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CENTRAL INTELLIGENCE BULLETIN

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18 August 1959

DAILY BRIEF

I. THE COMMUNIST BLOC

II. ASIA-AFRICA

Laos:

SIRAB

the insurgents in Laos are receiving logistical aid and direction from North Vietnam.

 $\mathbb{N}^{\mathcal{V}}$ evidence of direct North Vietnamese participation in Laos in the current situation. (Page 1) (Map)

<u>Thailand - North Vietnam</u>: Thai and North Vietnamese Red Cross representatives have reached agreement in Rangoon on the repatriation of some of the 40,000 to 50,000 Vietnamese refugees in northeast Thailand. Implementation will require the presence for an extended period of a North Vietnamese Red Cross mission in Bangkok. The Thai Government's willingness to accept such a mission underscores its concern to effect a solution to the internal security problem posed by the refugees' presence in the frontier provinces adjoining Laos. Despite the mission's administrative nature, Hanoi probably will attempt to magnify its importance in accordance with North Vietnam's policy of increasing contacts with nonbloc nations. (CONFIDENTIAL) (Page 3)

*Yemen: UAR officials in Yemen feel that Crown Prince Badr's position is extremely weak,

 N^0 cials and undoing the reforms and plans Badr had attempted to initiate during his absence. The Imam's attitude toward the work of the Egyptian experts and military mission has not

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clarified, although there are rumors that the mission will be sent home. A number of Yemeni supporters of close relations between the UAR and Yemen are reported to have fled the country

presumably a coup attempt against the Imam--had been set for 18 August. Previous coup attempts have not materialized.

111. THE WEST

<u>Cyprus:</u> The Greek Government has reportedly learned that followers of former EOKA leader Grivas are planning to smuggle arms into Cyprus, but it fears unfavorable foreign and domestic reaction to any official disclosures. The government is trying to publicize Grivas' connection with these smuggling plans by means of "unconfirmed" Athens press reports.] The weapons reportedly are for the Cyprus Enosis Front (KEM), the new underground organization which has called for union of Cyprus with Greece and has warned Archbishop Makarios not to deviate from a "nationalist" line. Makarios has denounced the founders of KEM as "criminals and traitors." (Page 4)

Cuba-USSR: Khrushchev has been invited to visit Havana. The invitation was extended in a cable sent him on 7 August by the pro - Fidel Castro Cuban newspaper Diario Libre. The visit to "revolutionary Cuba" would be an extension of his US trip.

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 \checkmark I. THE COMMUNIST BLOC

II. ASIA-AFRICA

Situation in Laos

The first firm evidence reflecting active North Vietnamese participation in Laos

equipping of "friendly soldiers" with medium machine guns and 60-mm. mortars. some North Vietnamese officers are

involved in operations in Laos.

North Vietnamese aircraft continue to schedule an unusually high number of flights for Dien Bien Phu,

Apparently the planes are active continuously during the day, ceasing operations only at night.

about five tons of unidentified material was to be flown to Dien Bien Phu on 16 August. Na San appears to be a forward supply depot from which equipment is being flown to Dien Bien Phu, where it would be available for distribution to the Laotian insurgents.

The Laotian Army on 14 August reportedly located and attacked the band of 114 soldiers of the integrated former Communist Pathet Lao battalion who had escaped from their encampment near Luang Prabang. Thirty were killed and the rest dispersed into the brush. The remainder of the battalion apparently is being moved by barge down the Mekong to southern Laos. Its eventual disposition has not been determined, and the unit will probably continue to pose a security problem.

An army post in Xieng Khouang Province reportedly was attacked and occupied on 8 August by 100 well-armed troops of the Pathet Lao battalion which rebelled in May and has since been located in North Vietnam opposite Xieng Khouang. Another report, as yet unconfirmed, states that by 12 August, 300 North Vietnamese soldiers had infiltrated the Pak Seng region about 40 miles northeast of the royal capital of Luang Prabang. Other skirmishes are reported in Sam Neua Province.

In Vientiane the army on 13 August seized arms and 1,000 rounds of ammunition in a house occupied by Communist-front members. The arms had allegedly been brought into Vientiane by truck on 22 July, about the time the fighting in northeastern Laos broke out. Existence of an arms cache in Vientiane, where security is presumably tightest and risk

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of disclosure greatest, suggests that arms have been shipped to other urban areas in preparation for terrorist activities.

(The lack of firm information on the military situation is illustrated by the extreme range between a British estimate that there are only 250 enemy troops actively engaged in the fighting, and the Laotian field commander's claim that there are 2,400. The Laotian Government has admitted some exaggeration of the size of the enemy force during the first days of the fighting and is now attempting to restore popular confidence.)

