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3 August 1959



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CENTRAL INTELLIGENCE BULLETIN

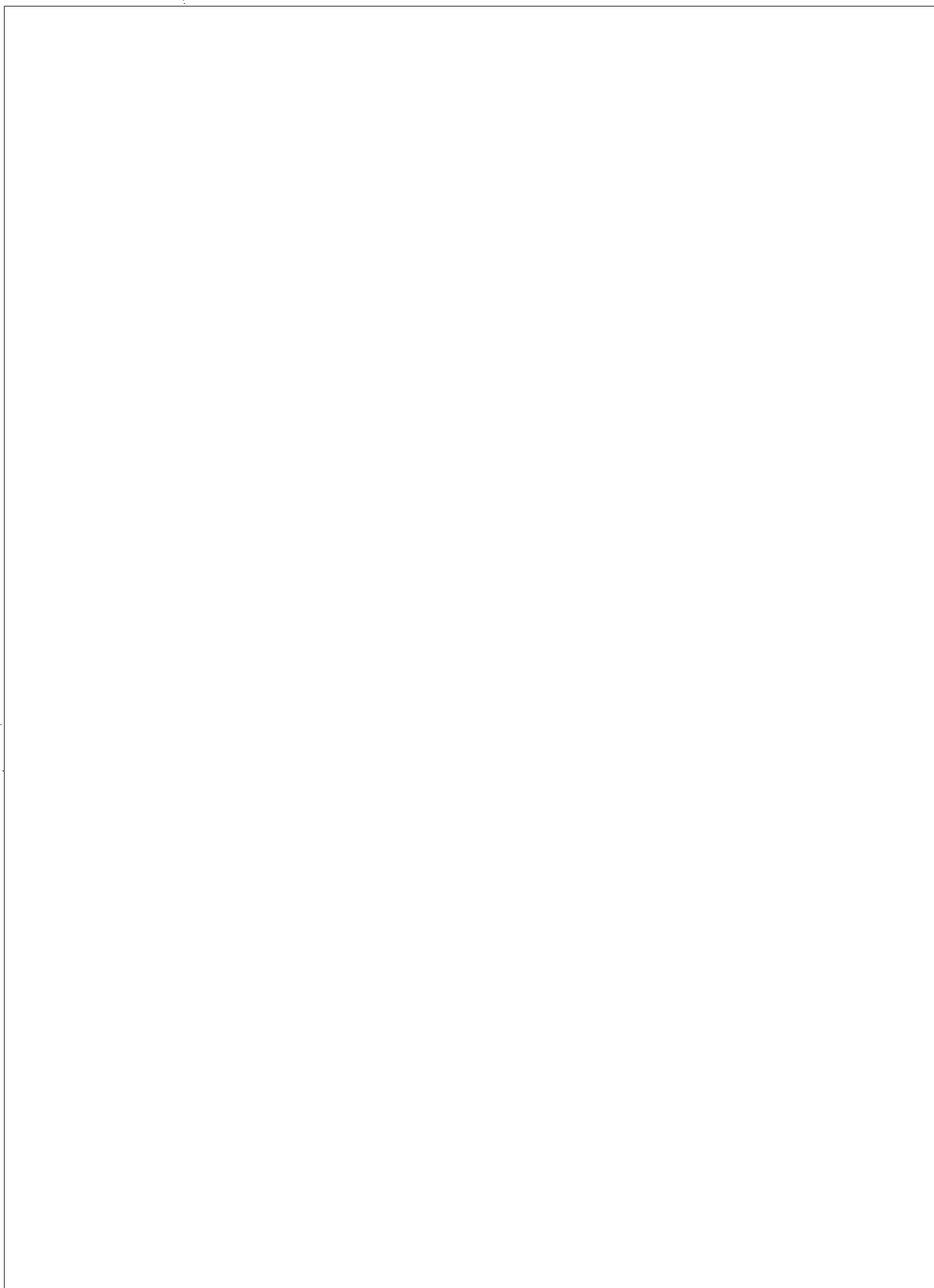


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3 AUGUST 1959

I. THE COMMUNIST BLOC

Geneva--USSR spokesmen hint link between interim Berlin accord and all-German talks could be modified in exchange for agreement in principle to reduce Western forces in Berlin.

