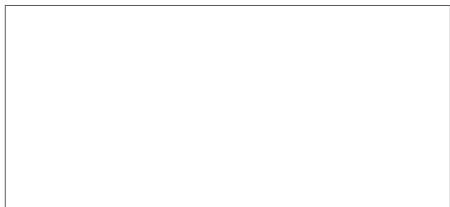


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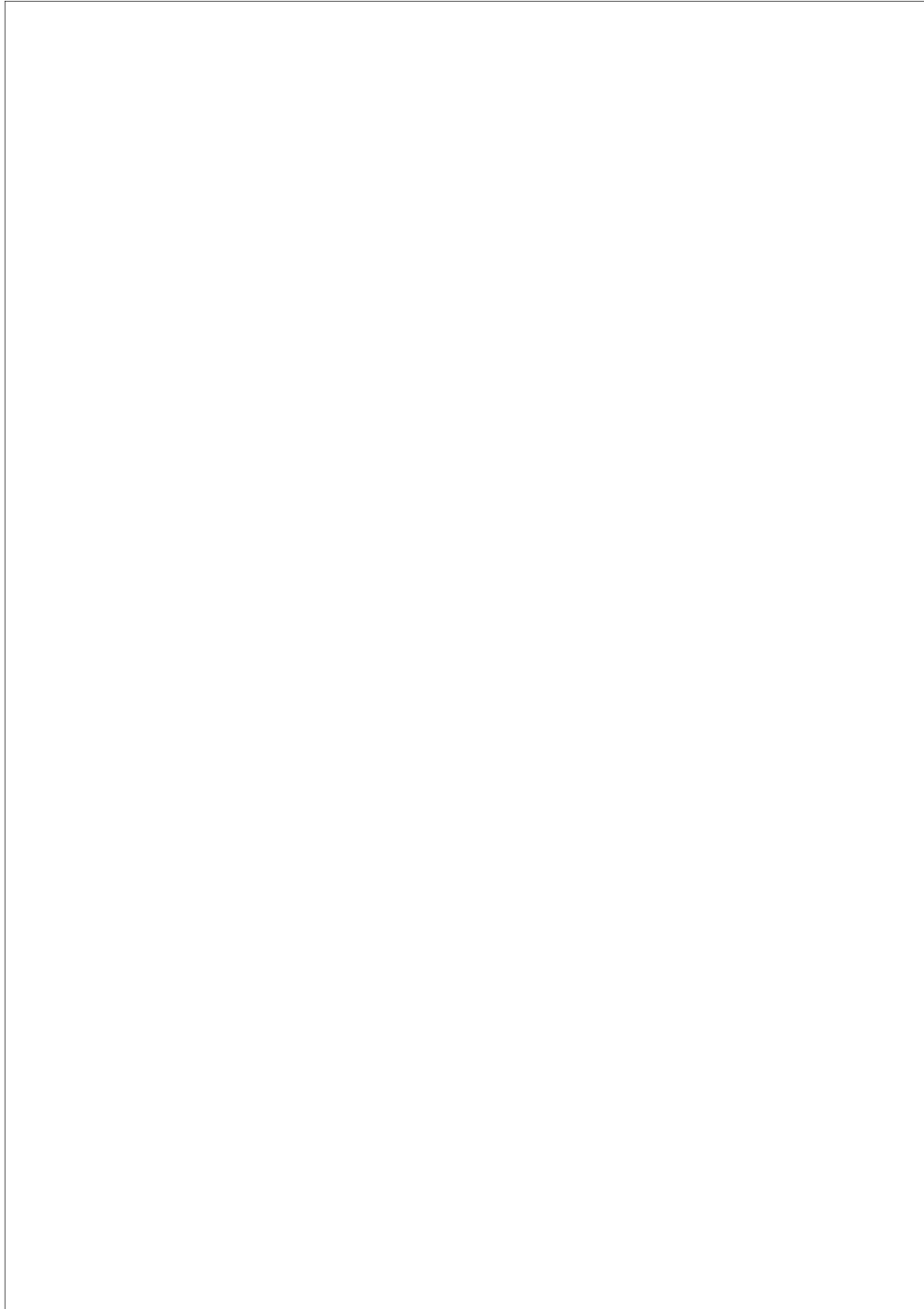
CENTRAL INTELLIGENCE BULLETIN



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16 MAY 1959

I. THE COMMUNIST BLOC

Khrushchev continues to show irritation over Nasir; Cairo informed of Soviet leader's latest criticism.

