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15 August 1959

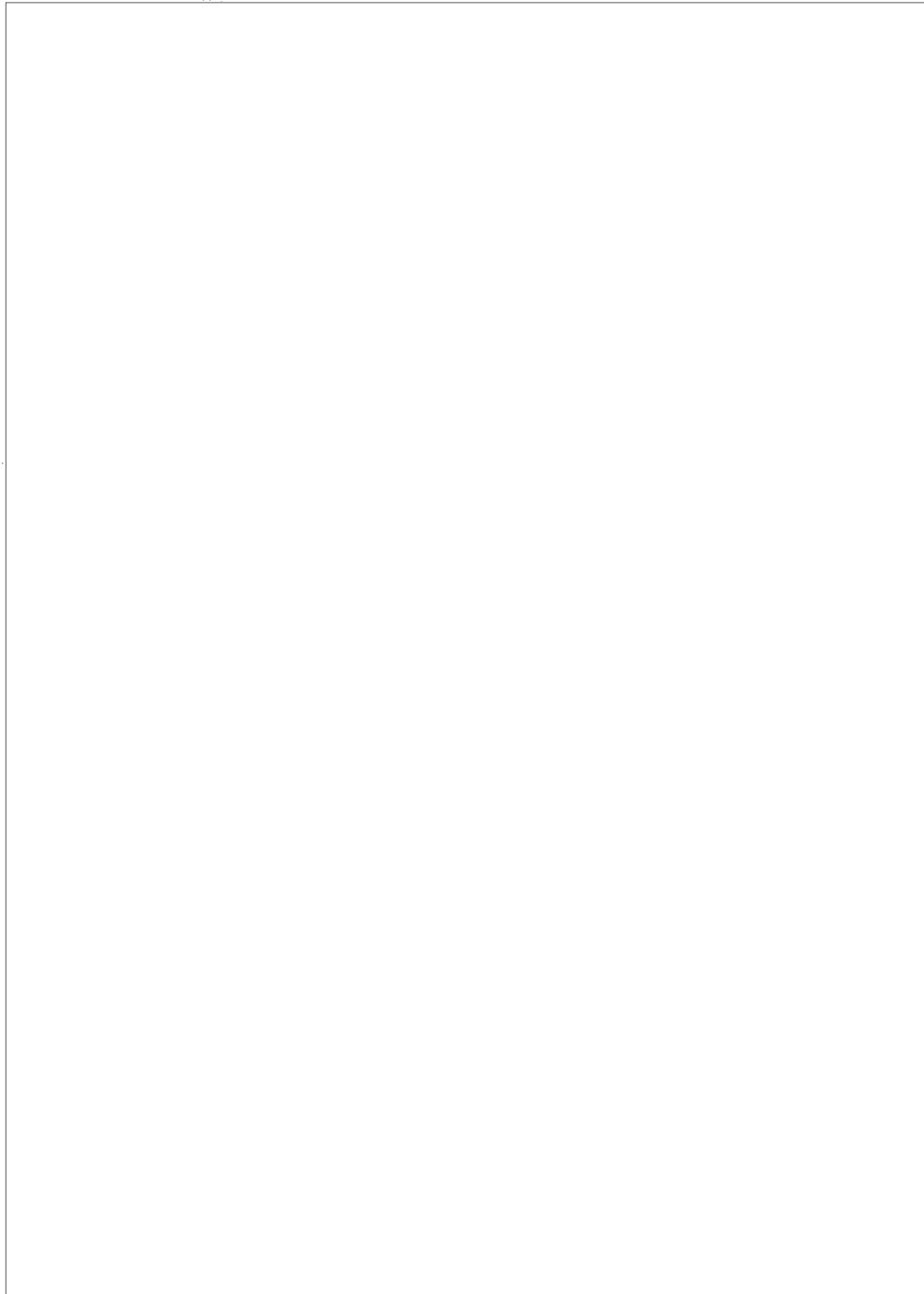
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# CENTRAL INTELLIGENCE BULLETIN



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15 AUGUST 1959

### I. THE COMMUNIST BLOC

Chinese Communists call for special effort in agriculture to overcome effects of drought.