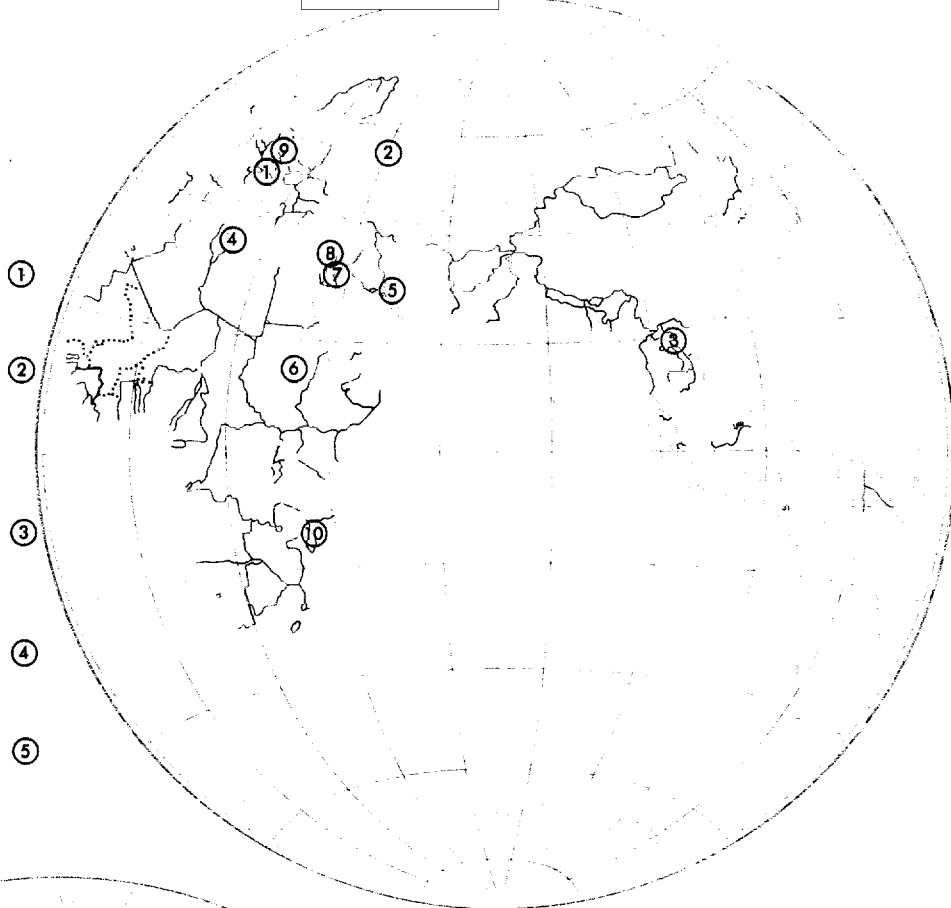
Moscow grants concessions in impending new arms deal with UAR.

II. ASIA-AFRICA

Military situation in northern Laos remains grave; North Vietnam is probably involved in planning and direction of attacks.

Tunisia--Bourguiba's decision to exchange ambassadors with Czechoslovakia may be move to appease domestic critics.

