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4 August 1959

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CENTRAL

INTELLIGENCE

BULLETIN

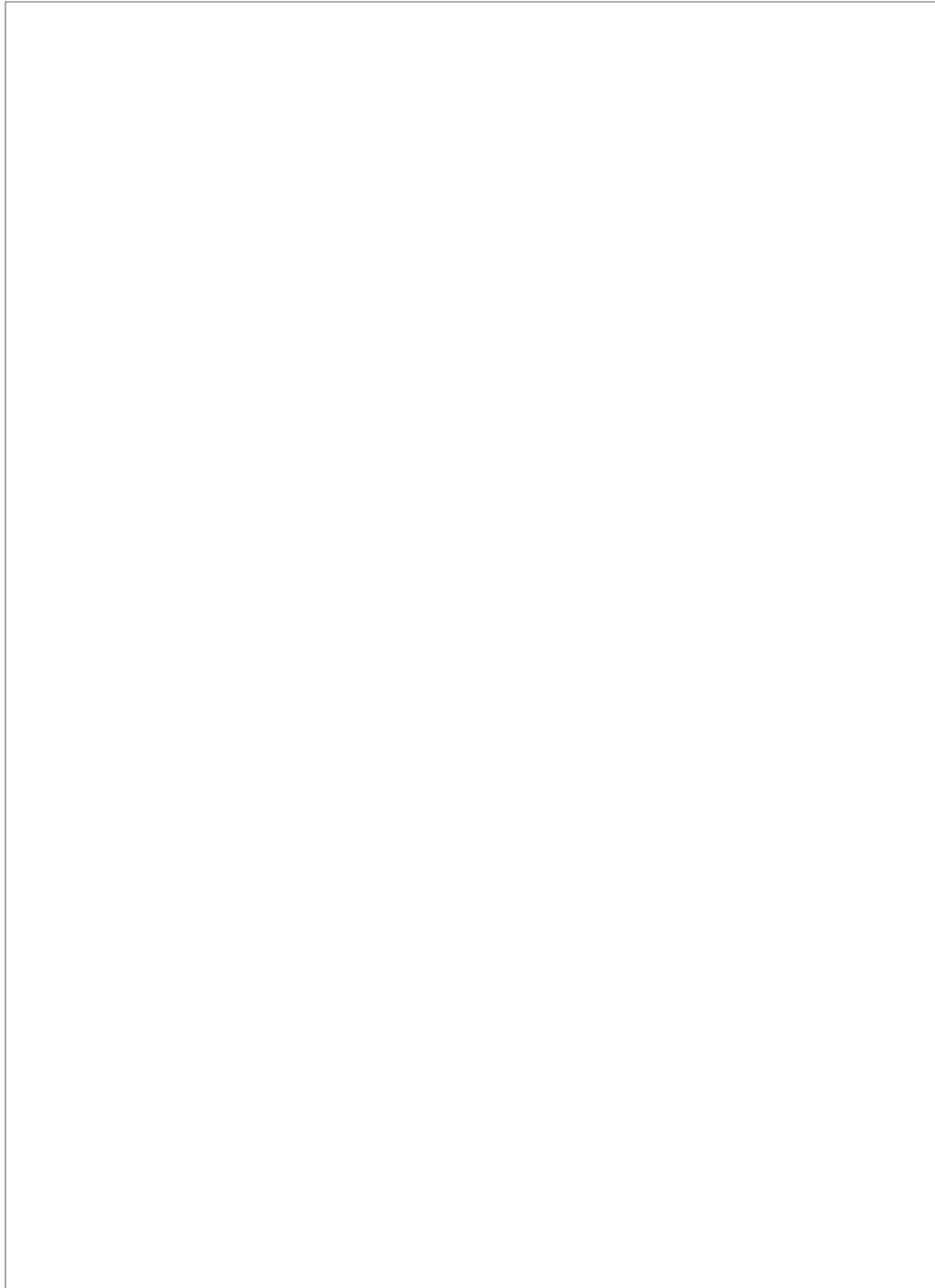
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4 AUGUST 1959

I. THE COMMUNIST BLOC

Moscow propaganda says Nixon's speech evaded issue of military bases, distorted Soviet foreign policy.

