



TOP SECRET

26 FEBRUARY 1959

I. THE COMMUNIST BLOC

Five transatlantic cables cut, apparently by Soviet trawler off Newfoundland.

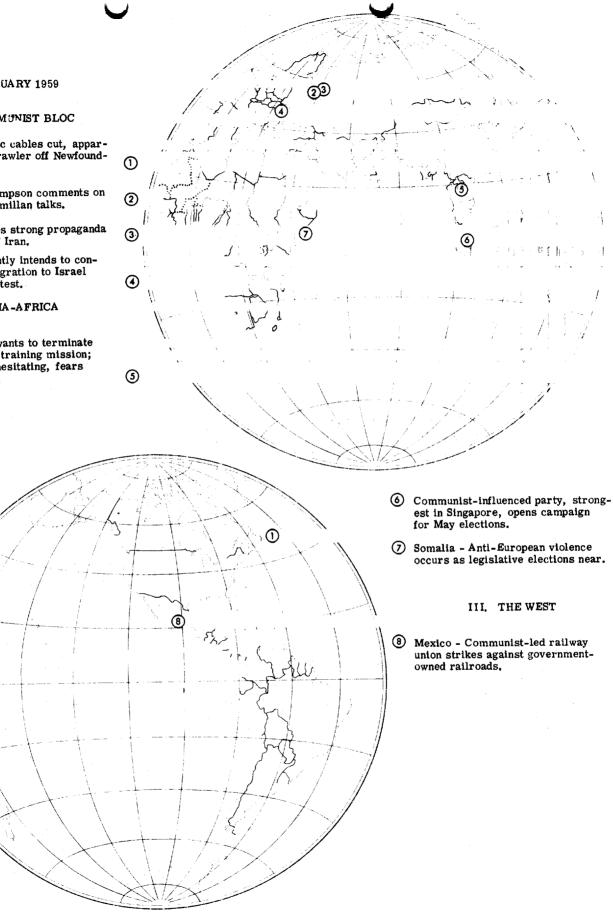
Ambassador Thompson comments on Khrushchev-Macmillan talks.

Moscow continues strong propaganda attack on Shah of Iran.

Rumania apparently intends to continue Jewish emigration to Israel despite Arab protest.

II. ASIA-AFRICA

Laos - Cabinet wants to terminate French military training mission; Premier Phoui hesitating, fears French reaction.



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CENTRAL INTELLIGENCE BULLETIN

Approved for Release: 2020/02/21 C03023206

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26 February 1959

DAILY BRIEF

I. THE COMMUNIST BLOC

USSR-West: Five transatlantic cables were cut, apparently by a Soviet trawler operating off Newfoundland, between 21 and 25 February. No evidence is available of other unusual developments which might reflect hostile Soviet intentions, and the incidents may have been inadvertent.

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*USSR-UK: US Ambassador Thompson reports from Moscow that the subject of a nonaggression pact between the UK and the USSR has not been discussed in the Macmillan-Khrushchev talks. The only reference was made in a toast by Gromyko. Khrushchev's proposal of such a pact in his 24 February speech was, in Thompson's view, a deliberate attempt to embarrass Macmillan. Thompson observes that the British prime minister, soon to be faced with elections, appears to have been placed in a difficult spot.

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USSR-Iran: Khrushchev's extemporaneous remarks at the close of his 24 February speech continued the Soviet war of nerves aimed at shaking Iranian confidence in the Shah's regime. Khrushchev charged the Shah with seeking help through a bilateral agreement with the United States in order to deal with "his own Iranian people" who "might act against him." Recent Soviet broadcasts to Iranian listeners have called upon "patriotic" Iranian Army officers to frustrate the bilateral agreement, emphasizing the example of Egypt and Iraq.

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*Rumania - Israel - Arab World: A Rumanian statement on 25 February responding to strong Arab criticism of Jewish emigration to Israel provides no indication that Bucharest will halt the exodus. The statement charges the Western press and the Zionists with a conspiracy to distort Rumania's "humanitarian" motives in permitting Jews to join their families, adding that "such maneuvers must not and will not undermine Rumanian-Arab relations." The American Legation in Bucharest reports that as of 18 February, the Israeli Legation there was issuing visas for emigration at the rate of 200 to 300 a day. (Page 3)

II. ASIA-AFRICA

(Watch Committee conclusion--Middle East: Unchanged from the conclusion reached on 19 February 1959.)