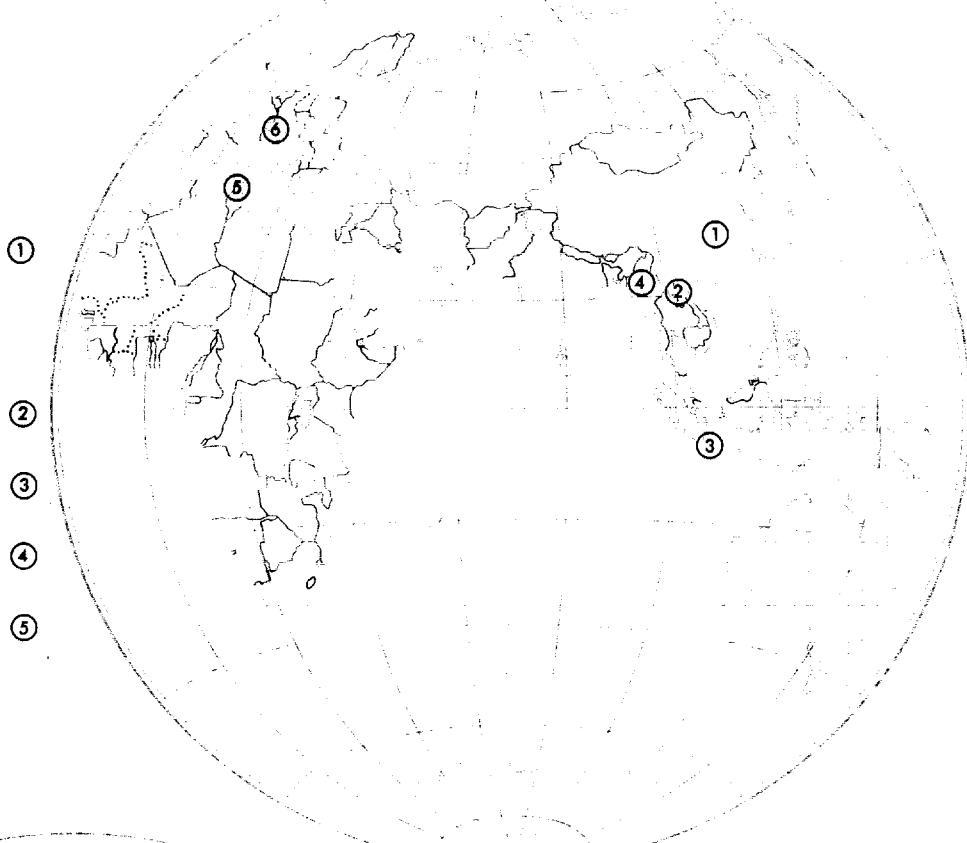
### II. ASIA-AFRICA

Laotian official anticipates spread of Communist violence to another province.

Indonesian Government prohibits Communist party congress.