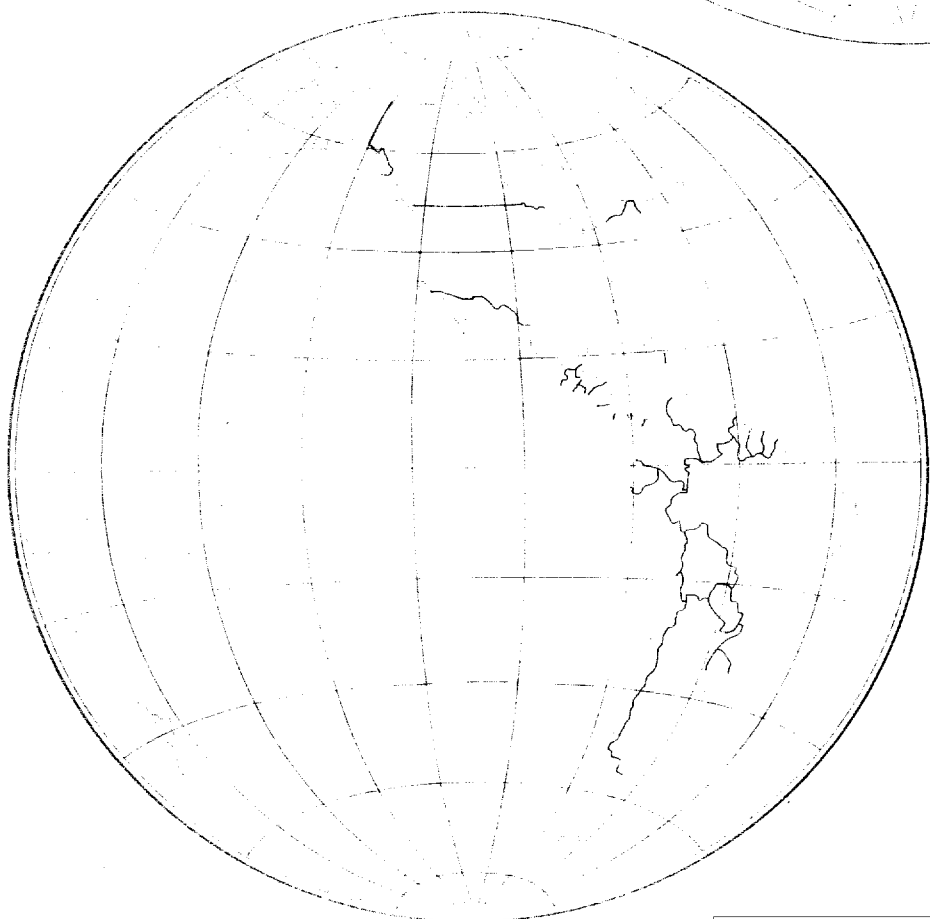
UK military planning team concludes discussions with Kuwait on defense of sheikdom.



- ⑥ Sudanese political situation remains unstable as regime begins final series of trials of dissident officers.
- ⑦ Israeli action in demilitarized zone may provoke new clash with Syrians.

III. THE WEST

- ⑧ Cyprus--Grivas privately calls on former aides to oppose Makarios; two former top Grivas lieutenants say they will support Archbishop instead.
- ⑨ West Germany--Brentano hopes to revive proposal for nonaggression pact with Poland, Czechoslovakia.
- ⑩ Investigation commission's criticism of British handling of recent Nyasaland disorders strengthens African nationalists.



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CENTRAL INTELLIGENCE BULLETIN

3 August 1959

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

NO

USSR-Geneva: [Soviet spokesmen at Geneva have hinted that in exchange for Western agreement in principle to reduce Allied forces in West Berlin, the USSR would agree to soften its insistence on a link between an interim Berlin arrangement and an all-German committee. A member of the Soviet delegation reportedly informed bloc journalists on 29 July that if Western concessions on troop levels were forthcoming, the USSR would make certain "gestures" concerning its proposal for all-German negotiations. He stated that even a reduction of 1,000 men would satisfy the USSR. The counselor of the Soviet delegation hinted at another Soviet concession in a talk with an American official by conveying the impression that Gromyko would abandon his earlier opposition to a four-power commission to handle access problems.]

NO

USSR-UAR: Moscow, continuing its efforts to maintain close ties with the UAR, apparently has decided to grant significant concessions to Cairo in a new arms deal. This agreement has been under negotiation for the past year and probably will be concluded shortly. Although the full scope of the agreement and the concessions approved by Moscow are not yet apparent, the USSR has agreed to supply the UAR with additional jet fighters and "new bombers." In addition Moscow has apparently agreed to provide certain civilian items, possibly including civil aircraft, on the same financial terms applying to arms purchases. Terms apparently will be extremely favorable to Cairo, calling for discounts of at least one-third the quoted price and providing for extended repayment, probably in the form of surplus UAR commodities.