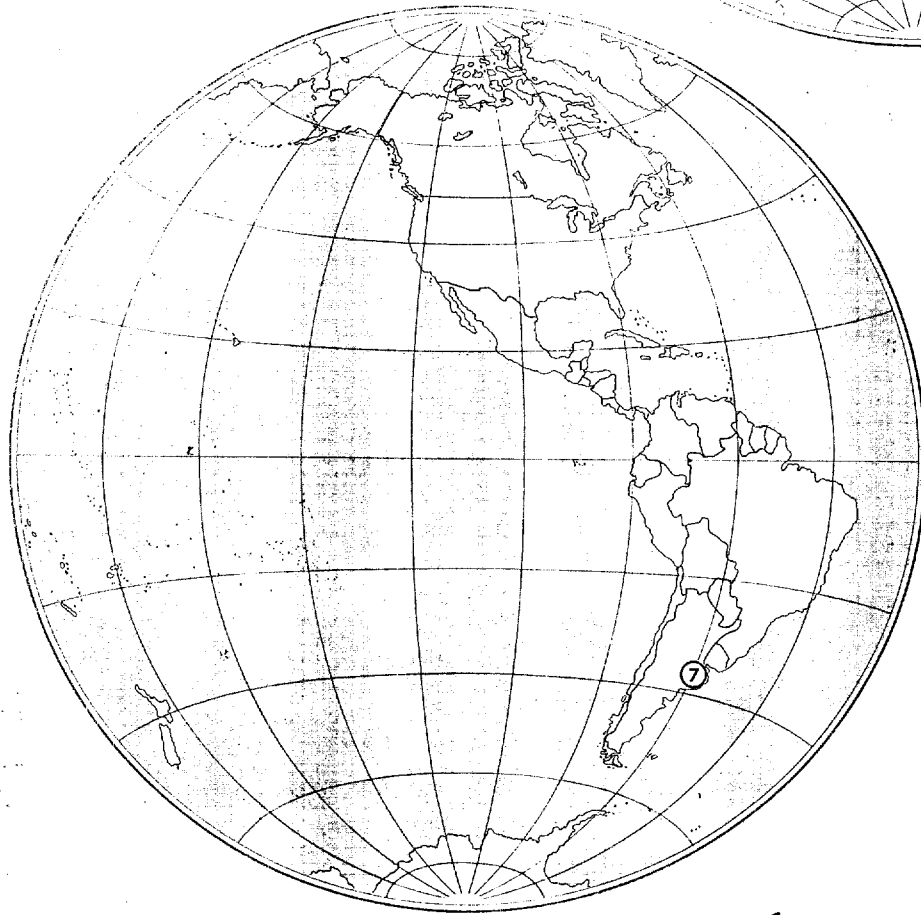
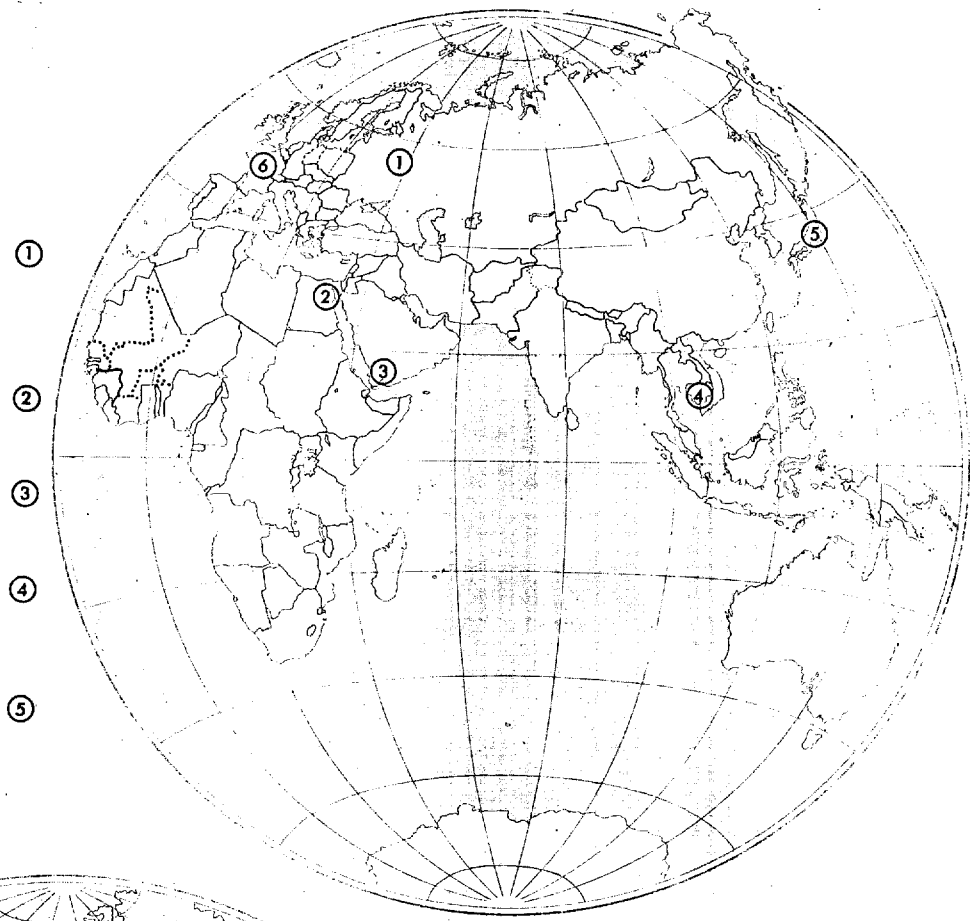
II. ASIA-AFRICA