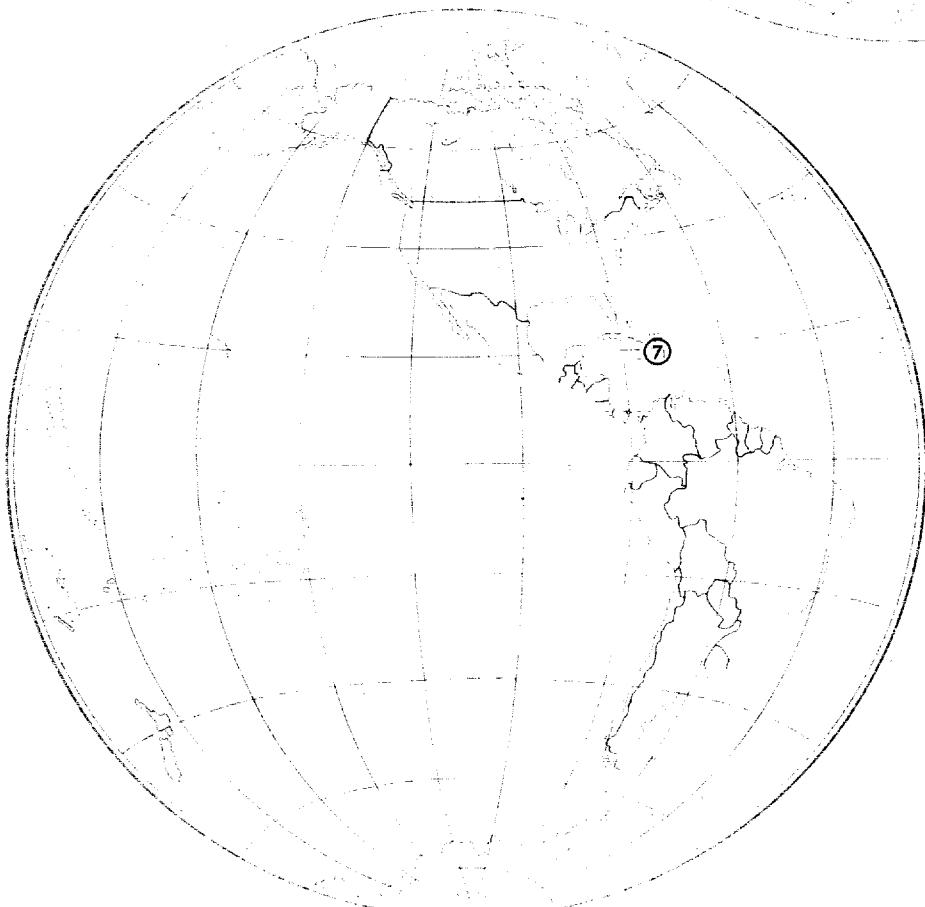
Burmese Government plans elections early in 1960.

Tunisian-French negotiations reach stalemate.



### III. THE WEST

- ⑥ Austrian foreign minister foresees new tension with Italy over South Tyrol
- ⑦ Landing by "unidentified invaders" reported on Haiti's southern peninsula.



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## CENTRAL INTELLIGENCE BULLETIN

15 August 1959

## DAILY BRIEF

SIRAB

## I. THE COMMUNIST BLOC

OK Communist China - Agriculture: A joint directive has just been issued by the central committee of the Chinese Communist party and the State Council calling for "persistent unremitting efforts" to overcome the effects of drought, floods, and insect pests. The drought in north-central China--where rainfall over the past four to six weeks has been well below normal--was described as the most serious current threat, especially since Chinese weather forecasters predict continuing below-normal rainfall in these important agricultural areas during August and September. The directive reflects concern over the agricultural prospects, which may well have been discussed at an unpublicized meeting of top party leaders that has apparently been in session for some time.

(Page 1) (Map)

## II. ASIA-AFRICA

ND 2 is added 11 Aug 59 Laos: Communist cadres in Laos' Xieng Khouang Province, immediately south of Sam Neua Province, have marked top provincial officials for assassination and formulated planning for guerrilla operations. A Pathet Lao battalion is already located in North Vietnam across the border from Xieng Khouang in a position to support such operations.

(Page 2) (Map)

ND 21 Aug 59 To CIB Indonesia: "Higher-level army authorities," presumably Defense Minister General Nasution, were behind the government's decision to prohibit the Indonesian Communist party's sixth national congress, which had been scheduled for 22-31 August. Foreign Minister Subandrio believes that the Communists will intensify their strategy of attacking the cabinet

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while trying to maintain good relations with President Sukarno in the hope of driving a wedge between the President and the cabinet. [redacted] (Page 4)

*DK* Burma: The government's announcement to Parliament on 13 August that general elections would be held some time during the first two months of 1960 reflects Prime Minister Ne Win's confidence that the Ba Swe - Kyaw Nyein faction will win the elections and will cooperate in behind-the-scenes direction by the army. Ne Win's views on how best to perpetuate army influence in the government thus appear to have prevailed over those of his lieutenants who favored postponing the elections indefinitely. [redacted] (Page 5)

*ND* Tunisia-France: [Another stalemate is reported to have been reached in the Tunisian-French economic negotiations recently resumed in Tunis. The Tunisians have been conferring with the Moroccans, involved in similar negotiations with France, on a united stand to resist French financial pressures. The French ambassador in Tunis fears a complete breakdown in negotiations could lead to the loss of Bizerte and to intensified Tunisian and Moroccan efforts to speed the liquidation of French military and economic positions in both countries.] [redacted] (Page 6)

