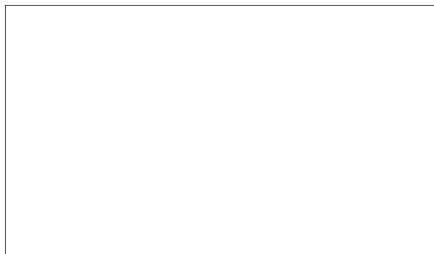


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19 August 1958



Copy No. 57

CENTRAL INTELLIGENCE BULLETIN



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19 AUGUST 1958

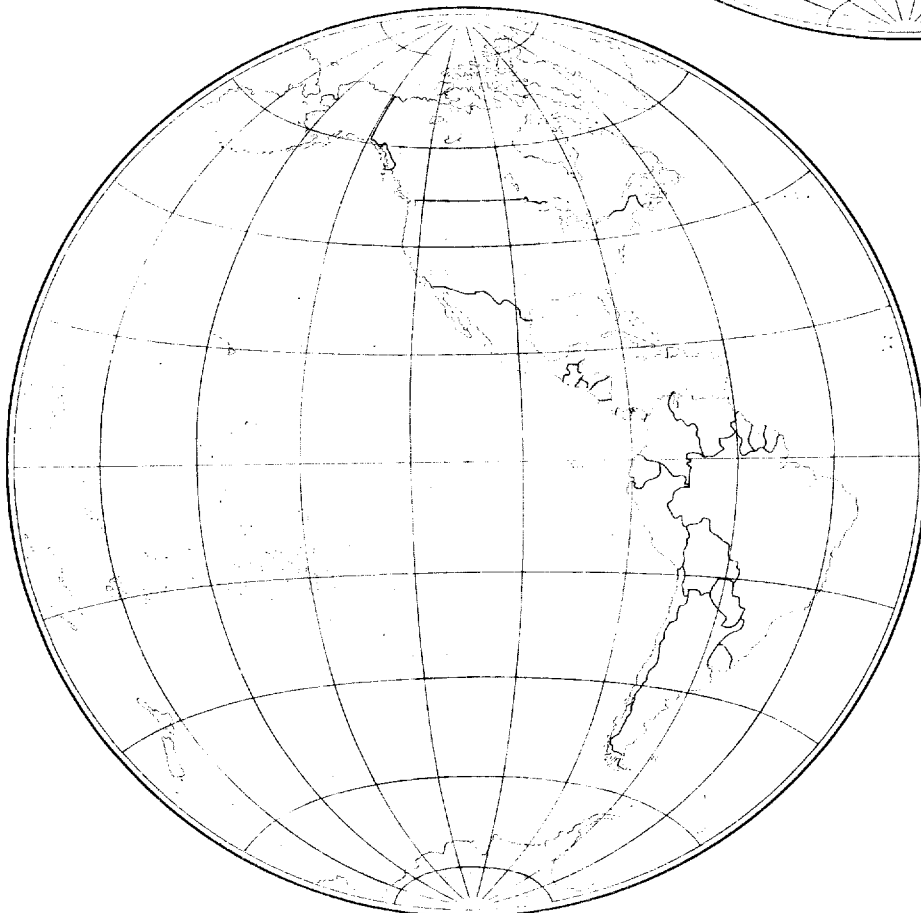
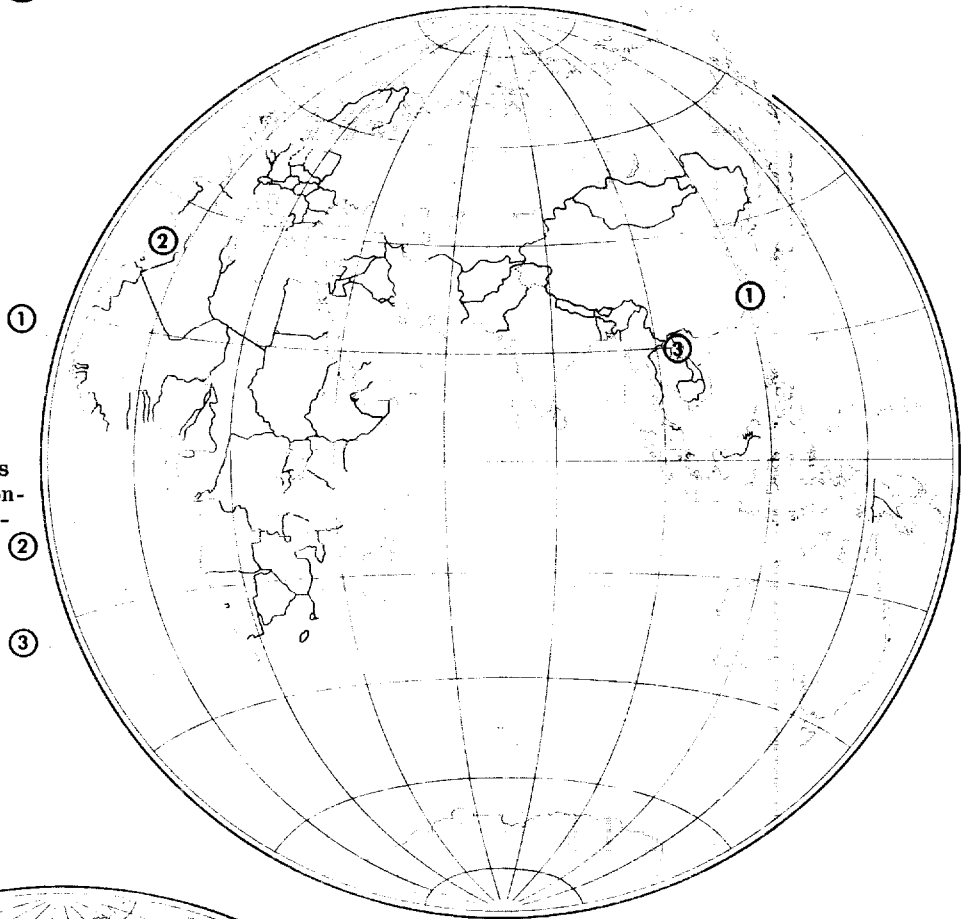
I. THE COMMUNIST BLOC

