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17 August 1959

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CENTRAL

INTELLIGENCE

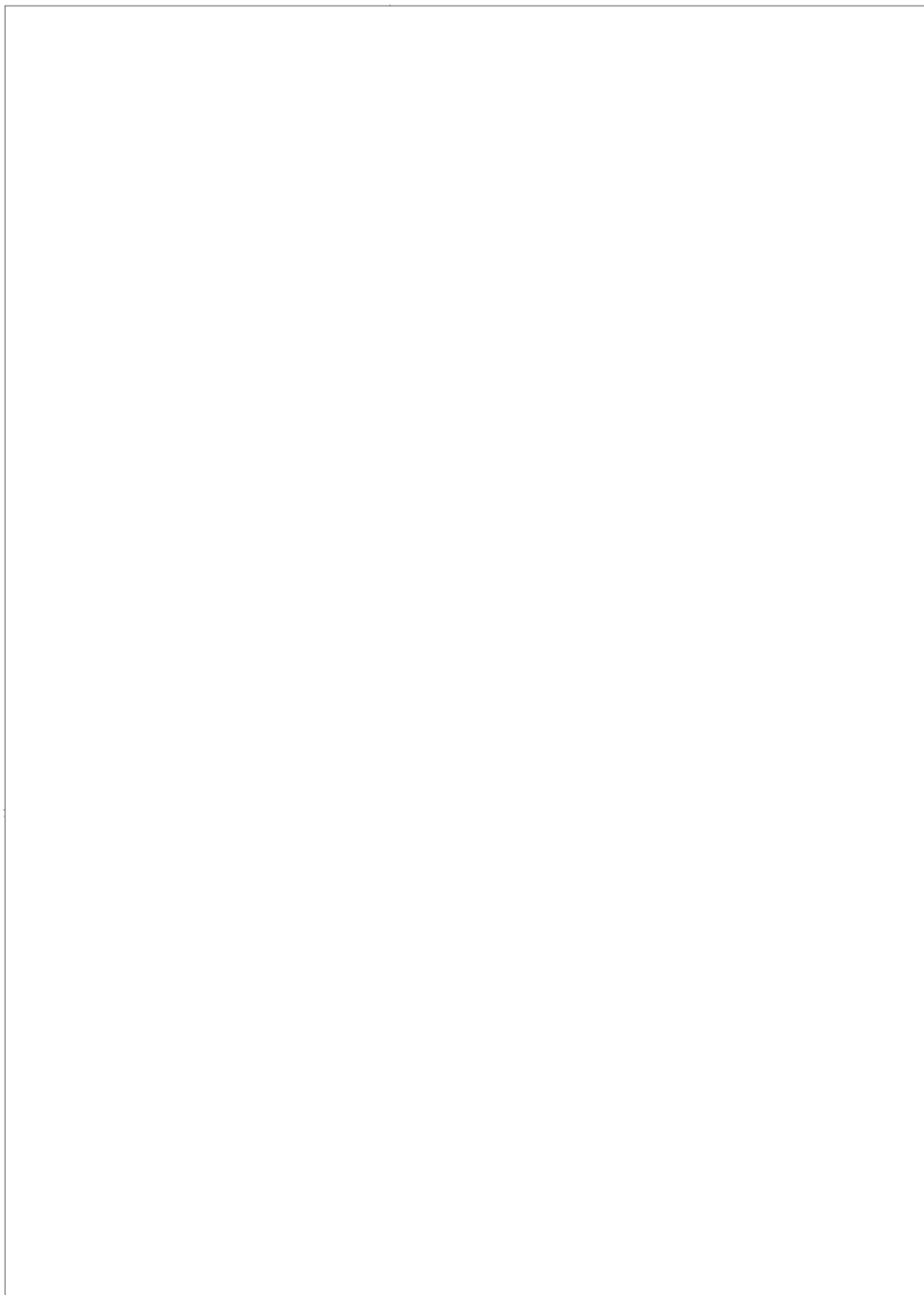
BULLETIN



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17 AUGUST 1959

I. THE COMMUNIST BLOC

Bulgarian leaders apprehensive about Eisenhower-Khrushchev talks.