### III. THE WEST

*ND* Austria-Italy: [Austrian Foreign Minister Kreisky believes that the moderate pro-Austrian elements in the Italian South Tyrol are losing control to extremists who may be prepared to resort to violence in an effort to restore the area to Austria. In this event, Kreisky fears a "panicky Italian government"] [redacted]

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(might send armed forces to the area and increase the danger of bloodshed. The Austrian Government considers recent Italian proposals regarding the situation "utterly inadequate," and Kreisky intends to treat the Tyrolean question as an "important subject" during his address to the UN General Assembly this fall.) [redacted]  
(Page 7)

Haiti: [redacted]

DK  
Delete last 3 lines of "patrols"

[redacted] three boats landed a number of unidentified invaders on Haiti's southern peninsula on 13 August and that Haitian troops had been flown to the area. The Duvalier regime has recently made special efforts to establish a position of "neutrality" among Caribbean nations in order to forestall long-feared landings by Cuban-backed exiles or a preventive invasion from the Dominican Republic. [redacted] It has sought US naval patrols and on 4 August instructed its ambassador in Washington to offer the US a permanent naval base.

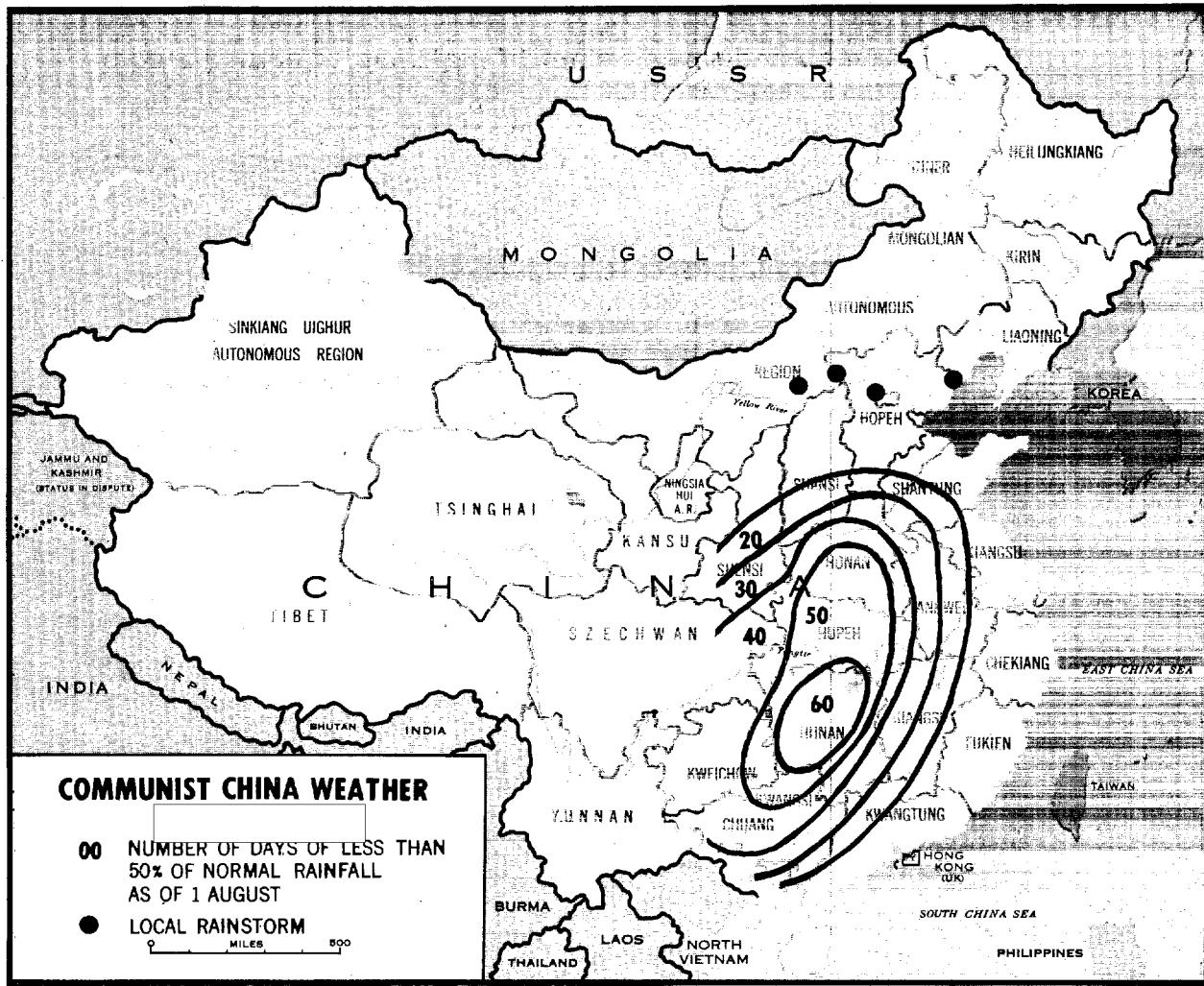
(Page 8) (Map)