(Page 1)

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II. ASIA-AFRICA

Laos: [The military situation in northern Laos remains grave, with Communist partisans retaining the initiative. Senior Lao officials continue to emphasize the participation of North Vietnamese troops. Although their evidence is inconclusive, it is probable that North Vietnam is involved in the planning and direction of the attacks and that North Vietnamese-trained elements are engaged in the fighting. Hanoi has warned that it cannot remain indifferent to the developments in Laos which, it alleges, threaten the security of North Vietnam.] (Page 2)

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Tunisia-Czechoslovakia: President Bourguiba's decision to exchange ambassadors with Czechoslovakia--after having rebuffed Czech overtures six weeks ago--may be a move to silence internal criticism that he has been dilatory in opening relations with the Soviet bloc. Bourguiba probably will at a later date also exchange ambassadors with the Soviet [redacted] steps probably foreshadow no change in Tunisia's basic policy of Western-oriented "nonengagement." [redacted] (Page 4)

OK

UK-Kuwait: [A British military planning team which arrived in Kuwait in late July has concluded discussions on the defense of Kuwait, the Middle East's largest oil producer. The Kuwaiti Ruler's unwillingness to permit British troops or maintenance personnel to be stationed in Kuwait has forced the British to modify plans to stockpile tanks and other heavy equipment in the sheikdom. Kuwaiti authorities have agreed, however, to purchase British tanks, and to send Kuwaiti Army personnel to Britain for training. The Ruler has also agreed that weapons and equipment purchased for the Kuwaiti Army could be made available to British troops if Kuwait were threatened. Kuwaiti authorities first sought closer military cooperation with their British allies following the rise of Communist activity in Iraq.] [redacted]

NO

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DAILY BRIEF

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~~TOP SECRET~~ [redacted]

Sudan: The situation remains highly unstable as the Abboud military government moves into the final series of trials of officers implicated in the May coup attempt. The power struggle continues in the army between opponents and supporters of the accused. [redacted]

NO [redacted] Abboud has received letters demanding that he release the arrested officers and arrest cabinet strongman, Brigadier Hasan Beshir Nasir, or be assassinated by the "free ones." The same day Sudanese Army headquarters tightened restrictions on movement of officers to Khartoum. [redacted] (Page 5)

NO Israel-UAR: [The chief of staff of the UN Truce Supervisory Organization (UNTSO) has warned that a serious new incident may occur between the Syrians and Israelis as a result of the movement of a platoon of heavily armed Israeli "police" into the southern demilitarized zone south of Lake Tiberias on 29 July. The Israelis claim that the force has been deployed to protect construction of a road for use by agricultural equipment. The UNTSO official and UAR officers believe, however, that the road is military in purpose, and threatens to outflank Syrian front-line positions] [redacted]

III. THE WEST

NO Cyprus: General George Grivas [has privately called on his former top aides in Cyprus to be ready to abandon Archbishop Makarios, but his] two top lieutenants in the EOKA movement, who are cabinet ministers in the transitional government, have already indicated they will continue to support Makarios. Support from such quarters will greatly assist Makarios in pursuing his moderate policies for Cyprus in the face of criticism from extremists such as Grivas. [redacted]

[redacted] (Page 6)

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DAILY BRIEF

iii

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~~TOP SECRET~~ [redacted]

NO

West Germany: [Foreign Minister Brentano and some ministry officials hope to revive his proposal for a nonaggression pact with Poland and Czechoslovakia at the first practicable opportunity, although the cabinet rejected it on 22 July. Brentano feels the proposal could serve as a tactical move to offset Soviet charges of German obstructiveness in East-West negotiations. Although Adenauer has considered such a move for some time, he apparently feels that it would be a unilateral concession with no immediate advantage for Bonn.] [redacted]

[redacted] (Page 7)

Britain - Central Africa: Criticism by a special commission of the handling of last winter's disorders in Nyasaland may indirectly increase African unrest there. [London is unlikely to initiate any significant corrective action which could be construed as an admission of errors before the British general elections expected in October, and the Macmillan government will therefore remain vulnerable to Labor charges that "police state" conditions are allowed to continue.] In Nyasaland itself, the criticism has strengthened the appeal of the nationalist movement led by the imprisoned Dr. Hastings Banda. [redacted] (Page 8)

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DAILY BRIEF

iv

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Moscow Moves to Maintain Close Ties With Cairo

Moscow agreed to grant major concessions to the UAR in a new arms deal. Under the agreement, the Soviet Union will supply the UAR with additional jet fighters and "new bombers." Cairo last year had asked the USSR to provide two squadrons of MIG-19s and one squadron of TU-16 jet medium bombers, which Moscow had refused previously. Moscow, however, has apparently decided to increase its efforts to maintain close relations with Cairo and may have agreed to a compromise, involving the supply of other less advanced combat aircraft.

