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8 August 1959

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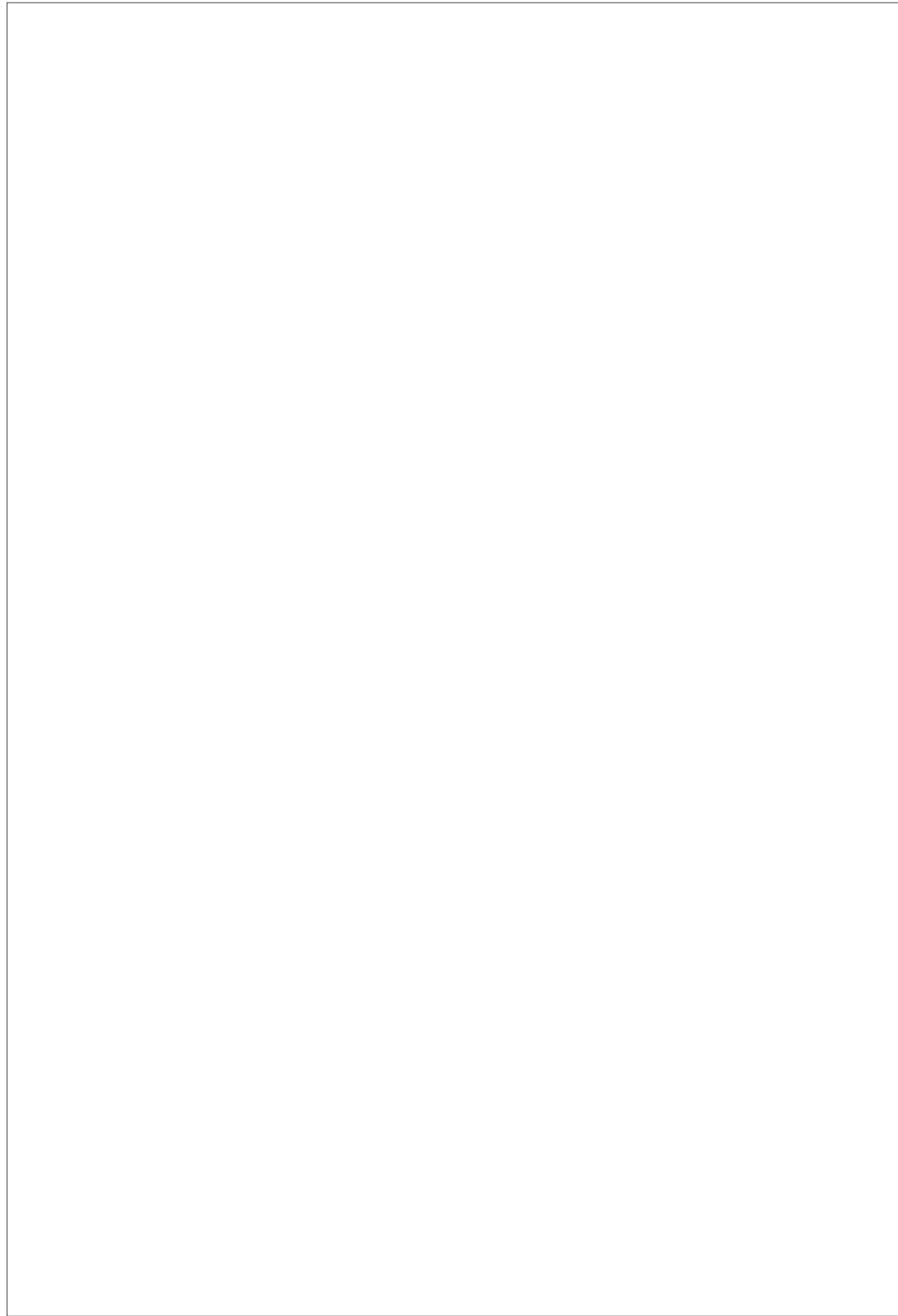
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# CENTRAL INTELLIGENCE BULLETIN



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8 AUGUST 1959

**I. THE COMMUNIST BLOC**

Moscow advises Indian Communists to follow moderate course despite events in Kerala.