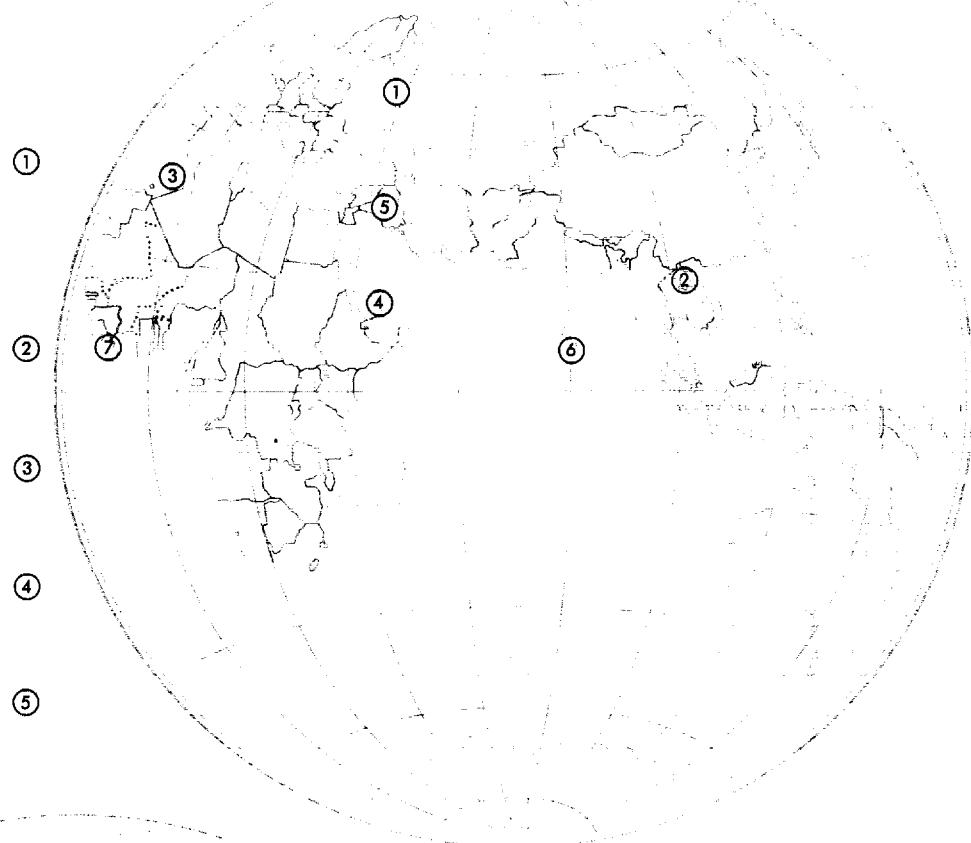
II. ASIA-AFRICA

Laos--Premier "strengthened in belief" that regular North Vietnamese forces are involved in attacks on Laotian Army posts.

Morocco--Domestic crisis and anti-monarchy maneuvers may have prompted King's hasty return from France.

Yemen--Crown Prince Badr and his Egyptian supporters increasingly apprehensive over impending return of Imam. [redacted]

UAR intelligence reports Iraq has discovered "another Communist plot" against Qasim regime. [redacted]



(6) Ceylon Government remains shaky despite winning parliamentary vote on budget.

(7) Ministerial meeting of nine independent African states opens today in Monrovia.

III. THE WEST

(8) Argentina--Peronista and Communist labor leaders threaten to intensify strikes against stabilization program.