In addition, Moscow now has agreed to provide "civilian" equipment to the UAR under the new agreement. In the past the Soviet Union has repeatedly refused to permit the UAR to include such items as civil aircraft and trucks in arms deals, insisting that the UAR purchase these items, specifically modern civil aircraft such as the IL-18 and the TU-104, under short-term commercial credits and at the full quoted price.

The arms deal apparently will be concluded on the basis of "the financial terms of the former agreements," suggesting that Moscow will grant the UAR large discounts. Moscow had previously agreed to sell arms to the UAR under this agreement at one-third their price and on extended payments. Since these terms did not appear to be completely satisfactory to Cairo and, in view of the reference to the former agreements, Moscow apparently has agreed to make the terms of repayment even more favorable to the UAR. Cairo probably will be required to make only token payments for its arms purchases, presumably in the form of surplus commodities such as cotton.

The agreement has been under negotiation, mainly in Moscow, since July 1958 and was approved in draft form in March. Difficulties, primarily concerning the financial terms, delayed the final agreement. The UAR's arms-purchasing agent in Moscow was instructed by Cairo on 29 July to agree to sign the contracts that come under the agreement or to sign the agreement itself, provided it stipulates a supplementary agreement to cover additional requests and the civilian equipment. In the same message, Cairo revealed that it was contacting Moscow to "define the extent" of its concessions to the UAR. [REDACTED]

[REDACTED]

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II. ASIA-AFRICA

Situation in Laos

[The military situation in northern Laos remains grave. Communist partisan forces apparently retain the initiative in large areas of Sam Neua Province, following their initial attacks in mid-July, and most recently have extended their operations to the southeastern corner of Phong Saly Province. The previously reported incidents of 27 July in central Laos have not yet been followed by other indications of a country-wide uprising, although the mining of roads in both central Laos and to the south of Sam Neua Province has been reported.]

[The Laotian Government has sent small numbers of reinforcements to Sam Neua Province, but their effectiveness has yet to be demonstrated. The government's capability to reinforce is hampered by the need to retain troops on security missions in other potentially troublesome areas, by its limited airlift capability, and by the rugged nature of the northern terrain--a heavily forested, mountainous area with few trails. The Lao Air Force commander has stated that, as of 29 July, four of his six C-47s were undergoing repair.]

[In recent official briefings, senior Lao authorities have emphasized the involvement of North Vietnamese troops. They believe this is a major infiltration effort, rather than an invasion, to set up bases of dissidence with clandestine North Vietnamese support in order to regain control of the two former Pathet Lao provinces of Sam Neua and Phong Saly. While their evidence thus far--several weapons and grenades, the statements of a captured tribesman, and of two Lao Army soldiers who escaped after capture by the enemy--is inconclusive, North Vietnamese complicity in terms of supply and leadership is highly probable, and it is also probable that North Vietnam-trained units are engaged in the fighting. Hanoi has warned that it will not remain indifferent to developments in Laos. The]

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Locale of much of the fighting readily permits covert supply from across the border.)

The Communists probably estimate that any demonstrated inability of the Laotian Government to cope with the partisan attacks will bring effective pressure on the Laotian Government and the West for the return of the International Control Commission (ICC). Peiping and Hanoi probably regard the ICC as the best means at present for restoring an atmosphere favorable for the expansion of Communist assets in Laos, assuring Laotian neutrality, and frustrating US and French efforts to train the Laotian Army. With cumulative evidence of the present Phoui government's pro-US orientation, coupled with its moderate success in undercutting Communist strength in some sections of the country, the propaganda from Peiping and Hanoi has reflected increasing concern over the deteriorating Communist position in Laos. The relatively poor showing of the Laotian Army in June against the renegade Pathet Lao battalion may have encouraged Peiping and Hanoi to act while local partisan capabilities were still sufficient to keep the Laotian Government off balance.)

