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28 May 1959

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CENTRAL INTELLIGENCE BULLETIN



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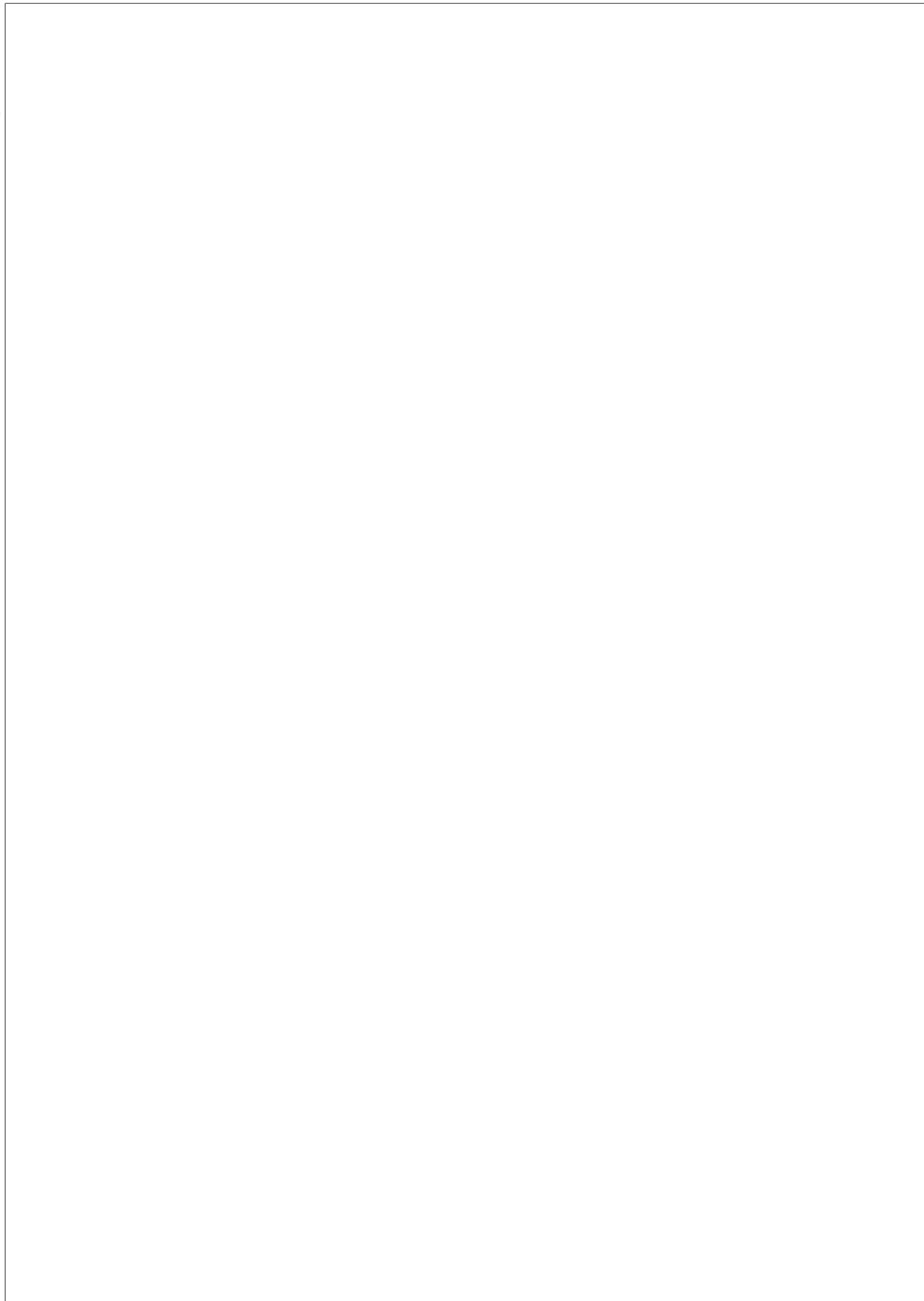
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28 MAY 1959

I. THE COMMUNIST BLOC

Khrushchev raises possibility of missile sites in Balkans.

USSR offers to build entire Aswan Dam in six years.

More Soviet arms to Afghanistan; principal significance is political.