15 Aug 59

DAILY BRIEF

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## I. THE COMMUNIST BLOC

### Peiping Orders More Intensive Fight Against Natural Calamities

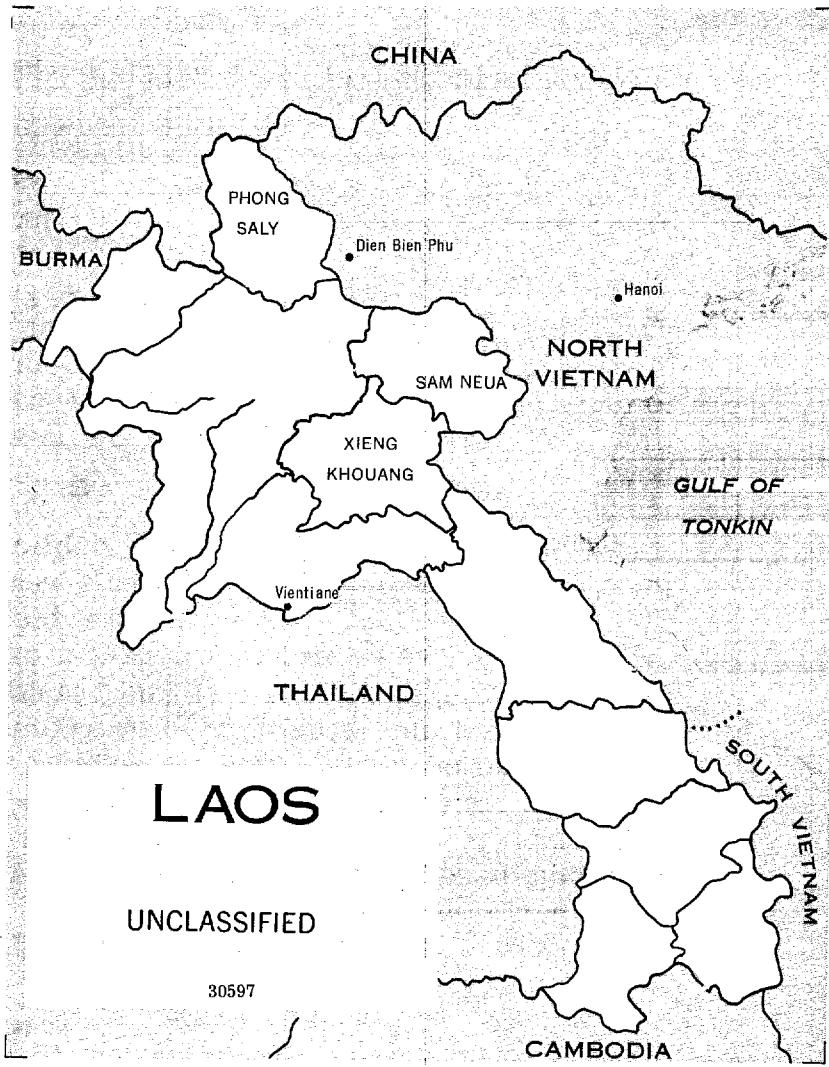
The joint directive issued on 13 August by the central committee of the Chinese Communist party and the State Council calls for "persistent unremitting efforts" to overcome the threat to crops of such natural calamities as drought, flood, and insect pests. The directive says that the most serious current threat to crops is posed by a "severe" drought in areas of central and north-central China which produce an important part of China's rice crop.