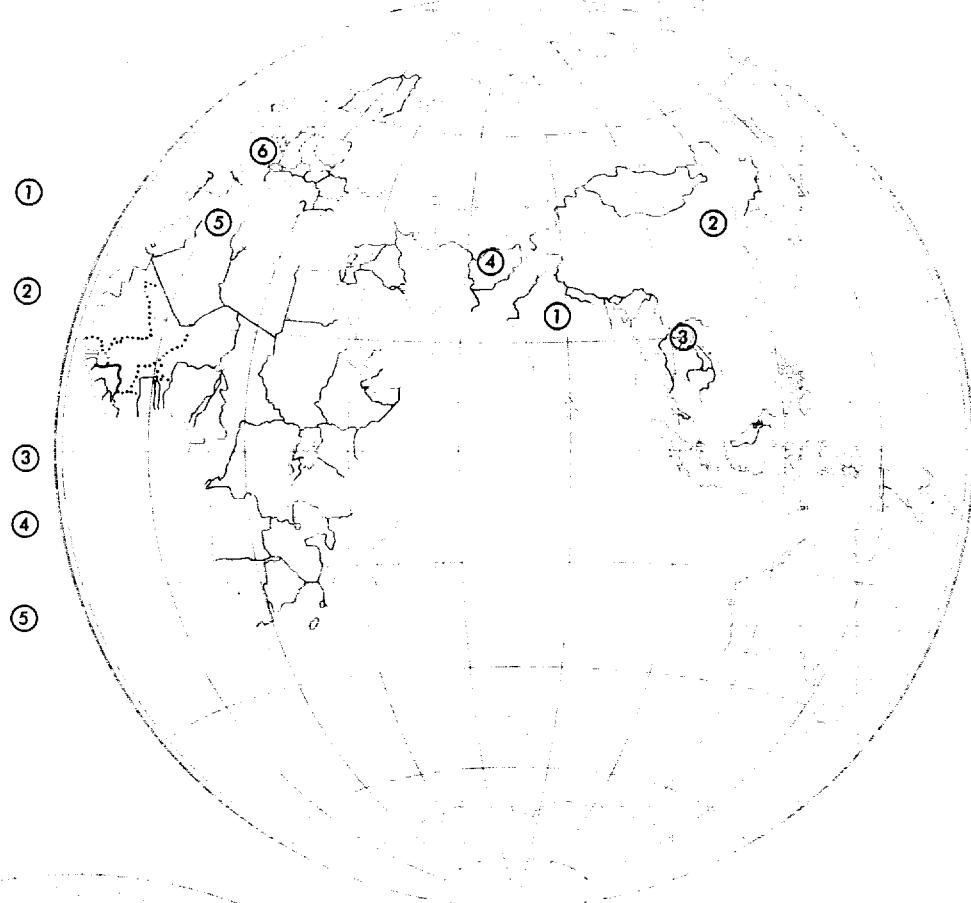
Chinese Communists warn against exaggerating economic difficulties and call for intensified effort.

**II. ASIA-AFRICA**

Laos--Military situation remains quiet; but Communist bloc propaganda becomes more intense.

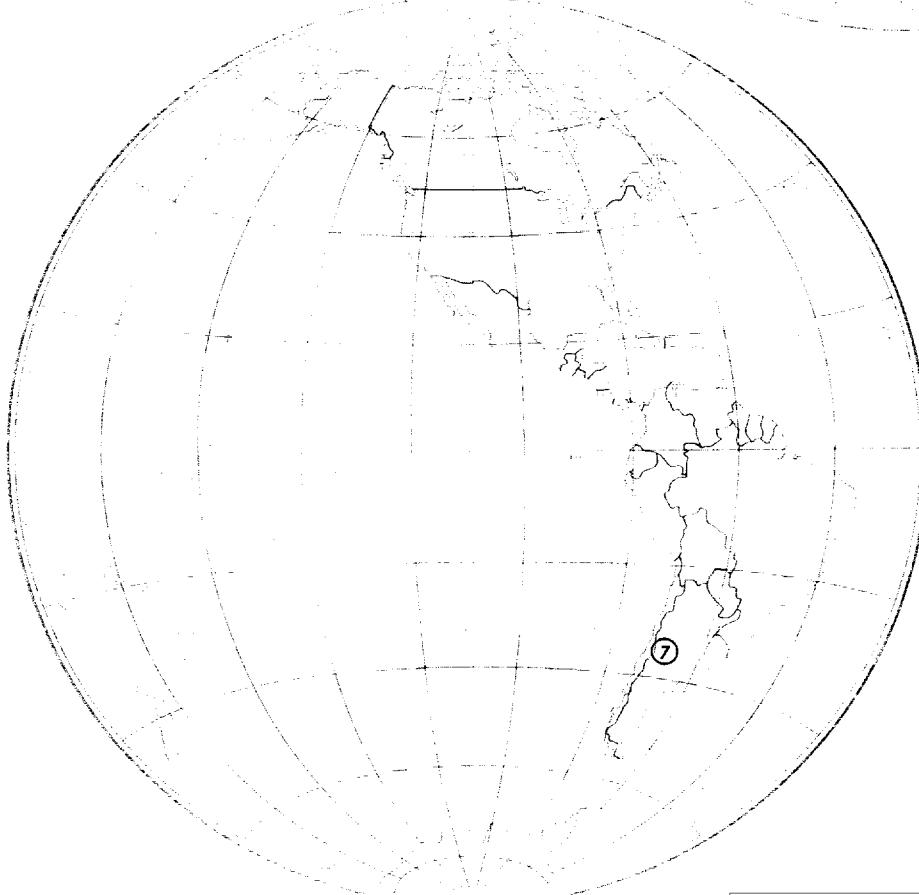
Afghan Army delegation to witness Soviet atomic warfare exercises.