Peiping continues to hold reservations that the exchange will lead to an easing of international tensions.

II. ASIA-AFRICA

Situation in northeastern Laos continues relatively calm.

Burma--Ne Win sends personal letter to Chou En-lai protesting insulting manner of Peiping's charge in handling defector case.

Iraqi anti-Communists discouraged by Qasim's support for Colonel Mahdawi, head of peoples court.

Crisis may be brewing in Gulf of Aqaba as result of Ceylon's purchase of two Israeli frigates.

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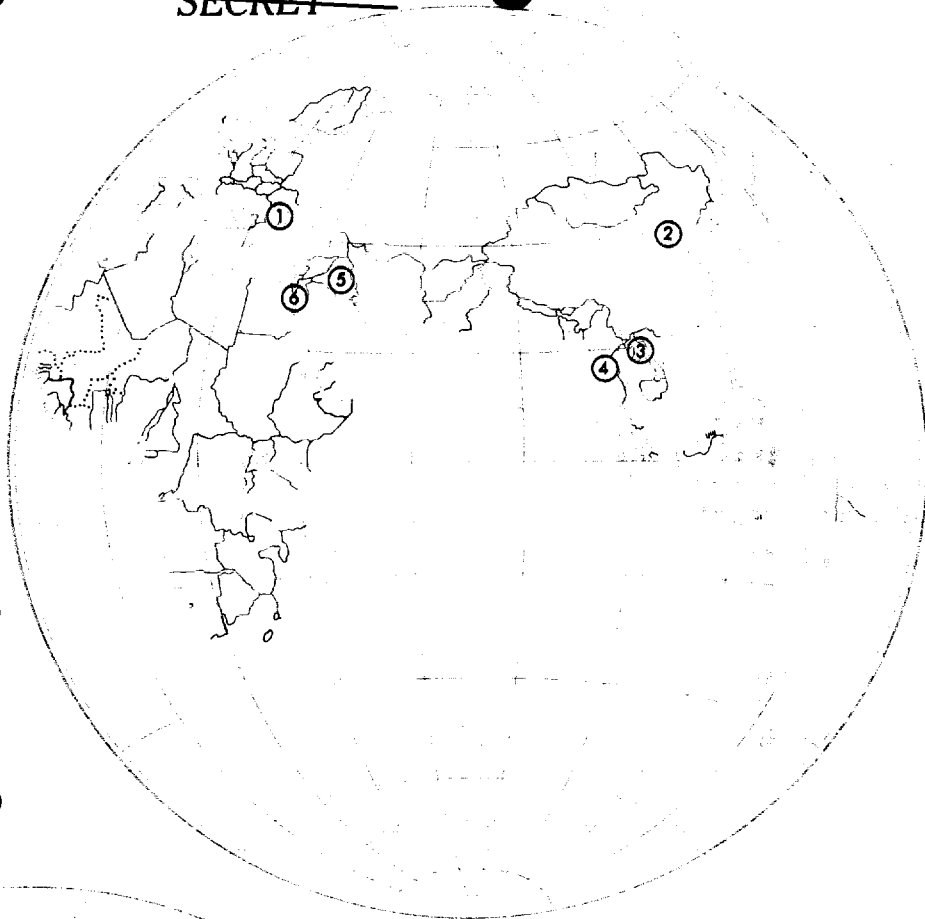
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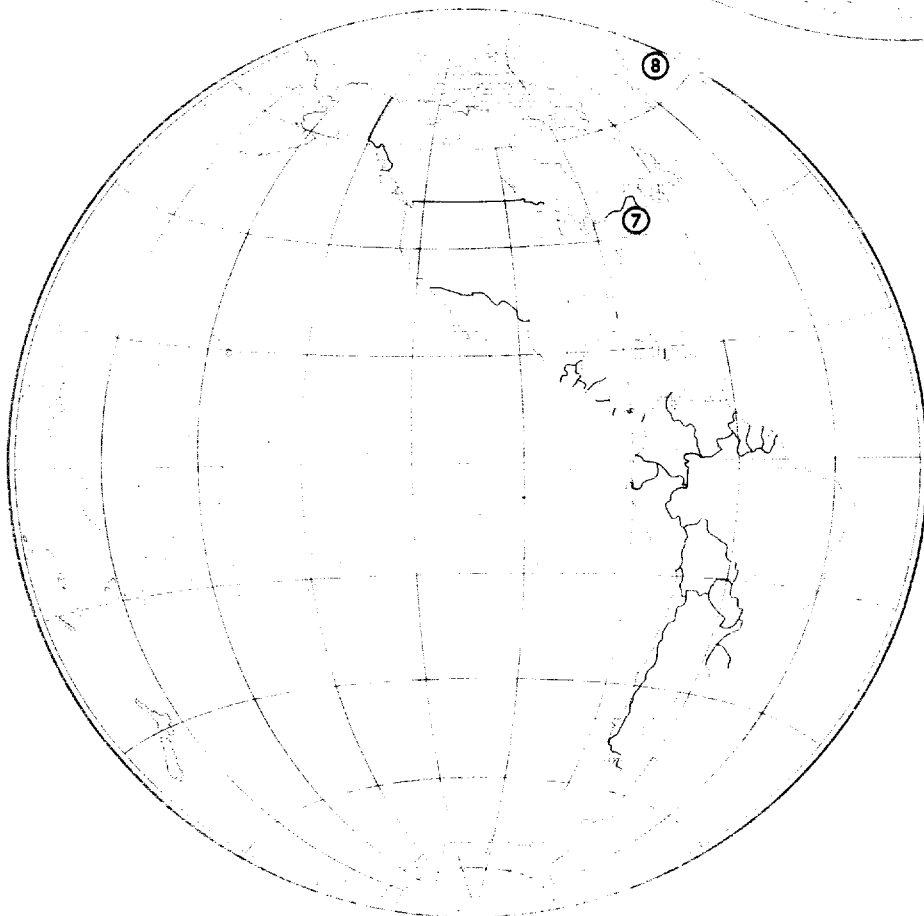
III. THE WEST