Available weather information shows that rainfall in these areas this summer has been less than half of normal for extensive periods, and the directive warns that subnormal rainfall is predicted for the same areas during August and September. The extent of the damage to crops is not yet clear, since most of the area involved is irrigated paddy land and less susceptible to drought than nonirrigated land; however, if the weather continues as predicted, it will reduce the late crop in China's "rice bowl."

Peiping has been giving heavy publicity in the past several months to "abnormalities" in China's weather, and growing conditions do not in fact appear as favorable as last summer's. The present directive is probably part of a campaign launched last week to spur Chinese workers and peasants to greater efforts during August and September to overcome such difficulties, regain some of the economic momentum lost in recent months, and greet the tenth anniversary of the regime on 1 October with "spectacular achievements." The need for such a spur may well have been a key topic of discussion at an unpublicized meeting of party officials that has apparently been in session somewhere outside Peiping. [redacted]

[redacted]

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## II. ASIA-AFRICA

### Situation in Laos

[Laos apparently has decided to request a UN observer. It intends, however, to confine any observer's scope narrowly to fact finding rather than mediation and is guarding against any procedures that would associate Laos with the restrictive provisions of the Geneva agreements.]

[Communist cadres in Xieng Khouang Province are reliably reported to have marked top provincial officials for assassination and formulated plans for guerrilla operations. The former Communist Pathet Lao battalion, which refused integration into the Laotian Army in May, is located in North Vietnam across the border from Xieng Khouang in a position to give strong support.] The government's lack of success in its operation against the rebellious Pathet Lao battalion in May and June can be attributed in part to the antigovernment sentiment of a considerable proportion of the local population.

[New Delhi is reacting to developments in the Indochinese states with a more flexible and sympathetic attitude toward the Western position than it has shown in the past. British officials profess to be "flabbergasted" over India's "reasonableness" on Laos and on the status of the Cambodian International Control Commission since the beginning of the current crisis. New Delhi, apparently following British suggestions that it improve relations with the Royal Laotian Government, has been less critical of US efforts to strengthen the Laotian Army than had been anticipated. Indian irritation with Peiping's action in Tibet probably has contributed to New Delhi's more balanced attitude on the Laotian situation.]

The explosion of five bombs in Saigon, South Vietnam, on the night of 13 August--causing some damage but no casualties--may foreshadow a new wave of Communist terrorism. The

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Vietnamese Government's concern that additional violence might follow the assassination of two Americans near Saigon by Communist agents on 8 July has been heightened by the recent outbreak of hostilities in Laos. [redacted]

[redacted]

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15 Aug 59

CENTRAL INTELLIGENCE BULLETIN

Page 3

Approved for Release: 2020/02/21 C03157404

## Indonesian Government Prohibits Communist Party Congress

"Higher-level army authorities"--presumably Defense Minister General Nasution--have reversed an earlier army ruling and prohibited the holding of the Indonesian Communist party's sixth national congress, which was scheduled from 22 to 31 August. The Communists, who have repeatedly postponed the congress, had rescheduled it following the army's decision effective 1 August to ease the ban on political activities.

Communist reaction to the government's move will probably be carefully calculated not to draw army retaliation. It is likely to follow the line established in early August by party Secretary General D. N. Aidit. In a report to the central committee on 6 August, Aidit criticized the new Indonesian Government and the army on various scores including election delays and the remaining restrictions on political activities, but laid no blame on President Sukarno. Foreign Minister Subandrio told the American ambassador he believes Communist strategy will aim at maintaining good relations between Sukarno and the party and driving a wedge between Sukarno and the cabinet.

Subandrio thinks this conflict between the cabinet and the Communists will be intensified as a result of the cancellation of the party congress; he expressed the hope that Sukarno would be drawn into the conflict "on our side." Subandrio apparently hopes that Sukarno will regard an attack on the cabinet as an attack on himself. For almost two years, Sukarno has indicated apprehension over increasing Communist strength.