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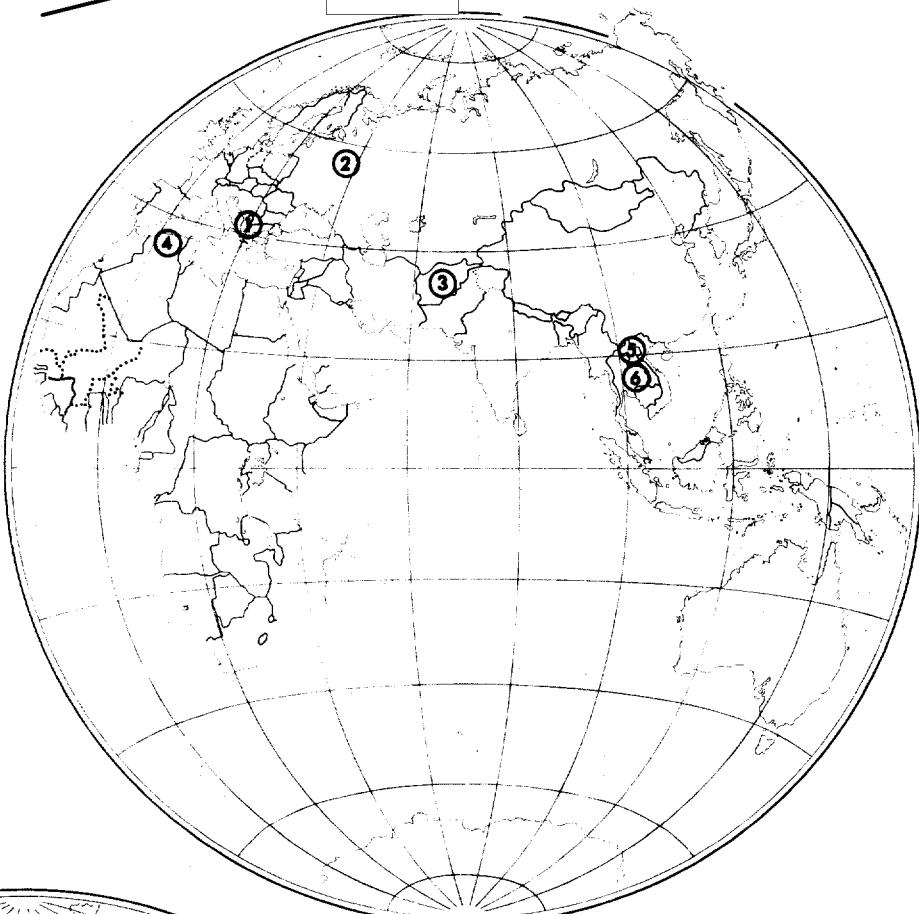
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**II. ASIA-AFRICA**

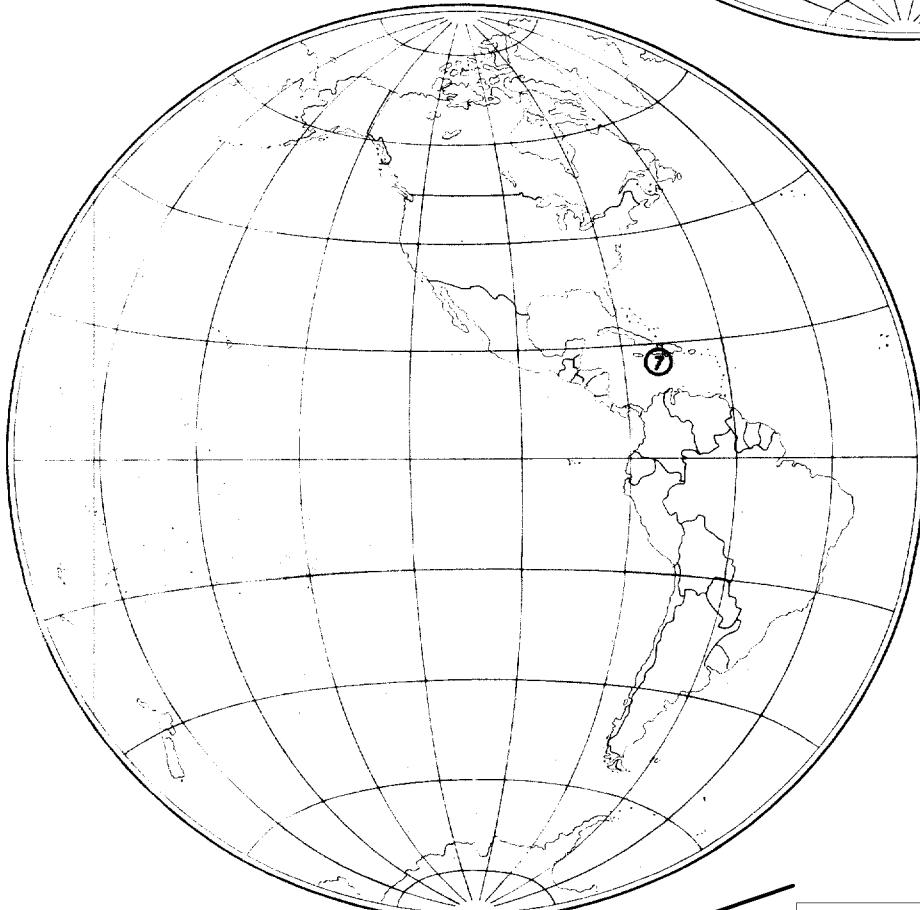
French operations against Algerian rebels may be extended outside Algeria.