Algeria--Algerian rebel command orders sabotage of French oil installations.

**III. THE WEST**

⑥ France ceases anti-Nasir broadcasts.

⑦ Argentina brings pressure on Dominican Republic to stop Peron's direction of anti-Frondizi activities.

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## CENTRAL INTELLIGENCE BULLETIN

8 August 1959

## DAILY BRIEF

*SIRAB*

## I. THE COMMUNIST BLOC

USSR-India: [The Soviet Communist party has advised the Indian party [redacted]

[redacted]-not to scrap its policy of seeking power by "parliamentary means" in favor of violent tactics. Moscow's response to the developments in Kerala reflects the desire of Soviet leaders to avoid strains in their relations with New Delhi. Unlike Peiping, whose radio has broadcast detailed, slanted accounts of the crisis, the USSR has barely mentioned the subject.] [redacted]

(Page 1)

Communist China: In an editorial which may reflect a recent reassessment of China's economic outlook by the party leadership, the official People's Daily points to the tremendous strides made in the first half of the year and asserts that the situation is "extremely favorable" to the fulfillment of this year's plan to press on with the leap forward. All that is required, the daily says, is to overcome the budding conservative tendency of exaggerating difficulties and "activate" the masses to a new upsurge of effort. The editorial may be the opening gun of an effort to regain some of the momentum which has been lost over the past few months [redacted]