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CENTRAL INTELLIGENCE BULLETIN

4 August 1959

SIRAB

DAILY BRIEF

I. THE COMMUNIST BLOC

OK

USSR-Nixon visit: Moscow's initial propaganda reaction to Vice President Nixon's TV-radio speech of 1 August stressed his alleged failure to offer an adequate reply to questions as to why the United States is encircling the USSR with military bases. Moscow radio also accused the vice president of "distorting" Soviet foreign policy. At the same time, Soviet commentators endorsed his statements regarding peaceful settlement of disputes and expansion of contacts between the United States and the Soviet Union.

*Izvestia published the full text of the speech on 2 August, and Pravda carried a 300-word account. The live broadcast, which was simultaneous with the television presentation, was carried for Moscow audiences, but not on the main home service program. According to available information, the speech has not yet been broadcast internally on any Soviet programs outside the Moscow area.

II. ASIA-AFRICA

HQ

Laos: Premier Phoui states he is strengthened in his belief, on the basis of a late report from Phong Saly Province, that regular forces of the North Vietnamese Army have been involved in recent attacks against Laotian Army outposts. In addition, Phoui has a report from the governor of the adjacent Nam Tha Province, which also borders Communist China, of the arrival of regular Chinese Communist forces at frontier posts normally garrisoned by border security detachments. These latest reports are unconfirmed. The American military attaché's earlier assessment was that North Vietnamese involvement does not go beyond training, supply, and direction of the dissident partisans. Phoui has indicated he will apprise the UN secretary general of the dangerous possibilities in the situation and possibly follow this with an appeal for observers or "other action."

(Page 1) (Map)

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HQ
Morocco: King Mohamed V's hasty departure from France on 2 August without meeting President de Gaulle as planned points up a further deterioration of the prolonged instability within Morocco. Against a background of mounting financial crisis and insecurity along the Algerian border, the anti-monarchist faction within the Moroccan Government is reported to be attempting to undermine the King's authority.

(Page 3)

HQ
Yemen: Crown Prince Badr and his Egyptian supporters are increasingly concerned that the Imam will countermand the changes instituted during the Imam's absence by which Badr hoped to strengthen his chances for succession. Badr fears the Imam, now en route home from Italy, will not visit the UAR, where Nasir would seek to reassure him about Egyptian intentions in supporting Badr. Reports that the tribal chiefs, apparently anticipating the Imam's return, have refused to provide manpower for Badr's enlarged personal military force, on which the prince hoped to base his political ambitions.

(Page 4)

HQ
Iraq: [redacted], the Qasim regime has uncovered another Communist plot, this one set for 6 August. The plotters are said to have included the commander of the Iraqi Air Force and an army brigade commander. "it is expected that Qasim will announce publicly the Communist party's treachery." Qasim's allegedly pro-Communist aide, Col. Wasfi Tahir, was named as the agent used to expose the conspiracy. This information is not confirmed.

HQ
in yesterday's C'D
Ceylon: The government of Prime Minister Bandaranaike remains highly vulnerable in view of its narrow majority and the generally unsettled conditions in Ceylon, despite Parliament's approval of the budget. In the critical 31 July vote, defections [which conservative elements have been trying to engineer among Bandaranaike's supporters again failed to materialize] (Page 5)

4 Aug 59

DAILY BRIEF

ii

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OK

African conference: The ministerial-level meeting of nine independent African states which convenes in Monrovia, Liberia, from 4 to 8 August will probably impair French relations with most, if not all, of the participants. The Algerian problem will be a principal topic, and other items on the provisional agenda, such as the African demand for new elections in Cameroun prior to independence, and France's plans to test nuclear weapons in the Sahara, appear certain to be discussed in a manner offensive to Paris. The Union of South Africa, which is not participating, will also be heavily criticized, particularly for its racial policies and its long-standing refusal to place Southwest Africa under the UN trusteeship system.