Laotian Government considering attack on Pathet unit and suppression of Communist-dominated party.

Thailand -- Key figures in ruling group maneuvering to move against Sarit should his control weaken.

III. THE WEST

Haiti -- President Duvalier's illness could bring unrest, possibly violence. ⑦

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CENTRAL INTELLIGENCE BULLETIN

28 May 1959

DAILY BRIEF

SIRAB
I. THE COMMUNIST BLOC

*USSR: Khrushchev warned in a 26 May speech at Tirana that establishment of US missile bases in Italy and Greece would invite Communist countermeasures, pointing out that short-range "rockets" could reach these targets from Albania and Bulgaria. He implied that in any event the USSR could retaliate with long-range missiles based elsewhere in the bloc. The US Embassy in Moscow believes that one purpose of the reference to missiles in Albania and Bulgaria could be a Soviet attempt to line up Yugoslavia in favor of a nuclear-free zone. Khrushchev renewed a proposal originally made by Bulgarian Premier Yugov in January 1958, that nuclear weapons and missiles be prohibited in the Balkans.

N^o
Spyros Markezinis, leader of a minor Greek opposition party, has been publicizing such a ban for Greece, Bulgaria, Albania, and Rumania on the basis of his interviews with Khrushchev and Mikoyan a month ago. Greek public reaction to Markezinis is likely to influence Greek Government decisions on future measures in the field of atomic armaments.

N^a
Watch Committee conclusion--Berlin: No significant indications bearing on the possibility of hostilities.

OIC
USSR-UAR: The Soviet Union has offered to build the entire Aswan High Dam in less time and at less cost than originally estimated, according to the Cairo press. A number of Western experts are scheduled to review the Soviet construction plans, which involve some substantial changes in previous concepts as to how the dam would be built. Soviet specialists will

28 May 59

DAILY BRIEF

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participate in these discussions, after which Cairo will decide whether or not to accept Moscow's offer. The USSR probably hopes its offer will improve political relations between the two countries as well as preclude Western participation in the project. Cairo, however, will probably still attempt to obtain some degree of Western participation.

USSR-Afghanistan: [Moscow has recently concluded a new arms agreement with Kabul, which apparently includes additional jet aircraft as well as "light and heavy" arms, some of which may be provided as an outright grant. Afghanistan's ability to absorb this equipment is limited but such agreements have a political and economic impact. Since 1956, Afghanistan is estimated to have received from the bloc at a substantial discount arms worth \$75 million.]

(Page 1)

II. ASIA-AFRICA

France - North Africa: [The French seem to have decided to extend into adjacent countries their operations against the Algerian rebels. Despite US objections, the French Air Force is said to be preparing to conduct aerial reconnaissance over Libya as a result of reports that the rebels have acquired aircraft which would be based in Libya. These reports are not confirmed.] Radio Algiers has carried a French Army announcement of a penetration into Tunisia to wipe out a rebel band and is again asserting the "doctrine of hot pursuit."]

(Page 2)

Watch Committee conclusion--Asia-Africa: Situations susceptible of direct exploitation by Sino-Soviet bloc action which would jeopardize US interests exist in Laos and in the Middle East, particularly in Iraq and Iran. The situation in the Middle East remains precarious, but a deliberate initiation

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of large-scale hostilities is unlikely in the immediate future.