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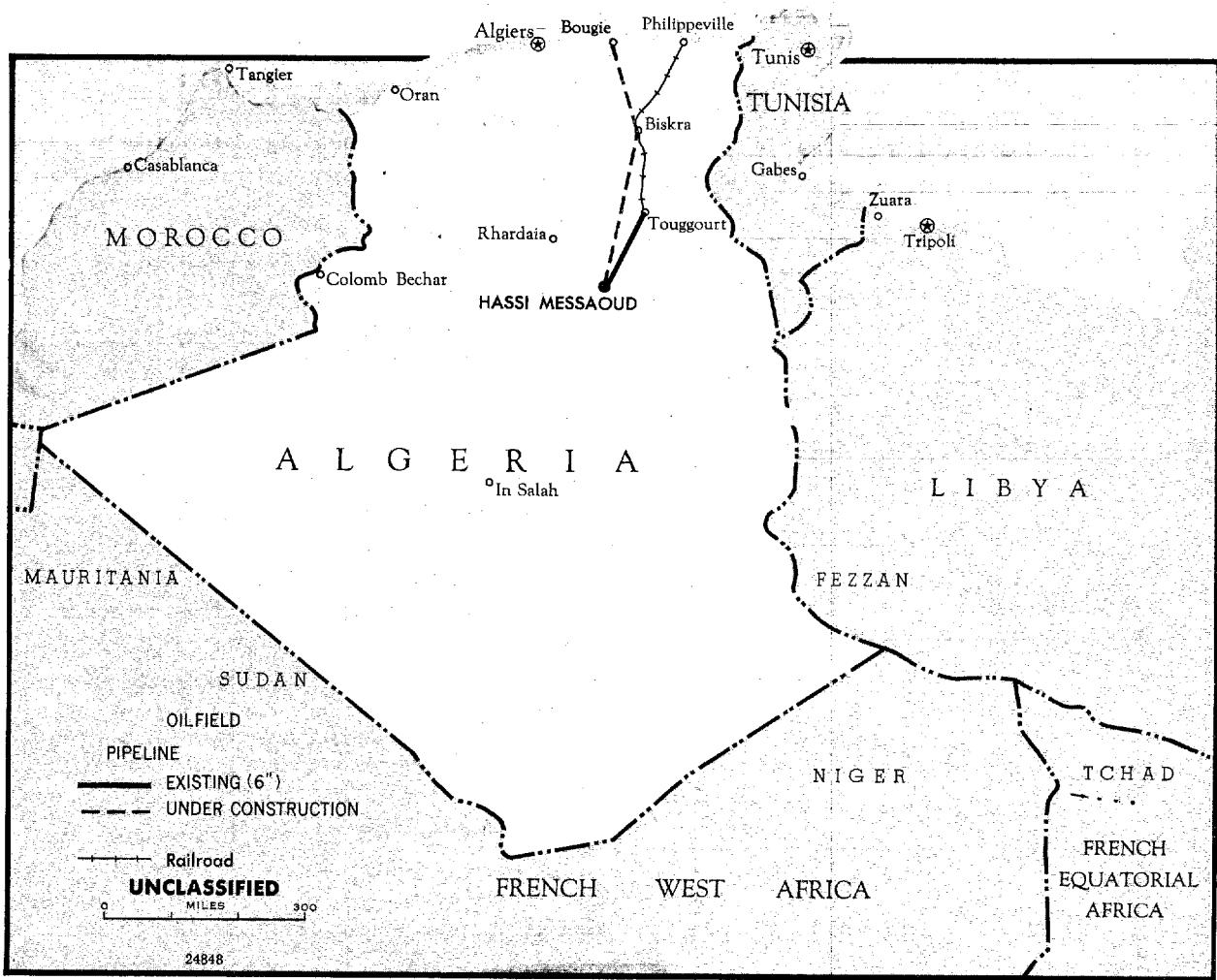
## II. ASIA-AFRICA

Laos: [While there has been little or no military action in northern Laos over the past few days, possibly due to heavy rains, Communist bloc propaganda on the situation has become steadily more strident.]

*NO*

\*UN Secretary General Hammarskjold has reacted favorably to a proposal advanced by the British, subject to Moscow's [redacted]

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[agreement as 1954 Geneva conference cochairman, that Hammarskjold be asked to appoint a neutral fact finder and mediator.]

(Page 3)

*OK*  
*Algeria*  
*2 m/s*

Afghanistan-USSR: The Afghan Army delegation, which is to attend military exercises in the USSR within a month, apparently will view "atomic maneuvers." These presumably would include demonstrations of military tactics under conditions of simulated atomic warfare. An invitation to witness such a display probably would be intended to reinforce the Afghan Government's feeling that it must strengthen relations with its powerful northern neighbor. [ ] (Page 5)

*No*

Algeria: The Algerian rebel command has issued urgent orders for the sabotage of French oil installations in Algeria. Stating that "oil must not pass through Bougie and Philippeville," [ ] cited three locations as suitable for "immediate" action. The rebel order may have been prompted by an announcement that President de Gaulle will inaugurate the 24-inch Hassi Messaoud - Bougie pipeline in October. While efforts at sabotage may be accelerated, past rebel attempts against oil installations have not been notably successful. [ ]

### III. THE WEST

*No*

France-UAR: The anti-Nasir clandestine "Voice of Free Egypt" broadcasts originating in France have been off the air since 30 July in what may be a French move to meet UAR conditions for implementing the economic and cultural agreement negotiated last August. UAR support of the Algerian rebels and French sales of military goods to Israel still stand in the way of a formal resumption of diplomatic relations. [ ] (Page 6)

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DAILY BRIEF

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Argentina: President Frondizi believes Peronista and Communist collaboration in strikes and electoral activity is due in part to continuing instructions from Peron in the Dominican Republic. Argentina is making further representations to Trujillo to cut off Peron's communications, and, if these fail, Frondizi is prepared to break diplomatic relations. Meanwhile, Frondizi is seeking legal means of further curtailing Communist activity. [redacted] (Page 7)

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DAILY BRIEF

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## I. THE COMMUNIST BLOC

### Moscow Again Cautions Indian Communists to Avoid Violence

(The Soviet Communist party,

cautioned the Indian party not to undertake violent tactics toward the government or the Congress party in response to developments in Kerala. Apparently anticipating the dismissal of the Kerala Communist regime,

predicted that growing Communist strength will provoke anti-Communist elements into using violence.]