⑦ UN Secretariat officials promoting Czech delegate Nosek as chairman of the special political committee at upcoming General Assembly.

⑧ Iceland--Pro-NATO Conservatives and Social Democrats will probably win combined majority in fall elections.

⑧

⑦



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CENTRAL INTELLIGENCE BULLETIN

17 August 1959

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

Bulgaria: [The Communist leadership reportedly is apprehensive about the upcoming talks between President Eisenhower and Soviet Premier Khrushchev. They fear that any detente between the US and the USSR would affect the internal policies and the stability of the hard-line Bulgarian leadership. Stalinist elements in the other East European satellites may also harbor similar fears.] [redacted]

OK

[redacted] (Page 1)

Communist China: Peiping has publicly endorsed the Eisenhower-Khrushchev exchange of visits as a victory for Soviet diplomacy but continues to hold reservations about the exchange leading to any real easing of international tensions. Foreign Minister Chen Yi on 15 August questioned US sincerity and pointed to American "diehard" attitudes on Berlin, Taiwan, Laos, and other issues. Citing the need to be wary about "American gestures in favor of relaxation," Chen reaffirmed the importance of heightened vigilance and "unremitting struggle" to defeat the Western policy of "war and aggression."

OK

[redacted] (Page 2)

II. ASIA-AFRICA

Laos: The situation in the northeast continues relatively calm. Army units are reported starting offensive operations against Communist salients in Sam Neua and Phong Saly provinces, and several antigovernment incidents in Luang Prabang Province have been reported. [redacted]

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[redacted] the return to Hanoi in late July of eight North Vietnamese diplomats from bloc countries, possibly for briefings on the Laotian situation.