N°
 Iraq: The Communists have reduced their public pressures for legalization and participation as a party in the cabinet in the face of Qasim's current opposition to these demands. They will probably concentrate for the present on strengthening their position by other means. [redacted]

OK
 Laos: [The government is considering an attack on the rebellious Pathet unit and suppression of the Communist-dominated Neo Lao Hak Zat (NLHZ) party. The British fear such measures would undermine London's efforts to prevent the reconvening of the International Control Commission.] [redacted]

[The Laotian Army has reports that demobilized former Pathet Lao soldiers have left their villages and are regrouping in many provinces. Prince Souphanouvong, chief of the NLHZ, reportedly disavowed the actions of the mutinous battalion on 25 May and requested government permission to appeal personally to its officers.] [redacted] (Page 3)

OK
 Thailand: [Certain key figures in the ruling military group appear to be maneuvering to improve their positions for a move against Marshal Sarit should his control materially weaken or should it appear that his health is approaching a final breakdown. Sarit seems well aware of these intrigues, but may feel his present strong position makes counteraction unnecessary.] [redacted] (Page 4)

III. THE WEST

OK
 Haiti: The tenuous political stability which has existed during recent months may give way to renewed unrest and violence if President Duvalier's illness is as serious as reported. Dissident elements, encouraged by the possibility of the President's death or prolonged illness, could spark sufficient unrest to topple the weak and unpopular government. [redacted] (Page 5)

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New Soviet-Afghan Arms Deal

[The Soviet Union and Afghanistan this month concluded a new arms deal in Moscow by which the USSR will supply additional "jet aircraft" and "light and heavy arms," according to a message from the Afghan Embassy to Kabul. Some of the arms contracted for may be provided as an outright grant.]

[the remaining materiel--possibly covered by a new Soviet credit--will probably be provided at a substantial discount. Moscow's willingness to supply some military aid on a grant basis suggests the Afghans may secure improved terms for additional economic assistance.]

[An expansion of Soviet aid to Kabul has apparently been in the process of developing since late 1958, when Kabul became apprehensive over what it considered a hardening in Pakistan's attitude and a cooling of Western interest. An Afghan delegation has been in Moscow since mid-March bargaining on a variety of Soviet assistance programs, including arms aid. If Kabul has accepted a new Soviet credit, it has violated assurances given US officials in 1958 that it would approach the United States first if it decided to seek additional loans. These assurances followed Kabul's 1957 policy decision to refuse further loans from either the bloc or the West and to accept only grant aid.]

[Prime Minister Daud recently reaffirmed Afghanistan's basic neutrality and emphasized that his country had no desire for military agreements which might lead to the stationing of foreign troops on Afghan soil. He may consider such a reaffirmation helpful in allaying anticipated Western concern when the new arms agreement is made public.]

[The bloc has delivered to Afghanistan an estimated \$75,000,-000 worth of military aid since 1956. Since Afghanistan was given discounts on these purchases, however, its obligations to the bloc for arms probably total only \$32,000,000--the amount of arms credits which Kabul acknowledged it has received from the USSR and Czechoslovakia.]

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II. ASIA-AFRICA

French Threaten Air Reconnaissance of Libya

[The French military seem to have decided to carry offensive operations against the Algerian rebels (FLN) into countries bordering Algeria if necessary.]

French Air Force is preparing to begin air reconnaissance over Libya soon on the basis of reports that the FLN is acquiring aircraft which may be based in Libya. Although there is no confirmation of reports that the rebels have received or expect to receive several aircraft, French Chief of Staff Ely warned the Foreign Ministry in April of the imminence of such a threat. Although any rebel air operations would presumably be limited to airdropping weapons inside Algeria or to hit-and-run tactics against isolated French units, the creation of a rebel air force would hamper current French efforts to convince the rebels that they should surrender soon.]

[Meanwhile, the French military announcement over Radio Algiers on 27 May that French troops had penetrated Tunisia approximately one mile to kill a rebel band fleeing Algeria revived the "doctrine of hot pursuit" as justification. Both the French announcement of such a border incident and the revival of "hot pursuit"--which had been soft-pedaled in view of international reaction to the Sakiet Sidi Youssef incident in early 1958--seem unusual.]

[Both Washington and London, the latter bound by a mutual defense treaty with Libya, have already objected to the French proposal to conduct air reconnaissance over Libya, which would probably ask both allies to "defend" it against any such French activity. French-Tunisian talks on the Bizerte base, which are just beginning, also might be seriously jeopardized by highly publicized French pursuit of rebels into Tunisia.]