Nasir not hopeful of UAR rapprochement with Jordan and Tunisia.

Yemen seeking improved relations with Saudi Arabia.

Thai and South Vietnamese officials to hold mid-May meeting to plan covert operations against Cambodia.

South Korea's allegations that US supports "Rhee line" reported damaging American interests in Japan.



III. THE WEST

⑥ De Gaulle indifferent to advice of French officials that he permit US atomic storage sites in France.

⑦ Argentina - Economic stabilization program encountering intense opposition; Frondizi reorganizes cabinet.

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CENTRAL INTELLIGENCE BULLETIN

16 May 1959

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

NO

USSR-UAR: Khrushchev continues to show irritation with Nasir and his policies, although the flow of Soviet military and economic aid to the UAR continues. The editor of the Indian leftist magazine Blitz, who interviewed Khrushchev on 7 May, told the UAR chargé in Moscow that Khrushchev had compared Nasir with "a frog which believed it had become a bull." The chargé has reported this statement to Cairo, and Nasir, who has reacted strongly to Khrushchev's public criticisms, may again be provoked into denunciations of bloc activities and intentions. [redacted] (Page 1)

II. ASIA-AFRICA

NO

UAR: [President Nasir apparently does not intend to conciliate other relatively pro-Western Arab and North African states, such as Jordan and Tunisia, in order to rally support for his anti-Communist campaign. In a reflective discussion on 9 May, Nasir gave Ambassador Hare the impression that the main obstacle to such a reconciliation is the personalities of the other leaders. Nasir took the general position that while he would not object to a rapprochement, he was not particularly hopeful.] [redacted] (Page 2)

NO

Yemen - Saudi Arabia: Crown Prince Badr, turning cooler toward the Sino-Soviet bloc, is seeking to improve his relations with Saudi Arabia as part of the general re-orientation of Yemeni foreign policy which has been taking place recently. [redacted]

i

TOP SECRET [redacted]