Laos: The Laotian cabinet agreed on 21 February to request France to dissolve its military training mission in Laos, apparently to pave the way for transferring the function to US control. Prime Minister Phoui, fearing strong adverse French reaction, is hesitating to implement the decision and may searchfor a formula whereby France and the United States will share training activities. France is expected to resist any appreciable change in the status of its forces and its special position in Laos, and it may threaten to withdraw the French training mission in an effort to embarrass the United States.

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Singapore: The Communist-influenced People's Action party (PAP), the strongest political organization in Singapore, has taken the lead in opening the campaign for the general elections now planned for May. The elections will immediately precede the creation of the new State of Singapore. A victory for the PAP could result in the release of jailed Communist leaders, who would then have good prospects for taking over leadership of the PAP as they did prior to their arrest in 1957. (Page 5)

Somalia: Scattered violence, including attacks on European officials, erupted in Mogadiscio on 24 February in connection with the forthcoming March legislative elections in this UN trust territory. The police have arrested a large number of persons, including the pro-Egyptian leader of the major opposition party, which was blamed for the violence. More disorders are likely

III. THE WEST

*<u>Mexico</u>: The strike called against Mexico's governmentowned railroads on 25 February by the large Communist-led railway workers' union may force President Lopez Mateos into a showdown with its leader, Demetrio Vallejo. The impact of a firm stand by the government would curtail the influence of increasingly powerful Marxist leaders in the Mexican labor movement. There may be violence, and police and army units which have been alerted may be called on to operate the railroads, as they did during a successful strike last July which brought Vallejo to power.

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DAILY BRIEF

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I. THE COMMUNIST BLOC

Soviet Trawler Cuts Transatlantic Cables

Five transatlantic cables were cut, apparently by a Soviet trawler operating off Newfoundland, between 21 and 25 February. The first, an AT&T "voice" cable to Scotland, was broken on 21 February at 1040 EST approximately 125 miles east of Trinity Bay, Newfoundland. On 24 February a Western Union cable failed about 15 miles south of the AT&T break. At 0200 on 25 February another Western Union cable to Ireland failed near the same spot, and then a fourth, and at 1300 a fifth--all in approximately the same area on the Grand Banks, in 170 fathoms of water.

(On the morning of 25 February an AT&T airplane reported a Soviet trawler, the Novorossisk, as the only ship operating in the area. The USSR has a fleet of 21 trawlers operating in the general area, and the Novorossisk acts as a scout for the fleet to determine the best fishing areas. Just before the fifth cable broke, another AT&T plane succeeded in dropping a note on the Novorossisk warning that it had cut four cables and suggesting it cease operations. The trawler, which had damaged the cables on a southerly course, then pulled in its gear and proceeded northward.

 \langle A US plane and a Canadian destroyer were dispatched to the area. Their estimated time of arrival is not known. A repair ship was under way and expected to arrive in the area on 26 February.

(The weather in the area had been reported as high winds, generally clear, with some light snow during the period 21-25 February, but visibility was expected to be considerably limited by evening on the 25th. There were no seismic disturbances during the period which could have caused the cables to break.)

(At 1445 EST on 25 February, Western Union advised that east to west cable traffic was curtailed and said there was a delay of two to three hours on commercial transatlantic traffic.)

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There are 17 transatlantic cables to the British Isles and six to the Continent. Two of the cables are 36 multichannel voice transmitters, one transmitting west to east (the cable cut on 21 February) and the other (still operating) east to west.

(The United States dispatched the following evaluation to London and Ottawa

One AT&T and four Western Union transatlantic cables were put out of operation between 21 and 25 February, apparently by the Soviet trawler Novorossisk (PT99), about 125 miles east of Newfoundland. This has not been accompanied by any Soviet effort to jam alternate radio circuits and has not resulted in a critical loss of military traffic with Europe at this time in view of the availability of alternate radio and other cable communications. No evidence is available of any other unusual developments which might reflect hostile Soviet intentions. These incidents may have been inadvertent and possibly associated with "dragging" in connection with fishing or a "fishing" expedition. They do not appear to bear on the question of the imminence of hostilities.