However, the degree of North Vietnamese involvement--as revealed by communications intelligence--and the bloc exploitation of this issue in international propaganda indicate that the disturbance is of considerably more significance than mere uncoordinated outbreaks of violence by disaffected elements of the local population.

On 17 August the Soviet Foreign Ministry issued a statement on Laos which contrasts substantially in tone with a similar statement by the Chinese Communist Foreign Ministry spokesman on 12 August. The relatively mild Soviet statement expresses the hope of reconvening the Laotian ICC and blames the crisis on the Phoui Sananikone government, whereas the Chinese Foreign Ministry alleged that tension in Laos was "engineered from the start by the United States."

Hanoi stated on 16 August that "vast areas" of Laos had been "liberated" by the insurgents. Quoting an 11 August edition of a newspaper allegedly published by a Communist-front group within Laos, Hanoi stated that a large part of Sam Neua Province, as well as areas in Phong Saly, Luang Prabang, and Khammouane provinces were in rebel hands. The North Vietnamese radio spokesman said the insurgents had acted in self-defense and had fought off 40 attacks by government troops. The use of the term "liberated" by Hanoi suggests that North Vietnam expects the insurgents to hold the territory they have taken thus far.



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Thai and North Vietnamese Red Cross Representatives Agree On Refugee Repatriation

Thai and North Vietnamese Red Cross representatives who have been negotiating in Rangoon since late June have signed an agreement providing for repatriation, beginning in January 1960, of those Vietnamese refugees in northeast Thailand who wish to go to North Vietnam. Transportation will be by ship, and the costs reportedly will be shared by Thailand and North Vietnam. It is not yet clear how many of the 40,000 to 50,000 refugees will actually accept repatriation; an estimated 90 percent of them favor North Vietnam.

The repatriation agreement provides for the dispatch of two North Vietnamese Red Cross "advisers" to Bangkok to "assist" the Thai Red Cross in the execution of the accord. Thailand chose such wording to emphasize the nongovernmental nature of the agreement and of the bodies responsible for its implementation, but the acceptance of even unofficial Hanoi representatives underscored Bangkok's anxiety to rid itself of an unwanted minority group which it sees as a serious internal security threat in Thailand's strategic frontier provinces adjoining Laos.

North Vietnam is reported to have been "slightly taken aback" by claims that the majority of the refugees would choose to be repatriated to the north. Hanoi is, however, publicly comitted to taking back all who wish to return and probably feels the propaganda potential of such a majority choice may compensate for loss of a possible fifth column.

Despite the administrative nature of the proposed mission in Bangkok, Hanoi will probably attempt to magnify its importance in accordance with North Vietnam's policy of increasing contacts with nonbloc nations. The Communists may also seek to retard implementation of the repatriation agreement in an effort to prolong the mission's stay in Thailand.





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III. THE WEST

Arms Shipments to Cyprus

[Plans for secretly shipping small arms and automatic weapons to Cyprus from Greece reportedly have been uncovered by agents of the Greek Government. The arms apparently are for the fanatical faction of Greek Cypriot nationalists which has threatened to renew violence if necessary to achieve enosis-union of the island with Greece.]

The Greek Government, moving cautiously because of possible adverse domestic and foreign reactions, is apparently resorting to "unconfirmed" leaks to the Athens press as a means of revealing ex-EOKA leader George Grivas' connection with the project. The Greek Central Intelligence director and the Athens police chief, who have joint responsibility for coordinating operations against arms smuggling, have penetrated Grivas' inner circle and learned the whereabouts of arms and the planned shipment dates.

Revelation of the plot to smuggle arms to Cyprus follows last week's appearance in Nicosia of leaflets announcing formation of the Cyprus Enosis Front (KEM), a secret organization dedicated to securing enosis. KEM's announced intention of opposing Greek Cypriot leader Archbishop Makarios unless he follows a "nationalist" line brought forth a bitter reaction from him. In a speech on 15 August, Makarios denounced the "criminals and traitors" who plot against the peace and chided KEM for failing to promote its program openly instead of through anonymous leaflets.

Demonstrations on Cyprus continue to indicate widespread support for Makarios in his conflict with the extremists. The Greek-language press, while continuing to express optimism that the rift between Makarios and Grivas will be closed, are unanimously behind the archbishop.

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Special Assistant for Security Operations Coordination Board of Consultants on Foreign Intelligence Activities Special Assistant for Foreign Economic Policy Executive Secretary, National Security Council

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The Secretary of State

The Under Secretary of State

The Under Secretary of State for Economic Affairs

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The Deputy Under Secretary for Administration

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