Thailand - Cambodia - South Vietnam: Thai and South Vietnamese officials will meet secretly in Vietnam this month to plan future covert operations in Cambodia, [redacted]

NO Both countries--particularly South Vietnam-- have supported Cambodian dissident elements engaged in anti-Sihanouk radio and pamphlet propaganda following the abortive Dap Chhuon coup plot last February. These activities have not only served to consolidate Sihanouk's position and influence him toward the Communist bloc, but are basic to Cambodia's suspicious attitude toward the US. [redacted]

(Page 4)

NO Japan - South Korea: South Korea's efforts to imply US support for the unilaterally established "Rhee line" on the grounds that it derives from lines established by US authorities during the occupation of Japan and the Korean war have damaged American interests in Japan, according to Ambassador MacArthur. Japanese leaders in the past have indicated they believed that the failure of the United States to intervene in the high seas fishery controversy encouraged President Rhee to continue seizing Japanese fishing boats and use the fishermen in "hostage diplomacy." Prime Minister Kishi has stated that he is under pressure from elements in the government party to take the issue to the United Nations, and continued aggressive Korean action against Japanese fishing will strengthen sentiment for such a move. [redacted]

(Page 5)

III. THE WEST

NO France: De Gaulle is reported indifferent to pleas of high French officials that he permit the storage of American atomic warheads in France. He was unmoved by warnings from these officials that some of the nine US Air Force strike squadrons in France may be withdrawn and that France's defense posture would be weakened. Despite the pressures of the Berlin crisis, he will probably continue to oppose storage not only as a derogation of French sovereignty, but also because he hopes to further his objective of French "equality" in Western tripartite global military and political policy determination. [redacted]

(Page 6)

16 May 59

DAILY BRIEF

ii

~~TOP SECRET~~ [redacted]

NO Argentina: President Frondizi's cabinet reorganization, including thus far the ministers of foreign affairs and agriculture and the secretaries of commerce, finance, and transportation, probably presages no change in the US-backed economic stabilization program. Opposition to the program is more intense than Frondizi anticipated and is being exploited by Communists and extreme Peronistas to promote labor agitation and violence.

(Page 7)

16 May 59

DAILY BRIEF

iii

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I. THE COMMUNIST BLOC

Khrushchev Again Disparages Nasir

Soviet Premier Khrushchev has again criticized the UAR's policies and Nasir personally--most recently in an interview on 7 May with Russey Karanjia, the generally pro-Communist editor of the Indian magazine Blitz. Karanjia told the UAR chargé in Moscow that Khrushchev's comments about Nasir were "marked with bitterness" and that he had compared the UAR President with "a frog which believed it had become a bull," according to an 8 May message from the chargé to Cairo. Khrushchev reportedly was most aroused over the UAR's attacks on Communist doctrine, accusations that Arab Communists are agents of Moscow, and Nasir's statement in late March that during the Suez crisis the UAR "stood alone."

Karanjia's interview with Khrushchev follows his widely publicized interview in mid-April with Nasir in which the UAR President accused bloc leaders and Arab Communists of working to establish a "Red Crescent" in the Middle East. While the Soviet press and radio have continued to answer other charges emanating from the UAR press, Moscow has not given publicity to this attack by Nasir.

Nasir reacted very strongly to Khrushchev's public criticisms in March. [] Khrushchev apologized for some of his remarks--including the claim that Nasir had used the "language of imperialists." [] Having been informed by the UAR chargé of Khrushchev's more recent aspersions, Nasir may again be provoked into denouncing bloc activities and intentions in the Middle East. []

[]

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II. ASIA-AFRICA

Nasir Comments on Relations With Arab States

[In an interview with Ambassador Hare on 9 May, Nasir indicated that he does not contemplate seeking a reconciliation with such Arab states as Jordan and Tunisia in a bid for support of his anti-Communist campaign. Ambassador Hare received the impression that "the main obstacle to reconciliation was a question of personalities," with Nasir's personal dislike for some Arab leaders supplementing more basic differences over questions affecting the Arab world. However, steps toward a rapprochement would probably not be rebuffed by Cairo.]