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Rumania Issues Statement on Exodus of Jews

A statement broadcast by the Rumanian Government on 25 February charged that the Western press and the Zionists were conspiring to distort Rumania's "humanitarian" motives in permitting thousands of Jews to emigrate to Israel to join their families and added, "Such maneuvers must not and will not undermine Rumanian-Arab relations." The broadcast further declared, in effect, that "certain press organs and even official personages" let themselves be duped by provocative Israeli propaganda, which was fostered by "US imperialists" and designed to isolate Arab nations from the Communist bloc. Moscow's Izvestia took a similar line on 21 February, stating that there would be no emigration from the USSR to Israel.

In denying that there was a "large-scale" exodus or that Rumania was deliberately encouraging such a trend, the statement pointed out that the country needed "qualified cadres in all fields," that those who asked to leave were advised against it, and that they were allowed to emigrate only upon their insistence.

The statement provided no indication, however, that the **exodus** will be halted. As of 18 February, the Israeli Legation in Bucharest was issuing emigration visas at the rate of 200 to 300 a day.

The Rumanian Government proposed in early February that the number of Austrian processing personnel in Vienna be increased and offered to pay the additional cost.

In addition.

Rumanian officials are reported to have contacted a Greek shipping line for the use of four ships to carry emigrants directly from Constanza to Haifa. The Israeli airline on 25 February began a two-plane-a-day airlift from Vienna to Israel, expecting to fly about 180 people a day for about a week.

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II. ASIA-AFRICA

Laos Cabinet Decides to Terminate French Military Training Mission

[The Laotian cabinet decided on 21 February to terminate the French military mission in Laos, apparently in order to pave the way for transferring the training function to US control. This decision underscores the government's determination to act without reference to the restrictive provisions of the 1954 Geneva agreements which had previously given France exclusive control over military training in Laos.]

(Prime Minister Phoui Sananikone told the American ambassador on 24 February that he hesitated to implement the cabinet's decision because he feared adverse French reaction. He may seek a formula under which France and the United States would share in training activities.)

(Such a move by Laos would almost certainly be interpreted by Paris as US-instigated, and the strong French reaction would be heightened in view of the recent US-British-French talks concerning Southeast Asia. Although the French, in an effort to embarrass the US, might threaten to withdraw their forces from Laos summarily, they first would probably lodge strong protests in Vientiane and Washington, seek support in London, and attempt to divert and modify the Lao move. The French Defense Council is scheduled to discuss augmentation of the French military contribution to Laos on 27 February.

Public announcement of a shift in the training of the Laotian Army from French to US control would probably provoke intensified Communist diplomatic and propaganda pressures on Vientiane and would be cited as substantiation of Communist charges that the United States is attempting to turn Laos into a "military base."

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CENTRAL INTELLIGENCE BULLETIN

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Left-Wing Singapore Party Begins Concerted Election Drive

The concerted campaign effort of the People's Action party (PAP) to gain control of the Singapore Government in the general elections now planned for 30 May is in sharp contrast to that of the leading moderate party, the Singapore People's Alliance (SPA), which reportedly is still disorganized and unprepared for active campaigning. The election is to precede the granting of a large measure of self-government to the new State of Singapore.

An SPA party functionary recently told a US official that the party does not intend to set up branch organizations, but only working committees in districts in which it intends to compete. The party apparently is still undecided on its list of candidates and is bogged down in negotiations with other moderate parties to eliminate competition between candidates.

While the PAP is apparently not now Communist-controlled, there is little question that extremists remain deeply entrenched in its branch organizations and that their prospects for taking over leadership will be considerably enhanced if the PAP forms the next government. A PAP victory would put the leftists, upon whom the party depends heavily for support, in an excellent position to weaken or set aside the stringent public security ordinances and to demand the release of their jailed left-wing colleagues. The pro-Communists might then take over the party's central executive committee, as they did for a short time in 1957 until their arrest.

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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 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 The Chairman **National Security Agency** The Director **National Indications Center** The Director **United States Information Agency** The Director