Calcutta area Communist leaders canceled preparations for a general strike, and demonstrations in other major centers have been carefully controlled. Former Kerala Chief Minister Namboodiripad, in New Delhi for the 6-7 August meeting of the Communist central executive, told the press his party would continue to seek power only through constitutional means, despite its experience in Kerala.)

[In formulating their "advice," Soviet leaders probably took into account the traditional Indian antipathy toward violence, but Moscow's desire--which has been especially noticeable over the past six months--to avoid frictions in dealings with New Delhi seems to have been an even greater consideration. Soviet propaganda organs, with the exception of a brief reference in a 31 July news program to the dismissal of the Kerala government, has avoided any mention of the crisis. This is in contrast with Peiping, whose radio has broadcast detailed, slanted reports on Kerala.]

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## Peiping Calls for Greater Economic Efforts

Two recent editorials in the official People's Daily may reflect a reassessment of Communist China's economic outlook by the party leadership. The editorials appear to be a strong reaffirmation of the correctness of the general approach to economic development taken by Mao Tse-tung and the most influential group of his lieutenants led by Liu Shao-chi.

The paper asserts that "tremendous strides" were made in the first half of the year and that the present situation is "extremely favorable" to the fulfillment of this year's plan for pressing ahead with the regime's "leap forward" economic policies. All that is needed, the daily says, is to eliminate the "rightist conservative tendency" of exaggerating difficulties and "activate" all manpower to a new upsurge of hard work.

Both editorials are directed to local party officials, who are enjoined once again to "let politics take command"--a key slogan in the leap last year but which had been soft-pedaled over the past few months. The cadres are told to use methods of mass exhortation which were claimed to be successful last year and thus spur the Chinese workers to new efforts, especially over the next two months. The regime clearly attaches great importance to being in a position to greet its tenth anniversary on 1 October with appropriate "spectacular achievement."

The leadership apparently believes that a renewed reliance on exhortation--plus the harvest already in hand, which could be used to provide more in the way of direct incentives to the workers--will enable the 1959 "leap" to regain some of the momentum lost in recent months. The party leaders may have redefined this year's goals in terms less extravagant than the ones formulated last December, but there is no hint of such a shift in the editorials. [redacted]

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## II. ASIA-AFRICA

### Situation in Laos

While there has been little or no military action in northern Laos during the past few days, possibly because of heavy rains, Communist bloc propaganda on the situation has become steadily more strident. Izvestia, on 7 August, described the events in Laos as "fraught with the danger of grave military clashes" which may spread, "engulfing a whole line of Southeast Asian countries." The paper added "it is still not too late" to stop the fighting in Laos if calls for the return of the ICC are heeded. Moscow, maintaining its pressure on London, has stated that any constructive contribution to a peaceful settlement is "impossible" without the participation of Britain, co-chairman with the USSR of the Indochina armistice settlement.

[UN Secretary General Hammarskjold is continuing his efforts to bring India and Laos into agreement on some way of using the ICC to ease the tension. He has reacted favorably to a proposal advanced by the British, subject to Moscow's agreement as 1954 Geneva conference cochairman, that Hammarskjold be asked to appoint a neutral fact-finder mediator. The British believe the Secretary General would select Indian Commonwealth Secretary M. J. Desai, former ICC chairman for Vietnam, for the assignment, which would entail seeking information on conditions in the Laos - North Vietnam frontier area and making recommendations to reduce the tension. Nehru now seems ready to accept some mediatory action outside the ICC on condition that it remains within the framework of the Geneva agreements. The USSR, however, probably would reject the proposal on the ground that it is a Western effort to avoid reactivation of the ICC.] [REDACTED]

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With respect to the Chinese Communists, there is an unverified

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report that unusual troop movements took place in July in Yunnan Province north of Laos.

[redacted] in July the amount of fuel shipped to Chinese Communist army units in Yunnan showed a large increase.