Chinese Communists move naval units into area near Nationalist-held Matsu Islands.

II. ASIA-AFRICA

Moroccan Premier Balafrej asks that United States recognize use of bases as temporary; doubts that even a provisional agreement is possible in present political climate.

New Laotian Government offers little prospect of checking growth in pro-Communist strength.



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CENTRAL INTELLIGENCE BULLETIN

19 August 1958

DAILY BRIEF

I. THE COMMUNIST BLOC

700

Taiwan Strait: On 17 August, four Chinese Communist naval vessels moved into the Santu Bay area on the East China coast near the Nationalist-held Matsu Islands, [redacted]

[redacted] These surface units--possibly Riga-class destroyer escorts--moved southward from their relatively safe home bases well to the north of the Taiwan Strait area. If confirmed, this move would indicate that the Chinese Communists believe they have established air superiority in this area, and may indicate a planned attempt to bring heavy pressure on the Matsus, possibly including total interdiction. At least 29 Communist jet fighters have been confirmed [redacted] at Lungtien airfield, the fifth airfield in the Taiwan Strait area to become operational since 27 July. Communist jet fighter strength operating from the newly occupied airfields totals at least five regiments of approximately 150 aircraft. [redacted]

[redacted] (See Map on reverse of page)

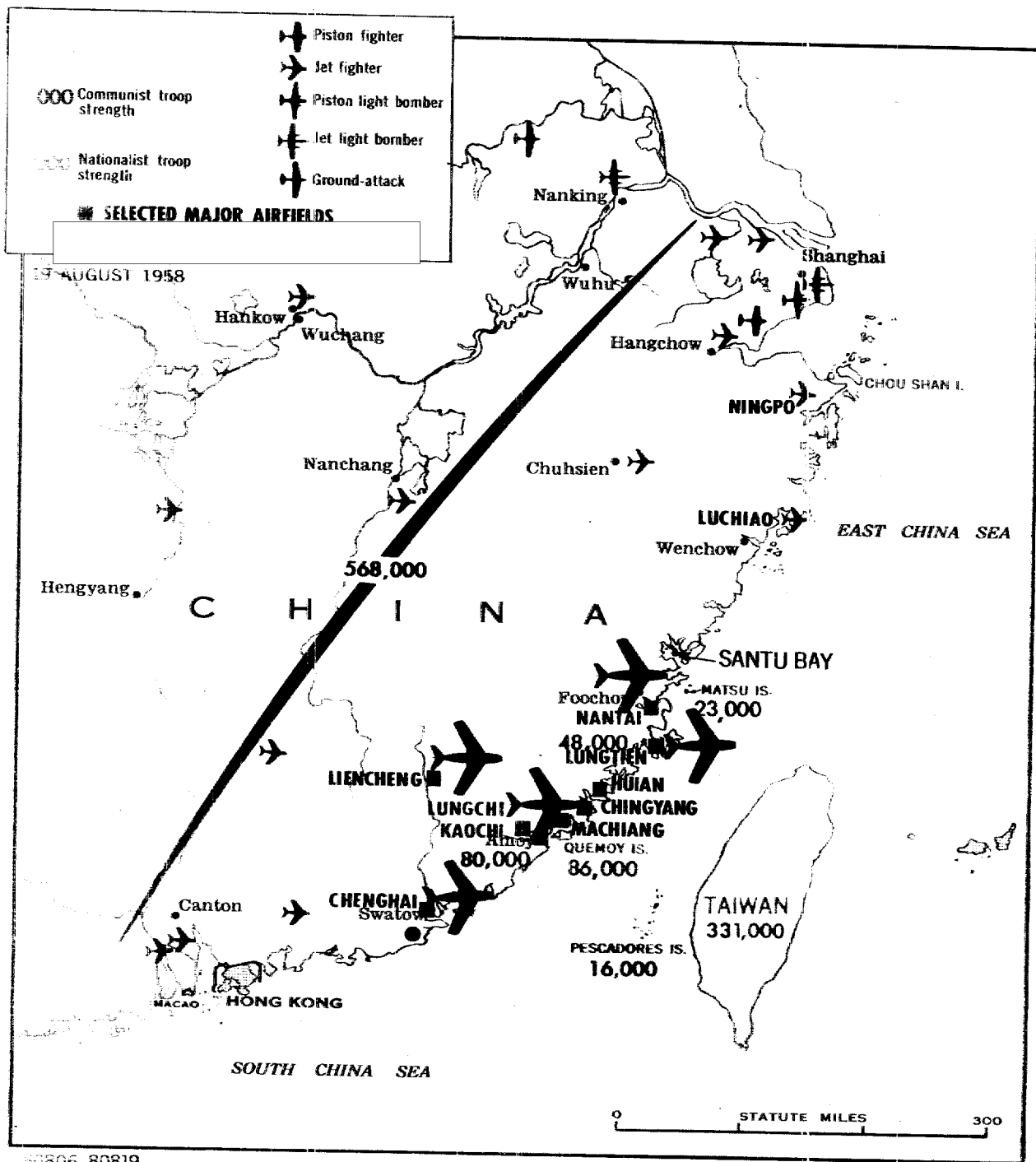
[redacted]

OK

Morocco: Taking the position that there are no US bases in Morocco, only US use of French bases, Prime Minister Balafrej has told the American ambassador that he doubts that even a provisional agreement on this issue is possible in the present climate of opinion in Morocco and other Arab states. Balafrej appears to be reflecting the view of King Mohamed V. The prime minister also proposed that the United States take the initiative and

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recognize the "principle of evacuation," making it clear that the use of the five US bases in Morocco is temporary. [redacted]

[redacted] (Page 1)

OK
Laos: The new government, although excluding the Communist-dominated Neo Lao Hak Zat (NLHZ) party, does not mark a sharp break with its weak and corrupt predecessor. Meanwhile, the trend within Laos continues to favor the NLHZ.