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### Burma to Hold General Elections in Early 1960

Judicial Minister U Chan Htun Aung told Parliament on 13 August that general elections will be held in Burma in January or February 1960. This announcement reflects Prime Minister Ne Win's growing confidence that the "Stable" faction of the Anti-Fascist People's Freedom League, led by former Deputy Prime Ministers Ba Swe and Kyaw Nyein, will win over the "Clean" faction, led by former Prime Minister U Nu. Ne Win has in the past indicated considerable concern over the possibility of a Nu victory on the ground that Nu would be too dependent on support from the pro-Communist National United Front.

The announcement that elections will be held on schedule indicates that Ne Win's views on how best to perpetuate strong army influence in the government have prevailed. Some of his lieutenants in the army hierarchy reportedly had argued for indefinite postponement of elections. Ne Win, who seems genuinely desirous of obeying the letter of the constitution, has on several occasions indicated that he would prefer to turn the government over to the majority party in Parliament and let the army monitor governmental activities from behind the scenes to assure continuation of the present reformist policies. He apparently has an understanding to this effect with Ba Swe and Kyaw Nyein.

Some of the military are reported to have argued for the creation of a parliamentary "third force," composed of army officers who were to resign their commissions and contest the elections. While the scheduling of elections does not necessarily rule out this possibility, Ne Win is known to oppose open army involvement in politics.

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Tunisian-French Talks Reach New Stalemate

[Tunisian-French financial and customs negotiations, which were resumed a few days ago, are again deadlocked, according to the French Embassy in Tunis. Although agreement has been reached on changing the 1955 French-Tunisian customs union and on detailed commercial listings, the Tunisians refuse to reduce their demands for overdraft privileges in the franc pool and for a guaranteed price for Tunisian wheat exports to France and a guaranteed market for Tunisian wines. Paris, likewise, is reluctant to give in; Premier Debré reportedly believes that Tunisia has already been given too many concessions.]

[Meanwhile, Tunisian and Moroccan financial experts have held several meetings, probably to establish a united stand on the part of both governments to resist French financial pressures.]

[French officials in Tunisia fear the alternative to further concessions would be an economic break disastrous both to French wheat and wine producers in Tunisia and to the Tunisian economy, which depends largely on that of France. The French ambassador in Tunis is reported to fear that a breakdown in economic talks would lead to the loss of the Bizerte base, the status of which is still unsettled, and to intensified efforts by Tunisia and Morocco to hasten the liquidation of France's military and economic position in both countries.]

[President Bourguiba, who habitually employs the technique of establishing deadlines for desired actions, has said that if the financial negotiations are not completed by 15 August, his government will take "necessary measures."]