Reports persist of a guerrilla force, composed of former Pathet Lao and Kha tribesmen being assembled in North Vietnam near the Laotian frontier under Major Kayson, ex- Pathet Lao Battalion commander.

[redacted] the existence of such a force is a strong possibility. However, its reported size of 3,000 seems greatly exaggerated and information on its exact location is vague.

[redacted] The Laotian secretary of state for defense on 7 August stated he had received a report to the effect that enemy forces were regrouping for a two-pronged attack against the town of Sam Neua. The vague origin of the report prevents an assessment of its validity.)

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Afghan Mission May Witness "Atomic Maneuvers" in USSR

The delegation of Afghan Army officers scheduled to observe military exercises later this summer in the USSR is to view "atomic maneuvers," [redacted]

[redacted] The Afghans have been invited to observe maneuvers in the Turkman SSR in late August and the first part of September, [redacted]

The visiting officers will probably be shown a demonstration involving atomic weapons under conditions of simulated warfare. It is doubtful that the Afghans would see an actual nuclear explosion, since the USSR has in the past restricted such demonstrations to bloc observers and is unlikely to explode a nuclear weapon while test-ban talks are continuing in Geneva.

Such a display probably would be intended to impress on the Afghans the idea that the USSR could win any future major war, thereby encouraging Kabul's inclination to strengthen relations with its powerful neighbor. [redacted]

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### III. THE WEST

#### France and UAR Seen Moving Toward Rapprochement

The clandestine radio "Voice of Free Egypt," which, following the 1956 Suez Canal episode, has broadcast Arabic-language attacks on UAR President Nasir from a station located in France, has been off the air since 30 July. The interruption does not appear to be due to technical difficulties, and it probably represents a French move to meet UAR conditions for implementation of the economic and cultural agreement negotiated last August. Cairo has already taken some steps under the agreement to return or pay for French property sequestered at the time of the Suez crisis, but the reopening of French schools in the UAR and the operation of payments and credits agreements have been held up.

[A meeting in Geneva in May between French Foreign Minister Couve de Murville and UAR Minister of National Guidance Ukasha reportedly resulted in an agreement for an immediate informal exchange of commercial and cultural attachés and for an early cultural exchange contingent on the termination of the "Voice of Free Egypt" broadcasts.]

Cairo is wary of re-establishing formal diplomatic relations with France as long as the Algerian war continues. [However, a high Italian Foreign Ministry official noted a "new moderation" on the Algerian question on the part of the UAR delegation which stopped in Rome en route to the Monrovia conference of independent African states.]

France, on the other hand, still maintains close ties with Israel. Since the advent of De Gaulle, however, French shipments of military goods to Israel have fallen off. Although some high French officials, notably Deputy Premier Soustelle, continue to push the Israeli alliance, the government's position appears to be shifting toward improving relations with the Arab states and with the UAR in particular.

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Argentina Asking Trujillo to Curtail Peron's Subversive Instructions

Argentine President Frondizi believes Peronista and Communist collaboration in strikes and electoral activity is due in part to continuing instructions from Peron in the Dominican Republic, and that such strikes will create serious political and social problems during the coming months. In Frondizi's view, Trujillo is convinced Peron will return to Argentina and for that reason is permitting him to continue sending subversive recordings and other messages.

Argentina does not intend to introduce this matter at the OAS meeting in Santiago, but will discuss it privately with the Dominican foreign minister at that time. If these representations fail, Frondizi is prepared to break diplomatic relations. Relations were resumed in October 1958, having been broken in April 1957 by the provisional Aramburu government over Peron's asylum in the Dominican Republic.

Meanwhile, the government--disturbed by Peronista support of Communist candidates in the recent municipal elections in Santa Fe Province--is considering means of barring the Communist party from participating in future elections. Frondizi does not believe the executive could order this and thinks the congress would balk at it, but he hopes for successful judiciary action on such a ban before the February 1960 congressional elections.

Although Frondizi issued a decree on 27 April banning all Communist party political activity, there is no federal law at present superseding the provinces' control over their electoral processes and recognition of political parties. The federal government is apparently trying to persuade the provinces to cooperate in anti-Communist action. On 5 August it issued another communiqué explaining reasons behind the 27 April decree and pointing out the involvement of foreign Communist agents in terrorist activities.

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