[redacted] (Page 3)

19 Aug 58

DAILY BRIEF

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I. THE COMMUNIST BLOC
No Back-up Material.

II. ASIA-AFRICA

Moroccan Premier Asks US to Recognize "Principle of Evacuation"

During a discussion on 15 August of the future of the American bases in Morocco, Premier Ahmed Balafrej indicated to the American ambassador that the United States must recognize the "principle of evacuation," and make clear that US forces are in Morocco temporarily and have no intention of maintaining permanent bases. This is the first time Balafrej has made such a request, although other officials have informally urged that a declaration of intention to evacuate the bases be made.

Since early this year the left wing of the Istiqlal party has been whipping up popular agitation for the total evacuation of all foreign troops, and Balafrej told an American news reporter recently that because France has not asked to retain four of the five American bases, United States forces must leave when the French forces depart.

Balafrej told the ambassador that there are in fact no US bases in Morocco--"only French bases containing US forces but under the French flag, French guard, and conducting relations with the Moroccan Government through French liaison." The premier expressed some doubt that a provisional agreement is possible in the "present climate of opinion in Morocco and other Arab states."

The position of Balafrej, and to a lesser extent that of the King, remains tenuous because of left-wing Istiqlal and labor union criticism of the predominantly moderate government. Belief is widespread throughout Morocco that the American bases were used to support the landings in Lebanon and that atomic weapons are stored at the bases.

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The premier probably fears that any agreement might fatally damage the prestige of the King and Istiqlal moderates. He may not, therefore, be inclined to cooperate until the Istiqlal party crisis is settled and a possible government reorganization completed.

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New Laotian Government

The new Laotian Government excludes the Communist-dominated Neo Lao Hak Zat (NLHZ) but is otherwise an unsatisfactory compromise between conservative politicians and young reformists in the Committee for the Defense of the National Interest (CDNI). In his investiture speech, Prime Minister Phoui Sananikone said his government would oppose Communist expansion in Laos and eliminate corruption. With only a minority of capable and honest young leaders, however, it is doubtful that this government will undertake the radical steps necessary to achieve either objective. Thus the trend will continue to favor the NLHZ.

The notoriously corrupt and discredited Katay D. Sasorith is the most powerful individual in the cabinet. He is vice premier and holds both Defense and Interior portfolios. His leading role associates the new government with the corruption of its predecessor and, judging from his past performance, he is unlikely to undertake a vigorous reform of the security forces and provincial administration. He opposes a drastic monetary reform desired by the United States and will be able to exert heavy pressure during negotiations.

The CDNI retreated from its demand for a majority position in a new government under pressure from the crown prince and evidence that its military support was wavering. CDNI members hold four posts in the 11-man cabinet, heading the important Finance and Foreign Affairs ministries. These young leaders are regarded as honest and probably effective. Their influence, however, is likely to be circumscribed because they have little support in the National Assembly and will probably be outvoted in the cabinet on critical issues. In any event their contribution will be at least partially offset by the inclusion of three nonentities from conservative political ranks who are considered inept and corrupt.

Bong Souvannavong, minister of education, public health, and cults, may prove a disruptive

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influence in the cabinet. Until the May electoral campaign, when he was double-crossed by his pro-Communist allies, he was Laos' leading fellow traveler and anti-American spokesman.

[Redacted]

[Redacted]

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~~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****Special Adviser to the President****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****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****Deputy 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**~~CONFIDENTIAL~~

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