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### III. THE WEST

#### Austrians Fear Violence in Dispute With Italy Over South Tyrol

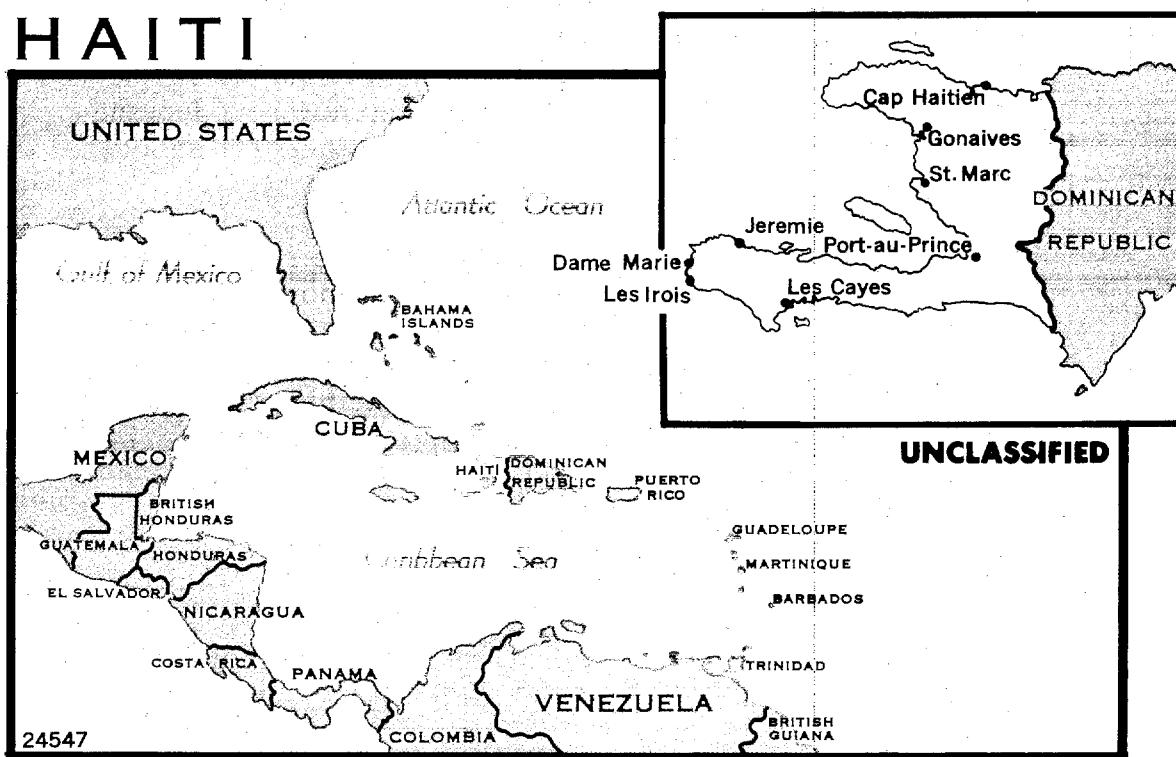
[In a recent conversation with Ambassador Matthews in Vienna, Austrian Foreign Minister Kreisky expressed concern that violence may develop in the long-simmering dispute with Italy over the South Tyrol. Kreisky said that during a trip to the area in early August he had found the moderates losing control to the extremists, who now are demanding a plebiscite to determine whether the South Tyrol should revert to Austria.]

[Kreisky described recent Italian proposals regarding the cultural autonomy of the German-speaking minority as "extremely disappointing" and "utterly inadequate." Although under strong pressure from the Tyroleans to try to inscribe the issue on the agenda of the UN, Kreisky said he would not do that now, but would treat the issue as an "important subject" when he addresses the General Assembly this fall. He stated that the Soviet bloc would probably be glad to support Austria in the UN, but that this is the "last thing" his government would wish to stimulate.]

[Austria and Italy have been quarreling over the South Tyrol since Italy acquired the area after World War I. A bilateral agreement between the two countries in 1945 confirmed Italy's possession, but guaranteed cultural autonomy to the large German-speaking minority. Vienna has long charged Rome with failing to fulfill this agreement, but has not supported extremist demands for a territorial adjustment. Kreisky himself is a moderate on the issue, and his present concern contrasts with the comparative lack of agitation on the subject during the past few months.)]

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# HAITI



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### Haitian Military Chief Reports "Invasion"

Haitian Armed Forces Chief of Staff Pierre Merceron has informed US officials in Haiti that on 13 August three boats landed a number of invaders at Les Irois and Dame Marie on the southern peninsula, a stronghold of exiled opposition leader Louis Dejoie, and that Haitian troops were being flown to the area. The identity of the invaders was not established.

The Duvalier regime has long feared an invasion of Cuban-backed Haitian exiles, particularly followers of Dejoie. Two expeditions were attempted last April but were prevented from leaving Cuba. Haiti has also been concerned that Dominican dictator Trujillo, fearing an attack on the Dominican Republic through Haitian territory, might attempt a "preventive" invasion of Haiti.

Duvalier, whose problems have been compounded since his recent illness by organized terrorism and by indications of opposition among some members of the government, has been attempting to diminish external threats to his government by declaring Haiti "neutral" in the current Caribbean disputes.

[redacted] He has also requested that the United States establish air and sea patrols, and on 4 August he instructed the Haitian ambassador in Washington to offer the US a naval base in Haiti larger than the one at Guantanamo, Cuba. [redacted]

[redacted]

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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

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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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