During his visit to the Soviet Union last month, North Vietnam's President Ho Chi Minh undoubtedly discussed with Soviet leaders the problem of Communist strategy in Laos. At his next meeting with British Foreign Secretary Lloyd on 3 August, Gromyko probably will renew Soviet pressure for reconvening the truce commission.)

Meanwhile, an Indian official in New Delhi has implied his government's concern, as chairman of the ICC, over how to deal with Communist bloc objections to the recent introduction of American military training personnel into Laos. Commonwealth Secretary Desai stated it was unfortunate that the Laotian Government had itself requested American instructors; if the French, who are permitted under the Geneva truce terms to maintain a training mission, had made the request, there would have been no legal basis for objection. Desai also noted that the current activity in Laos was another clear indication of the reason why India feels meetings of the ICC "when needed" could be helpful in confirming allegations of foreign intervention.)

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Tunisia Announces Decision to Exchange Ambassadors
With Czechoslovakia

President Bourguiba's decision to exchange ambassadors with Czechoslovakia "came as a surprise," according to a Tunisian Foreign Secretariat official. In mid-June, Bourguiba was reported to have rebuffed the third Czech request for an exchange of diplomatic representatives. His move now may be an effort to silence criticism that he has been dilatory about opening relations with the Soviet bloc, although he made a decision in principle some time ago to do so.

A Czech ambassador is expected to arrive in Tunis this month and become the first Soviet bloc diplomat accredited to Tunisia. Until his arrival, the chief of the Czech trade mission--which has succeeded in increasing Czech-Tunisian trade--will act as chargé. Rather than open an embassy in Prague, Tunisia may be represented by its ambassador in Rome.

The American chargé in Tunis comments that the choice of Czechoslovakia, rather than the USSR or Communist China, is typical of Bourguiba's gradualism, but that an exchange of diplomatic representatives with the USSR is probably "only a matter of time." The exchange of representatives represents no change in Tunisia's foreign policy of Western-oriented "nonengagement" with either power bloc.

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Continuing Instability in the Sudan

The internal situation remains unstable as the Abboud military government moves into the final stage of the conspiracy trials of officers implicated in the May coup attempt. The government has concluded its case against General Hamid, last of three high-ranking officers to be tried, and has announced that trials of junior officers will begin on 4 August. The sentences of convicted officers will probably not be announced by President Abboud until all the trials have been completed later this month.

Meanwhile, the power struggle in the army is continuing between opponents and supporters of the accused. The forceful Minister for Cabinet Affairs, Brigadier Hasan Beshir Nasir, has been striving to reshuffle officer appointments to ensure loyalty in key positions, particularly in the armored and artillery forces. [redacted] army headquarters tightened existing restrictions on travel of army officers to Khartoum and required that all officers provide 48 hours' advance notice and obtain permission before traveling to the capital. Also, [redacted] the UAR ambassador in Khartoum informed Cairo that President Abboud had received letters demanding that he release the arrested officers and issue orders for the arrest of Hasan Beshir Nasir, or be assassinated at the hands of the "free ones" --presumably a dissident officer group. [redacted] Abboud's wife was attempting to persuade him to avoid danger by leaving the government.

Former Premier Azhari has indicated that civilian political groups, with some military support, are attempting to find a basis for establishing a nonparty civilian cabinet under a supreme council of retired officers. Some political figures, however, appear striving to gain advantage from the unstable situation by maneuvering to obtain Egyptian support. The UAR ambassador in Khartoum informed Cairo [redacted] that Brigadier Hasan Beshir Nasir wished to send a secret envoy for talks with President Nasir. Ansar sect leader Sidiq al-Mahdi expressed concern to Ambassador Moose on 27 July over the visit to Cairo and Moscow by Ethiopian Emperor Haile Selassie, because the Sudan had always considered Ethiopia as its "second line of defense" against Egyptian encroachment. [redacted]

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III. THE WEST**Makarios Gets Support From Former Top EOKA Leaders**