[redacted] (Page 3) (Map)

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~~TOP SECRET~~ [redacted]

Burma - Communist China: [redacted]

[redacted]

NO

[redacted]

NO

[redacted]

Iraq: Anti-Communist elements have been discouraged by Prime Minister Qasim's strong expression of support for Colonel Mahdawi, chief of the notorious people's court. [Mahdawi was defied by witnesses at the trial on 12 August of Brigadier Tabaqchali, ex-commander of the Second Division, and this development had led anti-Communists to hope that Mahdawi's star had fallen.] Qasim, however, has not only supported Mahdawi but has warned of new plots being hatched by "ambitious men"--implying Nasir and other UAR leaders. The consequent heartening of pro-Communists and the bitterness of their disappointed opponents may lead to new outbreaks of violence between the two groups.

NO

[redacted] (Page 5)

Gulf of Aqaba: A new crisis over use of the Gulf of Aqaba might possibly arise from Ceylon's purchase of two Israeli frigates stationed at Eilat at the head of the gulf. Although both the UAR and Saudi Arabia have in effect ignored Israeli use of the gulf since the 1956 Suez war, they have brought Ceylon to abandon a proposal to carry on sea trials of the frigates in the gulf. A Ceylonese ship carrying crews for the frigates has delayed at Aden. If the dispute should receive publicity, the UAR might feel obliged to make some demonstration in support of its position. The Israeli foreign minister recently said that Israel would react in a "matter of minutes" to any UAR attempt to interfere with free use of the gulf.

NO

[redacted]

[redacted]

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DAILY BRIEF

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~~TOP SECRET~~ [redacted]

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III. THE WEST

NO UN: Secretariat officials are promoting the candidacy of Czech UN delegate Jiri Nosek for chairman of the special political committee at this General Assembly in anticipation of his being awarded the presidency of next year's assembly. They consider the past practice of relegating Soviet-bloc candidates to lesser committee chairmanships as inappropriate, especially in view of the present "relaxed" political atmosphere. Soviet spokesmen told a UN official that they would be willing to forego Nosek's election as committee chairman this year in exchange for the presidency next year. Hammarskjold has indicated his preference for an Eastern European as president in 1960.
(Page 7)

OK Iceland: Adoption of the constituency-reform law will probably enable the pro-NATO Conservatives and Social Democrats to win a combined majority in the elections scheduled for 25 and 26 October. The Communist-front Labor Alliance, however, is expected to pick up enough seats from the weakened rural Progressives to put the Communists in a strong position to demand representation in the next government. (Page 8)

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DAILY BRIEF

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I. THE COMMUNIST BLOC

Bulgarian Leadership "Dismayed" over Eisenhower-Khrushchev Meeting [REDACTED]

[Khrushchev's discussions with Vice President Nixon and his announced plans to visit the United States have caused "dismay" and "apprehension" among the Bulgarian leaders,

[REDACTED] This is the first evidence that hard-line Bulgarian leaders, many of whom reportedly have never become completely reconciled to Khrushchev and his relatively moderate policies, would disapprove of any "rap-prochement" with the US.]

[REDACTED] if Khrushchev's current policy of "detente" with the US is not successfully challenged by those members of the Soviet hierarchy who favor a harder line, and if the Khrushchev-Eisenhower talks result in an apparent easing of international tension, the present leadership in Sofia cannot continue in power.]

[These views may also mirror the fear of Stalinist elements in the other satellites, who probably believe that an "international detente" would affect the internal policies and stability of East European Communist parties.]

[While it is unlikely that Bulgaria's leaders will be replaced, there may be a heightening of party tensions which could break into the open during a series of five central committee plenums scheduled for October 1959 to February 1960.) [REDACTED]

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Peiping Calls for Caution in Assessing US Efforts
To Ease Tension

Peiping has officially endorsed the Eisenhower-Khrushchev visits but is pessimistic that they will lead to a real relaxation of international tension. In a speech which contrasts with the tone of recent bloc commentaries, Communist China's Foreign Minister Chen Yi on 15 August condemned the United States for "stubbornly clinging to its policy of aggression" and called for wariness about American "gestures" on relaxation.

Speaking at a North Korean Liberation Day celebration, Chen said the visits--a "victory" for Soviet diplomacy--are supported by the government and people of Communist China. He pointed out that although the US has been "compelled" to accept the visits, "it persists in a diehard attitude" toward the German problems and prohibition of nuclear weapons. The foreign minister accused the US of "aggression, expansion, and cold-war policy" in Far Eastern areas, such as Taiwan and Laos. "In view of these facts," Chen said, "one has reason to be wary about American gestures in favor of relaxation."

