Khrushchev's anti-Yugoslav remarks at the Soviet 21st party congress, the Yugoslav party's daily, Borba, on 30 January published the strongest attack Belgrade has made on him since the Yugoslav-bloc dispute was renewed last spring. The Yugoslavs appear finally to have given up any hope they may have had that Khrushchev might be inclined to moderate the bloc's attitude toward Yugoslavia.

Borba emphasized that Khrushchev had interfered in Yugoslavia's internal affairs, an accusation which the Kremlin has tried to avoid since the renewal of the dispute. Yugoslav executive committee member Djuro Pucar, in a speech to a meeting of the Yugoslav Federation of Student Organizations, accused Khrushchev personally of reviving Stalin's tactics. Yugoslav Foreign Ministry spokesman Drago Kunc, in his 30 January press conference, joined the chorus, stating that Khrushchev's simultaneous attack on both the foreign and domestic policies of Yugoslavia leaves little room for the cooperation he says he desires.

The Yugoslavs say they are being attacked because Yugoslav workers are better off than any others in the Communist world and because the Russians don't want to admit that they are in many ways copying Yugoslav experience.

~~CONFIDENTIAL~~

~~SECRET~~

II. ASIA-AFRICA

Taiwan Strait Situation

[Admiral Liang Hsu-chao, commander in chief of the Chinese Nationalist Navy, informed American officials on 30 January that he has received orders from the Nationalist Ministry of Defense to intercept Chinese Communist shipping in the Taiwan Strait from just north of Matsu to just south of Chinmen. There is no indication that British shipping is included in the order.]

[If the Nationalists carry out this plan, it is likely that the northern and southern patrol forces in the vicinity of the Matsus and the Chinmens will be utilized. Similar harassment in the past has been employed particularly against Communist small craft moving in and out of the Min River estuary near the Matsus. Shortly after the offshore island crisis began last August, however, this type of activity was discontinued. Most sweeps in the past have been conducted by light patrol craft. If the Nationalists use their destroyers, Communist reaction could be more severe.]

[In the past the Nationalists have sought to present a "victory" to the public at the time of the Chinese New Year, in early February. They may also want to keep US and world attention focused on the Taiwan Strait problem.]

~~SECRET~~

~~SECRET~~Shah States His Terms for Iranian-Soviet Nonaggression Pact

[The Shah of Iran informed the Pakistani ambassador to Iran and a British Foreign Office official in separate audiences on 29 January that he has offered to sign a treaty with the Soviet Union which would include as its minimum terms a Soviet assurance that the USSR would not attack Iran and that it would discontinue hostile propaganda against Iran. In return Tehran would agree not to sign the pending bilateral defense agreement with the US and would not permit use of Iran as a base for aggression against the Soviet Union. The Shah stated that Iran would remain in the Baghdad Pact and that he has refused Soviet economic aid. The Soviet delegation which arrived by special plane in Tehran on 29 January presumably brought a response to the Shah's terms or at least authority to negotiate further.]

[the Shah is definitely prepared to sign the nonaggression treaty if the Soviet Union meets Iran's terms, but that if Soviet counterproposals are rigid he "may have second thoughts." The Pakistani ambassador had reported to his government that the Shah intended to sign a 30-year nonaggression pact with the USSR on 1 February.]

[the Shah had indicated he would wait one week before making his final decision regarding an Iranian-Soviet treaty.]

[Turkish officials.]

fear he may take precipitate action which will have serious repercussions both on domestic politics in Turkey and throughout the Middle East. Turkish Prime Minister Menderes was particularly depressed following these talks. The Shah emphasized to the Turks Iran's dissatisfaction with the "small repayment" for joining the Baghdad Pact, and reiterated Iran's need for \$107,000,000 in budgetary assistance. He criticized the US for offering only \$20,000,000 and complained that the US would not supply Iran with antiaircraft missiles and training necessary for their use.]

[Court Minister Ala has informed US Ambassador Wailes that the Shah will be glad to see him at any time, presumably to keep the way open for US offers of increased aid designed to forestall the Iranian-Soviet rapprochement.]

~~SECRET~~

~~TOP SECRET~~Plotting Against Cambodian Government Accelerated

[Preparations by Cambodian General Dap Chhuon for an internal coup against Prince Sihanouk may shortly be coordinated with the heretofore separate Thai-Vietnamese intrigues against the Sihanouk government. Chhuon, whose military command region in northwestern Cambodia fronts on Thailand.]

[urgently requesting support for his planned move against the Sihanouk government around 8-10 February. Chhuon presumably is seeking logistical support in the form of gasoline and ammunition.]

[Chhuon's request will probably elicit sympathetic response from Thai officials, although they have become much more circumspect in their plotting against Sihanouk as a result of the presence of a UN special mediator, Baron Beck-Friis. Even if diplomatic relations between Cambodia and Thailand are restored through his efforts, this would not change the basic Thai premise that Sihanouk must be eliminated before his soft attitude toward international Communism imperils all of Southeast Asia.]

["Voice of Cambodian Resistance" broadcasts will soon be started from a mobile station on the Thai-Cambodian frontier. In these broadcasts and in Cambodian-language pamphlets prepared for wide distribution throughout Cambodia, Sihanouk is to be portrayed as endangering the nation's welfare by his despotic leadership and pro-Communist policies. Sam Sary, former Cambodian royal councilor who is now in Bangkok working with the Thais and Vietnamese against Sihanouk, is in charge of this propaganda campaign.]

~~TOP SECRET~~

~~CONFIDENTIAL~~Japan Precipitates New Crisis With South Korea

A Japanese cabinet decision, announced by Foreign Minister Fujiyama on 30 January, to allow Korean residents in Japan to leave for North Korea almost certainly will cause South Korean President Syngman Rhee to terminate present negotiations with Japan. South Korea's minister in Tokyo already has stated that the decision is "tantamount to breaking off current normalization talks."

South Korea may also step up its seizures of Japanese fishing vessels operating in the vicinity of the "Rhee line" and may instigate demonstrations in South Korea which could serve to divert foreign and domestic attention from the controversy over the recently passed National Security Law.

The repatriation issue has been a major obstacle in the Tokyo-Seoul talks. Despite South Korean objections, Japanese officials long have asserted that "voluntary repatriation" is a "humanitarian" principle which they cannot oppose. The Kishi government may have felt that it could be attacked domestically for yielding to the South Korean viewpoint, while the public is not likely to react strongly to the suspension of negotiations which were considered to have little promise in any event.

Korean leftists in Japan claim that 100,000 of the 600,000 Korean residents would accept repatriation to North Korea, but this estimate seems grossly exaggerated. The North Korean Government has issued a standing offer to provide transportation and guarantee a livelihood for all such returnees.

~~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~~