(Former EOKA leader George Grivas has followed his recent public announcement dissociating himself from responsibility for the Cyprus accords with a private call to ministers of the transitional government of Cyprus to be ready to abandon Archbishop Makarios.) Several ministers of the transitional government were formerly active in EOKA, including Minister of Communications Georghiadis and Minister of Labor Georkadjis, who were Grivas' top lieutenants. Both informed the American consul general in Nicosia on 30 July that they regretted Grivas' recent announcement and were attempting to convince him not to continue his campaign; they stated that no minister would resign. Georghiadis flew to Athens on 31 July, reportedly to tell Grivas that 90 percent of the leadership of the right-wing Greek Cypriot nationalist front, which succeeded EOKA last spring, was supporting Makarios, and to warn him that only the Turks and Communists stand to gain from the developing rift between himself and the Archbishop.

If Makarios can retain the support of the former EOKA leaders, he will be in a strong position to rebuff attempts by Grivas to upset the Cyprus settlements. He is also in a position to cite--as the Greek Government has already done--speeches by Grivas at the time the settlement was negotiated, calling on the Cypriots to support Makarios and to ignore those who would disrupt Greek Cypriot unity.

Turkish Cypriots fear that the rift between Makarios and Grivas will allow the extremists to intimidate the moderate leadership into more intransigent positions on questions regarding the settlement still to be resolved. The extremists have a potential leader on Cyprus in the person of Bishop Kyprianos of Kyrenia, who has never accepted the settlement and still demands union of the island with Greece. A few fanatics, looking to Kyprianos and Grivas for leadership, could cause a dangerous revival of intercommunal tension by isolated acts of terrorism.

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Bonn Foreign Minister to Press for Pacts with Poland
And Czechoslovakia

[West German Foreign Minister Brentano has not abandoned his proposal for nonaggression pacts with Poland and Czechoslovakia despite its rejection by Chancellor Adenauer and the cabinet on 22 July. Brentano and the Foreign Ministry are seeking to disarm public criticism of West Germany's inflexibility at Geneva, and are evidently behind the press agitation for a more positive West German policy on Eastern Europe.]

[The idea of offering nonaggression pacts in these countries has been under discussion by Bonn officials for over two years. Early last February, serious high-level consideration was given to a plan for concluding bilateral nonaggression pacts with the USSR, Poland, and possibly Czechoslovakia in order to stimulate public support for a strong Western stand on Berlin and to counter Soviet charges that West Germany seeks to employ force to recover its lost territories.]

[Adenauer, however, supported by a majority of government leaders and refugee-expellee groups, has opposed the proposal as a one-sided concession to gain nebulous objectives at the cost of arousing Allied suspicions of West German motives. In order to fend off criticism that he is obstructing rapprochement with Germany's eastern neighbors, the chancellor has allowed press leaks to the effect that the proposal, although undesirable at this time, remains a possible future move by West Germany.]

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London's Inaction May Lead to Further Unrest in Central Africa

[The special Devlin Commission's criticisms of the British Government's handling of last winter's disturbances in Nyasaland are likely to bolster the African nationalist movement there, led by the imprisoned Dr. Hastings Banda. The American consul general in Salisbury believes that the far-reaching charges of government overstatement and misrepresentation concerning the African "massacre plot" will substantially enhance the general feeling of unrest and uncertainty already plaguing the Federation of Rhodesia and Nyasaland. The extent to which unrest increases largely depends upon whether any corrective action is taken toward Banda, who still appears unchallenged as leader of the Nyasaland nationalists.]

[The highly charged political atmosphere in Britain inhibits the Macmillan government from taking such action. The American Embassy in London believes that any major British initiative, such as negotiation with the nationalist leadership, is effectively precluded until after the general elections anticipated in October. Although failure to act leaves the government vulnerable to Labor party charges of maintaining the "police state" conditions which the commission cited, the Conservatives evidently prefer not to risk their slim popular lead by seeming to acknowledge the correctness of the Labor party's charges. Despite the normally limited electoral appeal of colonial questions, the Labor party's failure to win popularity with its economic or foreign policy programs makes it especially eager to exploit this issue.]

[British partisan differences over African policy have further threatened the prospects for Nyasaland and the federation by the clash two weeks ago over preparations for the review of the federation's constitution expected next year.]

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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****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****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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