[Nasir again protested that Bourguiba's accusations against the UAR were unjustified, stating that the Tunisian President feared the growth of Arab nationalism among his people. Regarding Jordan, he claimed the UAR was acting with restraint, but had no intention of ever appearing "cozy" with the government of King Husayn. He added that the recent change in government there had made the situation more difficult because of the "poor record" of the new prime minister, Hazza Majalli, but the "last thing" the UAR desired was the "burden" of taking over Jordan and its problems.]

[Nasir brushed off relations with Libya, Lebanon, and Saudi Arabia as posing no immediate problems. However, he suggested that trouble with Saudi Arabia might follow if King Saud resumed an active role. On relations with the Sudan, he complained that "foreign influence" was the main difficulty, and the current military crisis had also retarded efforts to solve the major problem of an agreement on division of the Nile waters.]

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Developments in Yemen

The Yemeni regent, Crown Prince Badr, appears to be continuing his gestures toward a general reorientation of his country's foreign policy, and is seeking to improve relations with Saudi Arabia. [redacted]

[redacted] an emissary of Crown Prince Badr told a Saudi diplomatic official in Cairo that Badr wished "to clear the air," and that if anything were wrong between the two nations, Badr "would like to put it right."

The Yemeni emissary, implying that Badr's assumption of power as regent when the Imam left for Italy was responsible for the reorientation, noted that Badr had already sought an understanding with the United States and Britain. Yemen's relations with Saudi Arabia have been cool for the last year and a half, partly as a result of King Saud's efforts to subvert tribes in northern and eastern Yemen. Saud's action grew out of his alarm over Yemen's increasingly close relations with the Soviet bloc.

[redacted] Badr announced unprecedented reforms aimed at making the government administration efficient and eliminating "bribery" and "embezzlement." All government officials were given notice to put their affairs in order, pending issuance of new directives.

The Yemenis are reported to have begun to curtail bloc activity. Some Soviet doctors have been sent out of Yemen, and the bloc aircraft pilots are reported to have been placed under closer supervision. Basically, the Yemeni shift reflects an attempt by the Imam and Badr to line up with Nasir without submitting completely to Egyptian control. Badr was informed by [redacted] that a group of "Russians" there had taken down the Yemeni flag and thrown it on the ground. Whether or not the report is true, it could serve as a pretext for further curtailment of bloc activity in Yemen, and facilitate development of a less favorable attitude toward the USSR by the Yemeni public. [redacted]

~~TOP SECRET~~ [redacted]

[REDACTED]
South Vietnam and Thailand Continue Intrigues Against Cambodia

[Thai and South Vietnamese officials are to meet secretly in Vietnam this month at Saigon's initiative to plan future covert operations against the Sihanouk regime in Cambodia, [REDACTED]

[REDACTED] The meeting was arranged during talks last month at the Vietnamese Embassy in Bangkok. General Prapat, one of the most powerful figures in the Sarit government, subsequently was contacted directly by Saigon. He approved the general aims of the conference and appointed an emissary.]

[South Vietnam and Thailand both have continued to assist Cambodian dissidents, led by expatriates Sam Sary and Son Ngoc Thanh in anti-Sihanouk activities following the abortive Dap Chhuon plot last February. These efforts have included the printing and distributing of revolutionary tracts in Cambodia and anti-Sihanouk broadcasts over mobile clandestine transmitters. Vietnam has taken the lead in this and previous efforts against Sihanouk, while Thailand has been more circumspect.]

[Vietnamese and Thai interference in Cambodia has had the effect of further consolidating Sihanouk's position and increasing his tendency to turn toward the Communist bloc. Moreover, Cambodian awareness of these intrigues forms the basis of Phnom Penh's present strong suspicions of the United States.]
[REDACTED]

~~SECRET~~

"Rhee line" Damages American Interests in Japan

[Ambassador MacArthur in Tokyo believes that United States interests are being jeopardized by Seoul's "consistent and willful" allegations that the United States supports South Korea's unilaterally established "Rhee line." The most recent instance of this is the circulation of a South Korean Foreign Ministry memorandum to all foreign mission chiefs in Seoul which cited lines established by US authorities during the occupation of Japan and the Korean war as precedents for the "Rhee line." South Korea forbids Japanese fishing inside the line, claiming that conservation of fishery resources and the inherent right of self-defense justify its position.]