III. THE WEST

OK

Argentina: The labor situation is deteriorating. Peronista and Communist labor leaders threaten that they will soon intensify their strike pressure against the austerity measures of the US-backed stabilization program. The new economy minister, Alvaro Alsogaray, who earlier attempted a conciliatory approach to labor demands, gave a stern warning to "extremist agitators" following his meeting on 1 August with the military chiefs.

(Page 6)

4 Aug 59

DAILY BRIEF

iii

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I. THE COMMUNIST BLOC

II. ASIA-AFRICA

Laos

[Laotian Premier Phoui states that recent field reports have convinced him the situation is even more serious than he had previously thought. He has received word from the governor of Nam Tha Province of the reported arrival of regular Chinese Communist forces along the frontier where previously only border security detachments had been noted. Several points on the border were reported by the governor to have been occupied recently by approximately 500 regular Chinese Communist troops. Late word from the governor of adjacent Phong Saly Province has reinforced Phoui's belief that regular forces of the North Vietnamese Army are involved in the current fighting. Three towns in this province have been occupied by Vietnamese company-size units, according to the governor, who has the reputation of being a reliable observer.]

[There is no reliable evidence available to substantiate or disprove either the reported Chinese activity or the participation of North Vietnamese regular forces. The Chinese Communists maintain about 136,000 troops in the Kunming Military District, which is adjacent to Burma, Laos, and North Vietnam. Peiping may have initiated small-scale troop movements to increase the apprehensions of Laotian officials. The North Vietnamese have about 20,000 troops deployed along the Laotian border. These units could give substantial support, both in the form of materiel and direction, and it is likely this type of assistance is being clandestinely extended to the former Pathet Lao guerrillas.]

[Bloc propaganda is attempting to place the onus on the United States for the situation in Laos. While categorically denying]

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[Vietnamese Communist complicity in the fighting, Hanoi alleges that a "military build-up" is taking place in Laos which is "part of a US plan for war preparations in Indochina and Southeast Asia." Moscow is charging that American policy, by converting Laos into a US military base within the "zone of action of SEATO," is to blame for the "threat to the peace." Soviet Foreign Minister Gromyko at Geneva, according to press reports, rejected Britain's view of the causes of the recent fighting, and Moscow will probably renew its arguments for an "impartial" investigation in Laos by the ICC at further meetings of the Geneva conference cochairman.]

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~~TOP SECRET~~Instability in Morocco

King Mohamed V's departure from France for Morocco on 2 August and his postponing of plans for minor surgery and a visit to De Gaulle may indicate that the chronic instability within Morocco has worsened. There are rumors in Rabat that the government has offered its resignation.

Morocco has been undergoing a prolonged financial crisis, arising in part from the government's decision last December not to devalue the Moroccan franc. [redacted] In addition, [redacted] the Moroccan Government has become embroiled with the rebels in the border areas. [redacted]

[redacted] armed clashes had occurred in outlying areas between rival factions of Moroccan irregulars. [redacted]

[redacted] reported violations of the Moroccan border by French forces based in Algeria are being called to the attention of the UN secretary general. [redacted]

[redacted] the antimonarchist faction within the government--allegedly at the instigation of Premier Ibrahim--had attempted to use the King's absence to "ram through a series of measures" limiting the King's powers. Internal tensions were further exacerbated by a pro-Ibrahim demonstration in Casablanca on 1 August demanding total evacuation of foreign troops and rupture of relations with France.) [redacted]

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Yemen's Crown Prince Fears His Position Will Be Undercut
By Returning Imam

The efforts of the Imam of Yemen to avoid visiting Egypt on his current journey home from Italy have heightened Crown Prince Badr's fears that the Imam is displeased by government changes instituted during his absence and will nullify them to the detriment of Badr's position. During the Imam's three-month absence the UAR assisted Badr with large military and technical missions to carry out reforms and changes which were intended to strengthen Badr's chances for succession against the feudal tribal chiefs who in the past have elected each new Imam.

The chief of the Egyptian military mission in Yemen has warned Cairo that the Imam, suspecting Badr and the Egyptians of plotting to circumscribe his authority, may curtail much of the Egyptian activity in Yemen upon his return.