Commentary from other bloc countries also has hailed the exchange as a Soviet victory and indicated that relaxation would depend on US actions. The general tone, however, has been more optimistic than Chen's. One recent Moscow broadcast stated, "Just the report of the forthcoming visits immediately led to an obvious improvement in the international climate." Chen's call for heightened vigilance and "unremitting struggle" to defeat Western "aggression" has not been noted in any other bloc commentary since the visits were announced.

[REDACTED]

[REDACTED]

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II. ASIA-AFRICA

Situation in Laos

The relative calm in northeastern Laos continues. The government is taking some steps to reassure the inhabitants of Sam Neua Province with propaganda and rice shipments, but Communist subversive elements are considered well entrenched there and in a good position to exert heavy influence on the local population. Laotian Army units are starting operations against Communist salients in Sam Neua and Phong Saly provinces, using hit-and-run tactics at first.

The government meanwhile is shifting part of the recently integrated former Communist Pathet Lao battalion southward from its present encampment in Luang Prabang Province, following the escape of 114 men of the battalion on 11 August. According to a press report on 15 August, there have been several recent antigovernment incidents in Luang Prabang Province.

[Between 26 July and 3 August, three rifle regiments of the North Vietnamese 325th Division, normally located in the Dong Hoi area near the demarcation line, moved into the area immediately north of the demilitarized zone, and between 3 and 8 August two of these regiments moved toward the Laotian border.]

[This corps was subsequently put on an alert status as a result of these alleged North Vietnamese troop movements.]

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[REDACTED] toward the Laotian border. Although neither of these reports has been confirmed, [REDACTED]

[REDACTED] camps in the Vinh area, where troops are normally seen, were nearly deserted on 1 and 2 August. [REDACTED]

North Vietnamese civil air facilities continued to schedule a relatively high number of flights between Hanoi and Dien Bien Phu through 15 August, [REDACTED]

Representatives of most of North Vietnam's diplomatic missions to bloc capitals left Peiping for Hanoi between 25 and 29 July [REDACTED]

[REDACTED] This recall, coincidental with the renewal of fighting in Laos, suggests that Hanoi did so in order to assure a uniform presentation of its position to its bloc partners. North Vietnam also has cabled the Indian ICC chairman demanding "emergency measures to curb growing US imperialist intervention," according to a Chinese Communist news service report from Hanoi on 16 August. The cable also protested "continued violations" of North Vietnamese air space by Laotian aircraft. [REDACTED]

~~SECRET~~ [REDACTED]

~~TOP SECRET~~ []Iraqi Anti-Communists Discouraged by Recent Qasim Statements

Anti-Communist elements in Baghdad have been depressed and pro-Communists heartened by Prime Minister Qasim's recent outspoken support for his cousin, Colonel Mahdawi, chief of the notorious "people's court." The anti-Communist nationalists had hoped that recent statements by Mahdawi indicating that the work of his court was coming to an end meant that this pro-Communist mouthpiece was falling from favor. [The open defiance of the court voiced on 12 August by officers who were witnesses and fellow-defendants at the trial of Brigadier Tabaqchali, former commander of the army's Second Division who was jailed following the Mosul uprising last March, had further encouraged the nationalists to think that Qasim was using this trial to discredit Mahdawi.] On 13 August, however, Qasim told a group of graduating reserve officers that he wished them to know he supported "every word" Mahdawi said. []

In his speech on 13 August, Qasim also warned that "ambitious men" (Nasir and other UAR leaders) and "greedy elements" (local pro-UAR groups) were again plotting, and that his "compassion" did not extend to ignoring this activity. []

In fact, [] the UAR has continued to try to develop cautiously its clandestine contacts with Baathists and others, although it has put a damper for the past several weeks on the Iraqi "government-in-exile" headed by Faiq Samarrai, former Iraqi ambassador to Cairo. []

[] UAR pamphlet material, limited in amount for security reasons, is being sent into Iraq weekly, and that financial assistance for certain dissident elements is being delayed for the time being, despite "urgent" requests for it.