[Japanese leaders accuse Rhee of resorting to "hostage diplomacy" in seizing Japanese fishing boats and holding the fishermen in an effort to force Japan to settle outstanding issues on Korean terms. Prime Minister Kishi has said that these questions must be solved before relations with South Korea can be normalized. If South Korea continues its present policy, increasing domestic pressure may force the Kishi government to carry the matter to the United Nations. Such action has already been suggested by some diplomatic missions in Tokyo.]

[] intensified efforts to seize Japanese fishing boats operating in the vicinity of the controversial "Rhee line." Seoul may have issued such an order in retaliation for Japan's failure to break off the repatriation talks at Geneva between Japanese and North Korean Red Cross officials.

[] South Korean Coast Guard vessel failed in an attempt to seize Japanese boats well outside the "Rhee line." [] the capture of a Japanese fishing boat over 120 miles off the Korean coast in the boundary area of the "Rhee line." Another ship reported the pursuit of ten Japanese boats in the same area. []

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III. THE WEST

De Gaulle Still Unlikely to Approve Storage of American Atomic Warheads in France

[President de Gaulle has rebuffed high French officials who have urged him to permit storage of American atomic warheads in France for the use of the nine US Air Force strike squadrons there,

De Gaulle reportedly gave short shrift to a plea of Chief of Staff General Ely, and said to Premier Debré, "Who cares if the Americans remove three squadrons to Great Britain?" When Debré argued that removal of the squadrons would weaken France's defense posture, De Gaulle reportedly replied, "We will build our own ICBMs."]]

[Even though this information was probably designed to reach US officials, the French President has long opposed foreign control of nuclear weapons in France, and he is not likely to change his mind because of the Berlin crisis. He has stated that he does not expect the Berlin crisis to erupt into war. His decision to withdraw the French Mediterranean fleet from NATO wartime control was taken against the advice of his top military and political advisers.]]

[His opposition to integration of French national forces in NATO and to foreign control of atomic weapons depots in France is based on the grounds that it is a derogation of French sovereignty. De Gaulle also hopes that his adamant position on this issue will further his primary objective of attaining French "equality" in Western tripartite global policy determination.]]

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Argentine Cabinet Reorganization

The Argentine economy minister's statement to Ambassador Beaulac that the present cabinet reorganization does not presage a change in the US-backed stabilization program is in line with recent policy pronouncements which underscore the need to press the program. He admitted that opposition to Frondizi's program was more intense than had been anticipated. Thus far Frondizi has accepted the resignations of the ministers of foreign affairs and agriculture, the secretaries of finance, commerce, and transportation, and his trusted personal adviser, Rogelio Frigerio. Other resignations, especially of lesser officials, are expected before replacements are named next week.

The reorganization, contemplated earlier by Frondizi, was probably timed to counter recently renewed military charges that some officials are inept and too complacent about Peronism and Communism in government. Such charges are being played up by various discontented military elements, especially retired naval supporters of former Vice President Rojas, to gain support for a coup. Most active officers, however, still prefer constitutional government.

Frondizi's dependence on the military has been increased by continuing labor agitation and violence, led mainly by Communists and extremist Peronistas. [redacted]

[redacted] Communists were issued bottles of gasoline to force bus drivers to comply with the illegal general strike called on 15 May, and the press reports one bus was actually burned. In addition, the discovery on 14 May of serious sabotage of telephone installations and fire-fighting apparatus has reportedly raised fears that saboteurs may try to cripple other public utilities. [redacted]

[redacted]

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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

The Department of Commerce

The Secretary of Commerce

Federal Bureau of Investigation

The Director

Atomic Energy Commission

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National Security Agency

The Director

National Indications Center

The Director

United States Information Agency

The Director

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