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Laotian Government Inclined to Suppress Communist Front Party

(The Laotian Government is considering military action to destroy the rebellious Pathet Lao battalion, and is becoming disposed to suppress the Communist-front Neo Lao Hak Zat (NLHZ). An attack on the battalion might do little more than to disperse it, [redacted]

[redacted] the army was not strong enough to cope with a nationwide uprising of the NLHZ.]

(The Laotian Army has reports that demobilized former Pathet Lao soldiers in many provinces are regrouping, but it is unclear whether they are attempting to evade anticipated government repression or whether they have been ordered to resume guerrilla warfare. [redacted]

[redacted] a small group of North Vietnamese Communists had established contact with the rebellious Pathet battalion.

[redacted]

(The British have expressed concern that any harsh anti-Communist actions by the Laotian Government would undermine British efforts to oppose the Communist-bloc campaign to reconvene the International Control Commission in Laos. London probably feels that these actions would be construed by international opinion as a violation of the Geneva agreement prohibition of reprisals against the former Pathet Lao.)

[redacted]

[redacted]

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Maneuvering Within Ruling Thai Military Group

There are persistent reports that Lt. Gen. Krit Punnakan and his brother, Maj. Gen. Pong Punnakan, are plotting against Marshal Sarit, Thailand's premier and leader of the ruling military group. The Punnakans probably do not plan early action, but rather are trying to maneuver themselves into a better position to seize power should Sarit's control materially weaken or his health approach a final breakdown. The Punnakans lack the direct command of key Bangkok military units, but may count on their self-claimed popularity among junior army officers to secure enough defections among these units to make a coup feasible. They have also made a calculated effort to create the impression that they stand at the head of a reformist group which would deliver Thailand from the vicious circle of corrupt military rule.

There is a report that Maj. Gen. Krit Sriwara, commander of the First Infantry Division in Bangkok, is involved in what may be a separate plot.

Sarit is riding high on a new crest of popularity engendered by his clever turning of a recent currency scandal to his own advantage. Although he appears to have recovered from his February operation, there is some indication that he may again not be feeling well, and his doctors are reportedly concerned over his unwillingness to consult with them during the past two weeks.

In the normal sequence of events, Sarit would be succeeded by General Thanom, who is deputy premier and defense minister. This arrangement apparently has at least the tentative support of General Prapat, the powerful interior minister who is generally expected to emerge eventually as Thailand's new strong man. Prapat presumably feels that he could gradually supersede the less dynamic Thanom. So long as this alliance persists, the Punnakan brothers, or any others wishing to take a shortcut to power, will face an uphill fight in advancing their aspirations.

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III. THE WEST

Haitian President's Illness May Spark Serious Unrest

The sudden serious illness of Haitian President Duvalier may endanger the tenuous political stability which has existed in Haiti since the abortive seven-man invasion attempt last July. The government has minimized the President's illness, but a medical specialist has been called in from the United States.

Opposition elements, which have recently become increasingly active inside Haiti as well as abroad, may now be encouraged to move against the weak and unpopular regime. Although all leading opposition figures are in exile, dissident elements within the country, particularly the followers of former provisional president Daniel Fignolé, have recently engaged in organized acts of harassment, including strikes, against the government. The various groups might combine forces in an attempt to oust the government, but there undoubtedly would be a sharp struggle for power if the government should fall. An attempt to unify the opposition earlier this year failed.

The Duvalier regime has long been almost totally dependent on the President's repressive security police for survival. The armed forces, weakened and alienated by a series of purges designed to eliminate officers of questionable loyalty to Duvalier, could not be relied on to support the government. A prolonged economic and financial crisis and inefficient administration have further weakened the government, and it seems doubtful that the regime could hold together if Duvalier's illness should spark serious disorders.

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CORRECTION

In the item "Disorders Reported Imminent in South Africa," published in the Central Intelligence Bulletin of 27 May 59, page 3, the second paragraph should read:

[Both 31 May--Union Day--and 26 June--African Freedom Day--are considered likely dates. The African National Congress has already called for the first national boycott of Afrikaner-owned industry to start on 26 June, the anniversary of the Communist-inspired freedom charter against racial repression. Furthermore, the police anticipate a mass burning of native identification passes on that date. Such a protest would be the most serious native civil disobedience in the Union's history and could easily provoke nationwide bloodshed and arrests if the police react with expected severity.]

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