Qasim's support for Mahdawi may originate not only out of concern over UAR activities, about which the Communists almost certainly inform him, but also out of personal irritation over Tabaqchali's popularity with other army officers. []

[] a group of officers at an officers' club, watching Tabaqchali's trial on television, began to clap for him and drink to his health, and that Qasim was annoyed when he heard of the incident. [] nationalist

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and pro-Qasim officers have lost confidence in the prime minister "and are calling him mad."

Disappointment among these and other anti-Communist elements over the turn of events, combined with renewed confidence on the part of the pro-Communists, may lead to new incidents of violence. [redacted] the Communists had again begun to try to obstruct nationalist efforts, were openly circulating petitions, and had intensified surveillance of the movements of UAR Embassy personnel. Their activities in one section of Baghdad had led to a fight on 13 August which finally enabled the nationalists to gain control of the district. So far, however, the heightened tempo of Communist activity appears to be confined to the Baghdad area, and administrative measures harassing the Communists in other areas of Iraq are still being carried out. The American Embassy comments that Qasim's desire to grant every political grouping the same treatment "is growing to seeming fanaticism." [redacted]

[redacted]

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III. THE WEST

UN Officials Promoting Soviet-bloc Candidate For High UN Elective Office

[High-ranking officials in the UN Secretariat believe the Soviet bloc should be granted a high elective office at the General Assembly session opening on 15 September. The UN official in charge of assembly affairs told the American delegation he considers such action a "matter of equity" and asked why the Soviet-bloc candidate "should always take what is left." He added that relegation of bloc delegates to lesser committee chairmanships looks inappropriate, especially since parity was granted to the USSR in the ten-nation disarmament group proposed by the foreign ministers at the Geneva Conference. He said that many UN members share these views.]

[UN officials are promoting the candidacy of Czech UN delegate Jiri Nosek for chairman of the special political committee this year, in anticipation of his being awarded the presidency of the General Assembly in 1960. To further this campaign, Czechoslovakia on 13 August requested the assembly to discuss the question of equitable geographical rotation in the election of future presidents. A Soviet spokesman told a UN official the USSR was willing to forego Nosek's chairmanship this year with the understanding he would be elected president next year.]

[UN Secretary General Hammarskjold has indicated his preference for an Eastern European for the position, which goes to Europe next year.]

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~Icelandic Parliament Grants Final Approval to Constituency-
Reform Bill

Adoption of Iceland's controversial constituency-reform law by a tactical alliance of Conservatives, Communists, and Social Democrats will result in a marked redistribution of power in Parliament. The move enhances the prospects that the Conservative and Social Democratic parties will emerge with a combined majority in the mandatory second general elections, to be held on 25 and 26 October.

Since no single party appears likely to obtain a clear majority, the composition of the future government remains in doubt. The most likely result appears to be a coalition composed of the pro-NATO Conservative and Social Democratic parties, but the Communist-dominated Labor Alliance is certain to demand representation.

While the Communists suffered a setback in the June elections and were unable to arouse voter interest over the issue of US bases in Iceland, their powerful position in the trade union movement gives them a strong bargaining point. Inclusion of the Communists might prove attractive to some Conservative politicians as a means of buying labor peace. The Conservative party leadership, however, insists that cooperation with the Communists is confined to the constituency-reform issue and that no understanding exists with regard to postelection cooperation.

Much depends on the attitude of the small Social Democratic party, which seems likely to emerge in a pivotal position as a result of the elections. The Social Democrats will be under pressure from both the Progressives and the Labor Alliance to join forces to prevent Conservative control of the government.

The Soviet Union has sought to bolster the Labor Alliance's electoral appeal by agreeing to purchase large additional quantities of fish from Iceland. The Icelandic Communist press credits the USSR with "bailing Iceland out" of the difficult economic situation resulting from this year's unusually large catch.

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The Director

Atomic Energy Commission

The Chairman

National Security Agency

The Director

National Indications Center

The Director

United States Information Agency

The Director

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