Badr's rivals in the Imam's entourage have attempted to exploit the Imam's suspicions. The UAR military mission is now training Badr's bodyguard in the use of heavy weapons acquired from the Soviet bloc, and is to assist Badr in expanding the unit to brigade size--about 3,000 men. The Egyptian Air Force mission is to be enlarged by eight pilots and eleven NCOs in early August,

[] Badr had not initiated further domestic measures since he received word of the Imam's decision to return, and that Badr, fearing the Imam's anger, had released some of the persons he had imprisoned. [] the tribal chiefs had departed the northern capital of Sana to await the Imam's return, and had refused to provide Badr with the manpower required to enlarge his personal military force. Without such a force, Badr is probably not in a position to challenge his father successfully if the Imam were to weaken Badr's succession prospects. [], the Imam's brother Prince Hasan, Badr's chief rival, will not accompany the Imam to Yemen as had been previously planned.] []

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Bandaranaike Government Survives New Test in Ceylonese Parliament

Prime Minister Bandaranaike won a further respite for his shaky government on 31 July when the Ceylonese Parliament approved the budget presented earlier in July. The vote of 49 to 41, which climaxed seven days of bitter debate, was Bandaranaike's second critical test in Parliament since the leftist element in his coalition withdrew in mid-May and left the government with only a bare majority.

Defections from Bandaranaike's party, [which conservative elements reportedly have been trying to engineer,] again failed to materialize. With the exception of one absentee, all of the government's 50 representatives voted in support of the budget. Eight of the 49 opposition members did not vote. Most of these were followers of the Communist party line, who apparently wished to avoid forcing an election since it probably would favor right-wing elements.

Because of his narrow majority and the generally unsettled political and economic conditions, Bandaranaike's position remains highly vulnerable. The government's uncertain future is likely to inhibit any effective action on the country's long-standing problems; the present leaders have made it clear they hope to avoid controversial measures that would risk the government's downfall.

Opposition groups will keep the Bandaranaike regime under steady pressure. Their next opportunity for a test of strength probably will occur soon when the combined opposition presents a motion for establishing a special bribery commission to investigate fully the many recent allegations of corruption in the government. Widespread public feeling, stimulated by the press, that a thoroughgoing investigation is needed may make it difficult for the government to maintain its strong stand against such a proposal.

[A group of military and police officers which had been actively considering some form of coup action reportedly suspended its planning in mid-July, despite its estimate that the government would survive the budget vote. With the wave of leftist-led strikes virtually settled, the conservative leaders apparently felt there was no longer sufficient justification for action.]

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III. THE WEST

Argentine Labor Situation Deteriorating

Peronista and Communist labor groups in Argentina are threatening to intensify strike pressure against austerity measures under the US-backed stabilization program. The new minister of economy, Alvaro Alsogaray, who earlier attempted a conciliatory approach to labor demands, gave stern warning to "extremist agitators" following his meeting on 1 August with the military chiefs. A number of short-term strikes are under way. The central directorate of Peronista-dominated "62 Group" unions has declared itself in permanent session, presumably to map strike strategy, and the smaller Communist-dominated group of unions is reported organizing a "mammoth" demonstration against Alsogaray's "hunger plan."

Alsogaray has been giving a series of weekly talks to explain the need for austerity measures, including a scaling down of wage demands through October, which he described as a critical period. Prior to these talks, in an effort to soften labor's attitude toward his program, he announced the ending of military control over three important labor unions.

The government's concern over the situation is reflected not only in Alsogaray's shift to a hard line against strikes but also in the announcement of restrictions on travel of bloc diplomats within Argentina. The restrictions, generally to a 25-mile radius of Buenos Aires and based on reciprocity, had been under consideration since last April, when Argentina expelled one Rumanian and four Soviet diplomats for interfering in internal affairs, including strike agitation

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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

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

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